SUSTAINING GROWTH

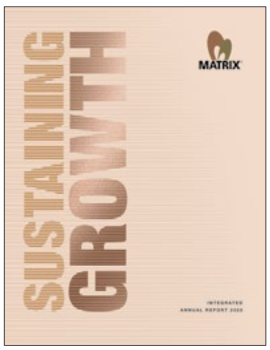
MATRIX®

INTEGRATED
ANNUAL REPORT 2020

MATRIX CONCEPTS HOLDINGS BERHAD

2020 ANNUAL REPORT

CONTENTS



COVER RATIONALE

SUSTAINING GROWTH. CREATING VALUE

Matrix Concepts Holdings Berhad sustaining growth and creating value amidst a challenging environment, while building innovative developments and creating sustainable communities. The Company's holistic achievement is sustaining long term growth for its shareholders as well as building value proposition.

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.

OUR BUSINESS & OPERATING LANDSCAPE

SUSTAINABILITY

OUR GOVERNANCE

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

AGM NOTICE & INFORMATION

MATRIX®

23rd Annual General Meeting

Entirely virtual at Broadcast Venue via Remote Participation and Voting Facilities

Broadcast Venue :
Wisma Matrix, 2nd Floor,
No. 57, Jalan Tun Dr. Ismail,
70200 Seremban, Negeri Sembilan

Date : 30 September 2020

Time : 10.00 a.m.

To contact us, please refer to Corporate Information on page 6 of this Annual Report.

The Financial Statements are available on page 112 to page 215 of this Annual Report.

This Annual Report is available on the website at www.mchb.com.my

Scan the QR Code to download this Annual Report.

ABOUT THIS ANNUAL REPORT

INTRODUCTION

In its second year of Integrated Reporting ("<IR>"), Matrix Concepts Holdings Berhad ("Matrix" or "the Group") has looked to strengthen its report disclosure in providing a more comprehensive narrative of its progressive efforts in creating stakeholder value during financial year ended 31 March 2020 ("FY2020").

The preparation of this FY2020 Annual Report ("Annual Report") is guided by the principles based <IR> framework prescribed by the International Integrated Reporting Council ("IIRC"). In essence, beyond FY2020's financial performance, Matrix looks to provide meaningful information on the following:

Capitals	Resources used or consumed in the execution of the Group's business model, business strategies and business operations.
Guiding Principles	Key <IR> concepts that include but are not limited to the following: • Strategic focus and future orientation • Connectivity of Information • Conciseness • Reliability and completeness • Consistency and comparability • Materiality • Stakeholder relationships
Content Elements	Essential <IR> related disclosure that provides the following: • Organisational overview and external environment • Governance • Business model • Risks and opportunities • Strategy and resource allocation • Performance • Outlook • Basis of preparation and presentation • General reporting guidance

It is Management's view that providing disclosure on the aforementioned will enable readers, especially investors and shareholders to gain a more complete understanding of Matrix's ability to create value, its business model and value chain, financial and non-financial values created, its resource dependencies as well as risks and future prospects.

REPORTING FRAMEWORKS

Other regulatory frameworks or guiding principles adhered to include the following:

- The Companies Act 2016 ("Act")
- Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad
- Malaysian Code on Corporate Governance 2017 ("MCCG 2017")
- Bursa Malaysia Sustainability Reporting Guide – Second Edition
- Malaysian Financial Reporting Standards ("MFRS")
- International Financial Reporting Standards ("IFRS")

REPORTING SCOPE

This Annual Report focuses on materials matters, that have or may have a significant influence on Matrix's ability to create value across the short, medium and long-term horizons. Unless otherwise indicated, the content for this Annual Report reflects data and activities of the Group from 1 April 2019 to 31 March 2020.

READING THIS REPORT

As an integrated publication, this FY2020 Integrated Annual Report frequently makes references to external data or "content to content" within the Annual Report. Navigation of this Annual Report is guided by the following:

Tells you where you can find more information online at:- www.mchb.com.my

Tells you which related pages for more information.

RELATED 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: www.mchb.com.my. Sustainability related information is also available in our website as stated.

The Group's corporate governance policies including Board Charter, Board Committee's Terms of Reference and others as described below can also be viewed at our website: www.mchb.com.my:

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

ABOUT THIS ANNUAL REPORT

MATERIALITY APPROACH

Materiality is an important foundation of <IR>. It provides a clear analysis of matters that could substantively affect our organisation's ability to create value in the short, medium and long term, providing the information needed for Management's strategic execution. It also ensures that different stakeholders' information needs are taken into account in the preparation of this Annual Report.

In determining Matrix's material matters, we are guided by the 6 capitals outlined in IIRC's value creation model, which are:

1 Financial Capital

Our Financial Capital comprises our equity, assets, and operating revenue generated and deployed in our value creation activities

2 Manufactured Capital

Our Manufactured Capital refers to our physical assets such as machinery, inventory of homes, constructed buildings, recreation club, hotels and our IBS factory

3 Intellectual Capital

Our Intellectual Capital comprises our business model and supporting strategies, business processes and systems, the expertise and experience of management and staff and brand equity

4 Human Capital

Our Human Capital are our employees, consisting of competent professionals with various skill sets to perform the critical functions of our diverse business operations

5 Social Capital

Our Social Capital refers to the relationships with our stakeholders whom we have built with our strategic partners, authorities, supply chain, investors and the community

6 Natural Capital

Our Natural Capital consists of energy and water consumption, our landbank, and raw materials used in construction and day-to-day operations. This also includes emissions and waste products produced

For more information on Our Capitals, please refer to Page 60.
For more information on Our Stakeholders, please refer to Page 71.

ABOUT
THIS ANNUAL REPORT

FORWARD LOOKING STATEMENTS

This Annual Report contains information on Matrix's strategic priorities, future plans and guidance or advisory on the Group's prospects, which were developed based on information and knowledge available to Management at a certain point in time.

Given the fluid operating environment and a wide range of external factors that are beyond Matrix's control, the actual operating scenario and results or outcomes achieved may vary. The recent Covid-19 pandemic is one example that illustrates how conditions may rapidly change.

As such, forward-looking statements are not conclusive. Actual plans and results may differ from those expressed in this Annual Report. Forward looking statements do not serve as guarantees of future operational or financial results or any other kind of outcome.

DISTRIBUTION & AVAILABILITY

A digital version of this Annual Report and past reports are available for download from our corporate website at: www.mchb.com.my as well as Bursa Securities Malaysia Berhad's website. Should a printed copy of this Annual Report is needed, please complete the Request Form available on our website and submit to us. A printed copy shall be mailed to you.

ASSURANCE

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

FEEDBACK/CONTACTS

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

Ms Carmen Loo/Mr Fadzli Suhaimi
Tel : +606-764 2688
Email : carmen@mchb.com.my
(Corporate Secretarial/Sustainability)
mohdfadzli@mchb.com.my
(Investor Relations)


Tiara Sendayan – 12-acre lake park

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.

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
- **DATO' LOGENDRAN A/L K NARAYANASAMY**
  Non-Independent
  Non-Executive Director
- **REZAL ZAIN BIN ABDUL RASHID**
  Senior Independent
  Non-Executive Director
- **DATO' FIRDAUS MUHAMMAD ROM BIN HARUN**
  Independent
  Non-Executive Director
- **DATO' (IR.) BATUMALAI A/L RAMASAMY**
  Independent
  Non-Executive Director
- **DATO' HON CHOON KIM**
  Independent
  Non-Executive Director
- **DATO' HAJAH KALSOM BINTI KHALID**
  Independent
  Non-Executive Director

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

COMPANY SECRETARY
- Carmen Loo Kah Boon
  (MAICSA 0784630)
  (SSM PC No. 201908001700)

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

STOCK EXCHANGE LISTING
- Bursa Malaysia Securities Berhad
- Main Market
- Property Sector

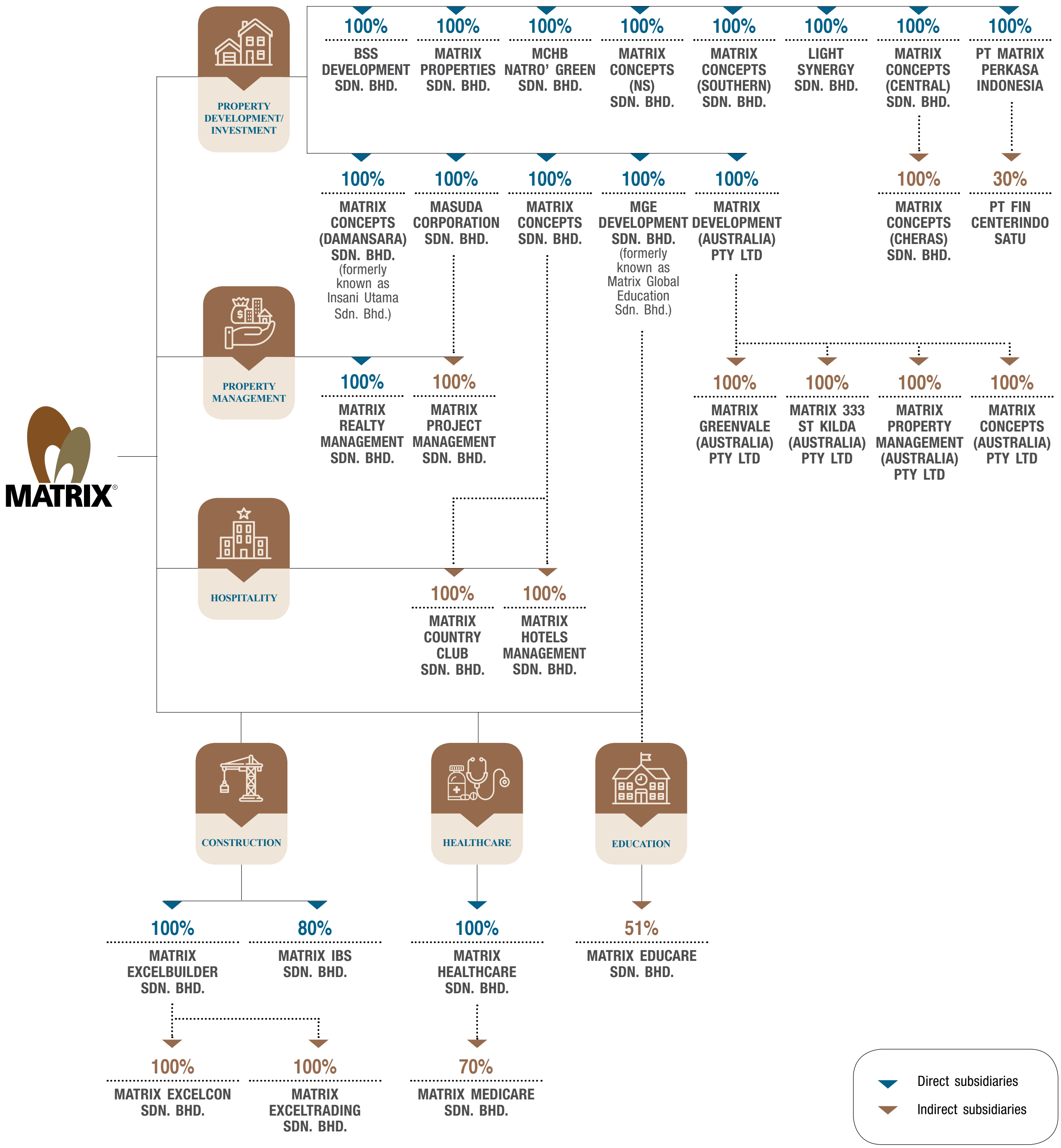
STOCK NAME AND CODE
- MATRIX (5236)

AUDITORS
- Crowe Malaysia PLT
  201906000005 (LLP0018817-LCA) & AF1018
  52, Jalan Kota Laksamana 2/15,
  Taman Kota Laksamana, Seksyen 2,
  75200 Melaka.
  Tel : +606-2825 995
  Fax : +606-2836 449

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

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

CORPORATE STRUCTURE



KEY CORPORATE 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 corporate milesotnes:-

1996

Incorporation of Matrix Concepts Holdings Berhad.

1997

Maiden project at Taman Bahau in Negeri Sembilan comprising 595 units of mixed residential and commercial development.

1999

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

2005

The first Joint-Venture flagship development at Bandar Seri Impian, Kluang, Johor followed by Bandar Sri Sendayan as the second flagship project.

2019

Joint Venture cum Shareholders Agreement entered into between Matrix Global Education Sdn Bhd (now known as MGE Development Sdn Bhd) and Bonanza Educare Sdn Bhd with a mutual objective to provide efficient operations and management of Matrix Global Schools based on an agreed business plan.

Joint Venture Agreement entered into between Matrix Concepts (Southern) Sdn Bhd and Koperasi Kemajuan Tanah Negeri Johor Berhad **("KKTNJB")** with a mutual objective and purpose of carrying out mixed development projects on part of the land owned by KKTNJB.

Completion of listing of a total of 70.0 million placement shares which were placed out in four (4) tranches in relation to the Private Placement.

Management Agreement entered into between Matrix Medicare Sdn Bhd ("MMSB") and Pusat Hemodialisis Mawar ("PHM") wherein MMSB was appointed as the exclusive service provider in respect of the management of PHM.

2018

Memorandum of Understanding entered into between the Company and PT Bangun Kosambi Sukses and PT Nikko Sekuritas Indonesia for the joint development of an Islamic Financial District in Pantai Indah Kapuk 2, Jakarta.

Joint Venture Agreement entered into between the Company and PT Bangun Kosambi Sukses and PT Nikko Sekuritas Indonesia to jointly venture into the construction and development of an Islamic Financial District in Indonesia.

Subsequent issuance of Islamic Medium Term Notes of RM100.0 million in nominal value under the Sukuk Wakalah Programme.

KEY CORPORATE MILESTONES

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

2013

2014

Completion of listing of Bonus Issue of 152,167,146 new ordinary shares of RM1.00 each in the Company, on the basis of one (1) bonus share for every two (2) existing shares in the Company.

2015

Completion of listing of 77,325,585 new ordinary shares of RM1.00 each in the Company on the basis of one (1) bonus share for every six (6) existing shares and 77,325,585 warrants in the Company on the basis of one (1) warrant for every six (6) existing shares on Main Market of Bursa Malaysia Securities Berhad.

2016

Launched its first oversea project, M.Carnegie Boutique Apartment in Melbourne, Australia.

2017

Education Joint Collaboration Agreement entered into between Matrix Global Education Sdn Bhd (now known as MGE Development Sdn Bhd) and Hengshui Yizhong Education Group Sdn Bhd for advancement of education for students from China.

Completion of listing of 147,778,258 new ordinary shares in the Company on the basis of one (1) bonus share for every four (4) existing shares in the Company and 12,872,798 additional Warrants arising from the adjustments made in relation to the Bonus Issue.

Maiden issuance of Sukuk Wakalah under the Sukuk Wakalah Programme, comprising RM50.0 million in nominal value of Islamic Commercial Papers and RM100.0 million in nominal value of Islamic Medium Term Notes.

Joint Venture Agreement cum Shareholders Agreement and Subscription Agreement entered into between the Company and Nissin Ex. Co, Ltd and Nihon House Corporation to jointly venture into the manufacturing of prefabricated building materials using the technology of Industrialised Building Systems.

GROUP CORPORATE PROFILE

ABOUT MATRIX

Matrix's principal business operations is Property Development and its related services. Together with other businesses comprising Construction, Education, Hospitality and Healthcare, which cumulatively are regarded as Matrix's five pillars of strength. This enables Matrix to derive operational synergies across its business model and value chain to enhance the value proposition of its townships and stand-alone property developments.

Reflecting its tagline of "*Nurturing Environments, Enriching Lives*", Matrix aspires to deliver sustainable, community living environments that meets property 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. Matrix has expanded its footprint into Indonesia and Australia.

OUR BUSINESS FOOTPRINT AND PRESENCE

GROUP CORPORATE PROFILE

PROPERTY DEVELOPMENT

- In Malaysia, we are within the top 10th Property developer based on Market Capitalisation as at 30 July 2020.
- 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, Matrix Excelcon Sdn Bhd 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

- 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.

HEALTHCARE

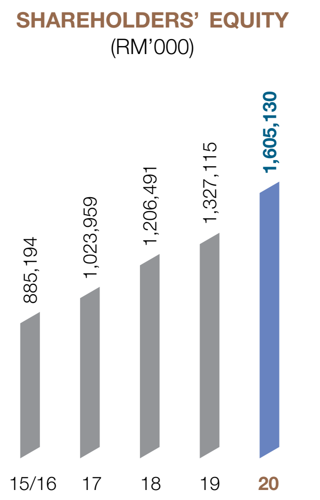
- Through its 30-year management agreement with Pusat Hemodialisis Mawar ("PHM"), Matrix has now penetrated into the healthcare sector. Matrix Medicare Sdn Bhd, the Group's subsidiary, manages PHM's non-clinical operations such as finance, administration and human resources.
- The partnership with PHM is a first step in realising the Group's long-held ambitions towards establishing a full-fledged medical centre, while tapping on the potential synergistic benefits of integrating its property development and healthcare businesses.

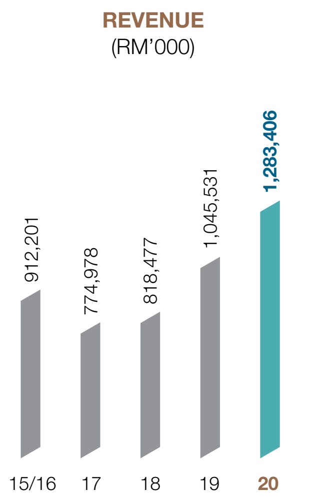
FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

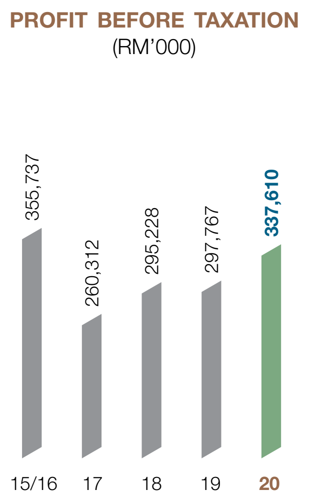
In RM'000	Audited 31 Mar 2020	Audited 31 Mar 2019	Audited 31 Mar 2018 (Restated)	Audited 31 Mar 2017	Audited 31 Mar 2016 (15 months period)
Revenue	**1,283,406**	1,045,531	818,477	774,978	912,201
Cost of sales	**(715,314)**	(523,314)	(350,990)	(339,181)	(361,608)
Operating expenses	**(238,256)**	(237,037)	(174,631)	(176,543)	(204,188)
Operating profit	**329,836**	285,180	292,856	259,254	346,405
Other income	**10,045**	15,883	7,470	8,567	13,204
Finance cost	**(2,145)**	(3,296)	(5,098)	(7,509)	(3,872)
Share of net results of joint venture	**(126)**	–	–	–	–
Profit before taxation	**337,610**	297,767	295,228	260,312	355,737
Taxation	**(103,157)**	(79,538)	(81,947)	(75,034)	(94,887)
Profit after taxation	**234,453**	218,229	213,281	185,278	260,850
Profit attributable to owners of the company	**237,386**	218,389	213,280	185,278	260,850
Shareholders' equity	**1,605,130**	1,327,115	1,206,491	1,023,959	885,194
Earnings per share (sen)*	**29.5**	29.0	32.0	28.7	37.0
Return on equity	**14.8%**	16.5%	17.7%	18.1%	29.5%

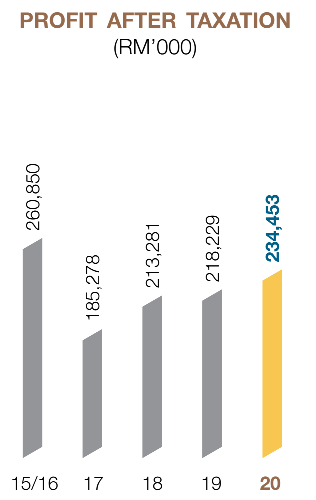
* The comparative basic earnings per share have been restated to take into account the effect of:-

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





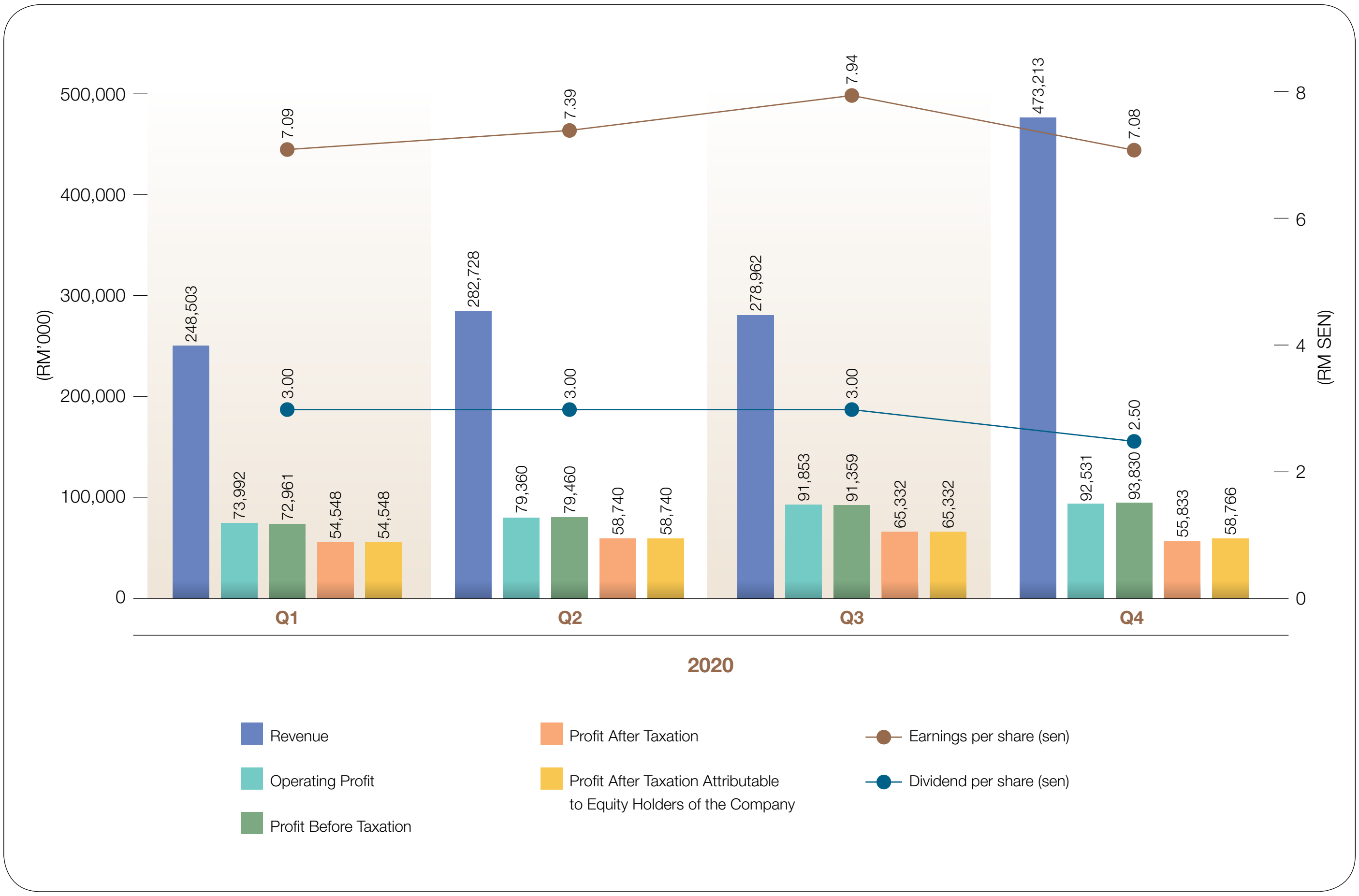




GROUP QUARTERLY PERFORMANCE

FOR FINANCIAL YEAR ENDED 31 MARCH 2020

	2020			
(RM'000)	Q1	Q2	Q3	Q4
Revenue	248,503	282,728	278,962	473,213
Operating Profit (Include Other Income)	73,992	79,360	91,853	94,676
Profit Before Taxation	72,961	79,460	91,359	93,830
Profit After Taxation	54,548	58,740	65,332	55,833
Profit After Taxation Attributable to Equity Holders of the Company	54,548	58,740	65,332	58,766
Earnings per share (sen)	7.09	7.39	7.94	7.08
Dividend per share (sen)	3.00	3.00	3.00	2.50

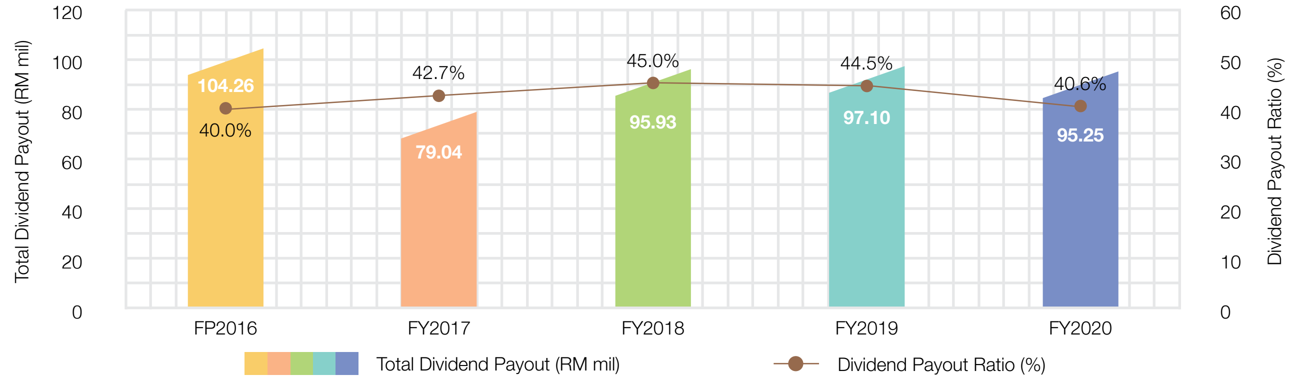


DIVIDEND HIGHLIGHTS

DIVIDEND PAYMENT PER ORDINARY SHARE FOR THE LAST 4 QUARTERS

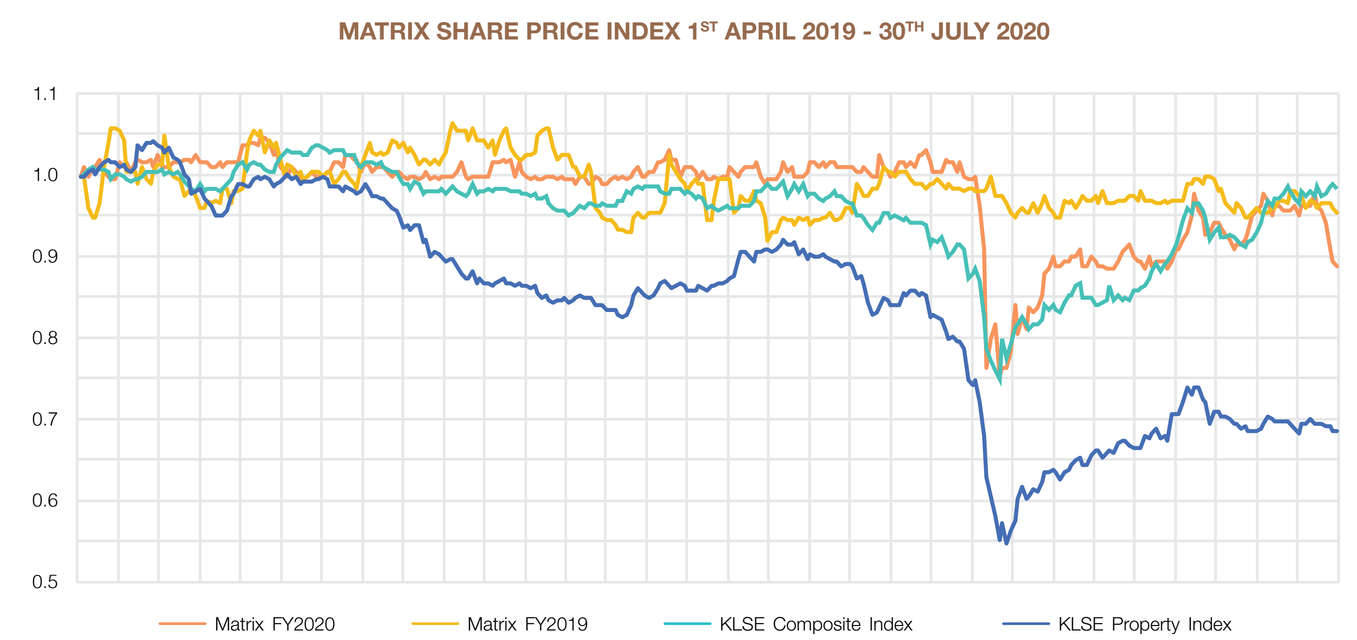
OCT 2019	JAN 2020	APR 2020	AUG 2020
3.00 SEN	3.00 SEN	3.00 SEN	2.50 SEN

SUMMARY OF DIVIDEND PAYOUT FOR FY2016 TO FY2020



Financial Year	Financial Peiod	Date of Payment	Type of Dividend	Net Dividend (sen)	Dividend Paid (RM mil)	Total Dividend Payout (RM mil)	Dividend Payout (%)
2020	4Q20	07-Aug-20	Interim Dividend	2.50	20.86	95.25	40.6%
	3Q20	15-Apr-20	Interim Dividend	3.00	25.03		
	2Q20	08-Jan-20	Interim Dividend	3.00	24.68		
	1Q20	09-Oct-19	Interim Dividend	3.00	24.68		
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	09-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	06-Oct-16	Interim Dividend	3.25	18.55		
2016 (15 months period)	5Q16	01-Jul-16	Interim Dividend	4.40	24.87	104.26	40.0%
	4Q16	08-Apr-16	Interim Dividend	3.75	21.15		
	3Q16	08-Jan-16	Interim Dividend	3.50	19.27		
	2Q16	09-Oct-15	Interim Dividend	3.50	19.26		
	1Q16	09-Jul-15	Interim Dividend	4.25	19.71		

SHARE PRICE PERFORMANCE



SUMMARY OF BENCHMARK INDEX MOVEMENT

	Matrix Share 1st April 2019 - 30th July 2020 (RM)	Matrix Share 1st April 2018 - 30th July 2019 (RM)	Variance (%)	KLSE Composite Index 1st April 2019 - 30th July 2020	KLSE Property Index 1st April 2019 - 30th July 2020
Opening	1.90	1.99	-4.5%	1,628.66	906.56
Closing	1.69	1.90	-11.1%	1,603.75	622.26
Movement	**-0.21**	**-0.09**		**-24.91**	**-284.30**
Average	1.86	1.97	-5.6%	1,556.77	763.88
Lowest	1.43	1.83	-21.9%	1,219.72	495.19
Highest	1.99	2.12	-6.1%	1,691.00	945.64
Range	1.43 - 1.99	1.83 - 2.12		1,219.72 - 1,691.00	495.19 - 945.64
Median	**1.9**	**1.96**	**-3.1%**	**1,589.445**	**782.785**

	Matrix Share 1st April 2019 - 30th July 2020 (RM)	Matrix Share 1st April 2018 - 30th July 2019 (RM)	Variance (%)	KLSE Composite Index 1st April 2019 - 30th July 2020	KLSE Property Index 1st April 2019 - 30th July 2020
Average volume	476,539	481,112	-1.0%	131,272,556	181,421,394
Volume median	287,550	310,350	-7.3%	109,805,300	146,034,450

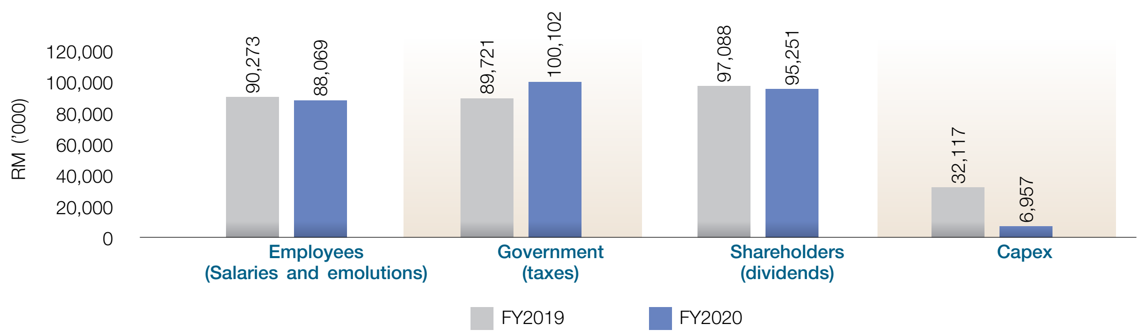
Notes:

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

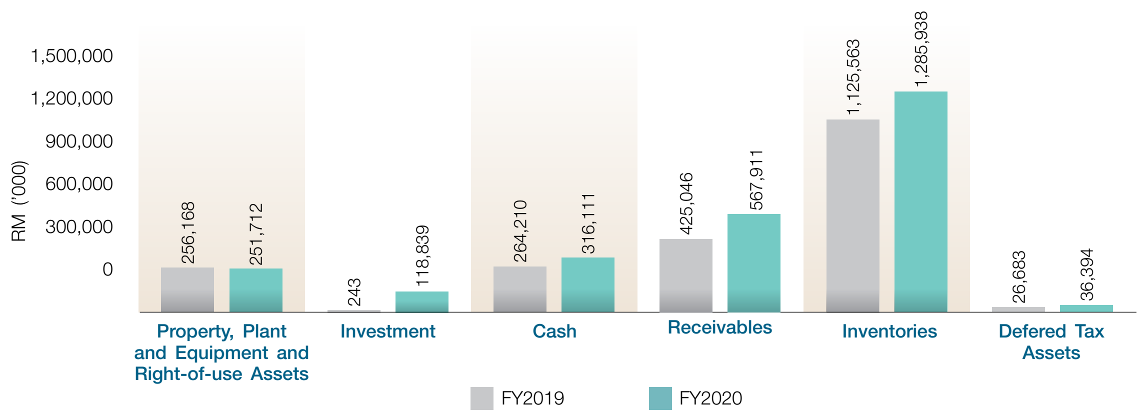
STATEMENT OF VALUE ADDED DISTRIBUTION AND SIMPLIFIED FINANCIAL STATEMENT

The following provides a concise presentation of various indirect values created by Matrix as well as a strategic snapshot of its financial position.

