Creating Value Enriching Communities

INTEGRATED
ANNUAL REPORT 2022

CREATING VALUE ENRICHING COMMUNITIES

Matrix Concepts Holdings Berhad ("Matrix") is multi-faceted with its core activities pivoted on Property Development, Construction, Education, Hospitality and Healthcare. Creating desirable products of value, quality and well-designed homes, Matrix has built a reputation of "*a cut above all others*" with its diverse property developments in Malaysia, Australia and Indonesia. Matrix delivers a complete lifestyle eco-system of work, play, dine, shop, learn and more for its developments.

Matrix's Integrated Annual Report 2022 is seen here, represented by a diamond: *multi-faceted, durable, sturdy and committed*.

"Investing into a property and nurturing a family is a lifetime investment" and thus, similar to the properties of a diamond which symbolises sturdy relationship, happiness and commitment.

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.

WHAT'S INSIDE

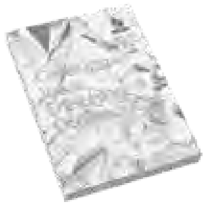
ABOUT THIS **REPORT**

INTRODUCTION

Matrix continues to adopt Integrated Reporting (“<IR>”) in line with the aspirations of the Board and Management to provide a comprehensive view of the Group’s value creation capabilities, results and potentials.

In essence, continuously progressing from providing information pertaining only to financial values and performance, towards showcasing enterprise value, including stakeholder value creation.

This is in response to recent developments in corporate reporting, which calls for organisations to increasingly align towards showcasing enterprise value as well as future value creation potential, beyond financial performance.



INTEGRATED ANNUAL REPORT 2022 ("IAR2022")

Provides a comprehensive yet concise narrative of Matrix's strategies, highlights and achievements in the creation of financial and non-financial values for FY2022.

This includes providing readers with an understanding of how the Group creates value (beyond financial performance), its consumption of capitals and its plans and priorities to sustain value creation over short, medium and long-term perspectives.

IAR2022 also provides detailed information on business, operational and financial performance, including the Group's audited financial statements for financial year ended 31 March 2022 ("FY2022").

SUSTAINABILITY REPORT 2022 ("SR2022")

SR2022 is published as a stand-alone sustainability report that provides a comprehensive review of Matrix's environmental, social and governance ("ESG") performance.

Disclosures are aligned to best practice global reporting frameworks as well as the requirements of the local regulator, Bursa Malaysia Securities Berhad.

Key aspects of reporting covered include governance of ESG matters, the management approach to material topics and the results achieved as well as lessons learnt and plans to drive further improvements in ESG performance going forward.

CORPORATE GOVERNANCE REPORT 2022 ("CG2022")

CG2022 demonstrates how Matrix has complied with the prescribed practices of the Malaysia Code of Corporate Governance 2021 ("MCCG 2021").

This includes the Group's upholding of transparency, accountability and corporate governance and ethics, the existence of internal frameworks and controls for the management and mitigation of risks, audit processes and checks and balances systems implemented for separation of powers, processes and shareholder involvement in the election and re-election of directors as well as how the Group ensures that the rights of minority shareholders' are preserved.

Scan the QR Code to download this IAR2022.

To contact us, please refer to Corporate Information on page 9 of this IAR2022.

This IAR2022 is available on the website at ***www.mchb.com.my***

The Financial Statements are available on page 123 to page 223 of this IAR2022.

<IR> REPORT CONTENT

The IAR 2022 has been developed in accordance with the Six Capitals, Seven Guiding Principles and Eight Content Elements as prescribed in the IIRC's principled based framework.

Specifically, the IAR 2022 contains the following:

MATRIX AND VALUE CREATION

A concise explanation of Matrix's macro approach to value creation given the context of its operational environment and the present business climate in a post Covid-19 pandemic world.

OUR BUSINESS MODEL

A visual representation of Matrix's chosen and strategised business model. Essentially, a graphical depiction of what are the Group's principal business activities, its niched focus areas and business strengths.

OUR CAPITALS

A presentation of the Group's key resources as well as trade-offs between capitals.