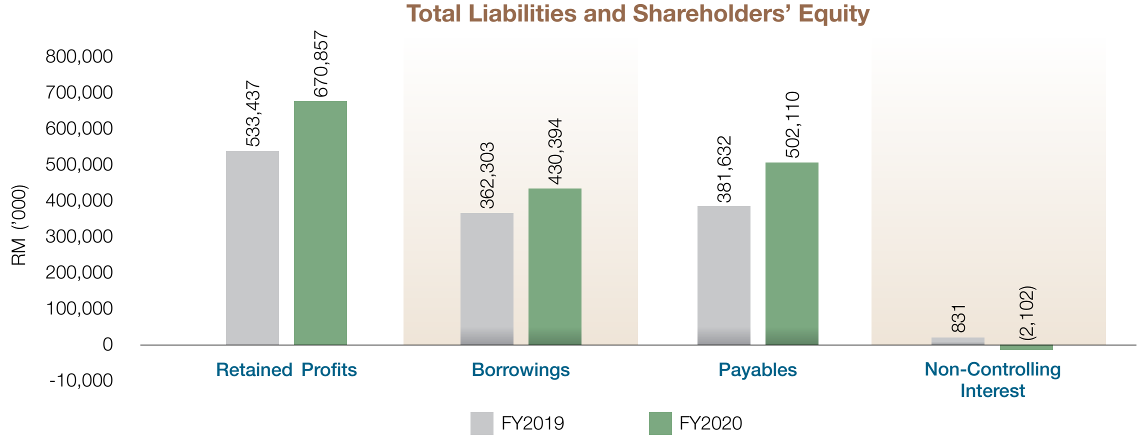
Value Distribution Statement



Simplified Group Statement of Financial Position



Total Liabilities and Shareholders' Equity



AWARDS AND RECOGNITION

FOR FINANCIAL YEAR ENDED 31 MARCH 2020

PROPERTYGURU ASIA PROPERTY AWARDS – APRIL 2019

Best Township Development (Klang Valley)
Bandar Sri Sendayan

Special Recognition in Sustainable Development
Matrix Concepts Holdings Berhad

Special Recognition for Building Communities
Bandar Sri Sendayan

Special Recognition in CSR
Matrix Concepts Holdings Berhad

Special Recognition in Industrial/ Logistic Development
Sendayan TechValley

PROPERTY INSIGHT PRESTIGIOUS DEVELOPER AWARDS ("PIPDA") – MAY 2019

Best Landed Development
Lunaria 3 @ Resort Home

Best Township Development (above 500 acres)
Bandar Sri Sendayan

Malaysia's Top 10 Developers
Matrix Concepts Holdings Berhad

iPROPERTY DEVELOPMENT EXCELLENCE AWARDS ("iDEA") – OCTOBER 2019

Best Township Development (above 500 acres)
Bandar Sri Sendayan

Community Builder Award
Matrix Concepts Holdings Berhad

Best Developer - People's Choice Award
Matrix Concepts Holdings Berhad

THE EDGE PROPERTY EXCELLENCE AWARDS ("TEPEA") – OCTOBER 2019

Property Development Excellence Awards
Bandar Sri Sendayan

THE EDGE BILLION RINGGIT CLUB – SEPTEMBER 2019

Highest Returns to Shareholders over 3 years
Matrix Concepts Holdings Berhad

Highest Return on Equity over 3 years
Matrix Concepts Holdings Berhad

STARPROPERTY AWARDS – MARCH 2020

THE NEIGHBOURHOOD AWARD

Best Comprehensive Above 2000 acres
Bandar Sri Sendayan (Excellence)

THE BUSINESS ESTATE AWARD

Best Industrial Commercial Development
Sendayan Merchant Square (Honours)

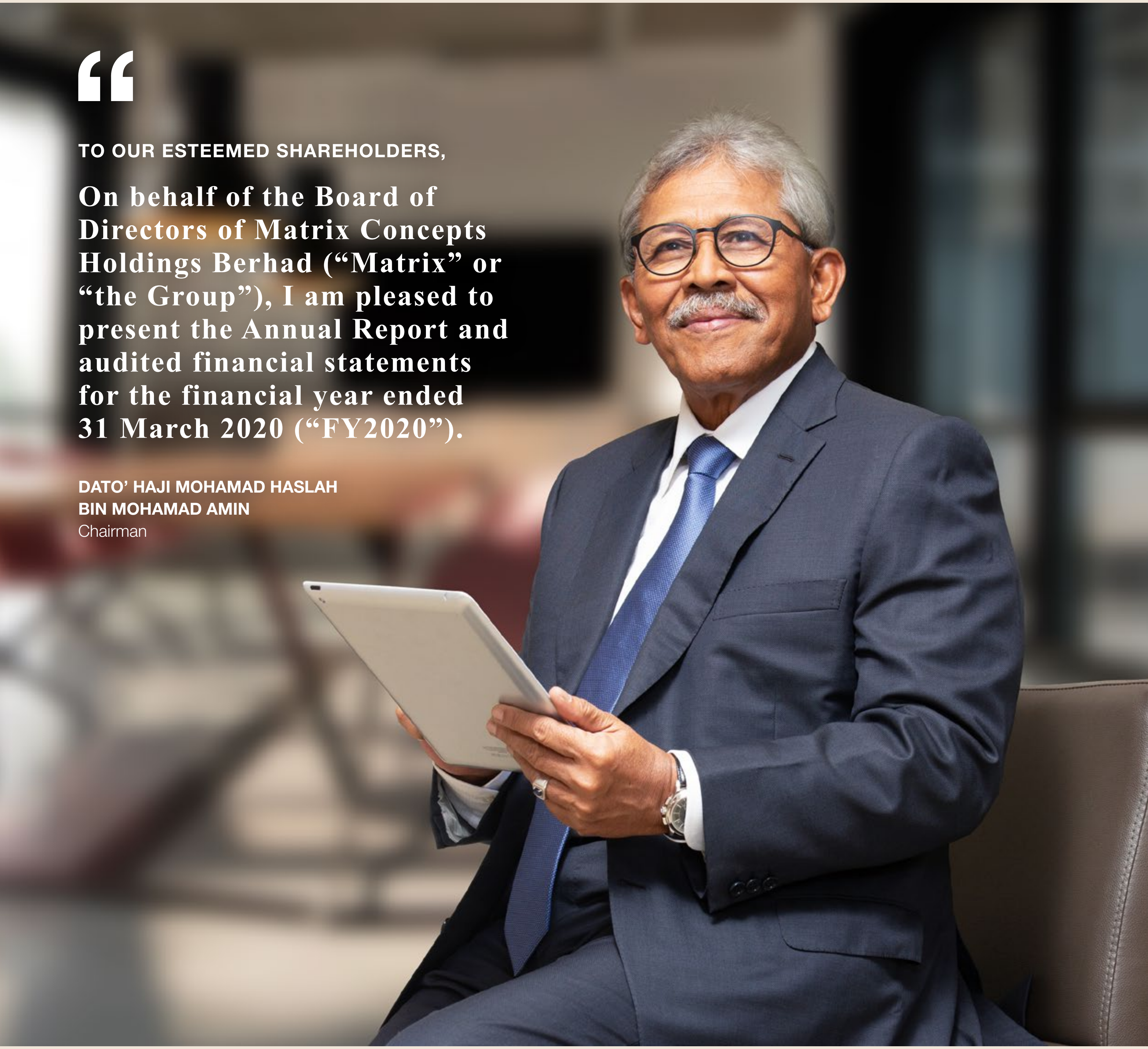
THE FAMILY FRIENDLY AWARD (LANDED)

Best Family Centric Development
Ervina @ Ara Sendayan (Honours)

ALL-STARS AWARD

Best Overall Champion
Matrix Concepts Group

CHAIRMAN'S STATEMENT

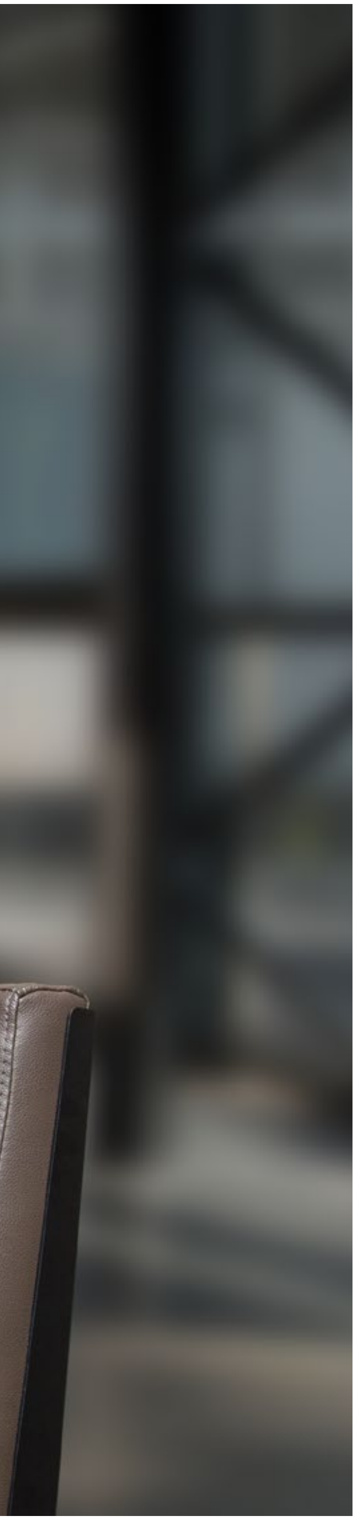


TO OUR ESTEEMED SHAREHOLDERS,

On behalf of the Board of Directors of Matrix Concepts Holdings Berhad ("Matrix" or "the Group"), I am pleased to present the Annual Report and audited financial statements for the financial year ended 31 March 2020 ("FY2020").

DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN
Chairman

CHAIRMAN'S STATEMENT



A CHALLENGING FY2020

FY2020 proved to be a challenging year for corporates in Malaysia on the back of external headwind, as the global economy came to a synchronised slowdown, with global growth at 2.9%, its slowest pace since the global financial crisis in 2008.

Domestically, the continued moderation in public sector spending and weaker export performance and investor sentiment, has resulted in lower national gross domestic product ("GDP") growth of 4.3% in 2019, compared to 4.8% in 2018.

Within the property sector, the industry has been plagued by fundamental issues over the past few years. In particular, the mismatch in property supply and demand was deemed a key factor in unsold properties remaining comparatively high. This situation was further exacerbated by financing issues among homebuyers, which impacted buyers' appetite for property acquisition, despite pent-up demand remaining high.

Long-standing industry issues continue to concern property players in FY2020. This included rising construction and compliance costs, shortages of skilled and unskilled labour, increased industry competition and the need to constantly innovate and offer more novel lifestyle concepts, while keeping prices within the reach of buyers.

The property sector, however, did enjoy a much-needed respite with the timely introduction of initiatives by the Government since 2019, which allowed for a wide range of statutory fees exemption and financing assistance to homebuyers. The successful Home Ownership Campaign ("HOC"), provided a more facilitative environment to prospective buyers, which contributed to the slight improvement in the aforementioned property overhang in FY2020.

RESPONDING PROACTIVELY TO THE OPERATING ENVIRONMENT

Since its inception, Matrix has always positioned itself as a provider of quality homes at great value and focused on fulfilling real market demand. As a responsible property developer, the Group aspires to contribute towards improving home ownership level among Malaysians and enriching the lives of the communities we serve with impactful socio-economic developments.

Impiana Square Facade
(Artist impression)

CHAIRMAN'S STATEMENT

Driven by this focus, we have continued to leverage on our experience as a township developer and our dynamic business model to respond proactively to the challenging external environment by recalibrating our property mix of launches towards products catered to the mass market.

In FY2020, 57.5% of properties launched by Matrix were within the RM500,000 price range where demand remains unabated. These new product launches saw commendable response from the market with some developments recording more than 90% take-up rate within days of their respective launches.

The Group has also capitalised on the growing acceptance and popularity of its townships, particularly the Sendayan Developments, which has steadily distinguished itself as a highly sought-after locale within the Greater Klang Valley area.

Further to this, our commitment towards creating vibrant townships, offering lifestyle amenities to residents and our trademark luxuriously-spacious homes appeals to upgraders especially from surrounding areas in Negeri Sembilan, as well as commuters working in Kuala Lumpur, Putrajaya, Cyberjaya and other neighbouring areas.

We are seeing positive impact of our efforts as, despite the prevailing issues faced by the property sector, Matrix successfully secured RM1.04 billion worth of new property sales in FY2020 from our Malaysian operations.

EXPANDING OUR INTERNATIONAL PRESENCE

In FY2020, Matrix successfully launched M.Greenvale, the Group's second project in Melbourne, Australia. M.Greenvale comprises 79 bungalow lots situated on a 10-acre of land, strategically located in the suburbs of Melbourne, within close vicinity to the Tullamarine Airport and the 430-acre Greenvale Reservoir Park, offering exclusive parkside living.

Launching of M.Greenvale in Melbourne, Australia

Matrix has expanded into Indonesia, the world's fourth most populous nation with immense growth potential. The Group's joint venture will undertake the development of the Islamic Financial District ("IFD") located in the prime area of the Central Business District of the prestigious Pantai Indah Kapuk ("PIK") 2 township in North Jakarta.

The IFD is envisaged to be the new financial centre of Jakarta and aimed to attract leading international and domestic corporations to create a vibrant international financial hub in the up and coming PIK 2 township.

The launch of Menara Syariah, the 29-storey twin towers with an estimated GDV of RM1.0 billion, is a momentous milestone that represents the arrival of Matrix's brand name in Indonesia via the joint venture and marks the first phase of the IFD development.

Upon completion, Menara Syariah will provide over 1 million square feet of premium office space providing workspaces for 5,000 workers with coastal views of the Jakarta bay complete with retail strip, landscaped-observation deck and 23 floors of premium office space.


Menara Syariah Twin Towers
(Artist impression)

CHAIRMAN'S STATEMENT


IFD project – joint venture parties

> **Most pleasingly, our FY2020 financial achievements means we have maintained our growth momentum since listing on Bursa Malaysia Securities Berhad in 2013.**

The Group has collaborated with well-established strategic local partners with proven experience and expertise under this joint venture. The IFD project has received the support of the Indonesian government and we are positive that our foray into Indonesia marks the first step towards cementing our position in a new overseas market for the Group.

EXPANDING INTO THE HEALTHCARE SECTOR

Aside from property development, Matrix is continuing its efforts towards diversifying its revenue stream with its venture into the healthcare sector via the strategic collaboration with Pusat Hemodialisis Mawar ("PHM"). Working with PHM provides Matrix with an effective entry into the healthcare sector, thus paving the way for the Group to develop its expertise towards establishing larger healthcare operations in the future while further strengthening the offerings in our townships.

Equally important, Matrix's involvement has enabled the revival of PHM, which is a provider of affordable medical care catering to the needs of the local community, in line with our principle to enrich the communities we serve.

Further details of these and other accomplishments during the year under review are provided in the Management Discussion and Analysis sections of this Annual Report.

FINANCIAL PERFORMANCE

Our strategy to increasingly focus on meeting real market demand continues to drive robust property sales and financial performance.

In FY2020, the Group recorded another record revenue performance, posting RM1.28 billion, a 22.8% year-on-year improvement. Underpinned by higher topline performance and improved cost efficiencies, Group Profit Before Tax ("PBT") and Profit After Tax ("PAT") both were higher at RM337.61 million and RM234.45 million respectively, posting a 13.4% and 7.4% improvement respectively, year-on-year.


Pusat Hemodialisis Mawar – dialysis centre

CHAIRMAN'S STATEMENT

Most pleasingly, our FY2020 financial achievements means we have maintained our growth momentum since listing on Bursa Malaysia Securities Berhad in 2013.

Further details of our financial performance is provided in the Management Discussion and Analysis section of this Annual Report.

DIVIDENDS

In respect of FY2020, the Board of Directors has approved to pay out a 4th interim dividend of 2.5 sen per share. With this 4th interim dividend, the Group's total dividend payout for FY2020 is RM95.25 million (FY2019: RM97.10 million), which is equivalent to 40.6% of net profit for the financial year.

This is consistent with our commitment to return 40% of retained earnings to shareholders. Matrix remains one of the top dividend yielding companies listed on Bursa Malaysia Securities Berhad.

VALUE CREATION

In FY2020, we have enhanced our reporting disclosures towards further aligning the Group with the prescribed guiding principles and content elements of Integrated Reporting ("<IR>"). The adoption of the <IR> framework is consistent with global best practices for annual reporting.

Hence, our FY2020 reports provides further details on the Group's business model, its strengths and strategies, risks and opportunities as well as values created for stakeholders.

This is in line with providing stakeholders, notably shareholders, investors and providers of capital, a more comprehensive narrative of Matrix's ability to create value over the short, medium and long-term perspectives. Kindly refer to the Strategy Snapshot section of this Annual Report for comprehensive information on the aforementioned.

PROGRESS ON SUSTAINABILITY

FY2020 has seen Matrix record a 11% reduction in GHG emissions on the back of reduced electricity consumption as well as reduced emissions from our fleet of vehicles. We have also

"This is consistent with our commitment to return 40% of retained earnings to shareholders."

made a successful attempt to tap renewable energy namely solar, which is being used to power our d'Tempat Country Club. We hope to receive similar approvals from the authorities for Matrix Global Schools and PHM.

Our environmental conservation awareness activities were also increased in FY2020, with specific programmes targeted at school children. The highlight of our efforts was Matrix's participation in the state-level Earth Day celebrations organised by the Negeri Sembilan State Department of Environment.

Matrix has also contributed to a wide range of corporate social responsibility charitable causes and community initiatives.

Our sustainability efforts are consistent with our tagline of *Nurturing Environments and Enriching Lives* by being a caring and community developer. The Board and Management believes in growing together with our stakeholders. As we support the socio- economic development and wellbeing of our stakeholders, the Group ultimately also benefits in tandem with the growth of the community.

OUTLOOK AND PROSPECTS

Given the prevailing issues within the property sector and the adverse impact of Covid-19, the outlook for FY2021 will be challenging at unprecedented level. Malaysia's GDP growth for 2020, has been revised to a low 0.5% with the possibility of negative growth not exceeding -2.0%. This would be the first time since the subprime crisis of 2008 that negative GDP growth has been forecast for Malaysia.

It is refreshing that Malaysian Government has responded proactively with a slew of initiatives announced under PENJANA

CHAIRMAN'S STATEMENT

to expedite the economic recovery and assist Malaysians impacted by the pandemic. The property sector is a favourable recipient of PENJANA initiatives with the reintroduction of the HOC, catering to the anticipated pent-up demand for properties and by providing a more conducive environment for prospective homebuyers.

Despite the daunting operating conditions, Matrix is resolved to face these challenges and capitalise on the pockets of opportunities that are available both in Malaysia and beyond.

The Group's focus remains on meeting real market demand while introducing novel and appealing lifestyle propositions at great value, and to continue strengthening our business presence overseas. As we grow, we will remain diligent on cost management, financing structure and cashflow management to ensure that our products remain competitive while ensuring Matrix remain as a going concern indefinitely.

The recent developments have proven the importance of digitalisation and its impact on businesses. We are fortunate to have invested in our virtual sales platform over the past 2 years and we expect this to drive our sales and marketing efforts in future. While the Group's progression since its listing on Bursa Malaysia Securities Berhad have been exciting, we appreciate the need to continuously innovate and prepare ourselves for new challenges.

As the property industry remain engulfed with rising construction costs and labour supply issues, the introduction of Industrialised Building Systems ("IBS") in our building methodology will help to mitigate these risks with the added benefits of shortened construction periods as well as improving build quality and consistency.

In essence, the efforts undertaken by the Management shall give us the confidence and conviction to weather through the unprecedented challenges presented in FY2021 while we remain optimistic of maintaining the steady growth enjoyed by Matrix since its inception. We look forward to a rewarding FY2021 for Matrix.

A NOTE OF APPRECIATION

On behalf of the Board of Directors, I wish to express the Board's sincere appreciation to all levels of Matrix staff in FY2020. No doubt, the year under review has been a tumultuous period but the exemplary professionalism and commitment of our dedicated workforce has been instrumental in driving the Group's upward momentum.

I would like to thank our shareholders for the faith shown in Matrix as we look forward to continue rewarding our shareholders for their enduring support.

Our appreciation is also extended to our customers, business partners, bankers and vendors, industry regulators and all government ministries, agencies and bodies. Their continuous support to Matrix has been pivotal in driving our growth journey in FY2020 and is indeed appreciated.

Finally, I express my thanks to my fellow board members, for their wise counsel and guidance and for the excellent discharge of their duties while sitting on the various Board Committees during FY2020.

DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN
Chairman

30 July 2020

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

Matrix Concepts Holdings Berhad ("Matrix" or "the Group") continues to deliver stable growth as reflected in its continued financial and business performance since its listing on the Main Market of Bursa Malaysia Securities Berhad in 2013.

Since 2013, Matrix has delivered a compounded annual growth rate ("CAGR") of 11.9% and 6.5% respectively for revenue and after-tax profits. As at end financial year ended 31 March 2020 ("FY2020"), market capitalisation of the Group stood at RM1.28 billion. The Group has consistently paid out quarterly dividends to shareholders since listing.

Over the past five years, Matrix has cumulatively developed and completed over 6,892 properties in Malaysia and Australia with a total gross development value ("GDV") of RM4.23 billion. The Group has received numerous industry awards and accolades, which attests to its overall credibility and track record as a leading township property developer.

The Group's key property developments are its Bandar Sri Sendayan ("BSS") township and Ara Sendayan and Tiara Sendayan in Negeri Sembilan. BSS, Ara Sendayan and Tiara Sendayan are collectively known as Matrix's Sendayan Developments.

In Kluang, Johor, Matrix has its 1,210-acre Bandar Seri Impian ("BSI") township. Stand-alone developments are Chambers Residence in Kuala Lumpur, M.Greenvale in Melbourne, Australia and others. The Group has also successfully ventured into Indonesia via a strategic partnership with Indonesian partners to co-develop the 29-storey, RM1.0 billion GDV Menara Syariah in Jakarta's up and coming Islamic Financial District ("IFD").

Aside from property development, Matrix's business model also comprises its education, construction, hospitality and healthcare divisions. For information related to these divisions as well as further details on the Group's full property portfolio, its overlying business strategies, risk factors and mitigation strategies and value chain, capitals consumed and more, please refer to the Corporate Profile and Strategy sections of this Annual Report.

FINANCIAL PERFORMANCE

In FY2020, Matrix posted a 22.8% improvement in revenue year-on-year, as top-line performance reached RM1.28 billion on the back of stronger contributions from all business divisions.

Business Division	FY2020 (RM'000)	FY2019 (RM'000)	Difference (%)
Property	1,243,989	1,010,926	+23.1
Education	19,741	19,821	-0.4
Hospitality	17,066	13,346	+27.9
Others	2,610	1,438	+81.6
TOTAL	**1,283,406**	**1,045,531**	**+22.8**

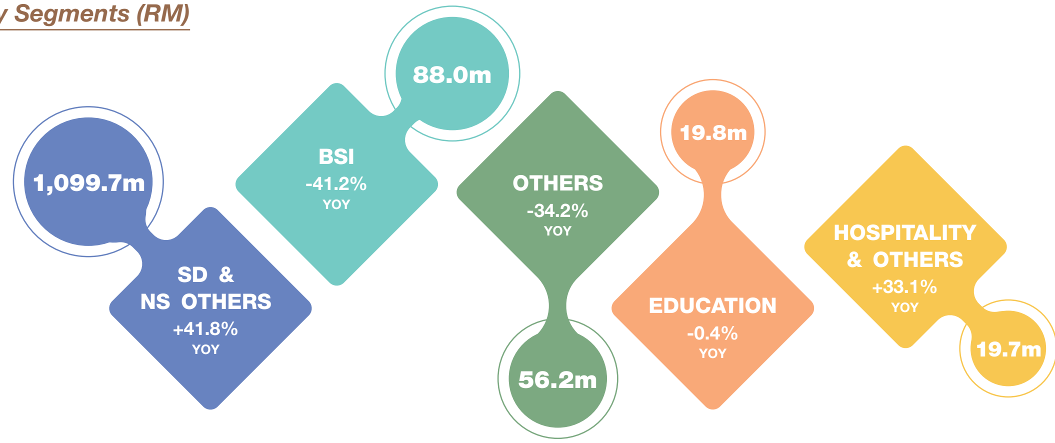
Matrix's property development division contributed 96.9% of Group revenue. Revenue derived from property development had increased by 22.8%, year-on-year to RM1.24 billion on the back of stronger sales recognition during the financial year.

There was a significant improvement in revenue recognition from our Negeri Sembilan developments, in particular from our Sendayan Developments.

MANAGEMENT DISCUSSION & ANALYSIS

MANAGEMENT DISCUSSION
& ANALYSIS

Revenue by Segments (RM)



Cumulatively, Matrix's developments in Negeri Sembilan, spearheaded by Sendayan Developments saw a 41.8% increase in revenue, year-on-year and contributed up to 82.5% of Group total revenue in FY2020.

Matrix's other property development projects also contributed to stronger revenue performance. This included Chambers residence, the Group's 33-storey, high-end condominium development, strategically located in the heart of Kuala Lumpur. Revenue from Chambers amounted RM56.24 million in its first year of revenue recognition in FY2020.

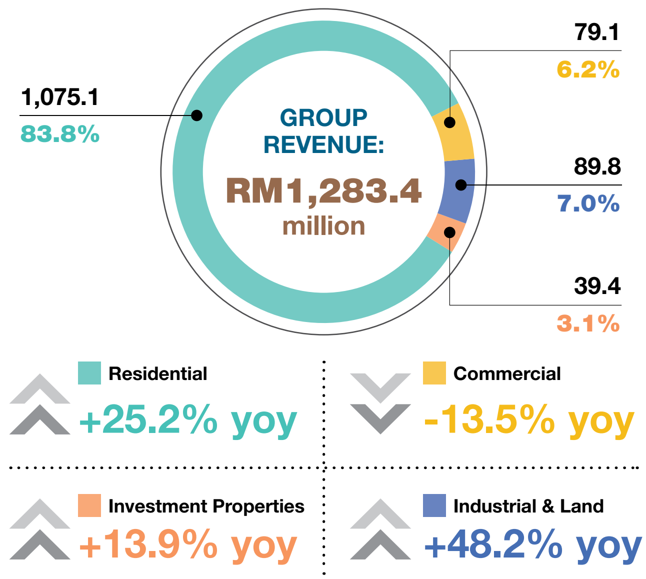
The exception to the uptrend in revenue however was seen at Matrix's BSI township, which experienced a 41.2% drop in revenue performance year-on-year. The decrease is attributed to generally slower sales amidst a sluggish Johor market in FY2020. Similarly, the commercial property segment also saw a 13.5% decline in revenue for FY2020 due to fewer commercial product launches in FY2020.

Ara Sendayan II – Ervina (Type B)
(Artist impression)

Consistent with Australian accounting policies, revenue from Matrix's M.Greenvale project will be recognised upon completion of the project in 2022.

As at 31 March 2020, total unbilled property sales stood at RM1.02 billion, 17.7% lower year-on-year (FY2019: RM1.24 billion). Ongoing developments stood at RM2.53 billion in GDV, 2.64% lower, year-on-year (FY2019: RM2.60 billion).

FY2020 Revenue Segmentation (by type) RM 'm



MANAGEMENT DISCUSSION
& ANALYSIS

REVENUE BREAKDOWN BY SEGMENTS

	FY2020 (RM'000)	FY2019 (RM'000)	Difference (%)
Property Development			
• Sendayan Developments			
o Bandar Sri Sendayan	286,222	370,356	(22.7)
o Ara Sendayan	215,509	211,105	2.1
o Tiara Sendayan	467,568	94,850	392.9
o Sendayan Tech Valley	89,760	60,549	48.2
TOTAL REVENUE FROM SENDAYAN DEVELOPMENTS	**1,059,059**	**736,860**	**43.7**
• Bandar Seri Impian	88,042	149,772	(41.2)
• Residensi SIGC	31,670	38,796	(18.4)
• Chambers	56,242	–	–
• M.Carnegie	–	85,498	–
• Other Developments	8,976	–	–
TOTAL PROPERTY DEVELOPMENT REVENUE	**1,243,989**	**1,010,926**	**23.1**
Education	19,741	19,821	(0.4)
Hospitality	17,066	13,346	27.9
Others	2,610	1,438	81.6
TOTAL GROUP REVENUE	**1,283,406**	**1,045,531**	**22.8**

GROUP PROFIT

On the back of increasing revenue and improved cost efficiencies, gross profit for the financial year stood at RM568.09 million, 8.8% higher year-on-year (FY2019: RM522.22 million).

Profit Before Tax ("PBT") and Profit After Tax and Minority Interest ("PATAMI") both improved to RM337.61 million and RM237.39 million respectively, reflecting a 13.4% and 8.7% improvement, year-on-year (FY2019 PBT: RM297.80 million and PATAMI: RM218.40 million).

Despite the change in our overall product mix to build more mid-range priced properties, Matrix has continued to see its profit performance improve year after year. This attests to the effectiveness of our business model and business strategies.

COSTS

In FY2020, cost of sales increased by 36.7% year-on-year to stand at RM715.31 million (FY2019: RM523.31 million). The increase is in tandem with the robust growth of the Group's revenue. Rising cost of sales has impacted earnings margins as Matrix's product mix continues to see greater focus on more mid-range products to meet real market demand and to bolster market competitiveness mid continued sluggish conditions in the Malaysian property sector.

Given a sluggish property sector and prospective homeowners adopting a more cautious approach towards buying properties, selling and marketing expenses have also been on the uptrend, rising 21.7% year-on-year to reach RM101.54 million (FY2019: RM83.43 mllion). This is necessary as Matrix continued to aggressively promote its products to develop its brand awareness and appeal while maintaining a leadership position in the minds of prospective buyers.

However, the increased cost of sales and selling and marketing expenses in FY2020 has commensurated with a strong revenue growth of 22.8% in FY2020. The Group's spend on selling and marketing activities remains below market averages and is only 7.9% of Group revenue (FY2019: 8.0%).

In addition, continued operational and other cost efficiencies have resulted in strong PBT and PATAMI. Of note, admin and general expenses saw a significant 11.0% reduction year-on-year, to stand at RM136.71 million (FY2019: RM153.61 million). The reduction is in line with the Group's strategies to build resilience and competitiveness within its business operations. With the continued refinancing of the Group's debt, finance costs have also dipped significantly, by 34.9% to stand at RM2.15 million (FY2019: RM3.30 million).

As we look to trim costs, the Group will not compromise on its value proposition, in particular in delivering quality homes with excellent build and design. We will continue to tap technology towards reducing costs while strengthening our value proposition.

Matrix's use of Industrialised Building System ("IBS") and further leveraging on digital technologies to streamline operating processes and marketing are in line with our efforts to further optimise costs going forward.

MANAGEMENT DISCUSSION & ANALYSIS

ASSETS & LIABILITIES

In FY2020, Group assets grew by 22.8% to stand at RM2.58 billion (FY2019: RM2.10 billion). The overall asset position of the Group remains healthy, far exceeding liabilities and is able to effectively support the Group's business plans moving forward.

In FY2020, non-current assets saw a significant 49.7% rise on the back of strong increase in inventories as a result of the active landbanking exercises embarked by the Group during the financial year. Further, the Group's strategic investment in PT Fin Centerindo Satu; in line with expansion plans into Indonesia had boosted non-current assets by RM118.69 million.

The increase in non-current assets were offset by a decrease in the Group's investment properties, which are held for rental income. In FY2020, various investment properties were disposed to unlock the capital appreciation of said properties.

In terms of current assets, on the back of improved cashflow as well as refinancing of our borrowings, Matrix's cash and bank balances improved by 6.4% to stand at RM281.03 million as at end FY2020. The Group's overall current asset position has improved underpinned by an increase of 25.4% in trade and other receivables.

Non-Current Assets	FY2020 (RM'000)	FY2019 (RM'000)	Difference (%)
Property, Plant & Equipment	248,680	256,168	(2.9)
Right of use assets	3,032	–	–
Investment properties	152	243	(37.5)
Investment in joint venture company	118,687	–	–
Inventories	661,836	454,128	45.7
Deferred tax assets	36,394	26,683	36.4
Goodwill arising on Consolidation	*	*	–
Other receivables, deposits and prepayments	34,880	–	–
TOTAL	**1,103,661**	**737,222**	**49.7**

Current Assets	FY2020 (RM'000)	FY2019 (RM'000)	Difference (%)
Inventories	624,102	671,435	(7.0)
Trade & other receivables	533,031	425,046	25.4
Deposits, cash and bank balance	281,033	264,210	6.4
Short term investment	35,078	–	–
TOTAL	**1,473,244**	**1,360,691**	**8.3**

	FY2020 (RM'000)	FY2019 (RM'000)	Difference (%)
TOTAL ASSETS	**2,576,905**	**2,097,913**	**22.8**

Note:
* Represents RM1.00

Total Group liabilities have increased by 26.5% year-on-year as long term borrowings and current trade and other payables rose in line with revenue growth.

Progressively, in FY2020 Matrix has actively sought to refinance its debt, taking advantage of the present lower-interest rate environment while also seeking more long-term financing products. This has reduced monthly repayments for the Group, while boosting the Group's cash position, which can be used to fund working capital, pursue strategic investments or to support property development activities.

As such, non-current borrowings comprising mainly long-term loans, increased by 19.6% to stand at RM239.4 million. Given its robust cash position and unbilled sales, the Group is confident of meeting its long-term liabilities going forward.

The Group's current liabilities, which are liabilities within a 12-month period has increased by 25.7%.

Non-Current liabilities	FY2020 (RM'000)	FY2019 (RM'000)	Difference (%)
Borrowings	239,420	200,166	19.6
Lease liabilities	1,682	–	–
Deferred tax liabilities	349	981	(64.4)
Other payables, deposits and accruals	17,582	–	–
TOTAL	**259,033**	**201,147**	**28.8**

MANAGEMENT DISCUSSION & ANALYSIS

Current liabilities	FY2020 (RM'000)	FY2019 (RM'000)	Difference (%)
Trade & Other payable	484,528	381,632	27.0
Borrowings & Overdraft	188,140	162,137	16.0
Lease liabilities	1,152	–	–
Current tax liabilities	41,024	25,051	63.8
Total	**714,844**	**568,820**	**25.7**

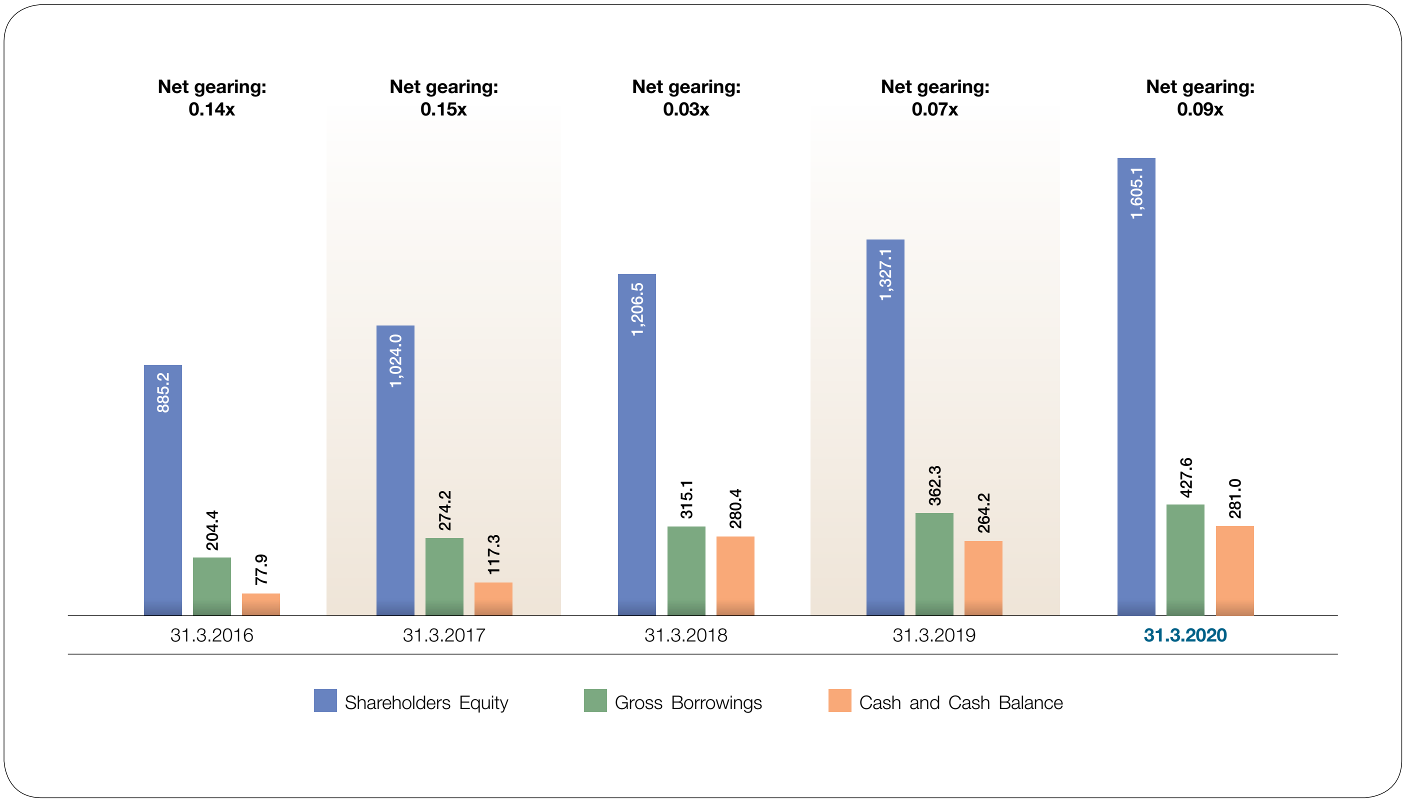
	FY2020 (RM'000)	FY2019 (RM'000)	Difference (%)
Total Liabilities	973,877	769,967	26.5
Net Assets Per Share (RM)	1.92*	1.76*	9.1

Notes:
* Based on the issued and paid-up ordinary shares in Matrix of 834,214,272 (2019: 752,809,487)

GEARING RATIO

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
& ANALYSIS

CAPITAL STRUCTURE & CAPITAL RESOURCES:

Matrix raised RM139.16 million via four tranches of private placements to fund the Group's 30% shareholding in its Indonesian joint venture ("JV") with PT Bangun Kosambi Sukses ("BKS") and PT Nikko Sekuritas Indonesia ("NSI").

The corporate exercise involved up to 70 million shares, representing 9.3% of the Group's issued shares at a 3.4% premium to preceding 5-day VWAMP. The private placement route was the most expeditious means to raise funding that paved the way for the Group's participation in the Menara Syariah development project.

CASH FLOW, CASH AND BANK BALANCES

As mentioned earlier, in FY2020, the Group saw net cash used in investing activities increase substantially on the back of investments made in Indonesia, which have culminated in the Group's participation in the development of the RM1 billion GDV Menara Syariah. The project has paved the way for Matrix's successful penetration into the high potential Indonesia property sector.

Net cash used in/generated from financing activities improved considerably on the back of the continued restructuring of the Group's debt commitments, which have resulted in lower repayments and longer tenures.

The Group's cash position has strengthened with cash and cash equivalents at the end of the year expanding by 33.9% year-on-year.

	FY2020 (RM'000)	FY2019 (RM'000)	Difference (%)
Net cash from operating activities	52,380	77,858	(32.7)
Net cash used in investing activities	(108,518)	(12,753)	750.9
Net cash generated from/(used in) financing activities	138,523	(68,798)	301.3
Effect of exchange rate fluctuations on cash held	(21,190)	(3,435)	516.9

	FY2020 (RM'000)	FY2019 (RM'000)	Difference (%)
Cash and cash equivalents at beginning of the year	180,267	187,395	(3.8)
Cash and cash equivalents at the end of the year	241,462	180,267	33.9
Cash and bank balances	281,033	264,210	6.4

LANDBANK

Consistent with its business strategies, Matrix has continued to replenish its landbank, adding 753.0 acres, to bring its total landbank size as at end FY2020 to 2,030 acres. Consideration paid inclusive of the initial deposit for the acquired land in FY2020 amounted to RM188.30 million.

Acquired land is intended to enable the continued development of our Sendayan Developments and the BSI township. Land was also acquired to undertake future pocket developments or vertical communities akin to our successful Chambers Residences.