BUSINESS VALUE CHAIN AND KEY PROCESSES

Provides a step-by-step narrative of the Group's value chain from start to end, supported by information on key considerations / risks / opportunities at each stage of the value chain.

SIGNIFICANCE OF ESG ON THE BUSINESS MODEL AND VALUE CREATION

A concise and connected depiction of how Matrix's ESG matters influence value creation, and cognisant of this connection, how does Matrix respond through its strategies and stakeholder engagement.

VALUES (OUTPUT AND OUTCOMES CREATED)

A visual representation of the capitals (resources) consumed by Matrix's business model and the outputs and outcomes created (financial and non-financial values).

GOVERNANCE OF THE BUSINESS MODEL

How the business model of Matrix is governed to ensure effective macro, strategic management as well as streamlined day-to-day operations. This includes management and mitigation of risks, business processes and internal controls and systems.

STRATEGIES TO SUSTAIN VALUE CREATION

A quick view of the Group's key strategic thrusts and focus areas for FY2022.

RISKS & OPPORTUNITIES

A listing and supporting explanation of Matrix Group's most significant business, operational, strategic and external risks. Included are mitigation measures adopted by the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Provides a comprehensive narration of the Group's financial performance, as well as non-financial values created from the perspective of Management.

SUSTAINABILITY REPORT 2022 (SR2022)

A review of the Group's performance in addressing material ESG topics and the delivery of non-financial value creation.

Kindly scan the QR code to download the stand-alone SR2022

In addition to the IIRC's framework, Matrix's IAR 2022 has been developed in accordance to the following regulatory frameworks or disclosure guides:

REPORTING SCOPE & BOUNDARY

Unless otherwise indicated, the content of this IAR2022 reflects data and activities of the Group from 1 April 2021 to 31 March 2022. Where available, data is presented for 2-5 year time frames. Kindly refer to the Five Year Financial Highlights for specific information.

The equitation control method has been used for data consolidation and disclosure purposes. Only organisational entities that Matrix has majority equity and are therefore responsible for management and strategic decisions are included. However, this equates effectively to almost 100% of Matrix's business operations being covered under IAR2022.

Exclusions include operations in Indonesia where Matrix is minority joint-venture partner.

RELATED INFORMATION

This IAR2022 is supplemented with additional online disclosures for our stakeholders. These include consolidated and separate financial statements, policies and structures of governance, organisational policies and other pertinent information.

The Group's latest corporate announcements and our corporate policies are available for viewing on our website: https://www.mchb.com.my/investor-relations/.

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

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

FORWARD LOOKING STATEMENTS

This IAR2022 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 report. Forward looking statements do not serve as guarantees of future operational or financial results or any other kind of outcome.

DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of Directors of Matrix acknowledges its responsibility in ensuring the integrity of this report and has applied its collective mind to present a balanced and comprehensive Integrated Report based on good governance practices and guided by IIRC's <IR> Framework.

The Board also provides assurance that the financial statements audited by Crowe Malaysia PLT were prepared according to the relevant standards and frameworks, including the MFRS, IFRS and the Act.

DISTRIBUTION & AVAILABILITY

A digital version of this report and past reports are available for download from our corporate website at: www.mchb.com.my

ONLINE VERSION AND FEEDBACK

This IAR2022 can be downloaded from: https://www.mchb.com.my/investor-relations/downloads/ as well as Bursa Securities Malaysia Berhad's website.

Feedback on this report may be channelled to:

Ms Carmen Loo / Mr Fadzli Suhaimi

Email: carmen@mchb.com.my/ mohdfadzli@mchb.com.my/ mchb@investor.net.my

OVERVIEW

CLARITY IN FOCUS

COMPANY VISION

THE CREATION OF A BENCHMARK – NURTURING ENVIRONMENT AND ENRICHING LIVES BY BEING A CARING AND COMMUNITY DEVELOPER. PROVIDING PREMIER AND QUALITY EDUCATION & HEALTHCARE SERVICES AND DIVERSIFY INTO SUSTAINABLE PROPERTY INVESTMENT.