As at end FY2020, total GDV of landbank was RM9.79 billion, excluding the GDV for Sendayan Icon Park, which is estimated at over RM6.0 billion.

Project	Acreage	Land Cost (RM' mil)
Tiara Sendayan Extension	36.2	13.9
Irama Sendayan	90.2	35.2
Sendayan Extension	176.7	77.0
Bandar Seri Impian 2	309.5	91.7
Damansara Perdana	5.5	55.5
Eka Heights Extension	134.9	34.1
Total	**753.0**	**307.4**

MANAGEMENT DISCUSSION & ANALYSIS

OPERATIONAL PERFORMANCE

PROPERTY DEVELOPMENT

PROJECT UPDATES – RESIDENTIAL AND COMMERCIAL PROPERTIES

FY2020 saw Matrix launch RM1.08 billion in properties. Despite a sluggish property market, launched products continued to see strong traction among buyers with an average take-up rate of 74.1% across all projects. Several products such as Tiara Sendayan Precincts 3 and 5 saw sales as high as 98%.

Some RM1.04 billion worth of properties were sold during FY2020 with unbilled sales standing at RM1.02 billion. GDV of total completed projects stood at RM1.16 billion (FY2019: RM1.01 billion) while GDV for ongoing projects stood at RM2.53 billion at the end of the financial year.

SENDAYAN DEVELOPMENTS, NEGERI SEMBILAN

Matrix's Sendayan Developments comprise BSS, Ara Sendayan and Tiara Sendayan (and will be further expanded to include Laman Sendayan and Eka Heights). Total GDV of all Sendayan Developments launches stood at RM980.20 million on the back of 1,349 units launched.

Sales achieved across our Sendayan Developments stood at RM807.50 million (FY2019: RM809.50 million). Average take-up rate was 64.5% (FY2019: 67.3%) with unbilled sales of RM710.10 million (FY2019: RM882.70 million) achieved as at 31 March 2020.

Tiara Sendayan – Davina (Type A)
(Artist impression)

Bandar Sri Sendayan

Resort Homes – Crisantha (Type B1)
(Artist impression)

The township saw three new residential development launches in FY2020. These were Hijayu Aman Phase One – Melia I (251 units), Hijayu Aman Phase Two – Melia II (109 units) and Resort Homes SL – Crisantha (175 units). Total GDV of new launches at BSS stood at RM375.80 million. All units launched were two-storey terrace homes in line with the Group's strategy of meeting real market demand.

The Melia launches in particular, saw high take-up rates due to its mid-range pricing and attractive incentives such as complimentary clubhouse memberships and exclusive, residents-only facilities. Melia I and Melia II homes have built-ups ranging from 2,229-2,350 sq ft with prices starting from RM608,888.

Catering to more affluent buyers, the Crisantha launch at the 86-acre low density, gated and guarded Resort Homes enclave development features five different types of double-storey terrace homes priced from RM664,000 to RM945,888 with built-up sizes ranging from 2,863 sq ft to 3,014 sq ft. Units here are designed for the needs of larger or maturing families, including multi-generational households. Homes offer more living space with finer fixtures and finishing.

At Resort Homes, four phases comprising Lunaria, Allysum, Allysum III and Lunaria III were completed with 423 units built and handed over to buyers with a total GDV of RM377.60 million.

Pertaining to industrial properties at BSS, 36 industrial lots were launched at Sendayan TechValley 3 with a GDV of RM140.0 million.

MANAGEMENT DISCUSSION
& ANALYSIS

Hijayu Aman – Melia II
(Artist impression)

Sendayan TechValley comprises 752.67 acres of saleable prime, freehold industrial land. Its strategic location with ready infrastructure and waste management facilities as well as convenient access to highways has made it a highly desirable location for small and medium industries.

In FY2020, RM125.50 million worth of industrial properties were sold in Sendayan TechValley, bringing total sales across all phases thus far to, RM799.40 million. This reflects 86.3% take-up rate. As at 31 March 2020, unbilled sales from phases 1, 2 and 3 totalled RM56.58 million.

Located at the main commercial belt of BSS, Sendayan MetroPark mainly consists of 2-storey and 2½-storey shops offices with built-ups of 3,133 sq ft. Prices begin from RM1.04 million onwards. Over 159 units have been launched since 2016 with a robust take-up rate of 94%.

Completed properties include 38 units at Sendayan Merchant Square P2 with a RM46.70 million GDV, and 71 units and 38 units at Sendayan MetroPark and Suriaman Biz respectively. GDV for each stood at RM92.90 million and RM45.80 million respectively.

Tiara Sendayan

The 295-acre Tiara Sendayan saw two new launches in FY2020. These were at Precincts 3 and 5 (Davina and Estana). At Precinct 3, 428 units were launched while at Precinct 5, 243 units were launched. Cumulative GDV for all launches stood at RM868.50 million.

With regard to completed units, the Astana and Astania phases at Precinct 1 comprising 404 units with a GDV of RM151.50 million were handed over to buyers during the financial year.

Ongoing project works at Tiara Sendayan comprising Tiara Sendayan Precint 2 – Beliza (504 units), Tiara Sendayan Precinct 4 – Casadia (363 units). Total GDV of these projects is RM384.60 million. Another 50 commercial units are in progress for scheduled completion at Tiara Sendayan Biz with a GDV of RM46.50 million.

Tiara Sendayan – Estana
(Artist impression)

Over 1,271 units have been launched at Tiara Sendayan since 2017 and take-up rates across Precincts 1, 2 and 4 have been at 99%. A highlight is the 12-acre central park that remains the stand out attraction for township residents.

MANAGEMENT DISCUSSION & ANALYSIS

Ara Sendayan

The 194.4-acre hilltop Ara Sendayan development saw two new launches. These were Cadena III (69 units) and Ervina (46 units). Total cumulative GDV of all three products were RM131.40 million.

A key highlight is the 69 Cadena III homes located at Precincts 3A2 which consists of 59 units of double-storey link houses and 10 double-storey semi-detached units. Sales has been encouraging, consistent with the strong performance seen for the prior launches of Cadena I and Cadena II.

Unit sizes range from 2,435 sq ft to 2,584 sq ft for the double-storey link homes with prices starting from RM618,888 onwards while the semi-detached dwellings are priced from RM1,288,888 onwards with unit size of 3,528 sq ft each.

This price range cater well to the mid-range demographic, where demand for properties remains strong, particularly among those who work in Kuala Lumpur or within the Klang Valley. Both launches also saw a positive response from upgraders within the surrounding areas who desire more space for their lifestyle requirements.

Ervina, which is a more upmarket product, offers a more luxurious and elegant lifestyle with premium finishing, inclusion of a solar water heater system in each unit as well as CCTV, intercom and electronic alarm systems. There is a total of 46 units of double-storey semi-detached homes with unit sizes ranging from 3,960 sq ft to 5,120 sq ft with prices starting from RM1.32 million.

Ara Sendayan II – Ervina (Type A)
(Artist impression)

Buyers of Cadena III and Ervina enjoy complimentary clubhouse membership as well as ample community facilities such as access to the central lake and park as well as vantage hilltop views.

As for completed phases, a total of 657 units with a GDV of RM443.30 million were completed at Ara Sendayan. Completed phases including Ara Sendayan 1A (Adira – 269 units), 1B (Adira 2 –195 units) and 4 (Barinda – 193 units).

Ongoing development works at Ara Sendayan include Ara Sendayan 3B – Cadena (168 units), Ara Sendayan 2A – Damaris (244 units) and Ara Sendayan 3A1 – Cadena II (85 units). Total GDV for all three products stands at RM375.70 million. Units are estimated to be completed and handed over to buyers in FY2021.

Residensi SIGC

Residensi SIGC is an exclusive, 38.3-acre low-density, gated and guarded luxury development that is centred on a golf-resort themed lifestyle. Strategically located next to the Seremban International Golf Club ("SIGC"), Residensi SIGC offers residents ample space, verdant greenery and a private clubhouse among other premium attractions. The project was launched in 2016 and the average take-up rate of all launched phases presently stands at 69.0%.

Homes comes in a variety of concepts and built-ups ranging from 2,988 sq ft to 5,041 sq ft and comprise double storey terrace, semi-detached and bungalow dwellings. Residensi SIGC's ongoing phase is Phase 1B – Irama 1B (78 units) with a GDV of RM62.90 million. Construction works progress on schedule for completion in 4th quarter of FY2021. Unbilled sales from Phases 1 and 2 of Residensi SIGC stands at RM34.25 million.

Residensi SIGC Linear Park
(Artist impression)

MANAGEMENT DISCUSSION
& ANALYSIS

Bandar Seri Impian ("BSI"), Kluang, Johor

BSI recorded new sales of RM57.60 million, 35.9% lower year-on-year (FY2019: RM89.80 million). The township has a total of RM50.20 million in unbilled sales that will contribute to Matrix's topline and earnings performance going into FY2021. In FY2020, completed developments at BSI amounted to RM239.50 million.

On 2 May 2019, Matrix entered into a joint venture ("JV") agreement with Koperasi Kemajuan Tanah Negeri Johor Berhad ("Kopketa") to undertake property developments on a 309.5 acres land in Kluang, Johor owned by Kopketa.

A consideration of RM91.70 million via six-year staggered payments was agreed to, in return for Matrix to be granted the exclusive and irrevocable right to develop the said land. The land will serve as an expansion to the initial 900 acres of the BSI township in Kluang and is expected to carry a GDV of RM1.20 billion.


Lake Park @ Bandar Seri Impian

Chambers Residence, Kuala Lumpur

Situated right in the centre of Kuala Lumpur city along Jalan Ipoh Kecil, off Jalan Putra, the 509-unit, freehold Chambers Residence is indeed strategically located, which forms part of its appeal to discerning buyers. The development is a mere 210 metres to an LRT station, 350 metres to a shopping mall, 650 metres to a convention centre and 700 metres to a hospital, thus offering unrivalled convenience and accessibility. It is also the Group's sole project in the heart of Kuala Lumpur.

As at end FY2020, Chambers Residence saw RM40.56 million in sales. Present take-up rates stands at 75.2%. The project has a GDV of RM333.10 million and comprises 509 units of service apartments and four commercial lots. Unbilled sales as at 31 March 2020 stood at RM169.80 million.


Chambers Residence, Kuala Lumpur
(Artist impression)

M.Greenvale

M.Greenvale, Matrix's second Australian project was launched in the second quarter of FY2020 and saw encouraging sales prior to the onset of the Covid-19 pandemic.

The suburb of Greenvale, where M.Greenvale is located is dubbed the "Toorak of the North", after the prestigious and highly desirable Toorak suburb. Greenvale is strategically placed just 25km north of the Melbourne Central Business District ("CBD"). It is close to the Tullamarine Airport and the scenic 430-acre Greenvale Reservoir Park.

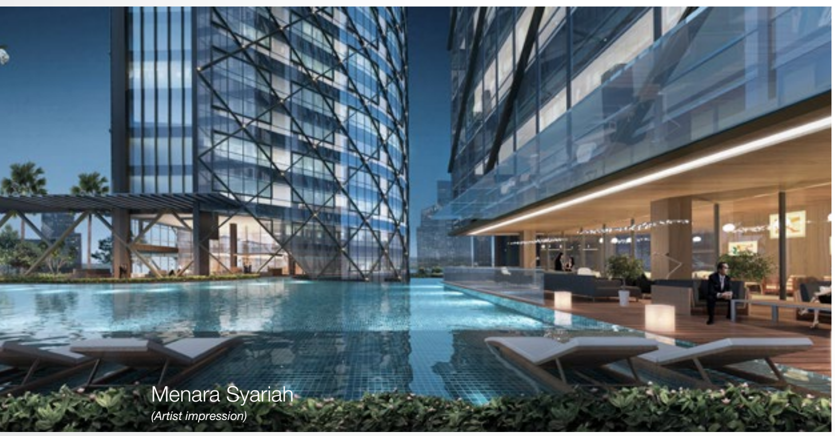
M.Greenvale comprises 79 land subdivision lots spread across 9.70 acres of land with lot sizes ranging from 186 sq m to 420 sq m. Lots are priced at an average rate of A$1,150 (RM3,450) per square metre.

As at end FY2020, over 43.0% of lots have been taken up and the Group expects sales to pick up post Covid-19, likely by the 4th quarter of 2020. Upon purchase of their lot, buyers can then opt to work with Matrix's recommended builders or their own builders to design and construct their desired homes.

M.Greenvale continues to establish the Matrix brand name in Australia, in particular within Melbourne, where both of the Group's projects are located. Prior to M.Greenvale, the Group's maiden project, M.Carnegie launched in FY2018 was completely sold out.

M.Greenvale
(Aerial view)

Menara Syariah



Menara Syariah
(Artist impression)

December 2019 saw Matrix successfully expand into Indonesia via a partnership with an Indonesian conglomerate to develop the RM1.0 billion GDV Menara Syariah Twin Towers, in Jakarta. The development comprises a commercial and retail building with two office towers, each 29-storey high.

Menara Syariah will offer more than one million square feet of gross floor area and feature a retail strip, a landscaped observation deck, an infinity pool, multiple prayer halls and 23 floors of Grade-A office space. It will become the newest addition to the Jakarta skyline, post completion in 2022. It is highly expected to become a landmark destination and a much desired commercial address right at the heart of Jakarta's up and coming Islamic Financial District.

The development is being undertaken by PT Fin Centerindo Satu, a JV entity between Matrix and its Indonesian partners, Agung Sedayu, Salim Group and PT Fin Centerindo Dua.

The development of Menara Syariah is part of plans to develop an initial 3.6 hectares plot of land in Pantai Indah Kapuk 2 ("PIK 2"), regarded as the next international waterfront city of North Jakarta. The aforementioned 3.6 hectares plot is part of the larger 12-hectare Islamic Financial District ("IFD").

PIK 2 is easily accessible from all parts of Jakarta and is supported by a network of roads and interchanges. It is just 15 minutes away from the Soekarno-Hatta International Airport and 30 minutes from Jakarta city centre.

Following the groundbreaking ceremony in December 2019, construction works at Menara Syariah have progressed ahead of schedule with piling works completed prior to the halt in operations due to Covid-19 restrictions. The construction will resume upon further advisory by the Indonesian authorities.

MANAGEMENT DISCUSSION
& ANALYSIS

PROJECT UPDATES – INVESTMENT PROPERTIES

Matrix Global Schools

Matrix Global Schools ("MGS") continues to see improvements in overall cost and operational efficiency, attributed to the educational expertise and related experience of our JV partner, Bonanza Educare Sdn Bhd ("Bonanza"). The injection of new management approaches and business strategies by Bonanza has led to notable improvements in MGS, which has yielded stronger revenues and a more conducive learning environment for students.

In FY2020, MGS posted improved revenue of RM19.74 million (FY2019: RM19.82 million) while losses before interest, taxes and depreciation were further pared down to RM0.94 million (FY2019: RM8.54 million). This marks a 89.0% improvement year-on-year.

As per all education operators, MGS' performance was impacted by the onset of the Covid-19 pandemic as the virus outbreak impacted student enrolment and the ensuing government imposed Movement Control Order ("MCO") disrupted classes. Many parents also faced financial difficulties during the MCO period.

In response to the prevailing scenario, MGS provided up to 25% discount on term fees, the highest in the industry, as part of the Group's short-term measures to support parents and students to help ease their financial burden.

MGS value proposition remains intact post Covid-19, coupled with the improvements achieved through Bonanza's expertise, MGS is well positioned to deliver a positive earnings performance within the next 2-3 years.

d'Sora Boutique Business Hotel

The cost effective operations of the d'Sora Boutique Business Hotel has enabled the hotel to sustain itself amidst the present adverse conditions. This is a notable achievement, given the large number of boutique hotels that have ceased operations or have been wound up due to increasing competition as well as the Covid-19 virus outbreak.

Given the circumstances, d'Sora in FY2020, posted a smaller revenue performance of RM2.20 million and registered a marginal loss of RM66,000.

The impact of Covid-19 and the ensuing MCO was felt by all hospitality players as restriction on travel has led to severe decline in the demand for hotel accommodation, be it for business or leisure purposes.

Going forward, post Covid-19, we remain cautiously optimistic of the d'Sora's prospects. Given the hotel's compelling value proposition of affordable, yet premium hotel services and facilities, value-for-money packages and its strategic location, we are conservatively optimistic of an improved performance in FY2021.

d'Tempat Country Club

d'Tempat Country Club continues to place a vital place-making role, providing a focal point for the hosting of business and social events and recreational activities. This includes weddings, festive celebrations and other events. d'Tempat completes the lifestyle proposition of Sendayan and thus far has maintained its prominence as the preferred lifestyle hub in Seremban.

Membership numbers remain strong at more than 6,825 members as at end FY2020. d'Tempat also serves to strengthen the overall attractiveness of Matrix's properties with buyers for selected properties being entitled to club membership as part of their ownership package. Membership numbers are also on the increase largely due to corporate sales as well as marketing activities undertaken by the club.

CONSTRUCTION

Matrix Excelcon Sdn Bhd ("Matrix Excelcon") is the Group's internal construction arm, supporting the property development division. Its business activities primarily consists of infrastructure and building works and throughout FY2020, Matrix Excelcon remained busy on the back of existing and new contracts.

On the back of contracts secured as well as higher revenue recognition from timely completion of works, Matrix Excelcon's revenue grew by 24.9% to reach RM459.98 million (FY2019: RM368.24 million), although profit after tax dropped by 15.2% to stand at RM26.82 million (FY2019: RM31.64 million).

Key project highlights for FY2020 were the successful completion of properties for the Group's Sendayan Developments as well as at BSI.

Also completed was a wide range of community amenities including two surau, a mosque and a 102,041 sq ft primary school with a 900-student capacity.

MANAGEMENT DISCUSSION
& ANALYSIS

Going forward, Matrix Excelcon will look to further enhance the application of QLASSIC standards towards enhancing the build quality of all completed projects.

In line with the Group's sustainability agenda, Matrix Excelcon is committed towards implementing more stringent control on work processes towards reducing waste and greenhouse gas emissions. Matrix Excelcon continues to comply with all regulatory standards and takes all precautionary measures to ensure air and water quality as well as noise produced at its work sites.

With regard to occupational safety and health ("OSH"), Matrix Excelcon continues to maintain a stringent benchmark for complying to, and exceeding all OSH requirements as mandated by local authorities. Matrix Excelcon continues to strengthen its OSH policies as well as standard operating procedures towards ensuring a safe workplace environment at all times.

For further information on OSH highlights and achievements, kindly refer to the Sustainability Report section of this Annual Report.

INDUSTRIALISED BUILDING SYSTEM ("IBS")

Matrix's utilisation of IBS commenced its maiden year of operations in FY2020 based on a wall precast concrete building system that has been modified to meet Malaysian construction requirements. The IBS system was launched in December 2019 after a six-month trial period.

In FY2020, the IBS unit produced a limited quantity of building materials, mainly for the construction of two-storey terrace homes.

As in any new implementation, some technical difficulties were encountered during the initial phases, which delayed production. As the issues were progressively resolved, the quantity and types of building material produced increased.

With continued improvement in capabilities and productivity, Matrix IBS is confident of meeting its production targets going forward. Projects earmarked for IBS are Precincts 6 and 7 of Tiara Sendayan.

Personnel training will also be emphasised to enable staff to better equip themselves with the knowledge and skills to operate the related machinery and production lines.

HEALTHCARE

Matrix aspirations to venture into the healthcare business were realised when Group's subsidiary, Matrix Medicare Sdn Bhd inked a management agreement with Pusat Hemodialisis Mawar ("PHM") to provide management services for the latter's Mawar Medical Centre, which comprises a medical and hemodialysis centre. PHM is the owner of Mawar Medical Centre.

Under the 30-year management agreement, Matrix Medicare will manage non-clinical aspects of PHM's operations. These include matters related to finance, administration and resources.

By leveraging on the existing PHM infrastructure and its operations, Matrix has gained immediate entry into the healthcare space without incurring substantial capital outlay as start-up costs. The management of operations for PHM is expected to provide the Group with recurring income that will grow incrementally in tandem with increasing demand for quality healthcare at good value from the surrounding community.

Importantly, Matrix's involvement has enabled PHM to continue serving the medical needs of the community after it had ceased operations in November 2018. The Group foresees that the revived PHM will be able to operate sustainably going forward.

The industry experience gained will allow Matrix to realise its ultimate objective of establishing a major medical centre in the flagship township of BSS.

In terms of operational highlights, in FY2020, PHM managed by Matrix Medicare secured numerous insurance and Takaful panelships as well as Third Party Administrators ("TPAs").

MANAGEMENT DISCUSSION & ANALYSIS

Notable insurance and Takaful brand names secured were AmMetLife Insurance Berhad, Allianz Malaysia Berhad, AXA Affin Life Insurance Berhad, AXA Affin General Insurance Berhad, MPI Generali Insurance Berhad, Tokio Marine Life Insurance, Tokio Marine General Insurance and Takaful Ikhlas Sdn Bhd.

TPAs that came on board included Integrated Healthcare Management, ASP Medical Group, Medilink Global (M) Sdn Bhd and many others.

PHM has also launched several specialist healthcare services during the financial year. This included transfusion and cellular therapy services, ophthalmology services and paediatric services.

Plans for launching additional services were disrupted by the onset of the Covid-19 pandemic, which necessitated a temporary shift in strategic focus and operational strategies to address more pressing and immediate healthcare concerns. These included providing Covid-19 related medical care and addressing arising issues such as increasing operational costs due to requirements for larger personal protective equipment ("PPE") procurement.

Despite rising costs and other issues, under Matrix Medicare, PHM has continued to stay open and to serve the public during this most pressing time. One highlight was PHM's launch of drive-through Covid-19 screening, which is highly popular among the public.

OUTLOOK AND PROSPECTS

With the onset of the Covid-19 pandemic and other factors including lower crude oil prices, the global economy is to expected to contract or at the most, post marginal growth not exceeding 1.5% for FY2020. The International Monetary Fund ("IMF") predicts a recession for most countries.

Ultimately, the outlook for key economies such as the US, China, Europe and India will depend on the effectiveness of these economies in containing the Covid-19 outbreak and how fast can they transition from downward GDP growth to upward momentum in economic activity.

Reassuringly, Malaysia has been effective in arresting the Covid-19 outbreak and has made swift progress in restoring a degree of normalcy. As a result, Malaysia appears to be recovering post Covid-19, surpassing international expectations.

However, even as the country recovers, it is likely that the nation will see 1-2 quarters of negative or slow economic growth. This will also be evident across the property sector. Indeed, pent-up demand remains strong but any loss of income by many prospective buyers due to the Covid-19 outbreak may result in deferments of property purchases to end FY2020 or even FY2021.

Furthermore, supporting industries such as banking and construction may continue to feel lingering effects, post MCO. This may lead to potential impacts on the property value chain. Labour may be scarcer and more costly going forward. Due to lack of supply, cost of raw materials may increase resulting in higher construction prices that may be passed to buyers.

However, the various stimulus packages introduced by the government such as the Pelan Jana Semula Ekonomi Negara ("PENJANA") and other incentives have helped to cushion the negative effects while contributing to a faster recovery in economic expansion.

Specifically, Matrix welcomes the various incentives towards supporting the property sector. These include exemptions on stamp duty and real property gains tax, removal of the 70% loan-to-value restrictions and other facilitating measures. The reintroduction of the Home Ownership Campaign ("HOC") has also been effective in stimulating home ownership going forward.

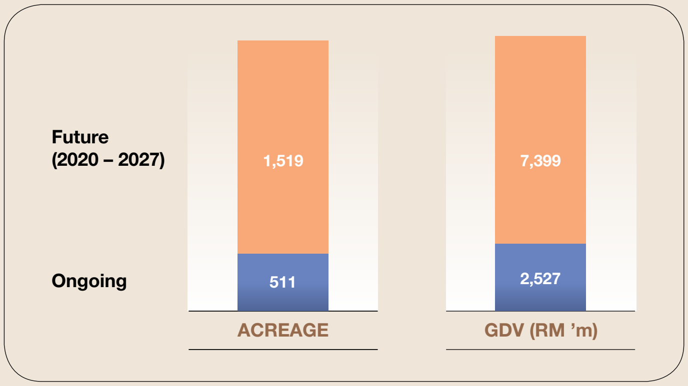
MANAGEMENT DISCUSSION
& ANALYSIS

STRATEGIC APPROACH GOING FORWARD

The Group is resilient, given the strength of its dynamic business model and is supported by strategic pocket developments both in Malaysia and abroad.

Our sales of properties remain robust and sustainable, attesting to the strength of the Matrix brand name and the attractive overall value proposition of our products, beyond being suitably priced to meet market expectations. There is strong, continuous demand for our properties in the Klang Valley, Negeri Sembilan, Johor and Australia.

The Group has over RM1.02 billion in unbilled sales with property launches in FY2021 valued at RM1.04 billion.



Slated launches for FY2021 include Hijayu Residence Phase 1: Parcel 1 (GDV of RM130.0 million) and Hijayu Resort Villa – Phases 1, 2 and 3 (GDV of RM110.0 million).

Also in the pipeline are Laman Sendayan 1, 2 and 3 with a cumulative GDV of RM271.4 million and upcoming developments at Tiara Sendayan 6 – Precint 6 (GDV of RM137.30 million) and Tiara Sendayan 7 and 8 (GDVs of RM129.20 million, RM125.70 million respectively). BSI will see two new launches: Impiana Bayu 3B2 – Phase 2 (GDV of RM51.10 million) and Impiana Damai 2A (GDV of RM87.10 million).

We draw confidence from the Group's project pipeline with total value of ongoing and future projects standing at over RM15.8 billion. This will keep Matrix busy till year 2027.

We will leverage on our expanding international business presence towards driving the Group's performance in the upcoming financial year. We aim to have our overseas property portfolio progressively provide larger contributions to the Group revenue going forward. Our strategy overseas is to invest in high-growth locations that offer sustainability via diversification.

In particular, we look to our maiden foray into Indonesia as one such venture that offers exciting prospects. Menara Syariah Twin Towers represents the first phase of Matrix's participation in developing the IFD, which is envisaged to be the next financial centre of Jakarta.

Furthermore, Matrix's involvement in the development of Menara Syariah provides the Group with exposure to the development of high-rise, Grade A commercial buildings.

The Group also benefits from the strength of its local partners. Agung Sedayu Group and Salim Group are well-established conglomerates that potentially pave the way for future collaborations and projects that will expand our presence in the country. The project has also received the endorsement of the Indonesian government.

Menara Syariah aside, Matrix holds an additional 2.2-hectare land parcel, which the Group plans to develop into office towers going forward.

Our presence in Australia will be driven by the Group's M.Greenvale and M St. Kilda projects, the latter to be launched in FY2021. St Kilda is a 12-storey mixed development project located on a 0.6-acre land parcel in the heart of Melbourne city. The project has an estimated GDV of A$80.0 million (approximately RM240.0 million).

Our incorporation of IBS technologies is timely as the use of such technologies will enable faster construction times, more consistent build quality, reduced manpower and ultimately yield greater efficiency. This is imperative in ensuring the Group is able to offer a compelling value proposition to differentiate our products amidst a long-standing downturn market and increasing market competition.

Pertaining to the Group's healthcare segment, it is anticipated that post Covid-19, bed occupancy rates will increase going forward. There may be a positive residual effect or increased concern to adopt a more healthcare oriented lifestyle. This could include more frequent check-ups and greater propensity to seek medical treatment, which may lead to greater consumption of

MANAGEMENT DISCUSSION
& ANALYSIS

Cocoon @ Seri Impian Lake Park – Bandar Seri Impian

healthcare related products and services. However, the challenge lies in transitioning to value-based, preventive healthcare from the present reactionary model.

Beyond treatment, the focus would be on emphasising general wellness, of enabling the community to lead a healthier and more productive lifestyle, on ageing well and other industry trends. The Group's healthcare division may also explore the feasibility of targeting healthcare travellers, given the growing healthcare tourism market in South East Asia and coupled with Malaysia's growing ascendance as a leading healthcare travel destination in Asia Pacific and the world.

Our plans for the hospitality segment include continuing to remain competitive and relevant within the mid-range boutique hotel segment. In particular, we look to further entrench d'Sora Boutique Business Hotel as a preferred location among business travellers, especially those who rely on Kuala Lumpur International Airport.

Going forward, plans include positioning d'Sora to tap the market for small-scale business and company events, such as seminars, conferences, workshops and other corporate related activities.

Similarly, we aim to develop our other township components such as education and retail through strategic partnerships and industry collaborations.

As we progress, Matrix, will continue to leverage on its inherent strengths, the dynamism of our business model and the sustainability of its business strategies to continue achieving sustainable growth amidst a challenging marketplace. Where necessary, we shall adapt and refine our approach to ensure business, financial and operational sustainability.

We shall continue to source for value accretive opportunities. This includes acquiring suitable assets, locally and internationally and if necessary, relook our asset and undertake corporate exercises to raise capital to finance expansion.

The future is immensely challenging given the present circumstances, but we are optimistic that the present difficulties are temporary. Our dynamic business model and healthy financial position, our expanding business presence and diversification into related business sectors will provide Matrix with the business, financial and operational sustainability to emerge stronger going forward.

HO KONG SOON
Group Managing Director

30 July 2020

BOARD OF DIRECTORS' PROFILES

DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN

Non-Independent Non-Executive Chairman

Malaysian

Age 67

Male

DATE OF APPOINTMENT	• 2 April 2012
TENURE OF DIRECTORSHIP	• 8 years 3 months
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: Stella Holdings Berhad (formerly known as Merge Energy Bhd) • Other public company: 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.

BOARD OF DIRECTORS' PROFILES

DATO' LEE TIAN HOCK
(KEY SENIOR MANAGEMENT)

Founder,
Group Executive Deputy Chairman

Malaysian

Age 62

Male

DATE OF APPOINTMENT	• 4 March 1997
TENURE OF DIRECTORSHIP	• 23 years 4 months
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: Stella Holdings Berhad (formerly known as Merge Energy Bhd) • Other public company: Negri Sembilan Chinese Maternity Association Pusat Hemodialisis Mawar

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 and Chairman of Pusat Hemodialisis Mawar, Seremban.

BOARD OF DIRECTORS' PROFILES

HO KONG SOON
(KEY SENIOR MANAGEMENT)

Group Managing Director

Malaysian

Age 53

Male

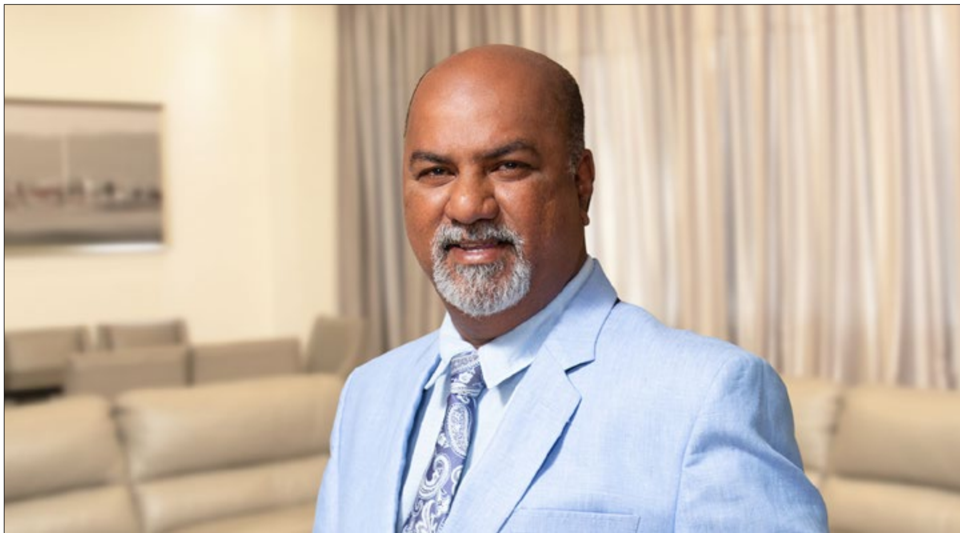
DATE OF APPOINTMENT	• 30 December 2002
TENURE OF DIRECTORSHIP	• 17 years 7 months
BOARD COMMITTEES MEMBERSHIP(S)	• Risk Management Committee (Member) • Sustainability Committee (Member) • ESOS Committee (Member)
ACADEMIC/PROFESSIONAL QUALIFICATION(S)	• Bachelor of Engineering Degree from University of 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



DATO' LOGENDRAN A/L K NARAYANASAMY

Non-Independent Non-Executive Director

Malaysian

Age 58

Male

DATE OF APPOINTMENT	• 15 November 2016
TENURE OF DIRECTORSHIP	• 3 years 8 months
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 Pusat Hemodialisis Mawar

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, Executive Director of Negri Sembilan Chinese Maternity Association and Vice Chairman of Pusat Hemodialisis Mawar, Seremban.

BOARD OF DIRECTORS' PROFILES

REZAL ZAIN BIN ABDUL RASHID

Senior Independent Non-Executive Director

Malaysian

Age 52

Male

DATE OF APPOINTMENT	• 8 August 2012
TENURE OF DIRECTORSHIP	• 7 years 11 months
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' FIRDAUS MUHAMMAD ROM BIN HARUN

Independent
Non-Executive Director

Malaysian

Age 70

Male

DATE OF APPOINTMENT	• 2 April 2012
TENURE OF DIRECTORSHIP	• 8 years 3 months
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 72

Male

DATE OF APPOINTMENT	• 28 December 2012
TENURE OF DIRECTORSHIP	• 7 years 7 months
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 71

Male

DATE OF APPOINTMENT	• 19 Jun 2015
TENURE OF DIRECTORSHIP	• 5 years 1 month
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 64

Female

DATE OF APPOINTMENT	• 15 March 2016
TENURE OF DIRECTORSHIP	• 4 years 4 months
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.

Notes:

Save and except for what was disclosed in this Annual Report, ALL the Directors of Matrix:-
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, other than traffic offences, imposed by any relevant regulatory bodies during the financial year.

MANAGEMENT TEAM

PROPERTY DEVELOPMENT

LEFT TO RIGHT

PAK HENG CHEONG
Senior General Manager, Project Planning

LEONG JEE VAN
Chief Executive Officer, Property Development

TAN SZE CHEE
Chief Development Officer

LEFT TO RIGHT

TEH CHEE SENG
General Manager, Group Contract and Procurement and M&E

TN. HJ. MUSTAZA BIN MUSA
General Manager, Land Matters

LEFT TO RIGHT

HOW GIOK WAH
Group Sales Advisor

LIM KOK YEE
Chief Marketing Officer

BRYAN LEE THIAN LONG
General Manager, Group Sales and Marketing

LEFT TO RIGHT

HARRY LEE CHIN YEOW
Project Lead – Australia

LEE JON WEE
Managing Director – Australia

LIM SWEE LEONG
Senior General Manager, Central Region

DAMON LAU CHEE WEN
General Manager, Southern Region

MANAGEMENT TEAM

CORPORATE

LEFT TO RIGHT

CAMY TEE KAM MEE
General Manager Group Finance

LOUIS TAN SAY KUAN
Chief Financial Officer

CARMEN LOO KAH BOON
General Manager,
Group Corporate Secretarial,
Governance and Sustainability

LEFT TO RIGHT

NIK LI BIN R. DERAMAN
Senior Manager, Internal Audit

NG YEE MING
Senior General Manager,
Group Human Resources
and Administration

ROSALIND JOSEPHINE LIM POH CHOO
General Manager, Group Legal

CONSTRUCTION

LEFT TO RIGHT

KELVIN LEE CHIN CHUAN
Project Lead – Construction

CHIA KHING FUAT
Chief Project Director

LO CHEE KIN
General Manager,
Matrix IBS Sdn Bhd

MANAGEMENT TEAM

EDUCATION

Transformation Team

LEFT TO RIGHT

LOH GHEE JUAN
Campus Principal

DATO' LIM SI BOON
Director, Matrix Educare Sdn Bhd

LEE YAM SEI
Head, Academic Development

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

HOSPITALITY

JEAN-MICHEL KOK
Head, Hospitality Division

HEALTHCARE

PROF. EMERITUS DATUK SERI DR. SATIADASS
Chief Executive Officer, Mawar Medical Centre

VALUE CREATION
NARRATIVE

Beyond revenue, profits and sales, Matrix measures value created from a more inclusive and encompassing view. In essence, value creation also includes benefits, outcomes and impacts created for and to stakeholders including the physical environments in which we operate.

Matrix's adoption of the 5P approach is a transition from traditional perceptions of value creation, which is largely financial based. Our 5Ps are centred on Planet, People, Peace, Partnership and Prosperity.

The Group's 5Ps are also further aligned to selected United Nations Sustainability Development Goals ("UNSDGs"), which the Group has identified as being most pertinent to our *raison d' eitre* as a township masterplanner and property developer.

5PS	MATRIX'S INITIATIVE	SELECTED UNSDGs
PLANET	Matrix continues to improve on its environmental footprint, looking to minimise consumption of raw materials and natural resources while adopting more "green" based business processes to reduce production of emissions and waste outputs. This includes the progressive transition to more sustainable construction and building methods, greater use of environmentally friendly or biodegradable materials/products within our business processes, continued pursuit of energy and water consumption efficiency and promoting environmental conservation and awareness among stakeholders.	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
PEOPLE	We continue to place people, which comprises our employees, the community at large, investors/shareholders, our customers and others at the heart of our business and value creation approach. Our focus is on creating positive outcomes for our many different stakeholders. Through our business model, we create jobs, facilitate development of skills and knowledge transfer and build homes, all of which positively benefit people.	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
PARTNERSHIP & PROSPERITY	The strategic partnership between the Group's business components; property development, construction, healthcare, hospitality, and education enable Matrix to develop a complete township eco-system that meets the needs of urban communities. The benefits or values created include infrastructure development, stimulation of business and commercial activities and educational opportunities and transforms vacant, undeveloped landscapes into a more prosperous location that enables socio-economic growth and prosperity.	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 17 PARTNERSHIPS FOR THE GOALS
PEACE	Through our business, we expand the existing socio-economic pie; providing increasing opportunities for people to expand their income, achieve social mobility, enjoy better quality of life, and to realise their lifestyle aspirations. The homes we build provide the cornerstone for the development of stable, strong communities that enjoy safety and security. Our homes also enable many buyer to place their "roots"; to start planning and developing their future, including pursuing their life goals such as getting married, starting families, multi-generational living and etc.	3 GOOD HEALTH AND WELL-BEING 11 SUSTAINABLE CITIES AND COMMUNITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

OUR VALUE CHAIN

Property development remain our main core business, as a township developer, Matrix's industry or value chain comprises several stages. Matrix seeks to unlock or create value at each stage of the aforementioned property development value chain as the Group transforms vacant landbanks into a comprehensive township or an integrated stand-alone property project such as a high-rise or commercial development.

LANDBANK ACQUISITION AND REPLENISHMENT	Matrix remains in land acquisition mode both locally and abroad as strategically located land is one of the key components in ensuring a successful township or stand-alone development. By identifying and acquiring idle land, Matrix creates demand and interest for the land and the surrounding areas, often resulting in rising land valuations and attracting investors. Local landowners and the local community are among the beneficiaries of Matrix's land banking activities.
DESIGN & MASTERPLAN	Planning sustainable townships excites the market, inspires investor's confidence, and ultimately drives socio-economic development. The actual presence of townships drive a strong catalytic, multiplier effect that provides housing, creates jobs, stirs commercial activity and more.
MARKETING & SALES	Through branding and marketing activities, Matrix stimulates demand and generates commercial activity, while creating sought after residential and commercial locations. This leads to industry growth, increases property transactions and supports capital appreciation.
CONSTRUCTION	Through infrastructure development, the construction and development activity provides a multiplier effect leading to job creation, commercial growth and other benefits. The use of modern construction systems such as IBS helps to improve the overall property development sector while offering reduced construction costs and faster build and completion of units.
PROPERTY INVESTMENT	Completed properties can be sold for profit or retained for, and managed to generate incomes, providing homes to the buyers.
VACANT POSSESSION	Beyond providing a roof over their heads and a physical property, Matrix enables property buyers to enjoy a host of benefits that come with owning a home. These include potential capital appreciation and rental yields, improved quality of living, convenience, access to public amenities, improved safety and security and more.

The values created are aligned to the 5P philosophy and the UNSDGs. On many occasions, the value created by our property development process extends beyond the aforementioned, notably with township developments.

OUR VALUE CHAIN

VALUE CREATED FOR HOMEOWNERS AND STAKEHOLDERS VIA THE TOWNSHIP MODEL

The Group's Sendayan Developments, which comprise the Bandar Sri Sendayan ("BSS") township and the enclaves of Ara Sendayan, Tiara Sendayan and Laman Sendayan have become highly-desired addresses in the southern Klang Valley, both for upgraders from nearby towns, as well as buyers from Klang Valley.

As a township developer, Matrix intends to continue leveraging on its proven track record and the established award-winning brand name of its 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.

Vacant land is given new lease of life through a strategically conceived masterplan.

The new township emerges via development meets growing need for quality, value-for money homes.

As the residential component reaches critical mass, it spurs demand for other amenities, commercial, healthcare, hospitality activities, providing opportunities for further economic development.

The injection of commercial/ supporting component supports a thriving, self-contained eco-system that meets the needs of sustainable, modern living.

This leads to the realisation of socio-ecnomic prosperity and harmony that is in balance with nature.





OUR
VALUE CHAIN

FEATURES

The Property Industry

DESCRIPTION

Pros:

- Fast-growing industry with constant strong underlying demand, especially for residential properties.
- Demand for homes continues to outpace supply in key property segments.
- A wide range of incentives provided for the development of affordable or mid-range priced homes.
- Industry players generally enjoy healthy margins on property projects.
- Ability to sell off the plan; to launch and sell properties prior to actual construction.
- Ample land availability enables property developers to undertake large-scale residential, industrial or commercial developments nationwide.
- Opportunities to transfer expertise and experience to international markets within the region and elsewhere.
- The emergence of new technologies such as Industrialised Building Systems ("IBS"), Building Information Modelling ("BIM"), Virtual Design Construction ("VDC") enable higher quality development to be undertaken at enhanced productivity and improved cost efficiency.

Cons:

- Industry continues to face the effects of a prolonged downturn amidst a perfect storm or escalating property prices and inflation, stagnating wages and lack of financing.
- Property developers continue to face mounting costs arising from increased compliance costs, rising raw material prices, more costly labour and appreciating land prices. Consequently, such rising costs are transferred to home prices further exacerbating ownership difficulties among homeowners.
- Growing industry competition has led to erosion of margins among many developers as well as increased land acquisition costs.
- The onset of the Covid-19 pandemic has significantly curtailed property marketing and promotional activities with prospective buyers also deferring their purchase decisions.

FEATURES

Matrix's Key Features/Assets, Resources employed within this chosen industry.

These include long-standing industry experience and expertise, assets, various forms of capitals or resources and proprietary as well as externally sourced technological capabilities.

DESCRIPTION

Kindly refer to the Business Strengths section on page 58 as well as the Strategic Snapshot section on page 64.

OUR BUSINESS STRENGTHS

Matrix's inherent strengths are at the heart of its business model. These strengths drive its business strategies as the Group look to optimise its underlying competitive advantages towards realising the Group's vision and mission. The Group's business strength power Matrix to continue creating sustainable, enduring value over the short, medium and long-term perspectives.

Matrix's business strengths are a core component of its value creation model and the Group continues to bolster its natural strategic advantages as below:

BUSINESS STRENGTHS	DESCRIPTION	EFFORTS TO BOLSTER BUSINESS STRENGTHS
Township Developer	With our focus on township developments notably, Sendayan Developments, Matrix has developed a strong credibility as a leading developer within the southern Greater Kuala Lumpur region. As a township developer, we are able to master plan the entire landbank effectively in response to market sentiments and external developments. This allows us to proactively adopt measures to mitigate the effects of the present property market downturn.	• Strategic landbank acquisition. • Design and development of more mid-priced homes to meet real market demand. • Introduction of IBS to manage construction costs and improve build quality and consistency. • Venture into healthcare segment towards realising the ultimate aspiration of establishing a medical centre within our townships.
Master-planning	As a township developer, we are able to conceive a vision of a better future and to then deliver this vision via effective master-planning. We are able to reshape entire landscapes to positively impact many stakeholders on a larger scale. We are able to introduce new ideas and concepts and have better control of our development plans and strategies going forward. This includes phase ability, land use, zoning, infrastructure development and more.	• Continuously introducing new development concepts and unit designs towards remaining aligned with changing lifestyle preferences. • Balancing plot ratio optimisation with requirements for lifestyle facilities and to leverage on the natural environment and topography.
Phase-Ability	As a township developer, we are best positioned to stagger or develop our landbank and townships in phases. This allows us the advantage of choosing the most opportune moment to launch new phases, to make design changes and other modifications or improvements as we launch subsequent phases and to even adapt the overall mix (unit sizes, number of units, etc.) in response to property buyers' budgets, changing requirements and preferences.	• Managing our mix of property launches in tandem with the overall market scenario.
Strong Financial Backing to Capitalise on Opportunities	The Group is in a healthy fiscal position. It has access to internally generated funds to meet capex and opex requirements. It has reduced reliance compared to some other property developers who rely primarily on borrowings.	• Maintaining a strong momentum of property launches towards securing sales to boost revenue. • Maintaining a healthy cash flow and cash position. • Continue realisation of cost and operational efficiencies across our business processes and value chain. • Leveraging on strategic Joint-Venture partnerships for overseas projects.

OUR BUSINESS STRENGTHS

BUSINESS STRENGTHS	DESCRIPTION	EFFORTS TO BOLSTER BUSINESS STRENGTHS
Meeting Real Market Demand & Delivering Multiple Products At Varying Price Points	With the advantage of phase-ability and flexibility, Matrix is better positioned to tailor its products to meet real market demand that is adjusting its overall property mix to provide what the market can afford and want, across multiple price points. This enables Matrix to compete across a wider market base attracting a larger spectrum of buyers at varying lifestyle stages and income levels.	• Launching more mid-priced/value-for-money products. • Developing unique marketing and promotional plans to target varying buyer segments. • Leveraging on repeat buyers and tapping buyer referrals to drive sales. • Tapping on customer relationship management and data analytics to improve sales conversion rates. • Providing financial advice to buyers to improve loan approval rates. • Offering incentives, rebates and special ownership packages for buyers.
Synergy	Beyond property development, Matrix is able to draw from its, construction, education and hospitality components to create a synergetic proposition to enhance the overall value and appeal of its townships. Matrix Global Schools, d'Tempat Country Club, d'Sora Hotel, and our new IBS factory enhance our value creation impact as a property developer.	• Strengthening supporting township components i.e. commercial, industrial, healthcare, retail, hospitality, education etc. • Enhancing operations of all supporting business divisions.
Growing Overseas Business Presence	Matrix has progressively expanded into Indonesia and Australia. The expansion diversifies the Group's revenue base and enhances its profile as a successful international property developer. It enables the Group to also acquire new business strategies, knowledge transfer and know-how, to adopt best practices and ideas while enabling Malaysian buyers to have the opportunity to buy properties overseas.	• Pursuing expansion into new and existing overseas markets via Joint-Venture with local partners to reduce expected learning curve and to reduce risks.
Strong Branding And Proven Track Record	Matrix has developed an award-winning brand and a credible track record over an 23-year track record in and having developed and launched more than 26,000 units of residential, commercial, and industrial properties. The Group's combined on going and future GDV is approximately RM15 billion over the next fifteen (15) years. These (and other) achievements have strengthened consumer confidence in the Group as reflected in the strong take-up of products including fast sell outs within a short period upon launching.	• Continue to engage key stakeholders including regulatory bodies and the media. • Participation in industry and other notable events to enhance overall Matrix branding and image.

GROUP VALUE CREATION MODEL

FOR FINANCIAL YEAR ENDED 31 MARCH 2020

CAPITAL RESOURCES

FINANCIAL

Efficient utilisation of funds generated from operations or investments including retained profits, capital and operational expenditures, borrowings and shareholders' funds.

INPUTS (BEGINNING OF FY2020)

- Share Capital: RM800.22 million
- Cash and Cash Equivalents: RM180.27 million
- Market Capitalisation: RM1,422.81 million
- Equity: RM1,327.95 million
- Total Assets: RM2,097.91 million
- Total Liabilities including borrowings: RM769.97 million

MANUFACTURED

Our physical assets across all business divisions: Property Development, Construction, Hospitality, Education and Recreation,

- IBS factory
- d'Tempat Country Club
- d'Sora Boutique Business Hotel
- Matrix Global Schools
- Various property units, machinery, commercial units and more.

NATURAL

Sustainable consumption and development of land, water and energy in the operation of the Group's business divisions.

Greater emphasis on recycling and other environmentally friendly practices in line with adoption of UNSDGs.

- 2,030-acre landbank for development
- Electricity consumption
- Water consumption
- Consumption of building/raw materials such as sand, steel, cement, etc.

BUSINESS MODEL

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.

GROUP VALUE CREATION MODEL

FOR FINANCIAL YEAR ENDED 31 MARCH 2020

OUR BUSINESS STRENGTHS

- Township Developer
- Master-planning
- Phase-Ability
- Strong Financial Backing to Capitalise on Opportunities
- Meeting Real Market Demand & Delivering Multiple Products At Varying Price Points
- Synergy
- Growing Overseas Business Presence
- Strong Branding And Proven Track Record

OUTPUTS	OUTCOMES
• Revenue: RM1,283.41 million • Profit Before Tax: RM337,61 million • Sales: RM1,035.04 million • Unbilled Sales: RM1,022.44 million • Cash and Cash Equivalents: RM241.46 million • Total Assets: RM2,576.91 million • Total Liabilities including borrowings: RM973.88 million • Borrowings: RM427.56 million	• RM95.25 million in dividend payout • RM100.10 million paid in taxes • RM83.25 million paid in wages • RM7.20 million paid in statutory contributions • Market Capitalisation: RM1,284.69 million as at end FY2020
• 1,653 completed properties • 70% average QLASSIC scores • IBS factory produced 6,196 pcs of components in FY2020	• High customer satisfaction levels and direct contribution to nation-building and economic growth, job creation and acquisition of intellectual property and technology
• 184.52 acres of land developed • GHG emissions – 4,919 tonnes • Electricity consumed – 5,940,416 kwh • Water consumed and recycled – 369,730 m^3	• Improved and monitored sustainability performance in line with UNSDGs

GROUP VALUE CREATION MODEL

FOR FINANCIAL YEAR ENDED 31 MARCH 2020

CAPITAL RESOURCES	INPUTS
HUMAN The Group's repository of human capital, which includes our staff's skills, experience, ideas, morale, professional qualities as well as a conducive corporate culture that is centred on strong corporate governance, competence and sustainability.	• 710 employees • The stakeholders across our value chain such as vendors, suppliers and customers.
INTELLECTUAL Our business strategies, inherent industry experience and expertise, Management's skills and proprietary industry knowledge, techniques and intellectual property.	• 23 years of property development experience and know-how • Robust business strategies • Growing brand awareness, appeal and credibility • Industrialised Building Systems ("IBS")
SOCIAL Strengthening of existing relationships through a wide range of engagement activities towards continuously ensuring alignment of our value creation approach with the aspirations of our stakeholders.	• Dialogues and engagement activities across FY2020 with shareholders, customers, suppliers, employees, government and regulators, industry affiliations and local communities.

BUSINESS MODEL

BUSINESS MODEL

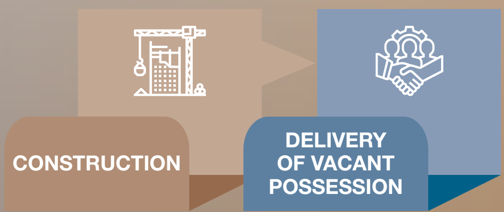
Please refer to page 55 for detailed business model description

SUSTAINABILITY

Please refer to page 68 for Sustainability Statement

GROUP VALUE CREATION MODEL

FOR FINANCIAL YEAR ENDED 31 MARCH 2020



BUSINESS STRATEGIES

Please refer to our **Strategic Snapshot** on page 64

RISKS

Please refer to our **Risks Section** on page 66

OUTPUTS	OUTCOMES
• Growth of staff workforce by 6% • Provision of 164 internship opportunities • Hiring of 25 fresh graduates	• Employee Satisfaction • Employee morale • RM76,929 spent on employee training and development • 5.12 average training hours per employee
• 18 awards won • Adoption of various industry best practice or globally recognised standards for quality excellence. This includes QLASSIC and ISO standards.	• Growing brand appeal and market share • Within top 10th Property Developer in Malaysia (based on Market Capitalisation as at 30 July 2020)

Stronger investor and customer confidence.

Improved relationships with government and regulators as well as with media.

Strong rapport with community stakeholders and shareholders.

OUR STRATEGIC SNAPSHOT

RESOURCES, BUSINESS STRENGTHS	BUSINESS STRATEGIES
Robust township development model	• Leverage on existing townships to offer varied product types and multiple price points to meet real market demand. • Strengthen supporting development components i.e. education, healthcare, industrial, commercial and hospitality. • Stagger development phases in tandem with market demand. • Promote the value proposition of suburban living to attract key buyer segments i.e. upgraders, young and matured families, multi-generational households and others.
Strategically located strata developments	• Position products as integrated or transit oriented developments. • Optimise spatial usage with higher build density ratios to reduce per unit ownership costs. • Offer more and novel facilities and amenities to entice buyers. • Provide strong value proposition including attractive ownership packages, financial advice and other forms of assistance to buyers.
Landbank comprising strategically located land parcels in Sendayan, Johor and the Klang Valley and Melbourne, Australia	• Actively source for new land parcels within Malaysia and abroad to replenish existing inventories.
Robust fiscal position and growing unbilled sales	• Strive for a more sustainable balance between external borrowings/capital and internally generated funds to drive capex and opex. • Paring down of liabilities and repaying borrowings to maintain a low gearing ratio.
Strong branding with growing awareness and appeal	• Pursuing prelaunch sales for selected projects. • Tapping data analytics to increase effectiveness of marketing efforts via targeted messaging and customer engagement. • Leveraging on existing customer base to acquire new customers via referrals.
Growing overseas Business Presence	• Continue launching new projects in Australia and Indonesia. • Forging joint-venture collaborations with strategic partners, whenever possible.

OUR STRATEGIC SNAPSHOT

SETBACKS	CAPITALS AFFECTED	STRATEGIES EMPLOYED
• Arrested or slow traction of the townships with buyers (inability of township to achieve critical mass). • Sluggish socio-economic growth of supporting township social components i.e. amenities, schools, hospitals, commercial, etc. • Surrounding region does not live up to development expectations i.e. scuppering or deferment of the construction of Industrial and commercial buildings, etc. • External macro factors that impact the operating environment.	• Financial • Manufactured • Human	• Pursuit operational and cost efficiencies across the business. • Venture into new markets within Malaysia and abroad. • Pursue strategic landbanking activities • Increase IBS usage within the construction and development process • Continue to launch suitably priced homes at all locations. • Focus on pent-up demand within proven resilient buying segments. • Tap foreign buyers with the lifting of the price threshold for foreign purchases. • Progressively adopt a greater degree of technology, in particular digitalisation towards driving business processes. • Leverage on IBS to improve product quality, shorten construction time and reduce costs. • Deliver more satisfying customer experiences across their property journey with Matrix.
• Stiff competition within the high-rise residential development segment. • High loan rejection rates due to continued stringent lending policies. • Rising construction and compliance costs. • Overhang of supply affecting sentiment and demand.	• Financial • Manufactured • Natural • Social	
• Unable to replenish landbank due to scarcity of land in strategic locations. • Rising land acquisition costs.	• Financial • Natural	
• To over rely on internal funds or to overgear when pursuing projects, notably overseas projects. • Heavily dependent on its property development business.	• Financial	
• Inability to realise or live up to brand promise/customer expectations.	• Financial • Intellectual • Social • Human	
• Inability of Joint-Venture partners to perform. • Lack of traction for overseas projects due to specific market conditions in individual countries, in particular, post Covid-19, among others. • Changes in government regulations.	• Human • Intellectual	

GROUP RISKS & MITIGATION STRATEGIES

Matrix remains mindful of its risk factors and continues to adopt effective risk mitigation strategies.

The Group's ability to implement mitigation measures is driven by its robust and comprehensive internal risk management structure, that allows for early identification of risk factors across all levels of the Group, be it at the operating subsidiaries or even at departmental and unit level.

The Board of Directors, as the highest decision-making body of Matrix has constant and timely visibility on all business, financial, strategic and operational risks through its Board-level Risk Management Committee, which receives periodic reports on risk related matters.

Readers may refer to our Statement of Risk Management and Internal Control for more detailed information on the Group's internal risk management framework. This include the implemented triple defence mechanism, the reporting structure for risks and specific internal controls and other information.

The table below provides an overview of Matrix's business, financial and operational risks in FY2020. It also discloses linkages between identified risks and the Group's material topics as well as impacts on business strategies going forward.

RISK	DESCRIPTION OF RISKS	LINKAGE TO MATERIALITY	AFFECTED BUSINESS STRATEGY	MITIGATION STRATEGY
EXTERNAL MACRO FACTORS THAT IMPACT THE OPERATING ENVIRONMENT	**Global or industry wide issues that are beyond the Group's control such as virus pandemics, changes in raw material prices and sluggish economic performance may further exacerbate the overall property overhang, market prices, effective prices and lengthen the existing industry slowdown.**	Economic Performance Governance Society	The Group will need to constantly review its property project launches, notably, higher-end projects. Strong project management is essential for ongoing construction work and projects to avoid cost overruns or completion delays.	Continued focus on meeting real market demand. To expand overseas property portfolio i.e. Indonesia and Australia.
DEPLETING LANDBANK	**Inability to replenish landbank especially in key locations can disrupt development plans going forward.** **Increasingly, land prices and associated acquisition costs continue to rise.**	Economic Performance Environment Society Product Responsibility	Ability to bring new projects to market is impacted. Increasing land acquisition costs may affect the Group's focus on developing mid-range or affordably priced properties.	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. Matrix continues to implement various cost and resource optimisation strategies to yield efficiencies across the value chain.
INABILITY TO IMPLEMENT THE TOWNSHIP MASTERPLAN	**Due to external or internal factors that may cause delays or total in ability to realise the envisioned township master plan to its fullest potential.**	Economic Performance Environment Society Product Responsibility	The Group will need to adapt its township development strategies to address specific painpoints faced i.e. seeking external expertise to develop required components.	Matrix continues to refine its capabilities to extend beyond the building of homes. Matrix continues to seek strategic partners to drive the development of all township components.

GROUP RISKS & MITIGATION STRATEGIES

RISK	DESCRIPTION OF RISKS	LINKAGE TO MATERIALITY	AFFECTED BUSINESS STRATEGY	MITIGATION STRATEGY
CHANGES IN GOVERNMENT REGULATIONS	**Amendments, revisions or introduction of new regulations may disrupt business processes, delay approvals or necessitate changes to operations.**	Governance Economic Performance Environment Labour Practices and Decent Work Society	The Group will need to adapt to these changes, seeking clarification and further information from the relevant authorities. This may delay construction progress, project launches and cause costs increases, including potential higher compliance costs. The Group is cognisant that horizontal and vertical diversification across the value chain must be stepped up going forward. Resource allocation, future strategic plans and orientation must continue to be focussed on develop its capacities in its other chosen business segments/industries.	The Group remains in constant dialogue with government regulators and authorities to stay abreast with current developments in legislation. Matrix continues to aggressively develop its other business components. This includes inking several Joint-Venture agreements for its education operations and the introduction of IBS into its construction operations.
HEAVILY DEPENDENT ON ITS PROPERTY DEVELOPMENT BUSINESS	**While Matrix has diversified into hospitality, education and other business segments, property development remains its largest contributor to revenue.**	Economic Performance Society		
CONTINUED STRINGENT LENDING GUIDELINES	**Financing for purchase of property remains stringent with prospective buyers seeing high loan rejection rates. This includes even first time homeowners looking to buy affordable homes.**	Economic Performance Society	The strategy of building and selling properties needs to be aligned closely to buyers' appetite and their ability to secure financing. Marketing efforts have been re-strategised to ensure a better sales closure rate.	Matrix continues to work closely with banks and potential homeowners to address the issue of tight financing and high loan rejection rates.
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.**	Economic Performance Environment Labour Practices and Decent Work Human Rights Product Responsibility	Going forward, IBS will be to expand towards reducing raw material consumption, reducing labour dependence and to achieve faster construction times and more consistent quality. IBS implementation has been rolled out in FY2020, albeit on a small scale.	
JOINT VENTURE ("JV") RISKS	**The inability of strategic partners to deliver the required competences to drive business strategies and achieve desired results may affect overall realisation of the township model.**	Economic Performance Governance	Given that there is a possibility that not all partnerships may come to fruition; allocation for such a scenario must be made when considering business scenario planning. Beyond financial strengths, know-how and track record, potential partners must also share a similar vision and commitment to desired outcomes.	The Group remains selective in its choice of partners. A well-defined criterion has been established to guide the execution of due diligence activities. Matrix continues to undertake all necessary due diligence prior to the selection of overseas markets and JV partners both within Malaysian and abroad.

SUSTAINABILITY STATEMENT

Scan the QR code to download full Sustainability Report 2020.

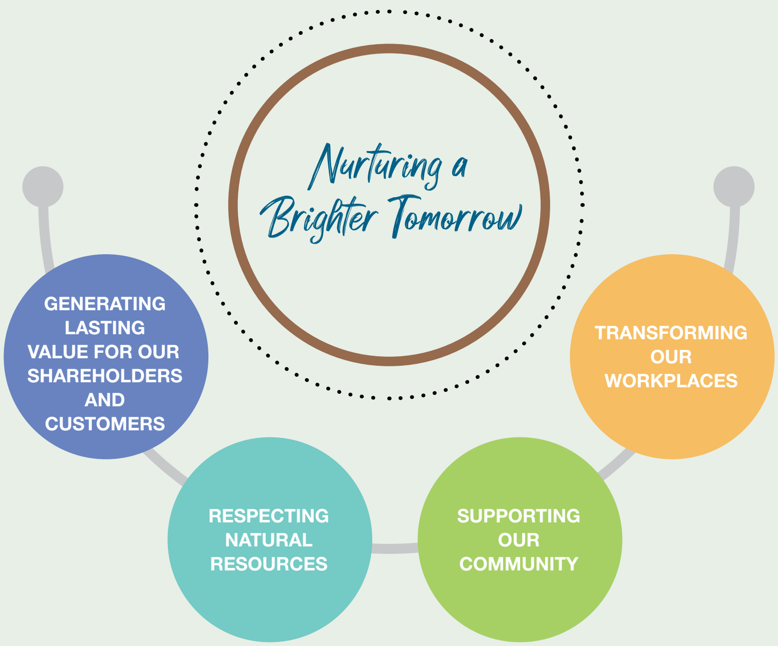
SUSTAINABILITY STATEMENT

SUSTAINABILITY AT MATRIX

Matrix is a committed corporate citizen and works continually to inspire transformative business leadership in the areas of social responsibility and sustainability. The Group believes in actively nurturing the well-being and development of the community in which it operates. Matrix implements practicable policies that have a positive impact on the environment and all stakeholders including customers, employees and community members.

Sustainable business practices continue to be the root of our business growth. We recognise that our business of developing large-scale townships bears long-term effects that should minimise negative externalities such as environmental degradation and social marginalisation through the creation of socially and economically vibrant communities.

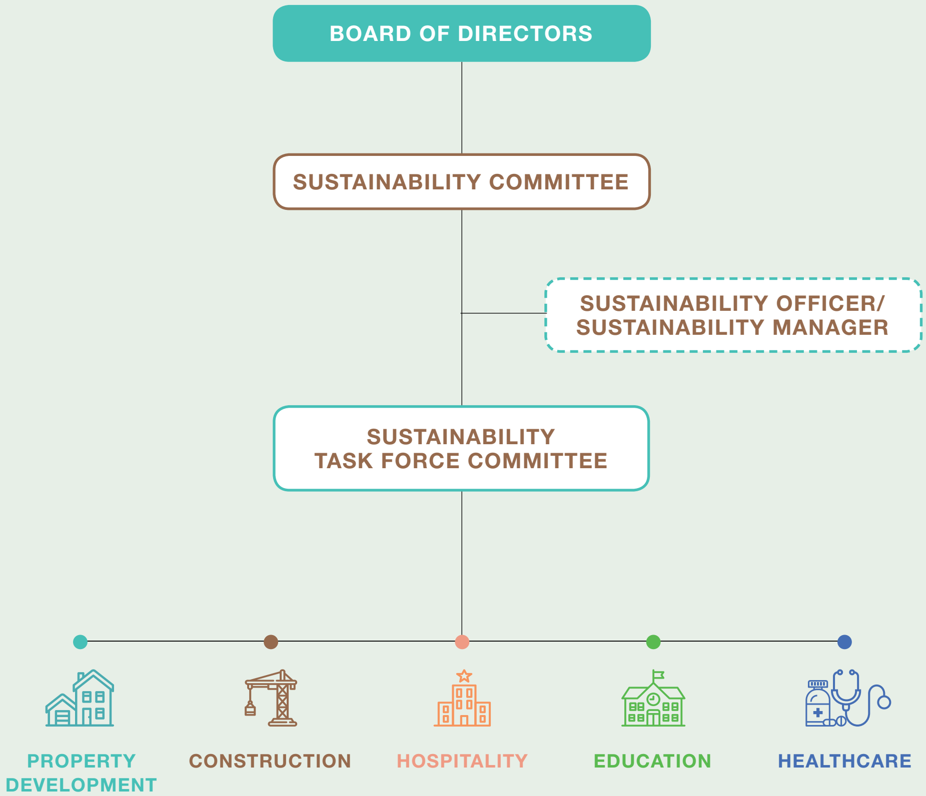
OUR SUSTAINABILITY LEADERSHIP AGENDA



SUSTAINABILITY STATEMENT

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 and Sustainability Officer, the Sustainability Committee assists in monitoring and managing the policies and periodically taking action.



Matrix Sustainability Committee

DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN (CHAIRMAN)	DATO' LEE TIAN HOCK	HO KONG SOON	DATO' LOGENDRAN A/L K NARAYANASAMY

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 in a timely and meaningful manner.

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."

SUSTAINABILITY STATEMENT

ENGAGING WITH OUR STAKEHOLDERS

Continuous dialogue and engagement with stakeholders provide greater insights into their needs. Ideas can be exchanged concerning things that can make an important difference.

KEY STAKEHOLDERS	KEY INTERESTS	MATRIX'S APPROACH
Supply Chain Partners	Shared purpose, innovation, consistency and a steady and secure supply of work with positive payment options and wider terms and conditions.	We engage with our supply chain on shared challenges, production capacity, skill shortages, knowledge, good sustainable practices and mutually-beneficial terms.
Development Partners and Landowners	Ability to work within their planning system and generate competitive land value while improving the quality of development, partnership culture and reliability.	We have an excellent record for reliability and expertise, building successful developments by planning and delivering quality and value.
Customers and Communities	Great homes to live in, physical and social infrastructure (schools, club and hospital), the character of the proposed development and ongoing support through quality and service.	We engage proactively with local residents and community representatives to address any concerns and work with our supply chain to minimise delays and quality risks.
Investors	A clear and consistent business strategy, strong governance, ethics and transparency, and long-term business value.	Our primary responsibility is to our investors through regular engagement and presenting a clear plan for managed growth. A robust governance system helps us operate responsibly.
Employees	Career development opportunities, availability of training and mentoring, and working conditions.	We continue to invest in progressive employment policies that provide equal opportunities and have career development programmes for all levels.
Government and Industry	Increasing the delivery rate of new homes, improving the quality and sustainability of developments, and regulating resource efficiency standards.	We are recognised for delivering high-quality developments and continue engaging with the government on emerging sustainable policy and regulations.

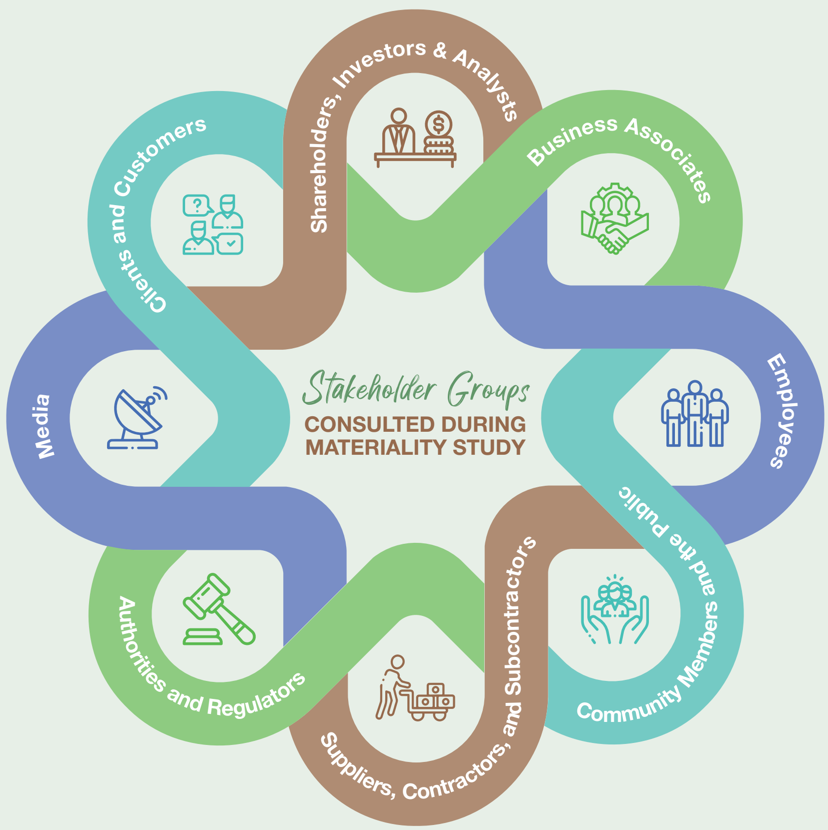
SUSTAINABILITY
STATEMENT

MATERIALITY AND REPORTING

Each year, we review the issues that are most pertinent to the long-term resilience and success of our business. These are our material issues.

Economic, political, market, social and environmental issues are all significant to the business. These issues are reviewed annually during a formal materiality process that obtains input from all key stakeholders. We considered high-level economic, environmental and social topics that are most likely to affect our licence to operate, reputation and success.

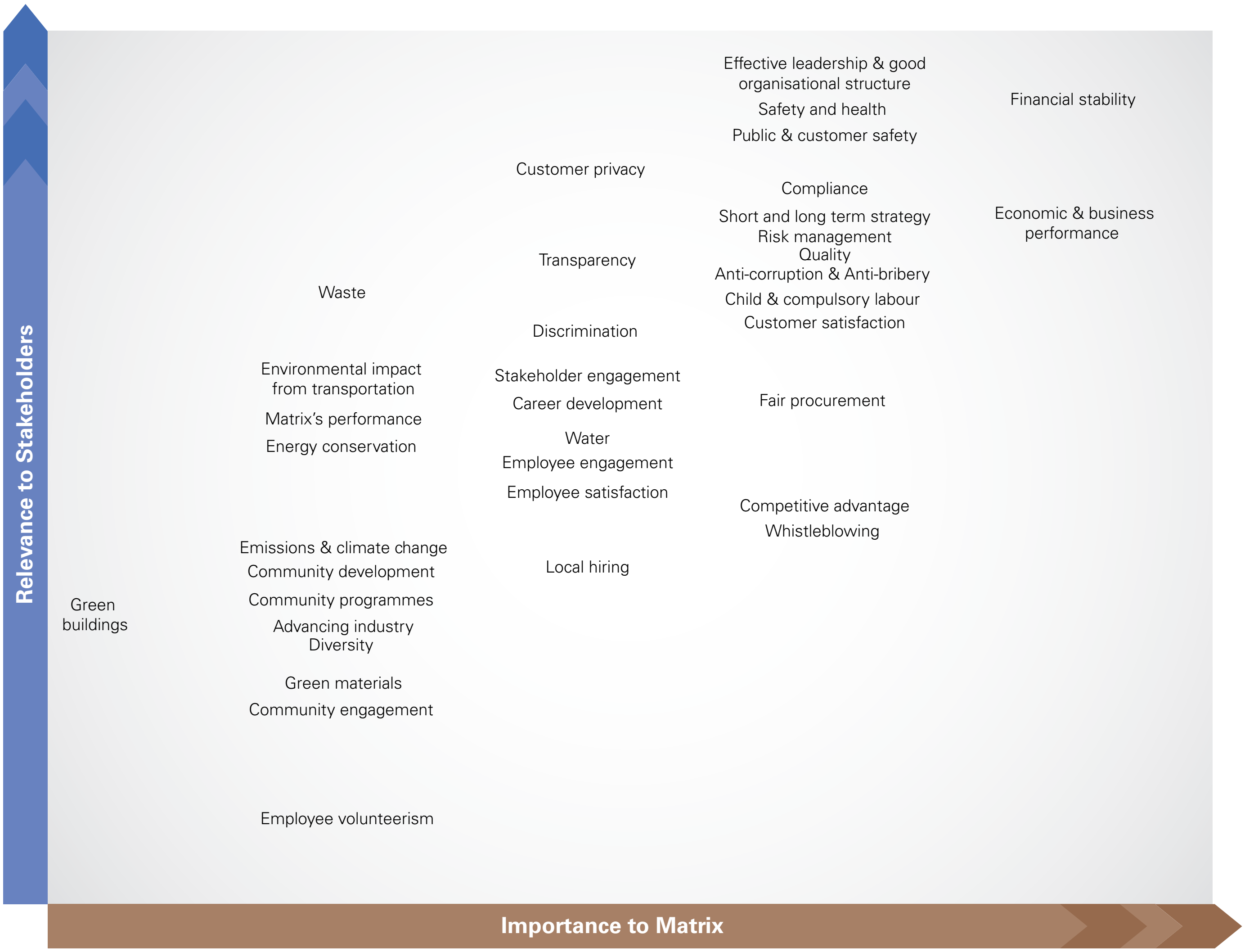
The Matrix Stakeholders' Materiality Survey 2020 was conducted in respect of FY2020. Respondents were asked to indicate the level of importance they placed on 37 sustainability topics.



A total of 255 complete responses were obtained and analysed to ascertain the views of our stakeholders.

SUSTAINABILITY STATEMENT

The results of the materiality study are presented in the matrix below.



SUSTAINABILITY
STATEMENT

ECONOMIC

CREATING GREAT PLACES THAT SUPPORT SUSTAINABLE LIFESTYLES AND WELL-BEING, MATRIX IS COMMITTED TO CONTINUOUSLY IMPROVING ITS CUSTOMER OFFERINGS. WE PROVIDE AFFORDABLE, CAREFULLY DESIGNED AND WELL-BUILT HOMES AND DEVELOPMENTS THAT MEET THE EXPECTATIONS OF CUSTOMERS AND COMMUNITIES.