MISSION

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

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' SERI 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)

MAZHAIRUL BIN JAMALUDIN
(INDEPENDENT NON-EXECUTIVE DIRECTOR)

DATO' HON CHOON KIM
(INDEPENDENT NON-EXECUTIVE DIRECTOR)

DATO' HAJAH KALSOM BINTI KHALID
(INDEPENDENT NON-EXECUTIVE DIRECTOR)

CHUA SEE HUA
(INDEPENDENT NON-EXECUTIVE DIRECTOR)

LOO SEE MUN
(INDEPENDENT NON-EXECUTIVE DIRECTOR)

CORPORATE INFORMATION

AUDIT COMMITTEE

MAZHAIRUL BIN JAMALUDIN
CHAIRMAN

DATO' HON CHOON KIM

DATO' HAJAH KALSOM BINTI KHALID

CHUA SEE HUA

LOO SEE MUN

REMUNERATION COMMITTEE

DATO' HON CHOON KIM
CHAIRMAN

DATO' HAJAH KALSOM BINTI KHALID

MAZHAIRUL BIN JAMALUDIN

NOMINATION COMMITTEE

DATO' HAJAH KALSOM BINTI KHALID
CHAIRPERSON

DATO' HON CHOON KIM

CHUA SEE HUA

LOO SEE MUN

RISK MANAGEMENT COMMITTEE

CHUA SEE HUA
CHAIRPERSON

HO KONG SOON

DATO' LOGENDRAN A/L K NARAYANASAMY

DATO' HAJAH KALSOM BINTI KHALID

MAZHAIRUL BIN JAMALUDIN

LOO SEE MUN

SUSTAINABILITY COMMITTEE

DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN
CHAIRMAN

DATO' SERI LEE TIAN HOCK

HO KONG SOON

DATO' LOGENDRAN A/L K NARAYANASAMY

MAZHAIRUL BIN JAMALUDIN

COMPANY SECRETARY

CARMEN LOO KAH BOON
(MAICSA 0784630)
(SSM Practicing Certificate 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