Our business strategy helps our teams to deliver a product and customer experience that puts the customer at the heart of our decision making.

During FY2020, we acquired 5.2 acres of land in Cheras and another 5.59 acres in Damansara Perdana. These landbanks offer us an affordable entry point into highly strategic locations as these areas have gained a reputation as rapidly growing suburban townships in the Klang Valley. The increased vibrancy in these townships is in tandem with Selangor's economic growth.

JOINT-VENTURE AGREEMENT ("JVA") WITH KOPERASI KEMAJUAN TANAH NEGERI JOHOR ("KOPKETA")

Matrix signed a JVA expansion with KOPKETA in May 2019. Covering an additional 309-acre development, Bandar Seri Impian 2 comprises 3,300 residential and commercial units with a GDV of RM1.2 billion.

The development of Bandar Seri Impian 2 is expected to take seven years and covers housing units with commercial and recreational components. Considerations in the pipeline include a shopping mall, fitness centre, an institution for higher learning and a mosque.

Convenience for
30,000+
BANDAR SERI IMPIAN RESIDENTS

ECONOMIC DEVELOPMENT
of the township

EMPLOYMENT OPPORTUNITIES
for locals

A PROMISING START TO OUR HEALTHCARE VENTURE

Matrix ventured into the healthcare industry by taking over the operational management of Pusat Hemodialisis Mawar's ("PHM") specialist hospital division, hemodialysis centre and clinics. Our 70%-owned subsidiary Matrix Medicare Sdn Bhd signed an agreement with PHM to manage non-clinical matters such as financial, administration and resource management for 30 years. The takeover allows Matrix to penetrate the healthcare industry and access the market in several states.

On 30 September 2019, PHM reopened its doors with eight specialists including a resident cardiologist, nephrologist, orthopaedist, anesthesiologist, and ear, nose and throat specialist. The expansion is a major step towards establishing a major medical centre.

Meanwhile, on a separate note, Matrix's planning for a 400-bed Matrix Specialist Hospital in Bandar Sri Sendayan has begun. We are currently seeking a suitable equity partner with expertise and an established record to work with us to achieve our full potential in this new venture.

SUSTAINABILITY STATEMENT

EDUCATION TRANSFORMATION

Our recent joint ventures with a reputed education player, Bonanza Educare Sdn Bhd, has led Matrix Global Schools to a higher level of educational excellence. Significant improvements have been seen in the educational operation system and both employees and students' discipline as a result of the collaboration.

A Transformation Team of education specialists has been formed to help transform the school by enhancing the quality of teaching and learning. Specifically, the Team has examined ways of enhancing students' welfare and teaching quality. The collaboration has created a formidable education institution, which provides holistic education for students.

INTERNATIONAL PRESENCE

MATRIX AFFIRMS ITS FOOTHOLD IN INDONESIA

Matrix expanded operations in Indonesia with its newest equity investment to develop an initial 3.6-hectare plot of land in Pantai Indah Kapuk ("PIK 2") in December 2019.

Menara Syariah Twin Towers is planned for 1.4 hectares of the 3.6-hectare plot and is scheduled for completion by the end of 2021 with a GDV of USD250 million. Menara Syariah Twin Towers will be a commercial and retail building with two 29-storey office towers. It is designed to promote a unique identity with modern, conducive and future-ready workspace as a world-class business hub. Menara Syariah Twin Towers will have more than a million square feet of gross floor area providing workspaces for 5,000 office workers with stunning coastal views of Jakarta Bay.

Features of Menara Syariah Twin Towers

- RETAIL STRIP
- LANDSCAPED OBSERVATION DECK
- INFINITY POOL
- PRAYER HALLS
- 23 FLOORS OF OFFICE SPACE

Matrix through PT Matrix Perkasa Indonesia owns 30% of equity.

The launch of Menara Syariah Twin Towers in September 2019 represents the first phase of our participation in developing the Islamic Financial District in PIK 2. The project aims to attract leading international and domestic corporations to create a vibrant international commercial hub in the up-and-coming PIK 2 township.

SUSTAINABILITY
STATEMENT

POSITIVE GROWTH IN AUSTRALIA PROJECTS

The breaking ground of M.Greenvale in Melbourne has been announced with a Gross Development Value ("GDV") of A$27.8 million. This estimated GDV does not consider the additional profit should buyers opt to use Matrix's partnered home builder. Major infrastructure will be built and completed from the end of 2020 to early 2021.

Decent bookings were recorded for M.Greenvale project following its soft launch in April 2019 and the project is scheduled for hand over in December 2020. As at the date of the report, 43% of the 79 residential lots were sold.

ENVIRONMENT

MATRIX'S ENVIRONMENTAL STRATEGY CONCERNS FACILITATING THE REDUCTION OF ITS ENVIRONMENTAL FOOTPRINT WHILE IMPROVING THE GROUP'S ASSET VALUE. POSITIVE PRACTICES ARE SHARED WITH ALL PARTIES AND WE ENCOURAGE BUSINESS PARTNERS, TENANTS, RESIDENTS AND COMMUNITY MEMBERS TO EMBRACE GREATER SUSTAINABILITY ACTIVITY.

ENERGY MANAGEMENT

Matrix continues to identify meaningful opportunities for energy reduction, energy efficiency maximisation and reduction of its construction carbon footprint. All business operations are working to improve energy monitoring, capturing, use and performance across all offices, sites and show homes.

FOCUSING ON RENEWABLE ENERGY

Renewable energy is a clean energy source that has a much lower environmental impact than conventional energy technologies.

Solar water heaters produce the hot water at d'Tempat Country Club and Matrix Global Schools' ("MGS") boarding houses. d'Tempat Country Club is also fitted with a solar power system that requires little maintenance. Currently, solar panels produce a fraction of the electricity required for the entire club.

The Club is installing additional solar panels following the revised Net Energy Metering ("NEM") programme, recently announced by the Ministry of Energy, Science, Technology, Environment and Climate Change ("MESTECC"). Matrix entered into a third-party agreement with Tenaga Nasional Bhd for the Supply Agreement for Renewable Energy ("SARE") programme. Under this arrangement, Matrix pays 5% to 10% less for electricity produced by the solar PV system than the TNB tariff for a 25-year contract period.

We are also exploring the feasibility of installing solar panels as a source of energy at MGS, the IBS plant and Mawar Medical Centre. Solar power is a great way of reducing our carbon footprint; it improves electricity efficiency and does not release any greenhouse gases.

SUSTAINABILITY STATEMENT

Waste Management

There are significant opportunities for reducing waste generation, carbon emissions, air pollution and water use at our construction sites. Safeguarding the environment is one of Matrix's core principles.

A multi-disciplinary approach to waste management is taken at Matrix to boost operational efficiency while setting group-wide policies, expectations and supplier specifications. Currently, Matrix keeps a database that records and monitors waste generated at each project site and its corporate offices.

IBS WASTE MANAGEMENT

The construction industry in Malaysia is migrating from conventional methods to a more systematic and mechanised Industrialised Building System ("IBS"). Matrix IBS Sdn Bhd manufactures all IBS components for the Group. In line with Matrix's core principle as mentioned above, our newly completed IBS plant adopted a waste management strategy by significantly reducing the amount of waste produced by operations.

Matrix IBS's Total Waste Management Model

Matrix aims to reuse, recycle, recover or any other means to ensure waste is not destined to landfill or for incineration. The following point-source segregation system is employed to ensure our waste is minimised at all times.

NEW DRAINAGE SYSTEM

Matrix is currently constructing a new drainage system for its IBS plant. Once completed, the wastewater produced by manufacturing IBS components will flow into this internal drain to the treatment plant. This system will help Matrix realise significant environmental and operational benefits.

DESIGNING OUT CONSTRUCTION WASTE

The increasing amount of waste generated became a primary focus for our design, procurement, innovation and construction teams in FY2020.

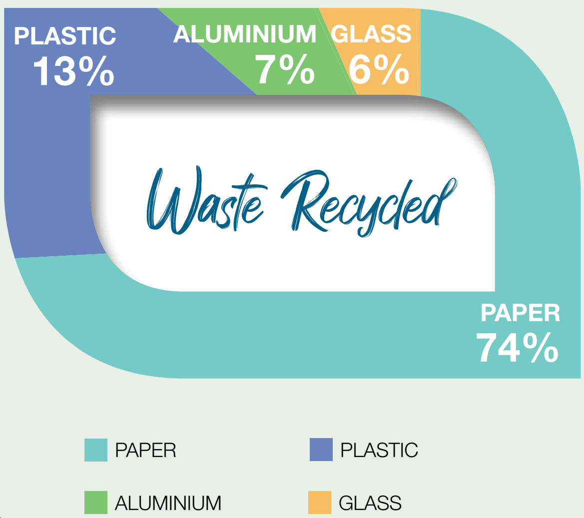
If waste cannot be avoided, it is diverted from landfill for reuse and recycling. Specific improvements are delivered through the improved monitoring of waste streams and better utilisation. Ways of eliminating waste being sent to landfill are being explored as a result of our efforts to understand and manage our waste more effectively.

SUSTAINABILITY STATEMENT

RECYCLABLE WASTE

Matrix continues to collaborate with SWM Environment Sdn Bhd ("SWM") in managing its recyclable office and household wastes. Matrix monitors and recycles waste from its headquarters, d'Tempat Country Club and d'Sora Boutique Business Hotel. For FY2020, 5,811 kg of waste was collected for recycling.

Household & Office Waste Recycled in FY2020



Chemical Waste

Chemical waste from the science laboratory at MGS is discharged directly into its drainage which is equipped with a centralised neutraliser device.

Used Oil

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.

FOOD WASTE FROM CLUB

Composite 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 begun composting its kitchen and garden waste for use in landscaping, which reduces chemical fertiliser costs.

PROTECTING WATER RESOURCES

Matrix monitors water resources carefully and has adopted initiatives to reduce its consumption. We also continue to practise wastewater recycling through rainwater harvesting systems that have been installed at a number of our developments including the Elymus, our Semi-detached Resort Homes, the Matrix Global Schools and d'Tempat Country Club. Rainwater is collected through pipelines or drains and stored in tanks before being used for landscaping and flushing toilets.

ELECTRICITY AND WATER

CONSUMPTION	FY2018	FY2019	FY2020
ELECTRICITY (KWH)	6,812,265	6,840,008	5,940,416
WATER (M^3)	207,977	324,205	369,730

Despite including electricity consumption at our IBS plant which only commenced operations this year, the total electricity consumption reduced by 13.15% in FY2020 compared to the previous year. This is the result of more committed energy conservation practices that are being enforced across the Group.

SUSTAINABILITY STATEMENT

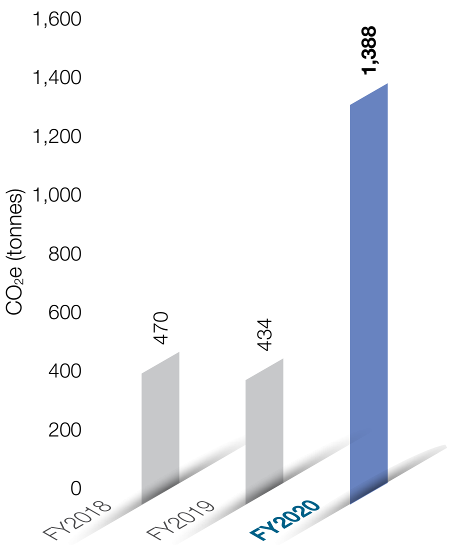
CARBON FOOTPRINT

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

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. The increase was due to additional new projects undertaken in FY2020.

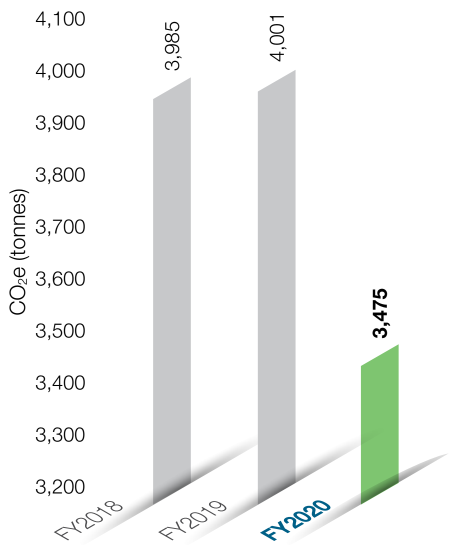
CO_2 Emissions (Tonnes) From Diesel Usage



SCOPE 2

Matrix calculated emissions resulting from electricity consumption at various buildings and sites owned by the Group. The volume of CO_2 emissions from the use of electricity was derived using the emission factor published by the Malaysian Green Technology Corporation for the Peninsular Grid. The significant reduction in CO_2 emissions from electricity use was due to the more commited energy-saving initiatives undertaken throughout the year.

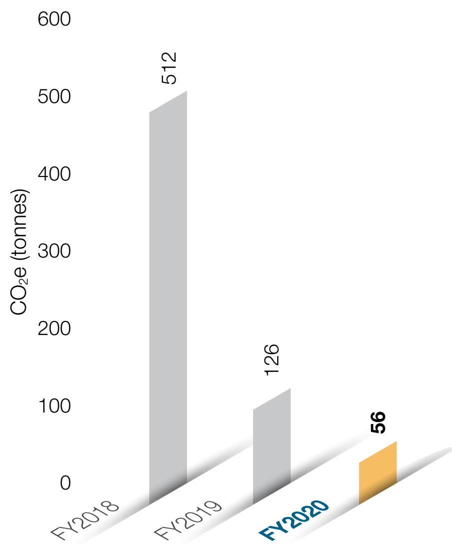
CO_2 Emissions (Tonnes) From Electricity Usage



SCOPE 3

GHG emissions resulting from air travel were measured from point-to-point including the number of employees on board 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. During FY2020, the significant reduction in air travel was partly due to the onset of Covid-19, which restricted international travel.

CO_2 Emissions (Tonnes) From Air Travel



* *In 2019, a new emission factor was published in the 2017 CDM Electricity Baseline for Malaysia by the Malaysian Green Technology Corporation. Matrix has used this emission factor in 2019 and restated previous years to improve the accuracy of its carbon reporting.*

SUSTAINABILITY STATEMENT

SUSTAINABLE WORKFORCE

MATRIX CULTIVATES A CORPORATE CULTURE OF CO-CREATION MANAGEMENT THROUGHOUT THE GROUP. STIMULATING THE ONGOING GROWTH OF EVERY EMPLOYEE IS IMPORTANT TO ENSURE THAT THEY POSSESS THE POWER TO INNOVATE FOR THE FUTURE. DEVELOPING EMPLOYEES IN THIS MANNER WILL UNDOUBTEDLY CONTRIBUTE TO THE CO-CREATION OF STAKEHOLDER VALUE.

TRAINING AND DEVELOPMENT

A strong focus on supporting learning and development across the business is linked to Matrix's corporate culture and behaviours. This helps enhance skills and makes employees feel valued. In FY2020, 3,634 manhours of training were delivered.

Summary of Training Hours and Budget

INDICATOR	FY2018	FY2019	FY2020
Average hours of training per year per employee	5.32	9.48	**5.12**
Total invested in training (RM)	141,330	268,293	**76,929**

There is a reduction in the training hours and costs partly due to the introduction of e-learning via the LinkedIn programme. The lengthier e-learning programme affects the training hours computation as it takes a few months to complete.

A SAFE WORKPLACE

Matrix measures and monitors its health and safety performance. Given the unique range of on-site risks, these measures are useful for tracking the Group's incident performance across both its directly managed activities and indirectly managed property portfolio.

The principles of operating responsibly are applied at every level of the business, from the products and materials procured to the homes built, and the same standards are expected from all partners. Matrix aims to lead and drive improvements in health and safety in all areas of the organisation, throughout its supply chain and across the industry.

Matrix has 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.

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.

Our recently built IBS plant requires new and tight safety and health monitoring to avoid accidents. Some of the initiatives undertaken include toolbox meeting, pre-checks and PPE training.

SUSTAINABILITY STATEMENT

OUR SAFETY PERFORMANCE AT THE IBS PLANT

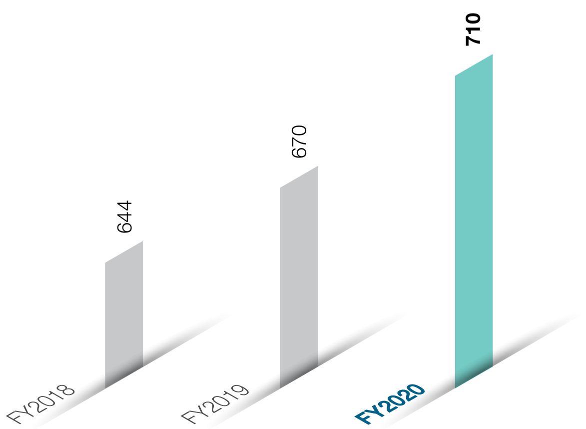
INDICATOR	FY2018	FY2019	FY2020
Fatality Cases	0	0	**0**
Lost Workday Cases ("LWC")	0	0	**0**
Restricted Workday Cases ("RWC")	1	0	**0**
First Aid Cases ("FAC")	1	5	**3**
Near Miss Cases	0	0	**0**
Dangerous Occurrence Cases	0	0	**0**
Fire Cases	0	1	**0**
Total Safe Man-Hours Worked	3,908,100	5,670,000	**5,936,400**

A DIVERSE WORKFORCE

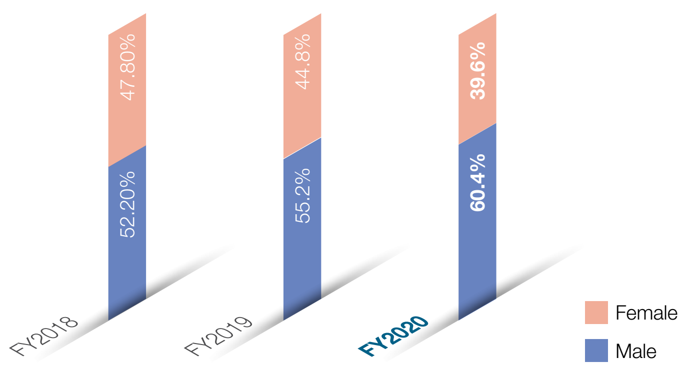
Matrix's commitment to diversity and inclusion is in line with the Sustainable Development Goals of the United Nations to which it is committed.

Our workforce strength continues to grow with a balanced demographic distribution as presented below.

Total Workforce Strength

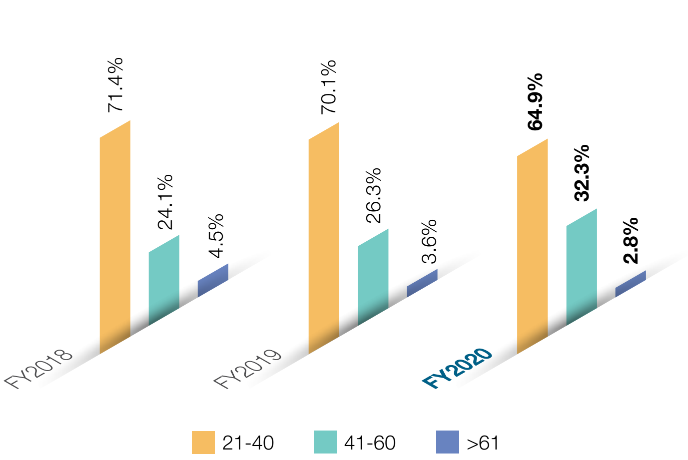


Workforce Breakdown by Gender

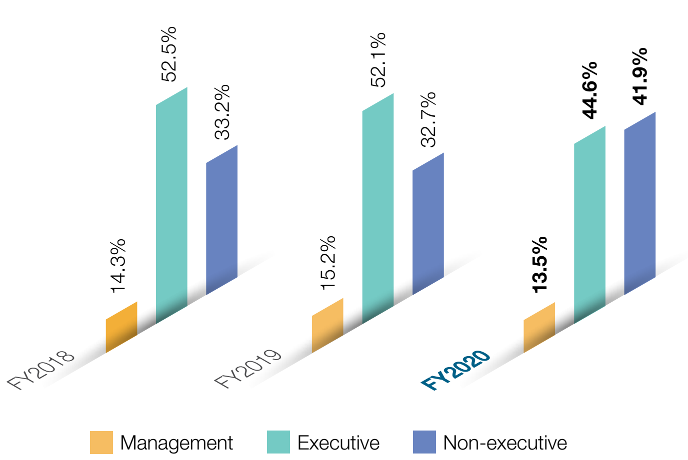


SUSTAINABILITY
STATEMENT

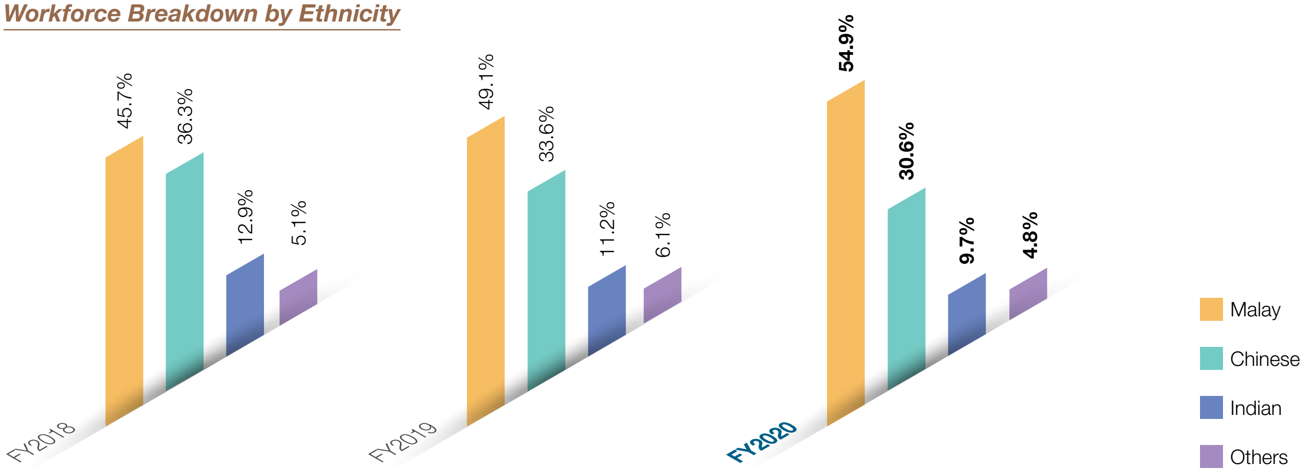
Workforce Breakdown by Age Group



Workforce Breakdown by Employment Category



Workforce Breakdown by Ethnicity



SOCIETAL ENGAGEMENT AND COMMITMENT

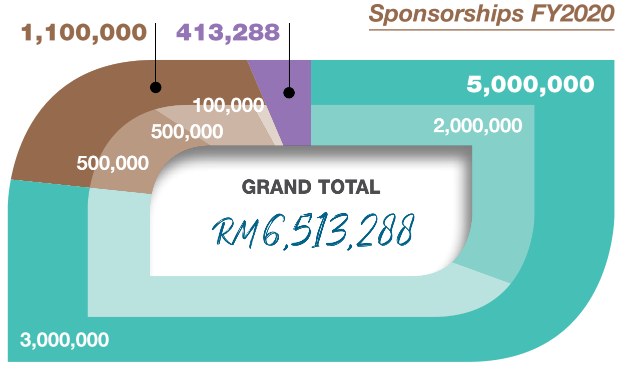
Enriching Lives is Matrix's commitment to current and future generations. Beyond its business contribution to the nation as a whole, the Group provides social infrastructure and offers tremendous opportunities that help some of the neediest sectors of society.

PRIMARY SOCIETAL OBJECTIVE:

CREATING AN AVENUE THAT ALLOWS PEOPLE TO LIVE SUSTAINABLE LIVES

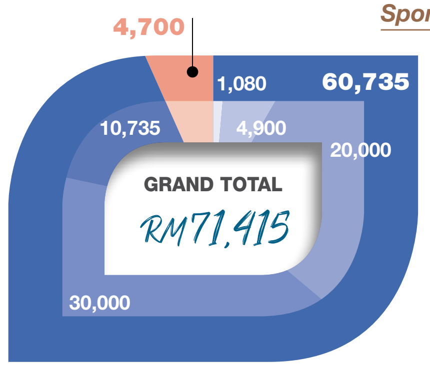
SUSTAINABILITY STATEMENT

Matrix Group CSR Sponsorships FY2020



- **Sports**
  - Negeri Sembilan Football Association
  - Negeri Sembilan Basketball Association
- **CSR Sponsorships**
- **COVID-19 Pandemic Funds**
  - The Edge COVID-19 Equipment Fund
  - Negeri Sembilan State COVID-19 Assistance Fund
  - Fo Guang Emergency Relief Funds

Matrix Concepts Foundation Sponsorships FY2020



- **GRAND TOTAL FOR 2019**
  - Adam Yusryzal Fidelis Bin Muhammad Rafiq Fidelis
  - Pertubuhan Darul Asnaf & PERKASIH N9
  - The Divine Life Society Senawang Sub Branch
  - Pertubuhan Hospice Negeri Sembilan
  - Shelter Home Seremban
- **GRAND TOTAL FOR 2020**
  - Pusat Aktiviti Warga Emas

Beneficiaries included the Basketball Association, Football Association and Kindness Day Charity Run 2019. Contributions were also made to classroom renovation in SK Pasir Panjang, Port Dickson and the COVID-19 Pandemic fund.

Total sponsorships disbursed by the Matrix Concepts Foundation amounted to RM71,415 in FY2020. Beneficiaries included the Ramadhan celebration with Pertubuhan Darul Asnaf & PERKASIH N9.

CREATING AND SUSTAINABILITY VALUE FOR OUR COMMUNITY

Matrix has embarked on a series of community events throughout the year. Please refer to our Sustainability Report 2020 for more information and details.

SUSTAINABLE PLACES TO LIVE

MATRIX'S PRIMARY FOCUS IS PROVIDING A LASTING POSITIVE LEGACY BY CREATING SUSTAINABLE PLACES TO LIVE THAT SATISFY THE NEEDS OF CUSTOMERS AND COMMUNITIES.

Matrix continues to build well-planned, desirable developments that create a positive legacy.

PLACEMAKING AND COMMUNITY INFRASTRUCTURE

Matrix's approach goes far beyond the design of individual homes to consider ways in which:

- Each development will reflect and enhance the character and heritage of the local area; and
- Homes relate to the surrounding spaces within and beyond the development.

Matrix considers how communities will function at its developments and the long-term social impacts of the way people live. Creating great places to live for customers and communities is a core business priority.

SUSTAINABILITY STATEMENT

CREATING GREAT PLACES

Matrix's commitment to customer care begins from the outset with the acquisition of land and design of homes and communities. Customer care extends throughout the whole home-buying process and long after a customer takes possession of the keys.

OUR PRIORITIES	OUR COMMITMENT	PROGRESS MADE
SUPPORTING SUSTAINABLE LIFESTYLES	We create great places that support sustainable lifestyles and well-being, with green open spaces, good connectivity and accessible local amenities.	Matrix lives up to its mission: *Nurturing Environment Enriching Lives*
QUALITY AND VALUE	We deliver quality and value for our customers through high standards of design and construction across our full range of homes and through our commitment to helping buyers own their own homes.	We have improved the effectiveness of our build stage inspections and completed phase 1 of the digitalisation process, currently being trialled for better customer support.
INNOVATIVE SOLUTIONS	We explore and develop innovative solutions for creating great places to live. Our core principles of design and innovation, sustainability and customer care underpin the design and delivery of well-designed homes that meet the needs of different customers.	We have employed IBS technology that results in a safer, cleaner and more organised site due to the reduction of construction waste while reducing the dependency on foreign workers.
DEVELOPING LEGACY SOLUTIONS	We are building for the future by developing quality, affordable solutions, which help neighbourhoods grow and thrive.	We work with government bodies and financial institutions on schemes such as Skim Rumah Pertamaku ("SRP") and PR1MA to help first-time buyers own their first homes.
LOCAL CONSULTATION	We involve people in what we do, consulting with local residents and stakeholders to ensure that our developments respond to their needs and aspirations.	We consult with local communities throughout the planning and development stages. We are transparent in our reporting of the impact of all developments.
PUTTING CUSTOMERS FIRST	Customers are at the heart of everything we do and we are committed to achieving a 5-star customer service rating and maintaining high customer satisfaction.	Our formal feedback system is monitored by a dedicated team and the customer satisfaction results are presented to the management team on a regular basis.

* Full disclosure of our sustainability journey and achievements can be found in Matrix's Sustainability Report 2020 which is available on Matrix's website, www.mchb.com.my

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 2020 ("FY2020") 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.

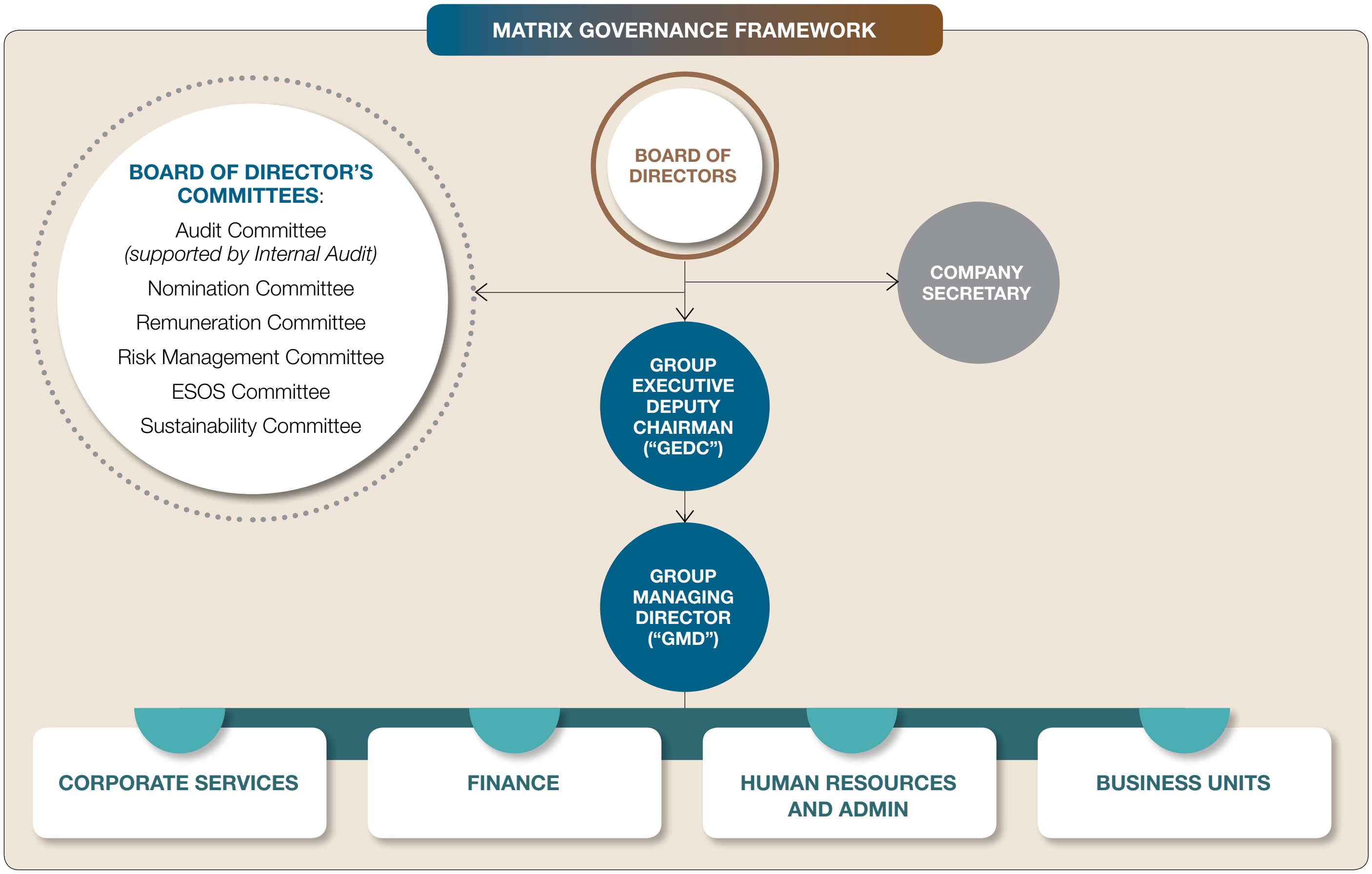
The Board is guided by the Company's Constitution and its Board Charter as well as the supporting Board Committees' Terms of Reference ("TOR") towards the effective discharge of its fiduciary duties. The Board Charter is periodically updated as and when required to ensure its relevance and robustness 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 policies 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-Bribery & 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;

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

- Identify principle business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to manage such risks;
- Put succession planning in place by ensuring that all candidates appointed to Senior Management positions are of sufficient calibre and that there are avenues to provide for the orderly succession of Senior Management;
- Review the leadership needs of the Group, both executive and non-executive, with a view to ensuring the Group's continued ability to compete effectively in the marketplace;
- Review the adequacy and integrity of the Groups 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's 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 Group'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 FY2020

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, 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 FY2020 • Dividend approvals • Budget FY2020
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. • 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
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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 • Review quarterly financial reports
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 senior management annually • Reviews the overall performance of the Company and the specific KPIs of the GEDC and GMD
RISK MANAGEMENT COMMITTEE	• Advise the Board on the Group's overall risk appetite, tolerance and strategy • Review the Group'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 Group from the risk officer • Review the effectiveness of the Group'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 Group's sustainability milestones and goals • Review Annual and Mid-Year Sustainability evaluation report

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

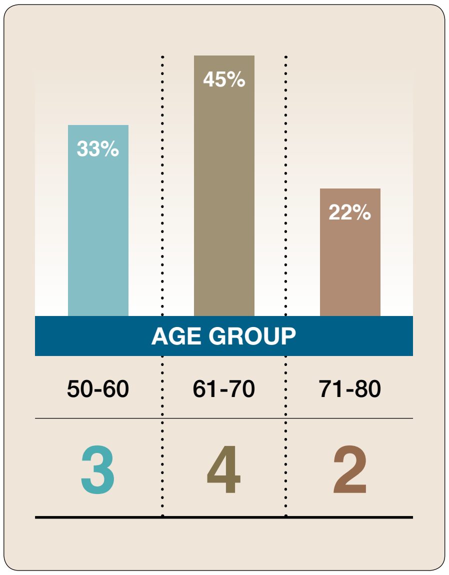
BOARD COMPOSITION

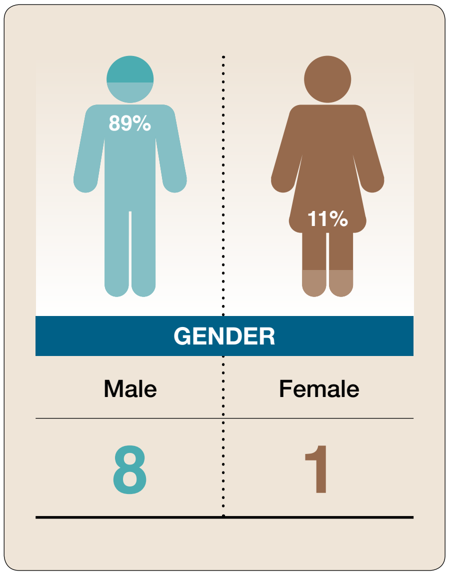
The Board comprises nine (9) Directors, of which two (2) are Non-Independent Non-Executive Directors, two (2) are Executive Directors and five (5) are Independent Non-Executive Directors. The above composition exceeds Bursa Malaysia Securities Berhad's MMLR and is in compliance with Practice 4.1 of the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

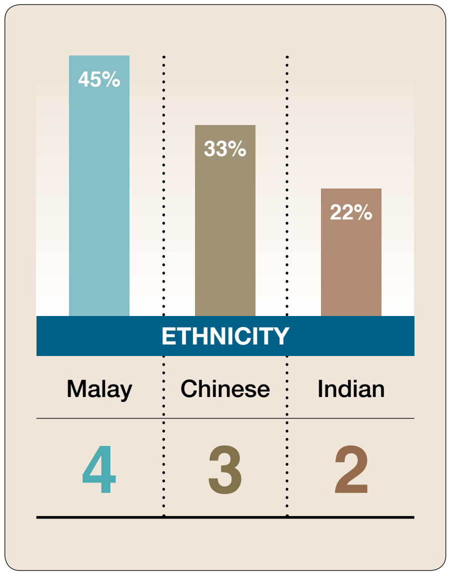
No alternate Directors have been appointed in respect of any of the Directors.

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:







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 Main Market Listing Requirements ("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 to certain boards of subsidiary companies.

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, Dato' Lee Tian Hock, Encik Rezal Zain Bin Abdul Rashid and Dato' Firdaus Muhammad Rom Bin Harun 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 subject to their willingness to seek re-election.

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	SUSTAINABILITY COMMITTEE
DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN Non-Independent and Non-Executive Chairman	5/5	–	–	–	–	2/2
DATO' LEE TIAN HOCK Group Executive Deputy Chairman	5/5	–	–	–	–	2/2
HO KONG SOON Group Managing Director	5/5	–	–	–	2/2	2/2
REZAL ZAIN BIN ABDUL RASHID Senior Independent and Non-Executive	4/5	5/5	2/2	–	2/2	–
DATO' LOGENDRAN A/L K NARAYANASAMY Non-Independent and Non-Executive	5/5	–	–	–	1/2	2/2
DATO' FIRDAUS MUHAMMAD ROM BIN HARUN Independent and Non-Executive	5/5	5/5	–	1/1	2/2	–
DATO' (IR.) BATUMALAI A/L RAMASAMY Independent and Non-Executive	5/5	5/5	–	1/1	–	–
DATO' HON CHOON KIM Independent and Non-Executive	5/5	5/5	2/2	1/1	–	–
DATO' HAJAH KALSOM BINTI KHALID Independent and Non-Executive	5/5	5/5	2/2	1/1	2/2	–
TOTAL NUMBER OF MEETINGS HELD	**5**	**5**	**2**	**1**	**2**	**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
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DIRECTORS' 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 FY2020, 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	• Introduction to Green Building Concepts
DATO' LEE TIAN HOCK	• Introduction to Green Building Concepts
HO KONG SOON	• Brown Bag Series : Anti-Corruption Talk
REZAL ZAIN BIN ABDUL RASHID	• Introduction to Green Building Concepts • Future Business Ideas ("FBI") 2019 • The Cooler Earth Sustainability Summit • Session on Corporate Governance & Anti-Corruption
DATO' LOGENDRAN A/L K NARAYANASAMY	• Brown Bag Series : Anti-Corruption Talk
DATO' FIRDAUS MUHAMMAD ROM BIN HARUN	• Corporate Governance Compliance Expectations
DATO' (IR.) BATUMALAI A/L RAMASAMY	• Business Transformation – Going to the Next Performance Level • Introduction to Green Building Concepts
DATO' HON CHOON KIM	• Introduction to Green Building Concepts • Directors' Training Module 8 – Corporate Governance (Part Two)
DATO' HAJAH KALSOM BINTI KHALID	• Introduction to Green Building Concepts

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 Board Evaluation Exercise ("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 and Key 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 summarised 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 FY2020. 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 FY2020.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

The following is the Remuneration for the Board of Directors in FY2020:

	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	–	–	–	–	–	–	8,823,000.00	96,037.29	1,323,450.00	10,242,487.29
Ho Kong Soon	–	–	–	–	–	–	9,629,000.00	37,037.29	1,445,273.40	11,111,310.69
TOTAL	**–**	**–**	**–**	**–**	**–**	**–**	**18,452,000.00**	**133,074.58**	**2,768,723.40**	**21,353,797.98**
NON-EXECUTIVE DIRECTORS										
Dato' Haji Mohamad Haslah Bin Mohamad Amin	–	–	–	–	–	1,448,820.85	29,402.82	37,037.29	–	1,515,260.96
Rezal Zain Bin Abdul Rashid	160,000.00	–	918.71	13,000.00	173,918.71	–	–	–	–	–
Dato' Logendran A/L K Narayanasamy	–	–	–	–	–	400,000.00	–	–	–	400,000.00
Dato' Firdaus Muhammad Rom Bin Harun	66,000.00	–	1,837.29	13,000.00	80,837.29	–	–	–	–	–
Dato' (Ir.) Batumalai A/L Ramasamy	66,000.00	–	9,350.00	11,000.00	86,350.00	–	–	–	–	–
Dato' Hon Choon Kim	66,000.00	–	918.71	13,000.00	79,918.71	–	–	–	–	–
Dato' Hajah Kalsom Binti Khalid	66,000.00	–	1,837.29	15,000.00	82,837.29	–	–	–	–	–
TOTAL	**424,000.00**	**–**	**14,862.00**	**65,000.00**	**503,862.00**	**1,848,820.85**	**29,402.82**	**37,037.29**	**–**	**1,915,260.96**

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 FY2020 is RM7,485,346.28 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
1,200,000 - 1,250,000	1
1,450,000 - 1,500,000	1
2,350,000 - 2,400,000	1
2,400,001 - 2,450,000	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 Securities Berhad 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 FY2020, 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 110 of the Annual Report.

EXTERNAL AUDITORS

The Group's external audit function is performed by Messrs. Crowe Malaysia PLT, 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 23rd AGM.

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

FEES	FY2019	FY2020
Audit Fees	610,000	**702,000**
Non-Audit Fees	187,000	**172,500**

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 framework, 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 at least 28 days prior to the AGM in fulfilment of Practice 12.1 of the MCCG 2017. The Notice of AGM and Proxy Form is also sent at least 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 below contacts:-

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. For the year 2020, the Company is embarking on virtual AGM via remote participation and voting facilities. This is in compliance with Practice 12.3 of MCCG 2017. The virtual platform is expected to provide better engagement with shareholders as follows:-

- more accurate and transparent voting results;
- making voting more accessible even for the disabled; and
- reduce administrative cost and paperwork and remove the need for physical ballot purpose.

The outcome of the AGM will be announced to Bursa Malaysia Securities Berhad on the same meeting day. The Company shall continue with this practice for all future general meetings to enhance better engagement with shareholders.

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 2020 (“FY2020”).

OBJECTIVE

The Committee was established in line with the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad 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 Securities Berhad. 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 (“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’s 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 FY2020 are as described below:-

1. Financial statements and reporting

The Committee monitored the financial reporting processes for the Group, which included reviewing reports from, and discussing these with, management and the External Auditors, Messrs. Crowe Malaysia PLT. 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 FY2020. 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 FY2020 was RM613,299 (FY2019: RM548,720).

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 8 July 2020.

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 preparing Statement on Corporate Governance and Statement on Risk Management and Internal Control pursuant to the Listing Requirements of Bursa Malaysia.

(ii) the Circular to Shareholders on the proposed renewal of shareholders' mandate 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 organsational 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) the audit reports, to ensure that their recommendations regarding management weaknesses are implemented.
    iii) the annual financial statements and recommend the adoption of the financial statements.
    iv) the audit fees.
    v) 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 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:-

Property Development

1) Asset and Consumables Management (Building Strata Management and Maintenance)

Education

1) Facilities Maintenance
2) Revenue and Collection Management
3) Security, Safety and Emergency Management
4) Asset Management (Capitalised and Non-Capitalised)

Hospitality

d'Tempat Country Club

1) Revenue and Collection Management
2) Membership Management
3) Food and Beverage Operations Management
4) Kitchen Operations Management
5) Banquet Operations Management
6) Financial Statement Close Processing Management

Matrix Hotels Management (d'Sora Boutique Business Hotel)

1) Facilities Maintenance and Housekeeping Management

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 FY2020. The attendance record of each member is as tabulated below:-

MEMBERS	TOTAL NUMBER OF MEETINGS	NUMBER OF MEETINGS ATTENDED
Rezal Zain Bin Abdul Rashid	5	5
Dato' Firdaus Muhammad Rom Bin Harun	5	5
Dato' (Ir.) Batumalai A/L Ramasamy	5	5
Dato' Hon Choon Kim	5	5
Dato' Hajah Kalsom Binti Khalid	5	5

F ANNUAL REVIEW AND PERFORMANCE EVALUATION OF THE EXTERNAL AUDITORS

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 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 FY2020 is set out in the Note 35 of the audit financial statements.

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

The Committee is satisfied that the quantum of the non-audit relative to the audit fees (being 25% 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 (RM702,000 for FY2020) [FY2019 RM610,000] 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 2019.

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 as the External Auditors for the ensuing year. The Board has accepted this recommendation and a resolution for its re-appointment for a further year will be put to the shareholders at the forthcoming AGM.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to paragraph 15.26(b) of the Main Market Listing Requirements 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 this 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

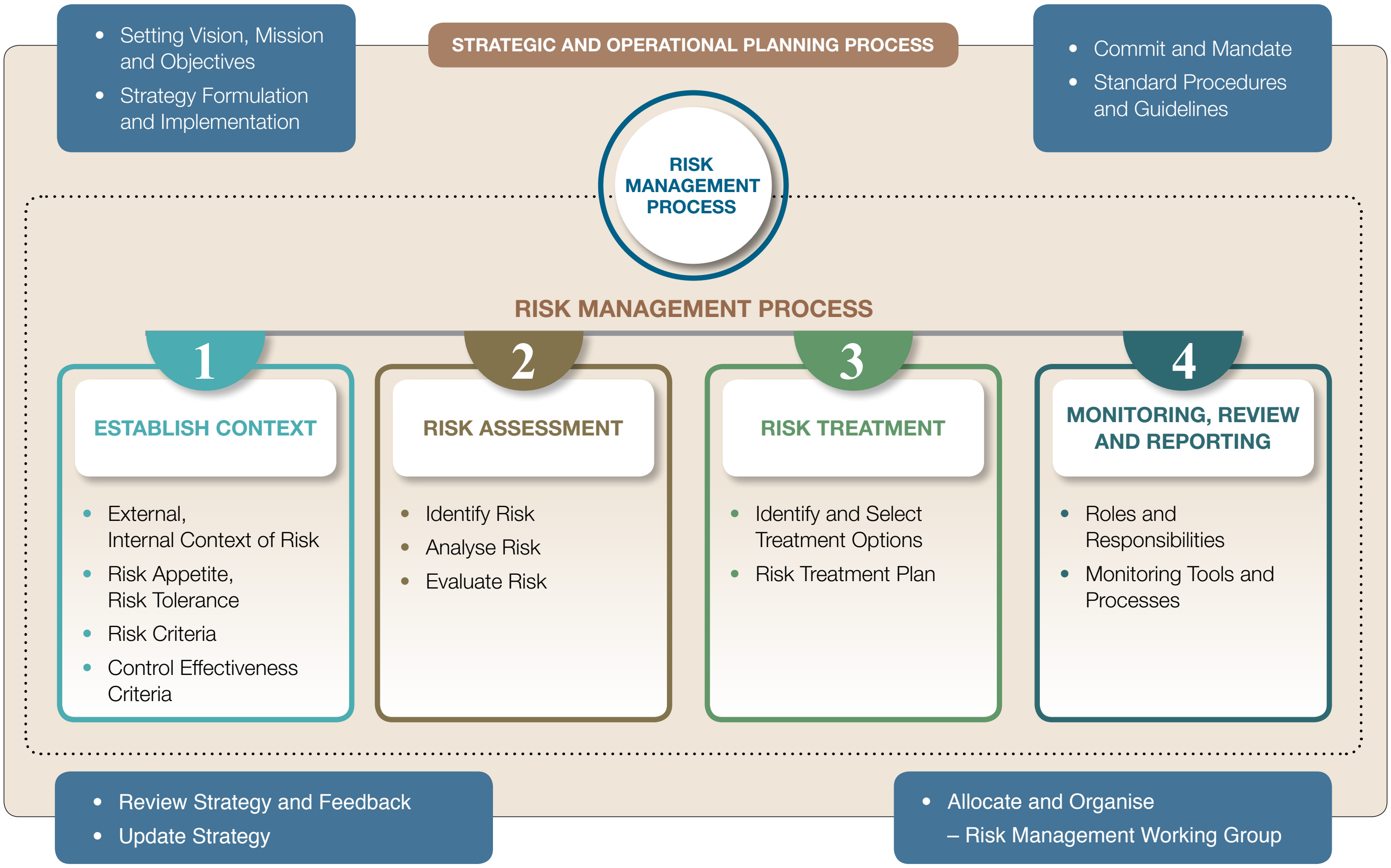
The Risk Management Committee has been established by the Board with clear defined lines of accountability and authority.

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 Public Listed Companies and Bursa Malaysia's Corporate Governance Guide and also in line with the International for Standardisation ("ISO") Standard 31000, Risk Management – Principles and Guidelines.

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 twice a month, 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 practice of the Group and to improve the Group's business efficiency, the quality of the accounting function, the system of internal controls and audit function and strengthen the confidence of the public in the Group's reported results.

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

Internal Audit

During the financial year ended 31 March 2020, 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 as its External Auditors.

OTHER KEY INTERNAL CONTROL MECHANISMS

The Group manages its risks by implementing various internal control mechanisms. The key elements of the internal control systems are as described below:-

- **Group Core Values**

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

- Clearly defined terms of reference, authorities and responsibilities of the various committees which include the Audit Committee, Risk Management Committee, Nomination Committee, Remuneration Committee, ESOS Committee and Sustainability Committee.

- Well defined organisational structure with clear lines for the segregation of duties, accountability and the delegation of responsibilities to senior management and the respective division heads including appropriate authority limits to ensure accountability and approval responsibility.

- Budgets are prepared annually for the Business/Operating units and approved by the Board. The budgets include operational, financial and capital expenditure requirements and performance monitored during management meeting 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 appraisal system is in place with established key performance indicators to measure and review staff performance on an annual basis.

- In the course of conducting annual statutory audit, the External Auditor will highlight any significant audit, accounting and internal controls matters which require attention of the Board and Audit and Risk Management Committee. At least once a year, the Audit and Risk Management Committee shall meet the External Auditor without the Executive Directors and management being present. This year, the Audit Committee met once on 8 July 2020 with the External Auditors without the Executive Directors and management being present.

- Whistleblowing Policy

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

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

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

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

a) Management within the organisation responsible for the development and maintenance of the risk management and internal control framework;

b) Assessments of major business units and functional controls by respective management to complement the above input in providing a holistic view on the effectiveness of the Group's risk and control framework; and

c) The work by the internal audit function in accordance with the Internal Audit Plan document highlighting the key processes, which have been defined based on the Risk Profile of the Group as well as Internal Audit reports to the Audit and Risk Management Committee together with recommendations for improvement.

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

The Board has been assured by 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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.
- 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 2020 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 11 August 2020.

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 2020, 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 2020.

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	234,453	25,913
Attributable to:-		
Owners of the Company	237,386	25,913
Non-controlling interests	(2,933)	–
	234,453	25,913

DIVIDENDS

Dividends paid or declared by the Company since 31 March 2019 are as follows:-

	RM'000
In respect of the financial year ended 31 March 2019:-	
- 4th interim single tier dividend of 3.00 sen per ordinary share, paid on 10 July 2019	23,604
- Special single tier dividend of 0.25 sen per ordinary share, paid on 10 July 2019	1,967
In respect of the financial year ended 31 March 2020:-	
- 1st interim single tier dividend of 3.00 sen per ordinary share, paid on 9 October 2019	24,684
- 2nd interim single tier dividend of 3.00 sen per ordinary share, paid on 8 January 2020	24,684
- 3rd interim single tier dividend of 3.00 sen per ordinary share, paid on 15 April 2020	25,027
	99,966

Subsequent to the end of financial year, the directors, on 9 July 2020 declared a fourth interim single tier dividend of 2.50 sen per ordinary share amounting to RM20,855,752 in respect of the current financial year, paid on 7 August 2020 to shareholders whose names appeared in the record of depositors on 24 July 2020. 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 profits in the financial year ending 31 March 2021.

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

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) the Company increased its issued and paid-up share capital from RM800,219,905 to RM961,280,292 by way of:-

- (i) private placement of 21,000,000 ordinary shares at an issue price of RM1.986 per ordinary share to the selected investors through a Directors' Circular Resolution dated 8 May 2019;
- (ii) private placement of 13,000,000 ordinary shares at an issue price of RM2.00 per ordinary share to the selected investors through a Directors' Circular Resolution dated 15 May 2019;
- (iii) private placement of 25,000,000 ordinary shares at an issue price of RM2.02 per ordinary share to the selected investors through a Directors' Circular Resolution dated 27 August 2019;
- (iv) private placement of 11,000,000 ordinary shares at an issue price of RM1.9052 per ordinary share to the selected investors through a Directors' Circular Resolution dated 10 September 2019; and
- (v) issuance of 11,404,785 new ordinary shares from the exercise of Warrants 2015/2020 at the exercise price of RM1.92 per Warrant which amounted to RM21,897,187.

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 23 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARE

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

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 1.4.2019	Converted	At 31.3.2020
Number of unconverted Warrants	63,935,286	(11,404,785)	52,530,501

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 adequate allowance had been made for impairment losses on receivables.

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 47 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.

DIRECTORS' REPORT (CONT'D)

ITEMS OF AN UNUSUAL NATURE

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

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

DIRECTORS

The names of 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:-

AHMAD IZZUDDIN BIN ISMAIL
DATO' HJ. MOHD BAHRUDIN BIN MAHFUZ
DATO' LEE YUEN FONG
DATO' LIM KHENG LOY
DATO' LIM SI BOON
DATO' MOHD JAAFAR BIN MOHD ATAN
DATO' DR THAVANAISON A/L ARUMUGAM
EDWIN TAN BEOW AIK
FONG FEE JUNE
HIROSHI KATO
KELVIN LEE CHIN CHUAN
KRISNARAGA SYARFUAN
LEE TIAN ONN
LEE JON WEE
LEONG JEE VAN
LIM CHEW HENG
MASAYUKI KAWANO
NG JUN LIP
SUHAIMI BIN ALI
TAN SAY KUAN
TEOH SIEW YIEN
TUAN HAJI MUSTAZA BIN MUSA
TUNG AH QUI

DIRECTORS (CONT'D)

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 (cont'd):-

YB DATO' DR. RAZALI BIN AB. MALIK
YB DATO' MOHD KHIDIR BIN MAJID
YEW AH TEE
DATUK MOHD AMINUDDIN BIN MOHD AMIN (APPOINTED ON 9.8.2019)
MURTADHA BIN MOKHTAR (APPOINTED ON 15.11.2019)

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares			
The Company	**At 1.4.2019**	**Bought**	**Sold**	**At 31.3.2020**
Direct Interests				
Dato' Haji Mohamad Haslah Bin Mohamad Amin	2,151,037	–	–	2,151,037
Dato' Lee Tian Hock	115,569,276	10,416,123	–	125,985,399
Ho Kong Soon	8,270,411	–	(4,985,600)	3,284,811
Rezal Zain Bin Abdul Rashid	993,171	–	(38,484)	954,687
Dato' (Ir) Batumalai A/L Ramasamy	602,915	–	(175,500)	427,415
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	201,300	–	–	201,300
Indirect Interests				
Dato' Lee Tian Hock[i]	166,301,535	982,204	–	167,283,739
Ho Kong Soon[ii]	29,162,043	–	(3,000,000)	26,162,043
Dato' (Ir) Batumalai A/L Ramasamy[iii]	50,000	8,975	(40,600)	18,375
Dato' Hon Choon Kim[iv]	17,500	–	(8,750)	8,750

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS (CONT'D)

(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 pursuant to Section 59(11)(c) of the Act.

	Number of Warrants			
The Company	**At 1.4.2019**	**Acquired**	**Converted**	**At 31.3.2020**
Direct Interests				
Dato' Haji Mohamad Haslah Bin Mohamad Amin	165,625	–	–	165,625
Dato' Lee Tian Hock	260,342	10,155,781	(10,416,123)	–
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	–	100,000
Dato' Logendran A/L K Narayanasamy	86,562	–	–	86,562

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 43 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.

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 42 to the financial statements.

DIRECTORS' REPORT (CONT'D)

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 RM30,000,000 and RM41,000 respectively.

SUBSIDIARIES

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

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year are disclosed in Note 49 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT have expressed their willingness to continue in office.

The auditors' remuneration are disclosed in Note 35 to the financial statements.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 11 AUGUST 2020

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 125 to 215 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 2020 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 11 AUGUST 2020

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 125 to 215 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 11 August 2020

Tan Say Kuan

Before me

Wong Chuak Mong (N091)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MATRIX CONCEPTS HOLDINGS BERHAD

(INCORPORATED IN MALAYSIA)
REGISTRATION NO : 199601042262 (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 2020 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 125 to 215.

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 2020, 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MATRIX CONCEPTS HOLDINGS BERHAD (CONT'D)

(INCORPORATED IN MALAYSIA)

REGISTRATION NO : 199601042262 (414615-U)

Reasonableness of revenue recognition arising from contracts with customers

Refer to Note 4.1(f), 4.23(a) and 32 to the financial statements

Key Audit Matter	How our audit addressed the Key Audit Matter
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.	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".

Reasonableness of attributable profits arising from property development projects

Refer to Note 4.1(f), 11(b), 32 and 33 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
MATRIX CONCEPTS HOLDINGS BERHAD (CONT'D)
(INCORPORATED IN MALAYSIA)
REGISTRATION NO : 199601042262 (414615-U)

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.

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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MATRIX CONCEPTS HOLDINGS BERHAD (CONT'D)
(INCORPORATED IN MALAYSIA)
REGISTRATION NO : 199601042262 (414615-U)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (Cont'd):-

- Obtain 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, actions taken to eliminate threats or safeguards applied.

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
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Tan Lin Chun
02839/10/2021 J
Chartered Accountant

Melaka

11 August 2020

STATEMENTS OF FINANCIAL POSITION

AT 31 MARCH 2020

	NOTE	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	5	**–**	–	**270,229**	243,729
Investment in joint venture	6	**118,687**	–	**–**	–
Property, plant and equipment	7	**248,680**	256,168	**–**	–
Investment properties	8	**152**	243	**–**	–
Right-of-use assets	9	**3,032**	–	**–**	–
Goodwill	10	*****	*	**–**	–
Inventories	11	**661,836**	454,128	**–**	–
Other receivables, deposits and prepayments	12	**34,880**	–	**–**	–
Amount owing by subsidiaries	13	**–**	–	**541,697**	289,162
Deferred tax assets	14	**36,394**	26,683	**–**	–
		1,103,661	737,222	**811,926**	532,891
CURRENT ASSETS					
Inventories	11	**624,102**	671,435	**–**	–
Trade receivables and contract assets	15	**446,533**	373,440	**–**	–
Other receivables, deposits and prepayments	12	**86,498**	51,606	**2**	2
Amount owing by subsidiaries	13	**–**	–	**312,432**	561,374
Short-term investments	17	**35,078**	–	**35,078**	–
Fixed deposits with licensed banks	18	**60,138**	76,339	**37,886**	51,548
Cash and bank balances	19	**220,895**	187,871	**48,614**	8,945
		1,473,244	1,360,691	**434,012**	621,869
TOTAL ASSETS		**2,576,905**	2,097,913	**1,245,938**	1,154,760

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

STATEMENTS OF FINANCIAL POSITION (CONT'D)

AT 31 MARCH 2020

	NOTE	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	20	**961,280**	800,220	**961,280**	800,220
Retained profits		**670,857**	533,437	**13,443**	87,496
Other reserves	21	**(27,007)**	(6,542)	**–**	–
Equity attributable to owners of the Company		**1,605,130**	1,327,115	**974,723**	887,716
Non-controlling interests		**(2,102)**	831	**–**	–
TOTAL EQUITY		**1,603,028**	1,327,946	**974,723**	887,716
NON-CURRENT LIABILITIES					
Long-term borrowings	22	**239,420**	200,166	**150,000**	140,000
Lease liabilities	24	**1,682**	–	**–**	–
Deferred tax liabilities	14	**349**	981	**–**	–
Other payables, deposits, accruals and provision	29	**17,582**	–	**–**	–
		259,033	201,147	**150,000**	140,000
CURRENT LIABILITIES					
Trade payables and contract liabilities	28	**169,139**	174,709	**–**	–
Other payables, deposits, accruals and provision	29	**315,389**	206,923	**27,207**	25,170
Amount owing to subsidiaries	13	**–**	–	**3,829**	7,806
Lease liabilities	24	**1,152**	–	**–**	–
Bank overdrafts	30	**43,220**	35,456	**–**	3,895
Short-term borrowings	31	**144,920**	126,681	**90,000**	90,000
Current tax liabilities		**41,024**	25,051	**179**	173
		714,844	568,820	**121,215**	127,044
TOTAL LIABILITIES		**973,877**	769,967	**271,215**	267,044
TOTAL EQUITY AND LIABILITIES		**2,576,905**	2,097,913	**1,245,938**	1,154,760

* - 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 2020

	NOTE	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
REVENUE	32	**1,283,406**	1,045,531	**–**	195,000
COST OF SALES	33	**(715,314)**	(523,314)	**–**	–
GROSS PROFIT		**568,092**	522,217	**–**	195,000
OTHER INCOME		**10,045**	15,883	**51,517**	39,899
		578,137	538,100	**51,517**	234,899
SELLING AND MARKETING EXPENSES		**(101,544)**	(83,431)	**–**	–
ADMINISTRATIVE EXPENSES		**(136,712)**	(153,606)	**(6,379)**	(11,398)
FINANCE COSTS		**(2,145)**	(3,296)	**(13,714)**	(11,763)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	34	**–**	–	**–**	(47,640)
SHARE OF RESULTS OF JOINT VENTURE		**(126)**	–	**–**	–
PROFIT BEFORE TAXATION	35	**337,610**	297,767	**31,424**	164,098
INCOME TAX EXPENSE	36	**(103,157)**	(79,538)	**(5,511)**	(4,167)
PROFIT AFTER TAXATION		**234,453**	218,229	**25,913**	159,931
OTHER COMPREHENSIVE INCOME					
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS					
- FOREIGN CURRENCY TRANSLATION DIFFERENCES	37	**(20,465)**	(3,435)	**–**	–
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**213,988**	214,794	**25,913**	159,931
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		**237,386**	218,389	**25,913**	159,931
Non-controlling interests		**(2,933)**	(160)	**–**	–
		234,453	218,229	**25,913**	159,931
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		**216,921**	214,954	**25,913**	159,931
Non-controlling interests		**(2,933)**	(160)	**–**	–
		213,988	214,794	**25,913**	159,931
EARNINGS PER SHARE (SEN)					
Basic	38(a)	**29.5**	29.0		
Diluted	38(b)	**29.5**	29.0		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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
		← Non-Distributable		→	Distributable			
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	21(a)	–	–	(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	40	–	–	–	(97,850)	(97,850)	–	(97,850)
- Employees' share options exercised	20	3,187	(483)	–	–	2,704	–	2,704
- ESOS lapsed		–	(6,006)	–	6,006	–	–	–
- Warrant exercised	20	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

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 2020

The Group	Note	Share Capital RM'000	Non-Distributable Translation Reserves RM'000	Distributable Retained Profits RM'000	Attributable To Owners Of The Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance at 1.4.2019		800,220	(6,542)	533,437	1,327,115	831	1,327,946
Profit after taxation for the financial year		–	–	237,386	237,386	(2,933)	234,453
Other comprehensive income for the financial year							
- Foreign currency translation differences	21(a)	–	(20,465)	–	(20,465)	–	(20,465)
Total comprehensive income for the financial year		–	(20,465)	237,386	216,921	(2,933)	213,988
Contribution by and distribution to owners of the Company:-							
- Share of net assets arising from the acquisition of a subsidiary		–	–	–	–	*	*
- Private placement	20	139,163	–	–	139,163	–	139,163
- Dividends	40	–	–	(99,966)	(99,966)	–	(99,966)
- Warrant exercised	20	21,897	–	–	21,897	–	21,897
Total transactions with owners		161,060	–	(99,966)	61,094	*	61,094
Balance at 31.3.2020		961,280	(27,007)	670,857	1,605,130	(2,102)	1,603,028

* - 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 2020

THE COMPANY	Note	Share Capital RM'000	Non-Distributable Option Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
Balance at 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	40	–	–	(97,850)	(97,850)
- Employees' share options exercised	20	3,187	(483)	–	2,704
- ESOS lapsed		–	(6,006)	6,006	–
- Warrant exercised	20	816	–	–	816
Total transactions with owners		4,003	(6,489)	(91,844)	(94,330)
Balance at 31.3.2019/1.4.2019		**800,220**	**–**	**87,496**	**887,716**
Profit after taxation/Total comprehensive income for the financial year		**–**	**–**	**25,913**	**25,913**
Contribution by and distribution to owners of the Company:-					
- Dividends	40	**–**	**–**	**(99,966)**	**(99,966)**
- Private placement	20	**139,163**	**–**	**–**	**139,163**
- Warrant exercised	20	**21,897**	**–**	**–**	**21,897**
Total transactions with owners		**161,060**	**–**	**(99,966)**	**61,094**
Balance at 31.3.2020		**961,280**	**–**	**13,443**	**974,723**

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	**337,610**	297,767	**31,424**	164,098
Adjustments for:-				
Bad debts written off	**6**	–	**–**	–
Depreciation of property, plant and equipment	**10,425**	10,539	**–**	–
Depreciation of right-of-use assets	**1,225**	–	**–**	–
Depreciation of investment properties	**4**	7	**–**	–
Property, plant and equipment written off	**41**	–	**–**	–
Impairment loss on amount owing by a subsidiary	**–**	–	**–**	47,640
Impairment loss on investment in a subsidiary	**–**	–	**–**	8,400
Impairment loss on trade receivables	**8**	–	**–**	–
Impairment loss on other receivables	**2**	–	**–**	–
Impairment loss on property, plant and equipment	**2,878**	–	**–**	–
Interest expense on lease liabilities	**172**	–	**–**	–
Interest expenses	**7,747**	5,595	**13,714**	11,763
Interest income	**(6,804)**	(6,383)	**(46,073)**	(39,512)
Gain on disposal of investment property	**(68)**	(247)	**–**	–
Gain on disposal of property, plant and equipment	**(2)**	(221)	**–**	–
Gain on disposal of a subsidiary	**–**	–	**(5,444)**	–
Reversal of impairment loss on trade receivables	**(10)**	–	**–**	–
Share of loss of joint venture	**126**	–	**–**	–
Operating profit/(loss) before working capital changes	**353,360**	307,057	**(6,379)**	192,389
Increase in inventories	**(142,391)**	(89,124)	**–**	–
(Increase)/Decrease in receivables and contract assets	**(142,871)**	(114,881)	**–**	30
Increase/(Decrease) in payables and contract liabilities	**100,454**	72,527	**(404)**	1,475
CASH FROM/(FOR) OPERATIONS	**168,552**	175,579	**(6,783)**	193,894
Interest received	**2,587**	5,611	**46,073**	39,512
Income tax paid	**(100,102)**	(89,721)	**(6,319)**	(5,403)
Income tax refunded	**2,575**	2,367	**814**	–
Interest paid	**(21,232)**	(15,978)	**(13,714)**	(11,763)
NET CASH FROM OPERATING ACTIVITIES	**52,380**	77,858	**20,071**	216,240

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

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	NOTE	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
CASH FLOWS FOR INVESTING ACTIVITIES					
Advances to related companies		**–**	–	**(3,594)**	(212,382)
Capital reduction in investment in subsidiary		**–**	–	**3,100**	–
Investment in subsidiary companies		**–**	–	**(29,600)**	(2,735)
Investment in joint ventures		**(118,800)**	–	**–**	–
Net cash outflow from acquisition of a subsidiary	39	**–**	*	**–**	–
(Placements)/Withdrawals of pledged deposits with licensed banks		**(2,230)**	(9,396)	**1,021**	(90)
Withdrawals of deposits with licensed banks with maturity date more than 3 months		**19,288**	27,496	**19,288**	27,496
Proceeds from disposal of investment property		**155**	587	**–**	–
Proceeds from disposal of property, plant and equipment		**26**	677	**–**	–
Proceeds from disposal of subsidiary		**–**	–	**5,444**	–
Purchase of property, plant and equipment		**(6,957)**	(32,117)	**–**	–
NET CASH FOR INVESTING ACTIVITIES		**(108,518)**	(12,753)	**(4,341)**	(187,711)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Dividends paid		**(97,524)**	(101,545)	**(97,524)**	(101,545)
Increase in investment of non-controlling interest in a subsidiary		*****	490	**–**	–
Advances from non-controlling interest shareholders	41(b)	**17,200**	–	**–**	–
Drawdown of term loans	41(b)	**78,640**	9,909	**–**	–
Drawdown of Sukuk Wakalah	41(b)	**50,000**	100,000	**50,000**	100,000
Proceeds from issuance of ordinary shares		**161,060**	3,520	**161,060**	3,520
Repayment of fellow subsidiaries	41(b)	**–**	–	**(3,977)**	(39,464)
Repayment of hire purchase obligations	41(b)	**–**	(319)	**–**	–
Repayment of long-term payable	41(b)	**–**	(9,485)	**–**	–
Repayment of lease liabilities		**(1,216)**	–	**–**	–
Repayment of revolving credits	41(b)	**–**	(3,654)	**–**	–
Repayment of term loans	41(b)	**(29,637)**	(47,714)	**–**	–
Repayment of Sukuk Wakalah	41(b)	**(40,000)**	(20,000)	**(40,000)**	(20,000)
NET CASH FROM/(FOR) FINANCING ACTIVITIES		**138,523**	(68,798)	**69,559**	(57,489)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**82,385**	(3,693)	**85,289**	(28,960)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		**(21,190)**	(3,435)	**–**	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**180,267**	187,395	**27,112**	56,072
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	41(d)	**241,462**	180,267	**112,401**	27,112

* - 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 2020

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 11 August 2020.

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 16 Leases
IC Interpretation 23 Uncertainty Over Income Tax Treatments
Amendments to MFRS 9: Prepayment Features with Negative Compensation
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures
Annual Improvements to MFRS Standards 2015 – 2017 Cycles

NOTES TO THE
FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

3. BASIS OF PREPARATION (CONT'D)

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):- (Cont'd)

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 except as follows:-

MFRS 16: Leases

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaced the previous guidance on lease accounting. Under MFRS 16, the classification of leases as either finance leases or operating leases is eliminated for lessees. All lessees are required to recognise their lease assets and the related lease obligations in the statements of financial position (with limited exceptions) as right-of-use assets and lease liabilities respectively. The right-of-use assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method. The impacts on the financial statements of the Group upon its initial application of MFRS 16 are disclosed in Note 9, 24 and 50 to the financial statements.

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 17 Insurance Contracts	1 January 2021
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
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 16: COVID-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

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

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 11 to the financial statements.

(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 15 and 16 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 12 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(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 to date 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.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies

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

(a) Classification between Investment Properties and Owner-occupied Properties

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

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

(b) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(c) 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.

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.

NOTES TO THE
FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

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.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(d) Loss of Control (Cont'd)

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 of the initial recognition for subsequent accounting under MFRS 9 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(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 and joint ventures 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 and joint venture that includes a foreign operation while retaining significant influence and joint control, 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 2020

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.

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

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

Buildings	2%
Leasehold land and buildings	Over the lease period of 98 years
Office equipment, furniture and fittings	10% - 20%
Plant and machinery	10% - 12%
Motor vehicles	15%
Moulds	Based on production usage

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 right-to-use asset held 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 which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

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 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 LEASES (CONT'D)

Accounting Policies Applied Until 31 March 2019

(a) Finance Leases

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 statements 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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 INVENTORIES (CONT'D)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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, demand deposits and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the 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.

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.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 IMPAIRMENT (CONT'D)

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

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.

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).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 INCOME TAXES (CONT'D)

(b) Deferred Tax

Deferred tax are recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

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

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

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.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

(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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

4.25 JOINT ARRANGEMENT

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements returns.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

(a) Joint Ventures

A joint venture is a joint arrangement whereby the Group has rights only to the net assets of the arrangement.

Investments in joint ventures are stated at cost in the statement of financial position of the Group 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 investment includes transaction costs.

The investment in a joint venture is accounted for in the consolidated financial statements using the equity method, based on the financial statements of the joint venture made up to 31 March 2020. The Group's share of the post acquisition profits and other comprehensive income of the joint venture is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that joint control commences up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale. The Group's investment in the joint venture is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the joint venture is the carrying amount of the investment in the joint venture determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the joint venture.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.25 JOINT ARRANGEMENT (CONT'D)

(a) Joint Ventures (Cont'd)

Unrealised gains on transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated unless cost cannot be recovered.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that joint venture to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method when an investment in a joint venture becomes an investment in an associate. Under such change in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the joint venture will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investments in joint ventures are recognised in profit or loss.

5. INVESTMENT IN SUBSIDIARIES

	The Company	
	2020 RM'000	**2019 RM'000**
Unquoted shares, at cost	**278,629**	252,129
Accumulated impairment losses	**(8,400)**	(8,400)
	270,229	243,729
Unquoted shares, at cost:		
At 1 April	**252,129**	249,394
Addition during the year	**29,600**	2,735
Disposal during the year	*****	–
Capital reduction during the year	**(3,100)**	–
At 31 March	**278,629**	252,129
Accumulated impairment losses:		
At 1 April	**8,400**	–
Addition during the year	**–**	8,400
At 31 March	**8,400**	8,400

* - Less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

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 2020 %	2019 %	Principal Activities
Subsidiaries of the Company				
Matrix Excelbuilder 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
MGE Development Sdn. Bhd. (Formerly known as Matrix Global Education Sdn. Bhd.)	Malaysia	**100**	100	Property development
Masuda Corporation Sdn. Bhd.	Malaysia	**100**	100	Property development and investment holding
Matrix Concepts Sdn. Bhd.	Malaysia	**100**	100	Property development and investment holding
Matrix Concepts (Southern) 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.	Malaysia	**100**	100	Property development and investment holding
Matrix Concepts (Damansara) Sdn. Bhd. (Formerly known as Insani Utama Sdn. Bhd.)	Malaysia	**100**	100	Property development
Matrix IBS Sdn. Bhd.	Malaysia	**80**	80	Manufacturing prefabricated building materials by using the technology of industrialised building system
Matrix Realty Management Sdn. Bhd.	Malaysia	**100**	100	Property management services
Matrix Healthcare Sdn. Bhd.	Malaysia	**100**	100	Provision of healthcare services and investment holding
Matrix Concepts (Australia) Pty Ltd @	Australia	**–**	100	Property development
Matrix Development (Australia) Pty Ltd @	Australia	**100**	100	Investment holding
PT Matrix Perkasa Indonesia @	Indonesia	**100**	100	Property development

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Name of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2020 %	2019 %	
Subsidiaries of Matrix Excelbuilder Sdn. Bhd.				
Matrix Excelcon Sdn. Bhd.	Malaysia	**100**	100	General contractors
Matrix Exceltrading Sdn. Bhd.	Malaysia	**100**	100	Dormant
Subsidiary of Masuda Corporation Sdn. Bhd.				
Matrix Project Management 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 MGE Development Sdn. Bhd. (Formerly known as Matrix Global Education Sdn. Bhd.)				
Matrix Educare Sdn. Bhd.	Malaysia	**51**	51	Provision of education services
Subsidiary of Matrix Concepts (Central) Sdn. Bhd.				
Matrix Concepts (Cheras) Sdn. Bhd.	Malaysia	**100**	100	Property development
Subsidiaries of Matrix Development (Australia) Pty Ltd				
Matrix Concepts (Australia) Pty Ltd @	Australia	**100**	–	Property development
Matrix 333 St Kilda (Australia) Pty Ltd @	Australia	**100**	100	Property development
Matrix Greenvale (Australia) Pty Ltd @	Australia	**100**	100	Property development
Matrix Property Management (Australia) Pty Ltd @	Australia	**100**	–	Management of defect works and rental guarantees for completed group property development

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 2020 %	2019 %	Principal Activities
Subsidiaries of Matrix Healthcare Sdn. Bhd.				
Matrix Medicare Sdn. Bhd.	Malaysia	**70**	–	Provision of healthcare services

@ These subsidiaries were audited by other firm of chartered accountant.