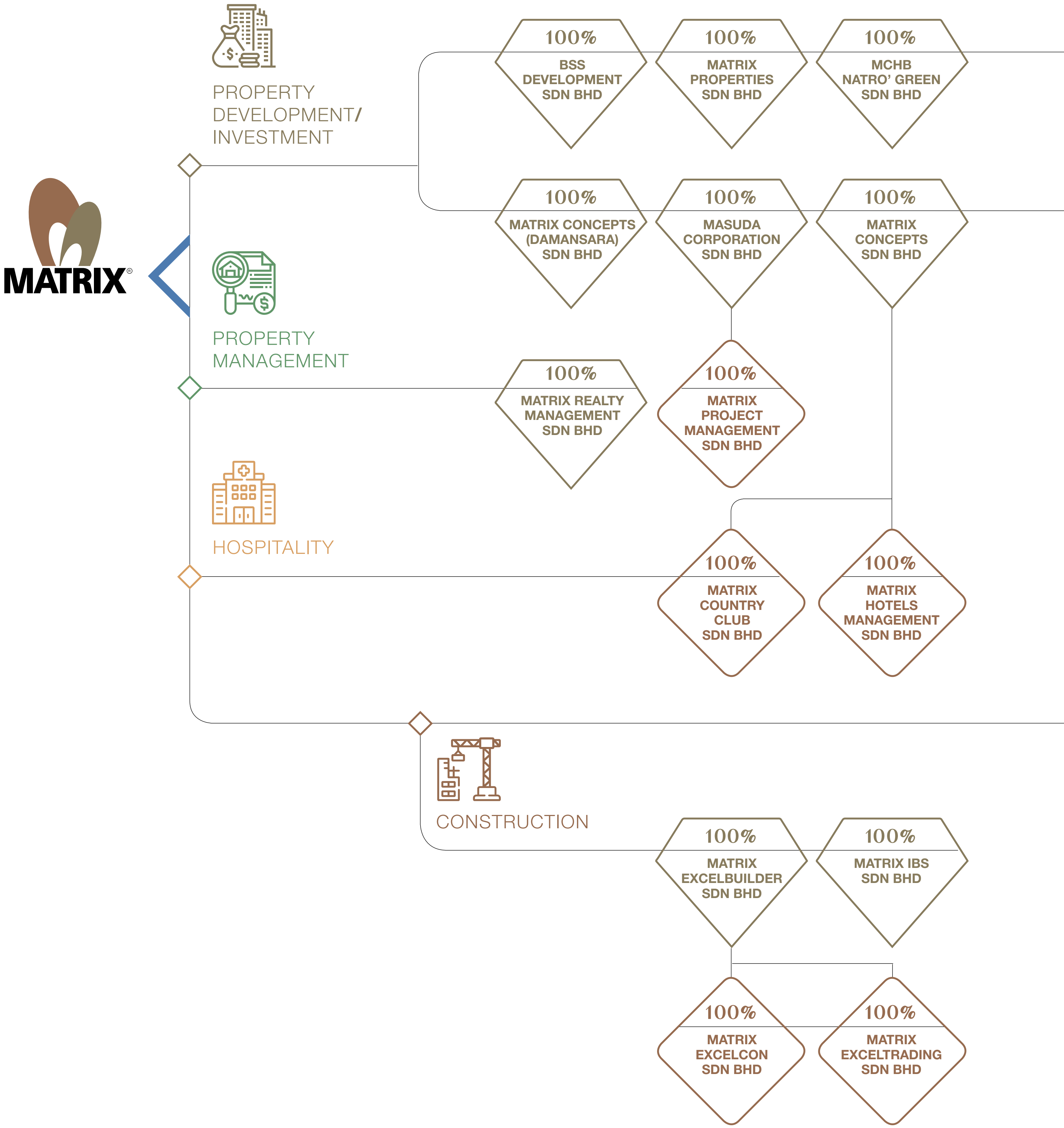
AMBANK BERHAD

PUBLIC BANK BERHAD

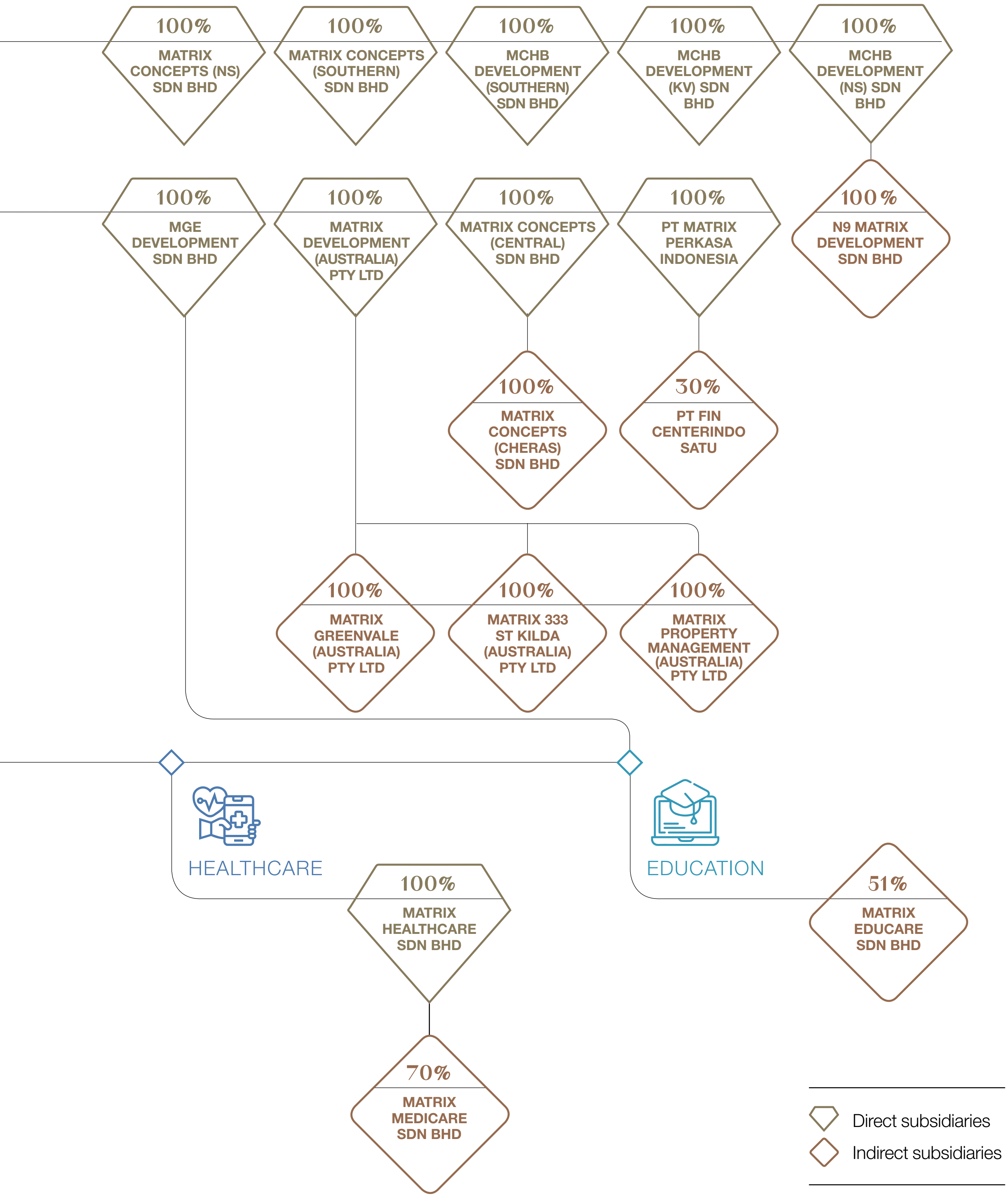
MAYBANK ISLAMIC BERHAD

HONG LEONG BANK BERHAD

CORPORATE **STRUCTURE**



CORPORATE STRUCTURE



KEY CORPORATE **MILESTONES**

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.

2013

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

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.

2017

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.

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.

Signing of Memorandum of Understanding between NS Corporation and MCHB Development (NS) Sdn Bhd on 28 April 2022 to record both parties' intentions to collaborate and carry out development on certain part of the lands in MVV 2.0.

2022

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.

2018