During the financial year:-

(a) the Company subscribed 100,000 new ordinary shares in PT Matrix Perkasa Indonesia for a total consideration of Indonesian Rupiah 100,000,000,000;

(b) Matrix Healthcare Sdn. Bhd., a wholly-owned subsidiary of the Company, subscribed 700 new ordinary shares of Matrix Medicare Sdn. Bhd., for a total cash consideration of RM700; and

(c) Matrix Development (Australia) Pty Ltd, a wholly-owned subsidiary of the Company, subscribed 1,200 new ordinary shares of Matrix Property Management (Australia) Pty Ltd, for a total cash consideration of Australian Dollar 1,200.

In the previous 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) MGE Development Sdn. Bhd. (Formerly known as 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. for a total cash consideration of RM100. The details of the acquisition are disclosed in Note 39 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;

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

In the previous financial year (Cont'd):-

(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. INVESTMENT IN JOINT VENTURE

	The Group 2020 RM'000	The Group 2019 RM'000
Unquoted shares, at cost	**118,800**	–
Share of post acquisition losses	**(126)**	–
Effect of movement in exchange rate	**13**	–
	118,687	–

The details of the joint venture are as follows:-

Name of Joint Venture	Principal Place of Business	Percentage of Ownership 2020 %	Percentage of Ownership 2019 %	Principal Activities
Held by PT Matrix Perkasa Indonesia				
PT Fin Centerindo Satu[@]	Indonesia	**30**	–	Property development

[@] The joint venture was audited by other firm of chartered accountant.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

7. PROPERTY, PLANT AND EQUIPMENT

The Group	1.4.2019 As Previously Reported RM'000	1.4.2019 Initial Application Of MFRS 16 RM'000	1.4.2019 As Restated RM'000	Additions RM'000	Reclassification RM'000	Effect Of Movement In Exchange Rate RM'000	Disposal/ Written Off RM'000	Depreciation Charges RM'000	Impairment Loss RM'000	At 31.3.2020 RM'000
2020										
Carrying Amount										
Freehold land	1,257	–	1,257	–	–	–	–	–	–	1,257
Buildings	209,598	–	209,598	148	10,669	–	–	(5,107)	(2,878)	212,430
Leasehold land and buildings	136	–	136	–	–	–	–	(1)	–	135
Office equipment, furniture and fittings	13,919	–	13,919	2,234	2,105	(2)	(65)	(2,834)	–	15,357
Plant and machinery	500	–	500	486	5,488	–	–	(724)	–	5,750
Motor vehicles	7,600	(1,055)	6,545	519	–	(20)	–	(1,641)	–	5,403
Mould	–	–	–	3,570	4,896	–	–	(118)	–	8,348
Building in progress	12,774	–	12,774	–	(12,774)	–	–	–	–	–
Machinery in progress	5,488	–	5,488	–	(5,488)	–	–	–	–	–
Moulds in progress	4,896	–	4,896	–	(4,896)	–	–	–	–	–
Total	256,168	(1,055)	255,113	6,957	–	(22)	(65)	(10,425)	(2,878)	248,680

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

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

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Accumulated Impairment RM'000	Carrying Amount RM'000
2020				
Freehold land	**1,257**	**–**	**–**	**1,257**
Buildings	**241,001**	**(25,693)**	**(2,878)**	**212,430**
Leasehold land and buildings	**173**	**(38)**	**–**	**135**
Office equipment, furniture and fittings	**31,356**	**(15,999)**	**–**	**15,357**
Plant and machinery	**7,680**	**(1,930)**	**–**	**5,750**
Motor vehicles	**16,026**	**(10,623)**	**–**	**5,403**
Moulds in progress	**8,466**	**(118)**	**–**	**8,348**
Total	**305,959**	**(54,401)**	**(2,878)**	**248,680**

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

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

(a) In the previous financial year, included in the property, plant and equipment of the Group were motor vehicles with a total carrying value of RM1,055,000 which were acquired under hire purchase terms. These leased assets had been pledged as security for the hire purchase payables of the Group as disclosed in Note 25 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 26, 27 and 30 to the financial statements.

8. INVESTMENT PROPERTIES

The Group	At 1.4.2019 RM'000	Disposal RM'000	Depreciation Charge RM'000	At 31.3.2020 RM'000
2020				
Carrying Amount				
Houses	**243**	**(87)**	**(4)**	**152**

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

8. INVESTMENT PROPERTIES (CONT'D)

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
2020			
Houses	**225**	**(73)**	**152**

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
2019			
Houses	350	(107)	243

The estimated fair value of the Group's investment properties as at the end of the reporting period approximates RM526,000 (2019 – RM602,000).

9. RIGHT-OF-USE ASSETS

The Group	1.4.2019 As Previously Reported RM'000	1.4.2019 Initial Application Of MFRS 16 RM'000	1.4.2019 As Restated RM'000	Additions (Note 41(a)) RM'000	Depreciation Charges RM'000	At 31.3.2020 RM'000
2020						
Buildings	**–**	**2,839**	**2,839**	**363**	**(937)**	**2,265**
Motor vehicles	**–**	**1,055**	**1,055**	**–**	**(288)**	**767**
Total	**–**	**3,894**	**3,894**	**363**	**(1,225)**	**3,032**

Analysed by:-	RM'000
Cost	5,121
Accumulated depreciation	(2,089)
	3,032

The comparative information is not presented as the Company has applied MFRS 16 using the modified retrospective approach.

9. RIGHT-OF-USE ASSETS (CONT'D)

The Group leases various hostels, store rooms, office and motor vehicles of which the leasing activities are summarised below:-

(i) Hostels, store rooms and office

The Group has leased a number of hostels, store rooms and office that run between 1 year to 3 years, with an option to renew the lease after that date.

(ii) Motor vehicles

The Group has leased certain motor vehicles under hire purchase arrangements. At the end of the lease term, the Group has the option to purchase the asset at an insignificant amount.

10. GOODWILL

	The Group	
	2020 RM'000	**2019 RM'000**
Goodwill arising from consolidation	**18**	18
Accumulated impairment losses	**(18)**	(18)
At 31 March	*****	*

* - Less than RM1,000

11. INVENTORIES

		The Group	
	Note	**2020 RM'000**	**2019 RM'000**
Non-current			
Properties held for future development	11(a)	**661,836**	454,128

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

11. INVENTORIES (CONT'D)

	Note	The Group 2020 RM'000	The Group 2019 RM'000
Current			
Properties under development for sale	11(b)	**549,341**	566,622
Completed properties held for sale	11(c)	**72,673**	104,697
Operating supplies and materials	11(d)	**2,088**	116
		624,102	671,435
Recognised in profit or loss:-			
Inventories of property development		**69,806**	95,426
Cost of property development recognised during the current financial year		**610,221**	388,092

(i) Included in the development costs are interests on borrowings capitalised during the financial year of RM13,767,000 (2019 – RM12,429,000).

(ii) Certain development properties have been pledged to secure borrowings as disclosed in Note 26, 27 and 30 to the financial statements.

(a) Properties held for future development

	The Group 2020 RM'000	The Group 2019 RM'000
Land, at cost		
At beginning of the year	**278,974**	477,515
Acquisition of a subsidiary (Note 39)	**–**	13,173
Costs incurred during the year	**242,793**	34,270
Transferred to properties under development for sale (Note 11(b))	**(59,663)**	(245,984)
At the end of the year	**462,104**	278,974
Development costs		
At beginning of the year	**175,154**	156,690
Costs incurred during the year	**64,742**	77,071
Transferred to properties under development for sale (Note 11(b))	**(40,164)**	(58,607)
At the end of the year	**199,732**	175,154
Cumulative cost / Carrying amount	**661,836**	454,128

11. INVENTORIES (CONT'D)

(b) Properties under development for sale

	The Group 2020 RM'000	The Group 2019 RM'000
Land, at cost		
At beginning of the year	**426,070**	149,537
Costs incurred during the year	**16,303**	84,051
Transferred from properties held for future development (Note 11(a))	**59,663**	245,984
Reversal of completed projects	**(53,373)**	(58,649)
Reclassification from development costs	**7,543**	5,163
Effect of movement in exchange rate	**(6,836)**	(16)
At the end of the year	**449,370**	426,070
Development costs		
At beginning of the year	**279,921**	495,019
Costs incurred during the year	**521,726**	376,382
Transferred from properties held for future development (Note 11(a))	**40,164**	58,607
Reversal of completed projects	**(550,817)**	(645,029)
Reclassification to land costs	**(7,543)**	(5,163)
Effect of movement in exchange rate	**(298)**	105
At the end of the year	**283,153**	279,921
Cumulative costs	**732,523**	705,991
Cumulative cost recognised in profit or loss		
At beginning of the year	**(139,369)**	(308,532)
Recognised during the year	**(610,221)**	(388,092)
Unsold units transferred to completed properties held for sale (Note 11(c))	**(37,782)**	(146,423)
Reversal of completed projects	**604,190**	703,678
At the end of the year	**(183,182)**	(139,369)
Carrying amount	**549,341**	566,622

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

11. INVENTORIES (CONT'D)

(c) Completed properties held for sale

	The Group	
	2020 RM'000	2019 RM'000
At beginning of the year	**104,697**	53,700
Unsold units transferred from properties under development for sale (Note 11(b))	**37,782**	146,423
Disposals during the year	**(69,806)**	(95,426)
Cumulative cost / Carrying amount	**72,673**	104,697

(d) Operating supplies and materials

As at the end of the reporting year, all operating supplies and materials for the Group are stated at cost.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current				
Other receivables (Note (a))	**10,792**	–	**–**	–
Prepayment (Note (b))	**24,088**	–	**–**	–
	34,880	–	**–**	–
Current				
Other receivables:-				
Third parties	**12,866**	4,021	**–**	–
Goods and services tax recoverable	**378**	1,663	**–**	–
	13,244	5,684	**–**	–
Deposits	**5,992**	11,447	**2**	2
Deposits paid for land acquisition	**24,819**	–	**–**	–
Deposits paid for land development right	**13,863**	–	**–**	–
Prepayment	**3,828**	452	**–**	–
Deferred expenditure (Note (c))	**24,754**	34,023	**–**	–
	86,500	51,606	**2**	2
Less: Allowances for impairment losses (Note (d))	**(2)**	–	**–**	–
	86,498	51,606	**2**	2

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

(a) The non-current other receivable balance is unsecured and bears interest of 5% per annum.

(b) The non-current prepayment is in respect of upfront exclusive rights payments for managing a hospital operation for a period of 30 years.

	The Group		The Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
(c) Deferred expenditure:				
Incremental costs of obtaining a contract				
At the beginning of the year	**34,023**	13,591	**–**	–
Add: Incurred during the financial year	**82,793**	94,955	**–**	–
	116,816	108,546	**–**	–
Less: Cost recognised in profit or loss during the financial year	**(92,062)**	(74,523)	**–**	–
At the end of the year	**24,754**	34,023	**–**	–

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.

	The Group		The Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
(d) Allowance for impairment losses:				
At the beginning of the year	**–**	–	**–**	–
Addition during the year (Note 34)	**2**	–	**–**	–
At the end of the year	**2**	–	**–**	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

13. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company 2020 RM'000	The Company 2019 RM'000
Amount owing by:		
Non-current		
- Subsidiaries (Non-trade)	**541,697**	289,162
Current		
- Subsidiaries (Non-trade)	**360,072**	609,014
Less: Impairment losses	**(47,640)**	(47,640)
	312,432	561,374
Impairment losses:-		
At 1 April	**47,640**	–
Additions during the year (Note 34)	**–**	47,640
At 31 March	**47,640**	47,640
Amount owing to:		
Current		
- Subsidiaries (Non-trade)	**(3,829)**	(7,806)

The non-trade balances represent payments made on behalf which bear an interest of 4% to 5% per annum (2019 – 5% per annum). The amounts owing are to be paid over a period of time and are to be settled in cash.

14. DEFERRED TAX (ASSETS)/LIABILITIES

	1.4.2019 As Previously Reported RM'000	1.4.2019 Initial Application of MFRS 16 RM'000	1.4.2019 As Restated RM'000	Recognised in Profit or Loss (Note 36) RM'000	At 31.3.2020 RM'000
The Group					
2020					
Deferred Tax Liabilities					
Property, plant and equipment	981	(13)	968	(325)	643
Right-of-use assets	–	13	13	1,121	1,134
	981	–	981	796	1,777
Deferred Tax Assets					
Lease liabilities	–	–	–	(1,056)	(1,056)
Deferred income	(47)	–	(47)	(23)	(70)
Property development costs	(8,602)	–	(8,602)	2,216	(6,386)
Unused business losses	(497)	–	(497)	497	–
Unabsorbed capital allowances	(32)	–	(32)	32	–
Unrealised profits	(17,505)	–	(17,505)	(1,486)	(18,991)
Provision	–	–	–	(11,319)	(11,319)
	(26,683)	–	(26,683)	(11,139)	(37,822)
	(25,702)	–	(25,702)	(10,343)	(36,045)

	At 1.4.2018 RM'000	Recognised in Profit or Loss (Note 36) RM'000	At 31.3.2019 RM'000
The Group			
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 2020

14. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset in the table above. The following is the analysis of the deferred tax balances for financial reporting purposes:

	The Group 2020 RM'000	The Group 2019 RM'000
Deferred tax assets	**(36,394)**	(26,683)
Deferred tax liabilities	**349**	981
	(36,045)	(25,702)

15. TRADE RECEIVABLES AND CONTRACT ASSETS

	The Group 2020 RM'000	The Group 2019 RM'000
Trade receivables	**167,670**	178,287
Contract assets in relation to property development (Note 16)	**279,269**	195,561
	446,939	373,848
Less: Allowance for impairment losses	**(406)**	(408)
	446,533	373,440
Allowance for impairment losses:		
At the beginning of the year	**408**	408
Addition during the year (Note 34)	**8**	–
Reversal during the year (Note 34)	**(10)**	–
At the end of the year	**406**	408

(a) The credit terms of the Group range from 14 to 60 (2019 - 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 2020

16. CONTRACT ASSETS/(LIABILITIES)

The contract assets and contract liabilities as at 31 March 2020 and 31 March 2019 were not impacted by significant changes in contract terms.

	The Group	
	2020 RM'000	2019 RM'000
Net carrying amount of contract assets/(liabilities) is analysed as follows:-		
At 1 April		
- contract assets	**195,561**	125,499
- contract liabilities	**(83,240)**	(123,015)
Property development and construction revenue recognised on performance obligation during the financial year	**1,243,989**	1,010,926
Less: Billings during the financial year	**(1,166,379)**	(901,089)
At 31 March	**189,931**	112,321
At 31 March		
- contract assets (Note 15)	**279,269**	195,561
- contract liabilities (Note 28)	**(89,338)**	(83,240)
	189,931	112,321

(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 2020

16. 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:-

2020	2021 RM'000	The Group 2022 RM'000	2023 RM'000
Property development revenue	**592,159**	**202,801**	**24,718**
Education service	**2,849**	**–**	**–**
Membership fee	**260**	**–**	**–**
	595,268	**202,801**	**24,718**

2019	2020 RM'000	The Group 2021 RM'000	2022 RM'000
Property development revenue	696,493	416,701	150,645
Education service	8,166	–	–
Membership fee	298	–	–
	704,957	416,701	150,645

17. SHORT-TERM INVESTMENTS

	The Group/The Company 2020		2019	
	Carrying Amount RM'000	Market Value RM'000	Carrying Amount RM'000	Market Value RM'000
Money market funds in Malaysia, at fair value (Note 41(d))	**35,078**	**35,078**	–	–

The funds invest mainly into deposits and money market instruments and thus have minimum exposure to changes in market value.

The money market funds of the Group are carried at fair value. The fair value hierarchy for money market funds are classified as Level 2.

There is no maturity period for money market funds as these money are callable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

18. 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 1.25% to 3.80% (2019 – 2.73% to 4.00%) per annum and 1.25% to 3.35% (2019 – 2.95% to 3.85%) per annum respectively. The fixed deposits have maturity periods ranging from 30 to 365 (2019 – 30 to 365) days and 30 to 365 (2019 – 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 RM24,312,000 (2019 – RM22,082,000) and RM2,060,000 (2019 – RM3,081,000) which have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 30 to the financial statements.

19. CASH AND BANK BALANCES

Included in the cash and bank balances of the Group is an amount of RM138,256,000 (2019 – RM122,301,000) 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.

20. SHARE CAPITAL

The movements in the paid-up share capital are as follows:-

	The Group/The Company			
	2020	2019	2020	2019
	Number of shares ('000)		RM'000	RM'000
Issued and Fully Paid-Up				
Ordinary shares:-				
At 1 April	**752,809**	750,866	**800,220**	796,217
New shares issued:				
- ESOS exercised	**–**	1,518	**–**	3,187
- Private placement	**70,000**	–	**139,163**	–
- Warrant conversion	**11,405**	425	**21,897**	816
At 31 March	**834,214**	752,809	**961,280**	800,220

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per share at meetings of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

21. RESERVES

		The Group		The Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-distributable:-					
Translation reserves	(a)	**(27,007)**	(6,542)	**–**	–
Employee share option reserve	(b)	**–**	–	**–**	–
		(27,007)	(6,542)	**–**	–

(a) 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.

(b) EMPLOYEES' SHARE OPTION SCHEME

The employee share option reserve represents the equity-settled share options granted to employees. The reserve was 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 was reduced by the expiry or exercise of the share options.

The Employees' Share Option Scheme of the Company ("ESOS") was governed by the ESOS By-Laws and was approved by shareholders on 1 April 2013. The ESOS was implemented on 28 May 2013 and was 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 were 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.

21. RESERVES (CONT'D)

(b) EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

(iv) The option price may be subjected to a discount of not more than ten percent (10%) from the weighted average market price of the Company's shares for the five (5) trading days preceding the date of the offer or such maximum discount as may be permitted by Bursa Malaysia Securities Berhad, whichever is higher.

(v) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so acquired and issued, will not be entitled to any dividends, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to date of allotment and issuance of the new shares.

(vi) The unexercised option granted to eligible employees will lapse when they are no longer in employment with the Group unless a claim was made that is subjected to the discretion of the Option Committee.

The option prices and the details in the movement of the options granted were 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

21. RESERVES (CONT'D)

(b) 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 were 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	–

22. LONG-TERM BORROWINGS

	The Group		The Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Sukuk Wakalah (Note 23)	**150,000**	140,000	**150,000**	140,000
Hire purchase payables (Note 25)	**–**	520	**–**	–
Term loans (Note 26)	**79,405**	49,631	**–**	–
Revolving credits (Note 27)	**10,015**	10,015	**–**	–
	239,420	200,166	**150,000**	140,000

23. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

23. SUKUK WAKALAH (CONT'D)

Details of the Sukuk Wakalah as at 31 March 2020 are as follows:-

Date of issuance	Tenure (months)	Nominal Value RM'000	Periodic Distribution Rate (per annum) %	Maturity Date
IMTN				
15 August 2017	60	60,000	6.50	15 August 2022
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
6 March 2020	36	50,000	5.50	6 March 2023
ICP				
14 February 2020	3	50,000	4.33	14 May 2020
		240,000		

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	60	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		

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

23. SUKUK WAKALAH (CONT'D)

(a) Details of the Sukuk Wakalah outstanding are as follows:

	The Group/ The Company 2020 RM'000	2019 RM'000
Current liabilities (Note 31)	**90,000**	90,000
Non-current liabilities (Note 22)	**150,000**	140,000
	240,000	230,000

(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)*).

24. LEASE LIABILITIES

	The Group 2020 RM'000	2019 RM'000
At 1 April		
- As previously reported	**–**	–
- Initial application of MFRS 16 (Note 50)	**3,687**	–
- As restated	**3,687**	–
Addition of lease liabilities	**363**	–
Interest expense recognised in profit or loss	**172**	–
Repayment of principal	**(1,216)**	–
Repayment of interest expense	**(172)**	–
At 31 March	**2,834**	–
Analysed by:-		
Current liabilities	**1,152**	–
Non-current liabilities	**1,682**	–
	2,834	–

The comparative information is not presented as the Group has applied MFRS 16 using the modified retrospective approach.

Certain lease liabilities of the Group are secured by the Group's motor vehicles under the hire purchase arrangements as disclosed in Note 9 to the financial statements, with lease terms of 5 (2019 – 5) years and bear effective interest rates ranging from 3.96% to 4.75%.

25. HIRE PURCHASE PAYABLES (SECURED)

	The Group	
	2020 RM'000	2019 RM'000
Minimum hire purchase payments:-		
- not later than 1 year	–	363
- later than 1 year and not later than 5 years	–	561
	–	924
Less: Future finance charges	–	(76)
Present value of hire purchase payables	–	848
Analysed by:-		
Current liabilities (Note 31)	–	328
Non-current liabilities (Note 22)	–	520
	–	848

(a) The hire purchase payables have been represented as 'lease liabilities' as shown in Note 24 to the financial statements following the application of MFRS 16 by the Group using the modified retrospective approach.

(b) In the previous financial year, the hire purchase payables of the Group were secured by the Group's motor vehicles under hire purchase finance leases as disclosed in Note 7 to the financial statements. The hire purchase arrangements were expiring in 3 years.

(c) In the previous financial year, 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%. The interest rates were fixed at the inception of the hire purchase arrangements.

26. TERM LOANS (SECURED)

	The Group	
	2020 RM'000	2019 RM'000
Current liabilities (Note 31)	**44,920**	26,353
Non-current liabilities (Note 22)	**79,405**	49,631
	124,325	75,984

(a) The term loans are repayable over 12 to 24 (2019 – 12 to 24) monthly instalments from the date of drawdown and are secured in the same manner as the bank overdrafts as disclosed in Note 30 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

26. TERM LOANS (SECURED) (CONT'D)

(b) The interest rate profile of the term loans is summarised below:-

	The Group Effective Interest Rate	
	2020	**2019**
	%	**%**
Floating rate term loans	**5.25 – 6.60**	5.38 – 6.95

27. REVOLVING CREDITS

	The Group	
	2020	**2019**
	RM'000	**RM'000**
Current liabilities (Note 31)	**10,000**	10,000
Non-current liabilities (Note 22)	**10,015**	10,015
	20,015	20,015

(a) The revolving credits are secured in the same manner as the bank overdrafts as disclosed in Note 30 to the financial statements.

(b) The interest rate profile of the revolving credits is summarised below:-

	The Group Effective Interest Rate	
	2020	**2019**
	%	**%**
Floating rate revolving credits	**5.25 – 5.35**	6.00 – 6.20

28. TRADE PAYABLES AND CONTRACT LIABILITIES

	The Group	
	2020	**2019**
	RM'000	**RM'000**
Trade payables	**68,597**	86,960
Retention sum	**3,805**	315
Contract liabilities in relation to property development (Note 16)	**89,338**	83,240
Accruals	**7,399**	4,194
	169,139	174,709

28. TRADE PAYABLES AND CONTRACT LIABILITIES (CONT'D)

The normal trade credit terms granted to the Group range from 30 days to 60 days (2019 – 30 days to 60 days). Other credit terms are granted to the Group on a case-by-case basis.

29. OTHER PAYABLES, DEPOSITS, ACCRUALS AND PROVISION

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-Current				
Non-controlling interest shareholders	**17,582**	–	**–**	–
Current				
Other payables	**47,222**	49,352	**–**	3
Advances from customers	**622**	–	**–**	–
Goods and services tax payables	**6**	95	**–**	–
Sales and services tax payables	**4**	11	**–**	–
Tourism tax payable	**1**	15	**–**	–
Withholding tax payable	**–**	107	**–**	–
Deposits	**8,445**	5,741	**–**	–
Accruals	**157,309**	115,731	**2,180**	2,582
Provision	**73,778**	4,792	**–**	–
Dividend payables	**25,027**	22,585	**25,027**	22,585
Deferred income	**2,975**	8,494	**–**	–
	315,389	206,923	**27,207**	25,170

The amount owing to non-controlling interest shareholders is unsecured and bears an interest between 4% to 5% per annum.

30. BANK OVERDRAFTS

	The Group		The Company	
	2020 %	2019 %	2020 %	2019 %
Bank overdrafts	**6.78**	7.59	**–**	8.60

The bank overdrafts are secured by the following:-

(i) Facilities agreements;
(ii) Legal charge over certain development properties and properties of certain subsidiary companies;
(iii) Pledge of fixed deposits of the Company and of certain subsidiary companies;
(iv) Corporate guarantee on principal sums plus interest thereon by the Company;
(v) The Government of Malaysia/Syarikat Jaminan Pembiayaan Perniagaan Berhad under Working Capital Guarantee Scheme; and
(vi) A specific debenture over certain charged properties of subsidiaries companies.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

31. SHORT-TERM BORROWINGS

	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
Sukuk Wakalah (Note 23)	**90,000**	90,000	**90,000**	90,000
Hire purchase payables (Note 25)	**–**	328	**–**	–
Term loans (Note 26)	**44,920**	26,353	**–**	–
Revolving credits (Note 27)	**10,000**	10,000	**–**	–
	144,920	126,681	**90,000**	90,000

32. REVENUE

	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
Contract with customers:-				
- Property development and construction revenue	**1,086,680**	855,958	**–**	–
- Sales of completed properties	**157,309**	154,968	**–**	–
- Revenue from hospitality segment	**17,066**	13,346	**–**	–
- Revenue from education segment	**19,741**	19,821	**–**	–
Dividend income	**–**	–	**–**	195,000
Others	**2,610**	1,438	**–**	–
	1,283,406	1,045,531	**–**	195,000

The disaggregation of revenue from contracts with customers is presented under 'Operating Segments' in Note 44.2 to financial statements.

33. COST OF SALES

Included in cost of sales are the following:-

	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
Cost of inventories recognised:-				
- property development costs	**610,221**	388,092	**–**	–
- completed properties	**69,806**	95,426	**–**	–
Cost of services	**34,290**	38,890	**–**	–
Others	**997**	906	**–**	–
	715,314	523,314	**–**	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

34. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Impairment losses:-				
- trade receivables	**8**	–	**–**	–
- amount owing by a subsidiary	**–**	–	**–**	47,640
- other receivables	**2**	–	**–**	–
Reversal of impairment losses:-				
- trade receivables	**(10)**	–	**–**	–
	–	–	**–**	47,640

35. PROFIT BEFORE TAXATION

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration				
- audit fees:				
- current year:				
- Crowe Malaysia PLT	**611**	528	**70**	70
- other auditors	**91**	82	**–**	–
- under provision in prior year				
- other auditors	**29**	27	**–**	–
- non-audit fees:				
- Crowe Malaysia PLT	**8**	8	**8**	8
Bad debts written off	**6**	–	**–**	–
Depreciation:				
- property, plant and equipment (Note 7)	**10,425**	10,539	**–**	–
- investment properties (Note 8)	**4**	7	**–**	–
- right-of-use assets (Note 9)	**1,225**	–	**–**	–
Directors' remuneration (Note 42)	**29,366**	27,642	**504**	473
Property, plant and equipment written off	**41**	–	**–**	–
Impairment loss:				
- investment in a subsidiary	**–**	–	**–**	8,400
- property, plant and equipment	**2,878**	–	**–**	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

35. PROFIT BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit before taxation is arrived at after charging/(crediting) (Cont'd):-				
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- bank overdraft	**1,739**	1,175	**159**	165
- non-controlling interest shareholders	**382**	–	**–**	–
- finance charges	**15**	21	**–**	–
- hire purchase	**–**	43	**–**	–
- inter-company	**–**	–	**425**	1,201
- term loan	**1,697**	1,209	**–**	–
- revolving credit	**424**	612	**–**	–
- imputed interest	**–**	2,046	**–**	–
- Sukuk interest	**3,490**	489	**13,130**	10,397
	7,747	5,595	**13,714**	11,763
Interest expense on lease liabilities (Note 24)	**172**	–	**–**	–
Lease expense:				
- short-term leases	**15,738**	–	**–**	–
- low-value assets	**236**	–	**–**	–
- rental of equipment	**–**	11,853	**–**	–
- rental of premises	**–**	3,158	**–**	–
Loss on foreign exchange – realised	**426**	–	**414**	–
Staff costs (including other key management personnel as disclosed in Note 42):				
- short-term employee benefits	**51,437**	55,328	**–**	–
- defined contribution benefits	**6,652**	6,909	**–**	–
- others	**2,996**	2,937	**–**	–
	61,085	65,174	**–**	–
Gain on foreign exchange – realised	**(7)**	–	**–**	–
Gain on disposal of property, plant and equipment	**(2)**	(221)	**–**	–
Gain on disposal of investment properties	**(68)**	(247)	**–**	–
Gain on disposal of a subsidiary	**–**	–	**(5,444)**	–
Interest income of financial assets that are not at fair value through profit or loss:				
- fixed deposits with licensed banks	**(2,208)**	(2,084)	**(1,442)**	(1,758)
- imputed interest	**(737)**	(772)	**–**	–
- inter-company	**–**	–	**(43,898)**	(37,272)
- late payment interest (charged)/waived	**(422)**	129	**–**	–
- bank interest	**(3,437)**	(3,656)	**(733)**	(482)
	(6,804)	(6,383)	**(46,073)**	(39,512)
Lease income:				
- property, plant and equipment	**(1,574)**	(989)	**–**	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

36. INCOME TAX EXPENSE

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current tax expenses	**109,842**	86,520	**5,416**	5,667
Under/(Over) provision in the previous financial year	**3,658**	4,117	**95**	(1,500)
	113,500	90,637	**5,511**	4,167
Deferred tax expenses (Note 14):-				
- Origination and reversal of temporary differences	**(18,357)**	(9,226)	**–**	–
- Under/(Over) provision of deferred tax liabilities in the previous financial year	**33**	(13)	**–**	–
- Over/(Under) provision of deferred tax assets in the previous financial year	**7,981**	(1,860)	**–**	–
	(10,343)	(11,099)	**–**	–
	103,157	79,538	**5,511**	4,167

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	
	2020 RM'000	2019 RM'000
Unused tax losses	**55,929**	46,491
Unabsorbed capital allowances	**9,853**	6,190
Unabsorbed industrial building allowances	**28,586**	22,245
	94,368	74,926

No deferred tax assets are recognised in the Group in respect of the following items:-

	The Group	
	2020 RM'000	2019 RM'000
Unused tax losses	**55,929**	46,491
Unabsorbed capital allowances	**7,315**	6,190
Others	**59,455**	30,941
	122,699	83,622

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

36. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit before taxation	**337,610**	297,767	**31,424**	164,098
Tax at the applicable corporate tax rate of 24% (2019 - 24%)	**81,026**	71,464	**7,542**	39,384
Tax effects of:-				
Non-deductible expenses	**4,605**	3,453	**1,372**	14,040
Non-taxable income	**(3,564)**	(99)	**(3,498)**	(47,757)
Deferred tax assets not recognised during the financial year	**9,378**	1,973	**–**	–
Effects of differential in tax rates of subsidiaries	**40**	503	**–**	–
Under/(Over) provision of Malaysian Income Tax in the previous financial year	**3,658**	4,117	**95**	(1,500)
Under/(Over) provision of deferred tax liabilities in the previous financial year	**33**	(13)	**–**	–
Over/(Under) provision of deferred tax assets in the previous financial year	**7,981**	(1,860)	**–**	–
Income tax expense for the financial year	**103,157**	79,538	**5,511**	4,167

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2019 - 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.

37. OTHER COMPREHENSIVE INCOME

	The Group	
	2020 RM'000	2019 RM'000
Items that will be reclassified subsequently to profit or loss		
Foreign currency translation:		
- changes during the financial year	**(20,465)**	(3,435)

38. 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 2020	2019
Profit attributable to owners of the Company (RM'000)	**237,386**	218,389
Weighted average number of ordinary shares in issue ('000)	**804,770**	752,554
Basic earnings per share (Sen)	**29.5**	29.0

(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 warrants issued, adjusted for the number of such shares that would have been issued at fair value during the year under review.

	The Group 2020	2019
Profit attributable to owners of the Company (RM'000)	**N/A**	218,389
Weighted average number of ordinary shares for basic earnings per share ('000)	**N/A**	752,554
Effect of potential exercise of warrants ('000)	**N/A**	1,623
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	**N/A**	754,177
Diluted earnings per share (Sen)	**29.5**	29.0

The effects of potential ordinary shares arising from the conversion of warrants during the year are anti-dilutive and accordingly, it has been ignored in the calculation of dilutive earnings per share. As a result, the diluted earnings per ordinary share is the same as basic earnings per share.

Note:
N/A – Not Applicable

NOTES TO THE
FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

39. 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. 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 11)	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. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

40. DIVIDENDS

	The Group/ The Company 2020 RM'000	2019 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
- 4th interim single tier dividend of 3.00 sen per ordinary share, paid on 10 July 2019	**23,604**	–
- Special single tier dividend of 0.25 sen per ordinary share, paid on 10 July 2019	**1,967**	–
In respect of the financial year ended 31 March 2020:-		
- 1st interim single tier dividend of 3.00 sen per ordinary share, paid on 9 October 2019	**24,684**	–
- 2nd interim single tier dividend of 3.00 sen per ordinary share, paid on 8 January 2020	**24,684**	–
- 3rd interim single tier dividend of 3.00 sen per ordinary share, paid on 15 April 2020	**25,027**	–
	99,966	97,850

Subsequent to the end of financial year, the directors, on 9 July 2020 declared a fourth interim single tier dividend of 2.50 sen per ordinary share amounting to RM20,855,752 in respect of the current financial year, paid on 7 August 2020 to shareholders whose names appeared in the record of depositors on 24 July 2020.

41. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of right-of-use assets is as follows:-

	The Group 2020 RM'000	2019 RM'000
Cost of right-of-use assets purchased (Note 9)	**363**	–
Amount financed through lease liabilities (Note (b) below)	**(363)**	–
Cash disbursed for purchase of right-of-use assets	**–**	–

41. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows:-

	Term Loans RM'000	Sukuk Wakalah RM'000	Hire Purchase RM'000	Lease Liabilities RM'000	Revolving Credits RM'000	Non-Controlling Interest Shareholders RM'000	Others RM'000	Total RM'000
The Group								
2020								
At 1 April, as previously reported	75,984	230,000	848	–	20,015	–	–	326,847
Effects on adoption of MFRS 16	–	–	(848)	3,687	–	–	–	2,839
At 1 April, as restated	75,984	230,000	–	3,687	20,015	–	–	329,686
Changes in Financing Cash Flows								
Proceeds from drawdown	78,640	50,000	–	–	–	–	–	128,640
Repayment of borrowing principal	(29,637)	(40,000)	–	(1,216)	–	–	–	(70,853)
Repayment of borrowing interests	(5,103)	(13,130)	–	(172)	(1,163)	–	(1,664)	(21,232)
Advances from non-controlling interest shareholders	–	–	–	–	–	17,200	–	17,200
Non-cash Changes								
Acquisition of new leases	–	–	–	363	–	–	–	363
Finance charges recognised in profit or loss	1,697	3,490	–	172	424	382	1,754	7,919
Finance charges capitalised under inventories	3,478	9,640	–	–	739	–	(90)	13,767
Effect of movement in exchange rate	(734)	–	–	–	–	–	–	(734)
At 31 March	124,325	240,000	–	2,834	20,015	17,582	–	404,756

41. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows (Cont'd):-

	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
The Group							
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

41. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows (Cont'd):-

	Loan From Related Companies RM'000	Sukuk Wakalah RM'000	Others RM'000	Total RM'000
The Company				
2020				
At 1 April	**7,806**	**230,000**	**–**	**237,806**
Changes in Financing Cash Flows				
Net repayment to subsidiaries	**(3,977)**	**–**	**–**	**(3,977)**
Proceeds from drawdown	**–**	**50,000**	**–**	**50,000**
Repayment of borrowing principal	**–**	**(40,000)**	**–**	**(40,000)**
Repayment of borrowing interests	**(425)**	**(13,130)**	**(159)**	**(13,714)**
Non-cash Changes				
Finance charges recognised in profit or loss	**425**	**13,130**	**159**	**13,714**
At 31 March	**3,829**	**240,000**	**–**	**243,829**
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

41. CASH FLOW INFORMATION (CONT'D)

(c) The total cash outflows for leases as a leasee are as follows:-

	The Group 2020 RM'000	The Group 2019 RM'000
Payment of short-term leases	**15,738**	–
Payment of low-value assets	**236**	–
Interest paid on lease liabilities	**172**	–
Payment of lease liabilities	**1,216**	–
	17,362	–

(d) The cash and cash equivalents comprise the following:-

	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
Fixed deposits with licensed banks (Note 18)	**60,138**	76,339	**37,886**	51,548
Cash and bank balances (Note 19)	**220,895**	187,871	**48,614**	8,945
Bank overdrafts (Note 30)	**(43,220)**	(35,456)	**–**	(3,895)
Short-term investments (Note 17)	**35,078**	–	**35,078**	–
	272,891	228,754	**121,578**	56,598
Less: Fixed deposits pledged to licensed banks (Note 18(b))	**(24,312)**	(22,082)	**(2,060)**	(3,081)
Fixed deposits with maturity of more than 3 months	**(7,117)**	(26,405)	**(7,117)**	(26,405)
	241,462	180,267	**112,401**	27,112

42. 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.