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

2019

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 Mawar Medical Centre (Mawar).

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.

Joint Venture cum Shareholders Agreement entered into between 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.

GROUP CORPORATE **PROFILE**

OUR BUSINESS FOOTPRINT AND PRESENCE

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.

PROPERTY DEVELOPMENT

- In Malaysia, we are within the top 10 property developer (The Edge Project Excellence Award 2021).
- 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.

GROUP CORPORATE PROFILE

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

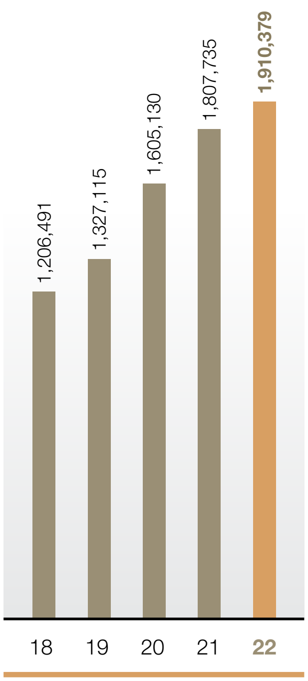
PERFORMANCE

STEADFAST & STRONG

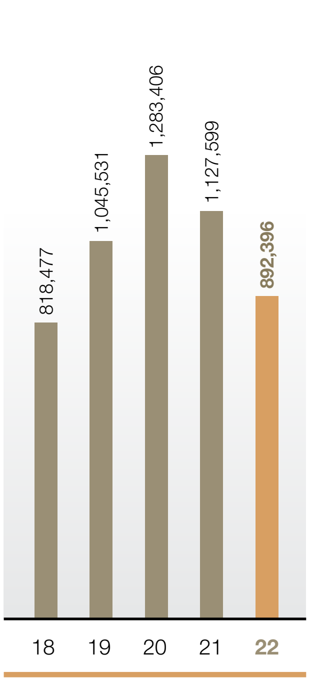
FIVE-YEAR GROUP **FINANCIAL HIGHLIGHTS**