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

42. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
(a) Directors				
Directors of the Company				
Executive Directors				
Short-term employee benefits:				
- salaries, bonuses and other benefits	**18,453**	16,844	**–**	–
Defined contribution benefits	**2,768**	2,526	**–**	–
	21,221	19,370	**–**	–
Non-executive Directors				
Short-term employee benefits:				
- fees	**2,273**	2,454	**424**	384
- other benefits	**109**	89	**80**	89
	2,382	2,543	**504**	473
	23,603	21,913	**504**	473
Directors of the subsidiaries				
Executive Directors				
Short-term employee benefits:				
- fees	**1,462**	1,308	**–**	–
- salaries, bonuses and other benefits	**3,755**	3,848	**–**	–
	5,217	5,156	**–**	–
Defined contribution benefits	**546**	573	**–**	–
	5,763	5,729	**–**	–
Total directors' remuneration (Note 35)	**29,366**	27,642	**504**	473

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM170,000 and RM Nil (2019 – RM161,000 and RM Nil) respectively.

42. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

(b) Other Key Management Personnel

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Short-term employee benefits	**3,307**	3,103	**–**	–
Defined contribution benefits	**484**	436	**–**	–
Total compensation for other key management personnel (Note 35)	**3,791**	3,539	**–**	–

43. 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	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Subsidiaries				
Dividend income	**–**	–	**–**	(195,000)
Interest income	**–**	–	**(43,898)**	(37,272)
Interest expenses	**–**	–	**425**	1,201
Person connected to directors of the Company and of certain subsidiary companies				
Sales of development properties	**(11,398)**	(769)	**–**	–
Rental paid	**81**	–	**–**	–
Corporations connected to directors of the Company and of certain subsidiary companies				
Lead architect and architectural consultancy services	**58**	265	**–**	–
Purchases of building materials and sub-contract charges	**52,024**	50,256	**–**	–
Purchase of food supplies	**315**	–	**–**	–
Rental paid	**235**	60	**–**	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

44. 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

44.1 BUSINESS SEGMENTS

	Property Development and Construction RM'000	Education RM'000	Hospitality RM'000	Others RM'000	Group RM'000
2020					
Revenue					
External revenue	1,243,989	19,741	17,066	2,610	1,283,406
Inter-segment revenue	460,990	843	305	–	462,138
	1,704,979	20,584	17,371	2,610	1,745,544
Consolidation adjustments					(462,138)
Consolidated revenue					1,283,406
Results					
Segment results	346,804	(936)	4,181	158	350,207
Interest income					6,804
					357,011
Depreciation					(11,654)
Finance costs					(7,747)
Profit before taxation					337,610
Income tax expense					(103,157)
Consolidated profit after taxation					234,453

44. OPERATING SEGMENTS (CONT'D)

44.1 BUSINESS SEGMENTS (CONT'D)

	Property Development and Construction RM'000	Education RM'000	Hospitality RM'000	Others RM'000	Group RM'000
2020					
Segment results includes the followings:-					
Bad debts written off	**–**	**–**	**6**	**–**	**6**
Property, plant and equipment written off	**41**	**–**	**–**	**–**	**41**
Impairment loss:					
- trade receivables	**–**	**8**	**–**	**–**	**8**
- other receivables	**–**	**2**	**–**	**–**	**2**
- property, plant and equipment	**2,878**	**–**	**–**	**–**	**2,878**
Share of loss of joint venture	**126**	**–**	**–**	**–**	**126**
Reversal of impairment loss on trade receivables	**–**	**(10)**	**–**	**–**	**(10)**
Rental income	**(1,494)**	**(80)**	**–**	**–**	**(1,574)**
Gain on disposal of property, plant and equipment	**(2)**	**–**	**–**	**–**	**(2)**
Gain on disposal of investment property	**(68)**	**–**	**–**	**–**	**(68)**
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 2020

44. OPERATING SEGMENTS (CONT'D)

44.1 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
2020					
Assets					
Segment assets	**2,276,512**	**144,165**	**83,063**	**36,771**	**2,540,511**
Unallocated assets	**36,386**	**–**	**–**	**8**	**36,394**
Consolidated total assets					**2,576,905**
Liabilities					
Segment liabilities	**900,830**	**12,362**	**7,166**	**12,146**	**932,504**
Unallocated liabilities	**40,591**	**412**	**321**	**49**	**41,373**
Consolidated total liabilities					**973,877**
Other Segment Items					
Additions to non-current assets other than financial instruments:					
- Property, plant and equipment	**6,386**	**73**	**498**	**–**	**6,957**
- Right-of-use assets	**63**	**223**	**77**	**–**	**363**

44. OPERATING SEGMENTS (CONT'D)

44.1 BUSINESS SEGMENTS (CONT'D)

	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

44.2 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
2020					
Primary Geographical Markets					
Malaysia	**1,243,989**	**19,741**	**17,066**	**2,610**	**1,283,406**
Timing of Revenue Recognition					
At a point of time	**157,309**	**–**	**5,697**	**–**	**163,006**
Over time	**1,086,680**	**19,741**	**11,369**	**2,610**	**1,120,400**
	1,243,989	**19,741**	**17,066**	**2,610**	**1,283,406**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

44. OPERATING SEGMENTS (CONT'D)

44.2 DISAGGREGATION OF REVENUE (CONT'D)

	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

44.3 MAJOR CUSTOMERS

There is no single customer that contributed more than 10% to the Group's revenue.

45. CAPITAL COMMITMENTS

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Purchase of land held for property development	119,426	170,892	–	–
Acquisition of development right	78,439	–	–	–
Construction of building	–	231	–	–
Share of capital commitment of joint venture	–	129,150	–	129,150
	197,865	300,273	–	129,150

46. OPERATING LEASE COMMITMENTS

The Group has applied MFRS 16 using the modified retrospective approach. As a result, the following information are disclosures required by MFRS 117 'Leases':-

Leases as Lessee

The Group leases a number of hostels, store room, office and motor vehicles under non-cancellable operating leases. The future minimum lease payments under the non-cancellable operating leases as at the end of the last reporting period are as follows:-

	2019 RM'000
Not more than 1 year	827
Later than 1 year and not later than 5 years	2,321
	3,148

47. 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 2020 RM'000	 2019 RM'000
Corporate guarantee given to licensed banks and third parties for credit facilities granted to subsidiaries	**272,360**	186,008

48. 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.

48.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group does not have any transactions and balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

48. FINANCIAL INSTRUMENTS (CONT'D)

48.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio of mix of fixed and floating rate borrowings.

The Group's fixed 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 26, 27 and 30 to the financial statements.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Effects on Profit After Taxation				
Increase of 65 basis points (2019 : 25 basis points)	-303	-178	+3,172	+1,010
Decrease of 65 basis points (2019 : 25 basis points)	+303	+178	-3,172	-1,010

(iii) Price Risk

The Group's principal exposure to price risk arises mainly from changes in prices of money market fund.

Price Risk Sensitivity Analysis

Any reasonably possible change in the prices of the money market fund at the end of the reporting period does not have material impact on profit after taxation and other comprehensive of the Group and hence, no sensitivity analysis is presented.

48. FINANCIAL INSTRUMENTS (CONT'D)

48.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(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).

(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 to measure 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

48. FINANCIAL INSTRUMENTS (CONT'D)

48.1 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)

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
2020			
Current (not past due)	**93,716**	**–**	**93,716**
1 to 30 days past due	**16,400**	**–**	**16,400**
31 to 60 days past due	**4,864**	**–**	**4,864**
61 to 90 days past due	**5,702**	**–**	**5,702**
More than 90 days past due	**46,582**	**–**	**46,582**
	167,264	**–**	**167,264**
Credit impaired:			
- individually impaired	**406**	**(406)**	**–**
Trade receivables	**167,670**	**(406)**	**167,264**
Contract assets	**279,269**	**–**	**279,269**
	446,939	**(406)**	**446,533**
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

48. FINANCIAL INSTRUMENTS (CONT'D)

48.1 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)

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.

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. In addition, some of the bank balances are insured by Government agencies. 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.

NOTES TO THE
FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

48. FINANCIAL INSTRUMENTS (CONT'D)

48.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

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
2020			
Low credit risk	**854,129**	**–**	**854,129**
Credit impaired	**47,640**	**(47,640)**	**–**
	901,769	**(47,640)**	**854,129**
2019			
Low credit risk	850,536	–	850,536
Credit impaired	47,640	(47,640)	–
	898,176	(47,640)	850,536

48. FINANCIAL INSTRUMENTS (CONT'D)

48.1 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	Over 5 Years RM'000
2020						
Non-derivative Financial Liabilities						
Lease liabilities	5.00	2,834	3,065	1,274	1,791	–
Trade payables	–	79,801	79,801	79,801	–	–
Amount owing to non-controlling interest shareholders	4.66	17,582	23,198	818	8,085	14,295
Other payables, deposits and accruals	–	238,003	238,003	238,003	–	–
Term loans	2.23	124,325	141,810	48,000	80,128	13,682
Sukuk Wakalah	5.93	240,000	273,600	96,473	177,127	–
Revolving credits	5.30	20,015	22,113	10,600	11,513	–
Bank overdrafts	6.78	43,220	43,220	43,220	–	–
		765,780	824,810	518,189	278,644	27,977

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

48. FINANCIAL INSTRUMENTS (CONT'D)

48.1 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
2019					
Non-derivative Financial Liabilities					
Trade payables	–	91,469	91,469	91,469	–
Other payables, deposits and accruals	–	193,449	193,449	193,449	–
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	–
		647,221	691,636	457,830	233,806

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
2020					
Non-derivative Financial Liabilities					
Other payables, deposits and accruals	**–**	**27,207**	**27,207**	**27,207**	**–**
Amounts owing to subsidiaries	**5.00**	**3,829**	**3,829**	**3,829**	**–**
Sukuk Wakalah	**5.93**	**240,000**	**273,600**	**96,473**	**177,127**
		271,036	**304,636**	**127,509**	**177,127**

48. FINANCIAL INSTRUMENTS (CONT'D)

48.1 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
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

48.2 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

48. FINANCIAL INSTRUMENTS (CONT'D)

48.2 CAPITAL RISK MANAGEMENT (CONT'D)

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	
	2020 RM'000	2019 RM'000
Hire purchase payables (Note 25)	–	848
Term loans (Note 26)	124,325	75,984
Bank overdrafts (Note 30)	43,220	35,456
Sukuk Wakalah (Note 23)	240,000	230,000
Revolving credits (Note 27)	20,015	20,015
	427,560	362,303
Less: Short-term investments (Note 17)	35,078	–
Less: Fixed deposits with licensed banks (Note 18)	60,138	76,339
Less: Cash and bank balances (Note 19)	220,895	187,871
	316,111	264,210
Net debt	111,449	98,093
Total equity	1,603,028	1,327,946
Debt-to-equity ratio (times)	0.07	0.07

There was no change in the Group's approach to capital management during the financial year.

48. FINANCIAL INSTRUMENTS (CONT'D)

48.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Financial Assets				
Mandatorily at Fair Value Through Profit or Loss				
Short-term investments (Note 17)	**35,078**	–	**35,078**	–
Amortised cost				
Trade receivables (Note 15)	**167,264**	177,879	**–**	–
Other receivables and deposits (Note 12)	**29,648**	15,468	**2**	2
Amount owing by subsidiaries (Note 13)	**–**	–	**854,129**	850,536
Fixed deposits with licensed banks (Note 18)	**60,138**	76,339	**37,886**	51,548
Cash and bank balances (Note 19)	**220,895**	187,871	**48,614**	8,945
	477,945	457,557	**940,631**	911,031
Financial Liabilities				
Amortised cost				
Lease liabilities (Note 24)	**2,834**	–	**–**	–
Hire purchase payables (Note 25)	**–**	848	**–**	–
Term loans (Note 26)	**124,325**	75,984	**–**	–
Trade payables (Note 28)	**79,801**	91,469	**–**	–
Other payables, deposits and accruals (Note 29)	**255,585**	193,449	**27,207**	25,170
Amount owing to subsidiaries (Note 13)	**–**	–	**3,829**	7,806
Bank overdrafts (Note 30)	**43,220**	35,456	**–**	3,895
Sukuk Wakalah (Note 23)	**240,000**	230,000	**240,000**	230,000
Revolving credits (Note 27)	**20,015**	20,015	**–**	–
	765,780	647,221	**271,036**	266,871

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

48. FINANCIAL INSTRUMENTS (CONT'D)

48.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Financial Assets				
Fair Value Through Profit or Loss				
Net gains recognised in profit or loss	**409**	–	**409**	–
Amortised cost				
Net gains/(losses) recognised in profit or loss	**6,389**	6,383	**45,664**	(8,128)
Financial Liabilities				
Amortised cost				
Net losses recognised in profit or loss	**(7,747)**	(5,595)	**(13,714)**	(11,763)

48.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which 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			
The Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total Fair Value RM'000	Carrying Amount RM'000
2020					
Financial asset					
Short-term investments	–	35,078	–	35,078	35,078
Financial liabilities					
Amount owing to non-controlling interest shareholders	–	17,582	–	17,582	17,582
Sukuk Wakalah	–	236,865	–	236,865	240,000
Term loans	–	124,325	–	124,325	124,325
Revolving credits	–	20,015	–	20,015	20,015

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

48. FINANCIAL INSTRUMENTS (CONT'D)

48.5 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 Group	Level 1 RM'000	Fair Value of Financial Instruments not Carried at Fair Value Level 2 RM'000	Level 3 RM'000	Total Fair Value RM'000	Carrying Amount 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

The Company	Level 1 RM'000	Fair Value of Financial Instruments not Carried at Fair Value Level 2 RM'000	Level 3 RM'000	Total Fair Value RM'000	Carrying Amount RM'000
2020					
Financial assets					
Short-term investments	**–**	**35,078**	**–**	**35,078**	**35,078**
Amount owing by subsidiaries (non-current)	**–**	**541,697**	**–**	**541,697**	**541,697**
Financial liability					
Sukuk Wakalah	**–**	**236,865**	**–**	**236,865**	**240,000**
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

48. FINANCIAL INSTRUMENTS (CONT'D)

48.5 FAIR VALUE INFORMATION (CONT'D)

(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) and non-controlling interest shareholders 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, revolving credits and short-term investments 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		The Company	
	2020 %	2019 %	2020 %	2019 %
Hire purchase payables	**–**	4.44 – 4.83	**–**	–
Sukuk Wakalah	**4.33 – 6.85**	4.95 – 6.84	**4.33 – 6.85**	4.95 – 6.84

49. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The outbreak of COVID-19 in early 2020 has affected the business and economic environments of the Group. The governments and various private corporations have taken different measures to prevent the spread of the virus such as travel bans, quarantines, closures of non-essential services, social distancing and home quarantine requirements which impacted consumers' spending pattern and the Group's operations directly or indirectly.

50. INITIAL APPLICATION OF MFRS 16

The Group has adopted MFRS 16 using the modified retrospective approach and has not restated the comparative information as permitted under the specific transition provisions in the standard.

The Group has applied MFRS 16 only to contracts that were previously identified as leases under MFRS 117 'Leases' and IC Interpretation 4 'Determining Whether an Arrangement Contains a Lease'. Therefore, MFRS 16 has been applied only to contracts entered into or changed on or after 1 April 2019.

Lessee Accounting

At 1 April 2019, for leases that were classified as operating leases under MFRS 117, the Group measured the lease liabilities at the present value of the remaining lease payments, discounted using the Group's weighted average incremental borrowing rate at that date of 5.00%. The right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease.

50. INITIAL APPLICATION OF MFRS 16 (CONT'D)

Lessee Accounting (Cont'd)

The Group has used the following practical expedients in applying MFRS 16 for the first time:-

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Applied for the exemption not to recognise operating leases with a remaining lease term of less than 12 months as at 1 April 2019;
- Excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight in determining the lease term where the lease contract contains options to extend or terminate the lease.

For leases that were classified as finance leases, the Group has recognised the carrying amount of the leased asset and lease liability immediately before 1 April 2019 as the carrying amount of the right-of-use asset and the lease liability as at the date of initial application.

The following table explains the difference between the operating lease commitments disclosed in the last financial year (determined under MFRS 117) and the lease liabilities recognised at 1 April 2019:-

	The Group RM
Operating lease commitments as at 31 March 2019 as disclosed in last financial year (Note 46)	3,148
Discounted using the Company's weighted average as at 1 April 2019	2,839
Add: Finance lease liability recognised as at 31 March 2019	848
Lease liabilities as at 1 April 2019 (Note 24)	3,687

The main impacts resulting from the adoption of MFRS 16 at 1 April 2019 are summarised below:-

	1 April 2019		
The Group	As Previously Reported RM'000	MFRS 16 Adjustments RM'000	As Restated RM'000
Property, plant and equipment (Note 7)	256,168	(1,055)	255,113
Right-of-use assets (Note 9)	–	3,894	3,894
Lease liabilities (Note 24):			
– non-current liabilities	–	2,658	2,658
– current liabilities	–	1,029	1,029
Hire purchase payables (Note 25):			
– non-current liabilities	520	(520)	–
– current liabilities	328	(328)	–

ADDITIONAL INFORMATION

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Utilisation of Proceeds

The status of utilisation of proceeds arising from the placement involving the issuance of 70.0 million new ordinary shares of the Company as at 31 March 2020 is as follows:-

Details of utilisation	Total Proceeds raised (RM'000)	Utilisation as at 31.03.2020 (RM'000)
Fund the equity participation in PT Fin Centerindo Satu, the joint venture company, between PT Matrix Perkasa Indonesia, PT Bangun Kosambi Sukses and PT Nikko Sekuritas Indonesia **("Placement")**	139,163	118,800
Effects of Foreign Exchange Translation		16,544
Working capital in PT Matrix Perkasa Indonesia		1,736
Defray expenses relating to the Placement		2,083
Total	**139,163**	**139,163**

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 2020 as shown below:-

	The Group RM	The Company RM
Audit Fees	702,000	70,000
Non-Audit Fees *	172,500	23,000

* Non-audit fees comprise taxation services and review of Statement on Risk Management and Internal Control.

Information on Warrants 2015/2020

Information on Warrants 2015/2020 during the financial year ended 31 March 2020

Total No. of Warrants	Total No. of Warrants Exercised	Total No. of Unexercised Warrants
90,198,383	37,667,882	52,530,501

The Warrants had expired on 20 July 2020 and was removed from the official list of Bursa Malaysia Securities Berhad on 21 July 2020.

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 2020.

LIST OF PROPERTIES

PROPERTIES OWNED BY THE GROUP

No.	Location	Tenure	Land (Acres)	Usage	Net book value as at 31 March 2020 (RM'000)	Date of acquisition
1.	Lot 12652-12654, Bandar Sri Sendayan, Seremban, Negeri Sembilan	Freehold/ Perpetuity	26.1	School and clubhouse	182,703	5 July 2013

DEVELOPMENT PROPERTIES

No.	Location	Tenure	Land (Acres)	Usage	Net book value as at 31 March 2020 (RM'000)	Date of acquisition
1.	Bandar Sri Sendayan	Freehold/ Perpetuity			177,689	11 August 2011
(i)	Lot No. PT 10992-11011, 11016-11029, 13138-13678, 13941-14150 and 12667, Bandar Sri Sendayan, Seremban, Negeri Sembilan		82.3	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. PT6140-6172, Bandar Sri Sendayan, Seremban, Negeri Sembilan		4.9	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		

LIST OF PROPERTIES (CONT'D)

No.	Location	Tenure	Land (Acres)	Usage	Net book value as at 31 March 2020 (RM'000)	Date of acquisition
(vi)	Lot No. PT 6394, 11651, 11653, 11658, 11663-11680, 12678, 12682, 12685 and 12690, Bandar Sri Sendayan, Seremban, Negeri Sembilan		53.4	On-going industrial and commercial development		
(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.	PT 24225-26264, 26410, 26562-26563, 26638-26696, and 26731-27855, Mukim Labu, Seremban, Negeri Sembilan	Freehold/ Perpetuity	261.4	On-going and/or Future mixed residential and commercial development	29,896	31 October 2013
3.	PT 159 Section 46, Town of Kuala Lumpur, District of Kuala Lumpur	Freehold	1.1	On-going residential and commercial development	63,466	24 December 2013
4.	PTD25635-26005, 26199-26454 and 26591, Mukim of Rasah, Daerah of Seremban, Negeri Sembilan	Freehold	140.2	On-going and/or Future residential development	83,538	28 November 2013
5.	PT37936-39868, Mukim of Labu, Seremban, Negeri Sembilan	Freehold	237.0	Future mixed residential and commercial development	79,158	10 April 2014
6.	PT43234-44480, 44491 and 44492, Mukim of Labu, Seremban, Negeri Sembilan	Freehold	164.0	Future mixed residential and commercial development	107,206	13 February 2015

LIST OF PROPERTIES (CONT'D)

No.	Location	Tenure	Land (Acres)	Usage	Net book value as at 31 March 2020 (RM'000)	Date of acquisition
7.	HS(D) 297055, PT8790, Mukim Pekan Kinrara, Daerah Petaling, Negeri Selangor	Leasehold	5.76	Future residential development	99,217	4 January 2016
8.	PT42802-42803, 42805-42813, 42815-42823, 42825-42833 and 42835-42841, Mukim of Labu, Seremban, Negeri Sembilan	Freehold	98.2	On-going industrial development	66,842	Between 18 June 2014 and 26 May 2016
9.	650 & 660 Somerton Road, Greenvale 3059 Victoria Australia	Freehold	9.67	On-going residential development	33,768	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	47,835	7 December 2018
11.	Lot 2828-2831 and 2833 -2861, Mukim Jimah, Daerah Port Dickson, Negeri Sembilan	Freehold	202.8	Future residential development	96,187	Between 14 June 2017 and 14 February 2020
12.	H.S(D) 267031 PT48041, Mukim Sungai Buloh, Daerah Petaling Jaya, Negeri Selangor	Leasehold	5.6	Future residential development	57,496	28 February 2020
13.	PT5352, 5358-5359, 5363-5364, 5366-5367, 5369, 5371, 5373-5374, 5405-5409, 5415, 26307, 73455 and 73459, Mukim of Labu, Seremban, Negeri Sembilan	Freehold	104.7	Future mixed residential and commercial development	41,952	Between 13 August 2015 and 7 February 2020
14.	98 parcels of vacant agriculture land held under separate titles situated in Bandar Sri Sendayan, Negeri Sembilan	Freehold	192.9	Future mixed residential and commercial development	91,987	Between 21 December 2019 and 18 March 2020

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 43 - Related Party Disclosures in the Audited Financial Statements for the financial year ended 31 March 2020, the disclosure of the breakdown of the aggregate value of RRPTs incurred during FY2020 are as below:-

No.	Related Parties	Relationship with MCHB Group	Type of RRPT	Actual Aggregate Value as at 31 March 2020 (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	32,169,832.60
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, 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	19,096,518.22
3.	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
4.	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	206,974.00
5.	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	254,914.60
6.	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

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 2020 (RM)
7.	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
8.	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	293,294.46
9.	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	58,300.00
10.	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, Matrix Excelcon Sdn Bhd and Matrix Exceltrading Sdn Bhd.	Supply of steel bar and steel mesh to Matrix IBS Sdn Bhd	562,491.04
11.	GXM Pty Ltd	Lee Jon Wee, who is the 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, Matrix 333 St Kilda (Australia) Pty Ltd and Matrix Property Management (Australia) Pty Ltd.	Provision of development and management of projects, management, sales and marketing services to Matrix Development (Australia) Pty Ltd Group of Companies	1,379,025.00
12.	Sunmix Concrete Product Sdn Bhd	Yong Ing Kiat and Soo Li Ping, 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
13.	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'Sora Boutique Business Hotel	27,990.85
14.	Datin Yong Chou Lian	Datin Yong Chou Lian is the spouse of Dato' Lee Tian Hock.	Rental of a 2-storey terrace house for the provision of accommodation for expatriates employee of Matrix Educare Sdn Bhd	24,000.00

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JULY 2020

Issued Share Capital	:	834,232,356 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	755	33,480	0.00
100 To 1,000 shares	1,654	1,022,087	0.12
1,001 To 10,000 shares	5,318	23,831,696	2.86
10,001 To 100,000 shares	2,110	59,745,535	7.17
100,001 To Less Than 5% of issued shares	387	511,844,808	61.35
5% and above of issued shares	3	237,754,750	28.50
Total	**10,227**	**834,232,356**	**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	125,985,399	15.10	(i) 167,283,739	20.05
2. Shining Term Sdn Bhd	105,734,357	12.67	–	–
3. Datin Yong Chou Lian	2,678,820	0.32	(ii) 111,954,844	13.42
4. Employees Provident Fund Board	81,581,307	9.78	–	–

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	6,220,487
e)	Datin Yong Chou Lian	2,678,820
	Total	**167,283,739**

(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	6,220,487
	Total	**111,954,844**

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 30 JULY 2020

DIRECTOR'S SHAREHOLDINGS

	No. of Shares			
Name of Director	**Direct**	**%**	**Indirect**	**%**
1. Dato' Haji Mohamad Haslah Bin Mohamad Amin	1,675,737	0.20	–	–
2. Dato' Lee Tian Hock	125,985,399	15.10	(i) 167,283,739	20.05
3. Ho Kong Soon	3,284,811	0.39	(ii) 26,162,043	3.14
4. Rezal Zain Bin Abdul Rashid	954,687	0.11	–	–
5. Dato' Firdaus Muhammad Rom Bin Harun	–	–	–	–
6. Dato' (Ir.) Batumalai A/L Ramasamy	377,415	0.05	(iii) 18,375	0.002
7. Dato' Hon Choon Kim	462,500	0.06	(iv) 8,750	0.001
8. Dato' Hajah Kalsom Binti Khalid	201,300	0.02	–	–
9. Dato' Logendran A/L K Narayanasamy	1,543,437	0.19	–	–

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	6,220,487
e) Datin Yong Chou Lian	2,678,820
Total	**167,283,739**

(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	25,855,793
b) Alice Tan Khiam Chow	306,250
Total	**26,162,043**

(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	9,375
b) Dr. Navin Kumar A/L Batumalai	4,000
c) Rishni A/P Batumalai	5,000
Total	**18,375**

(iv) Deemed interested of shares held by spouse pursuant to Section 59(11)(c) of the Act.

a) Datin Lee Siow Kian @ Lee Siew Kian	8,750
Total	**8,750**

TOP THIRTY (30) LARGEST SHAREHOLDERS

AS AT 30 JULY 2020

No.	Name	No. of Shares Held	%
1.	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Lee Tian Hock*	99,593,675	11.94
2.	Kenanga Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Shining Term Sdn. Bhd.*	75,000,000	8.99
3.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board*	63,161,075	7.57
4.	Ambang Kuasa Sdn. Bhd.	32,699,185	3.92
5.	Maybank Securities Nominees (Asing) Sdn. Bhd. *Maybank Kim Eng Securities Pte Ltd for Asia Core Properties Inc Pte Ltd*	31,583,700	3.79
6.	Shining Term Sdn. Bhd.	30,734,357	3.68
7.	Lee Tian Hock	26,391,724	3.16
8.	Supreme Interest Sdn. Bhd.	25,855,793	3.10
9.	Maybank Securities Nominees (Asing) Sdn. Bhd. *Maybank Kim Eng Securities Pte Ltd for PT Fin Centerindo Dua*	23,724,900	2.84
10.	Magnitude Point Sdn. Bhd.	19,950,890	2.39
11.	Target Venue Sdn. Bhd.	12,449,543	1.49
12.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Exempt AN for AIA Bhd.*	12,163,948	1.46
13.	Amanahraya Trustees Berhad *Amanah Saham Bumiputera 3 - Didik*	11,057,487	1.33
14.	Fine Approach Sdn. Bhd.	10,000,000	1.20
15.	Citigroup Nominees (Asing) Sdn. Bhd. *Exempt AN for Bank of Singapore Limited (Foreign)*	9,550,000	1.14
16.	Cartaban Nominees (Tempatan) Sdn. Bhd. *PBTB for Takafulink Dana Ekuiti*	8,653,450	1.04
17.	Citigroup Nominees (Asing) Sdn. Bhd. *Exempt AN for Citibank New York (Norges Bank 14)*	7,533,521	0.90
18.	Public Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Lee Tian Hock (E-SRB/PDN)*	6,250,000	0.75
19.	Yakin Teladan Sdn. Bhd.	6,220,487	0.75
20.	Kumpulan Wang Persaraan (Diperbadankan)	6,161,683	0.74
21.	Meridian Effect Sdn. Bhd.	5,990,850	0.72
22.	Cartaban Nominees (Tempatan) Sdn. Bhd. *PAMB for Prulink Dana Unggul*	5,894,991	0.71
23.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board (AsianIslamic)*	5,282,216	0.63
24.	Yong Soi Mee	5,250,000	0.63
25.	Maybank Nominees (Tempatan) Sdn. Bhd. *Bank Kerjasama Rakyat (M) Berhad (412803)*	5,000,000	0.60
26.	Amanah Raya Berhad *Kumpulan Wang Bersama Syariah*	4,522,283	0.54
27.	HSBC Nominees (Tempatan) Sdn. Bhd. *HSBC (M) Trustee Bhd for Affin Hwang Aiiman Growth Fund (4207)*	4,326,677	0.52
28.	Citigroup Nominees (Asing) Sdn. Bhd. *CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc*	4,270,337	0.51
29.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board (ARIM)*	4,249,916	0.51
30.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad *Deutsche Trustees Malaysia Berhad for Eastspring Investments Dana Al-Ilham*	4,095,853	0.49
	Total	567,618,541	68.04

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Third Annual General Meeting ("23rd AGM") of Matrix Concepts Holdings Berhad ("MCHB" or "the Company") will be held entirely virtual at Broadcast Venue at **Wisma Matrix, 2nd Floor, No. 57, Jalan Tun Dr. Ismail, 70200 Seremban, Negeri Sembilan** via Remote Participation and Voting Facilities on **Wednesday, 30 September 2020** at **10.00 a.m.** for the transaction of the following businesses:

AGENDA

AS ORDINARY BUSINESS

1. TO RECEIVE the audited financial statements for the financial year ended 31 March 2020 and the Directors' and Auditors' reports thereon.

2. TO APPROVE the following payments to Directors:

    a) Directors' Fees of RM424,000 for the financial year ended 31 March 2020 (2019: RM384,000). **Ordinary Resolution 1**

    b) Directors' Benefits of up to RM430,000 from the date of this 23rd AGM until the next Annual General Meeting ("AGM") of the Company to be held in the year 2021. **Ordinary Resolution 2**

3. TO RE-ELECT the following Directors retiring in accordance with Clause 103 of the Company's Constitution:-

    a) Dato' Lee Tian Hock **Ordinary Resolution 3**

    b) Encik Rezal Zain Bin Abdul Rashid **Ordinary Resolution 4**

4. TO RE-APPOINT Messrs. Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

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 6**

    "**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 for Recurrent Related Party Transactions of a Revenue or Trading Nature** **Ordinary Resolution 7**

"**THAT** approval be hereby given for the renewal of the mandate granted by the shareholders of the Company on 21 August 2019 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 in the Circular to Shareholders dated 28 August 2020, 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 23rd 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; or

(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)(SSM PC No. 201908001700)
Group Company Secretary
28 August 2020
Negeri Sembilan

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes:-

(i) The 23rd AGM of the Company will be conducted entirely virtual through live streaming and online via Remote Participation and Voting Facilities. Please follow the procedures provided in the Administrative Guide which is available on the Company's website at www.mchb.com.my in order to register, participate and vote remotely.

(ii) The venue of the 23rd AGM ("Broadcast Venue") is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which stipulated that the Chairman shall be at the main venue of the AGM. NO SHAREHOLDER/PROXY IS ALLOWED to be physically present at the Broadcast Venue.

(iii) A shareholder 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 shareholder of the Company. A shareholder shall be entitled to appoint up to two (2) proxies to attend and vote at the 23rd AGM. Where a shareholder 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.

(iv) 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.

(v) Where a shareholder 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.

(vi) 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 adjourned thereof.

(vii) In respect of deposited securities, only shareholders whose names appear in the Record of Depositors on 21 September 2020 shall be entitled to attend, speak and vote at the 23rd AGM.

(viii) All the resolutions as set out in the notice of 23rd AGM will be put to vote by poll via online voting facilities.

Explanatory Notes on Item 1, 2(b), 3 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 23rd AGM until the next annual general meeting of the Company to be held in the year 2021.

The Directors' benefits payable to the Directors comprise meeting allowances and club memberships. If the Proposed Resolution 2 is passed at the 23rd 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 3 of the Agenda – Re-election of Directors

Dato' Firdaus Muhammad Rom Bin Harun who is retiring under Clause 103 of the Company's Constitution has indicated that he is not seeking re-election as a Director of the Company. Henceforth, he shall retire from his office of directorship upon the conclusion of the 23rd AGM.

4. 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 as Auditors of the Company. The Board and Audit Committee collectively agreed that Messrs. Crowe Malaysia PLT has met the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Special Business:-

5. Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 6 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 Second Annual General Meeting held on 21 August 2019 and unless revoked or varied at a general meeting, shall expire at the Twenty-Fourth 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.

6. Recurrent Related Party Transactions

The proposed Ordinary Resolution 7 is to seek a renewal of 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 28 August 2020 accompanying the Company's Integrated Annual Report 2020.

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 23rd AGM of Matrix Concepts Holdings Berhad are as follows:-

   a) Dato' Lee Tian Hock

   b) Encik Rezal Zain Bin Abdul Rashid

   Dato' Firdaus Muhammad Rom Bin Harun who is retiring under Clause 103 of the Company's Constitution has indicated that he is not seeking re-election as a Director of the Company. Henceforth, he shall retire from his office of directorship upon the conclusion of the 23rd AGM.

2. The profiles of the Directors who are standing for re-election are set out on page 43 and 46 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 223 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 Second Annual General Meeting held on 21 August 2019, 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 23rd AGM. Details of the said authority are further explained in the Explanatory Notes attached with the Notice of 23rd AGM on page 227 of this Annual Report. The Board of Directors intends to seek a renewal of the said authority.

   During the validity period of the said authority up to date of the Notice of 23rd AGM, there were two (2) tranches of new shares issuance, being the third tranche and final tranche of the Placement to Maybank Securities Nominees (Asing) Sdn Bhd, Maybank Kim Eng Securities Pte Ltd for Asia Core Properties Inc Pte Ltd, details as below:-

Tranche	Date	No. of Shares Issued
Third tranche	4 September 2019	25,000,000
Final tranche	17 September 2019	11,000,000
Total no. of shares issued		36,000,000

   A total of 70.0 million new ordinary shares was issued arising from the above Placement.

PROXY FORM

MATRIX CONCEPTS HOLDINGS BERHAD
Registration No. 199601042262 (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 represented	Contact	
			Mobile No.	Email
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-Third Annual General Meeting ("23rd AGM") of the Company to be held entirely virtual at Broadcast Venue at Wisma Matrix, 2nd Floor, No. 57, Jalan Tun Dr. Ismail, 70200 Seremban, Negeri Sembilan via Remote Participation and Voting Facilities on Wednesday, 30 September 2020 at 10.00 a.m. and at any adjournment thereof.

Ordinary Businesses				
Item	**Agenda**			
1.	To receive the Audited Financial Statements for the financial year ended 31 March 2020 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 Dato' Lee Tian Hock as Director of the Company	3		
	b) To re-elect Encik Rezal Zain Bin Abdul Rashid as Director of the Company	4		
4.	To re-appoint Auditors	5		
Special Businesses				
5.	Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016	6		
6.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	7		

(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 ______________________________ 2020

____
Signature/Common Seal of Shareholder(s)

E-Mail address: ____________________

Contact No.: ____________________

Notes:

(i) A shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies *[the appointment shall be invalid unless the shareholder specifies the proportions of his shareholdings to be represented by each proxy]* to attend and vote.

(ii) The instrument appointing a proxy shall be 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 shareholder 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 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 adjourned thereof.

(v) In respect of deposited securities, only shareholders whose names appear in the Record of Depositors on 21 September 2020 shall be entitled to attend, speak and vote at the 23rd AGM.

(vi) The 23rd AGM will be conducted entirely virtual at the Broadcast Venue via Remote Participation and Voting Facilities. The shareholders are advised to refer to the Administrative Guide on the registration and voting process of the meeting.

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AFFIX
STAMP

The Group Company Secretary

MATRIX CONCEPTS HOLDINGS BERHAD
Registration No. 199601042262 (414615-U)

Wisma Matrix
No. 57, Jalan Tun Dr. Ismail
70200 Seremban
Negeri Sembilan Darul Khusus, Malaysia

FOLD HERE

CREATING VALUE

MATRIX CONCEPTS HOLDINGS BERHAD
Registration No. 199601042262 (414615-U)

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Nurturing Environments, Enriching Lives.

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