IN RM'000	12 MONTHS AUDITED 2022	12 MONTHS AUDITED 2021	12 MONTHS AUDITED 2020	12 MONTHS AUDITED 2019	12 MONTHS AUDITED 2018
Revenue	**892,396**	1,127,599	1,283,406	1,045,531	818,477
Cost of sales	**(401,967)**	(562,354)	(715,314)	(523,314)	(350,990)
Operating expenses	**(241,159)**	(242,879)	(238,256)	(237,037)	(174,631)
Operating profit	**249,270**	322,366	329,836	285,180	292,856
Other income	**27,169**	39,520	10,045	15,883	7,470
Finance cost	**(11,452)**	(26,244)	(2,145)	(3,296)	(5,098)
Share of net results of joint venture	**3,409**	5,166	(126)	–	–
Profit before taxation	**268,396**	340,808	337,610	297,767	295,228
Taxation	**(67,530)**	(87,726)	(103,157)	(79,538)	(81,947)
Profit after taxation	**200,866**	253,082	234,453	218,229	213,281
Profit attributable to owners of the company	**205,198**	262,223	237,386	218,389	213,280
Shareholders' equity	**1,910,379**	1,807,735	1,605,130	1,327,115	1,206,491
Earnings per share (sen)	**24.6**	31.4	29.5	29.0	32.0
Return on equity	**10.7%**	14.5%	14.8%	16.5%	17.7%

SHAREHOLDERS' EQUITY
(RM'000)

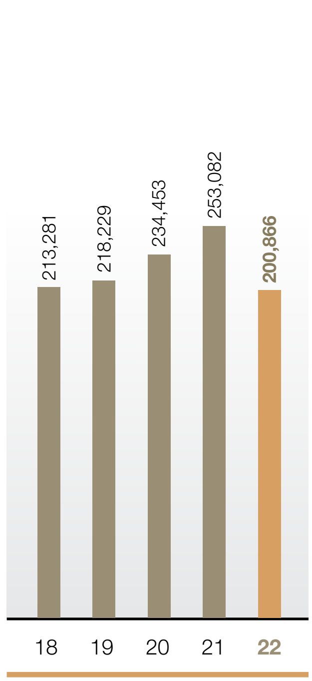


REVENUE
(RM'000)



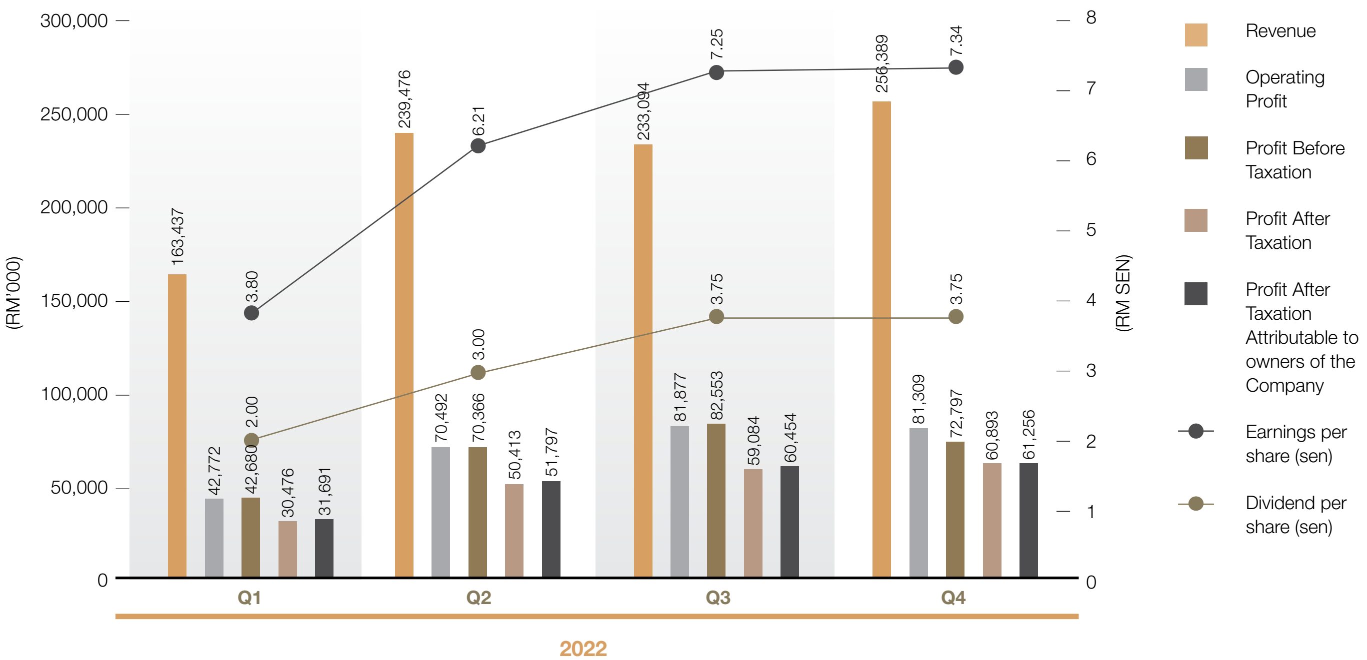
PROFIT BEFORE TAXATION
(RM'000)

PROFIT AFTER TAXATION
(RM'000)



GROUP QUARTERLY **PERFORMANCE**

FOR FINANCIAL YEAR ENDED 31 MARCH 2022



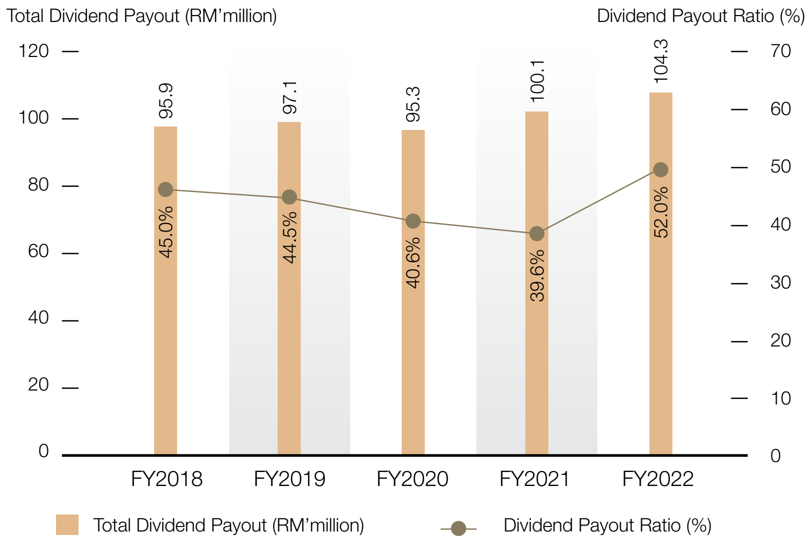
IN RM'000	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	YEAR ENDED 31.03.2022
Revenue	163,437	239,476	233,094	256,389	892,396
Cost of sales	(82,897)	(125,566)	(96,909)	(96,595)	(401,967)
Selling & Marketing Expenses	(15,337)	(19,325)	(19,078)	(16,171)	(69,911)
Administrative Expenses	(23,590)	(26,826)	(38,917)	(81,904)	(171,237)
Other income	1,159	2,733	3,687	19,590	27,169
Operating profit (Include Other Income)	42,772	70,492	81,877	81,309	276,450
Finance cost	(762)	(650)	(247)	(9,793)	(11,452)
Impairment Losses on Financial Assets	–	–	–	(11)	(11)
Share of net results of joint venture	670	524	923	1,292	3,409
Profit before taxation	42,680	70,366	82,553	72,797	268,396
Taxation	(12,204)	(19,953)	(23,469)	(11,904)	(67,530)
Profit after taxation	30,476	50,413	59,084	60,893	200,866
Profit After Taxation attributable to owners of the company	31,691	51,797	60,454	61,256	205,198
Earning per share (sen)	3.80	6.21	7.25	7.34	24.6
Dividend per share	2.00	3.00	3.75	3.75	12.50

DIVIDEND **HIGHLIGHTS**

DIVIDEND PAYMENT PER ORDINARY SHARE FOR THE LAST 4 QUARTERS

OCT 2021	APR 2022
2.00 SEN	**3.75** SEN
JAN 2022	**JUL 2022**
3.00 SEN	**3.75** SEN

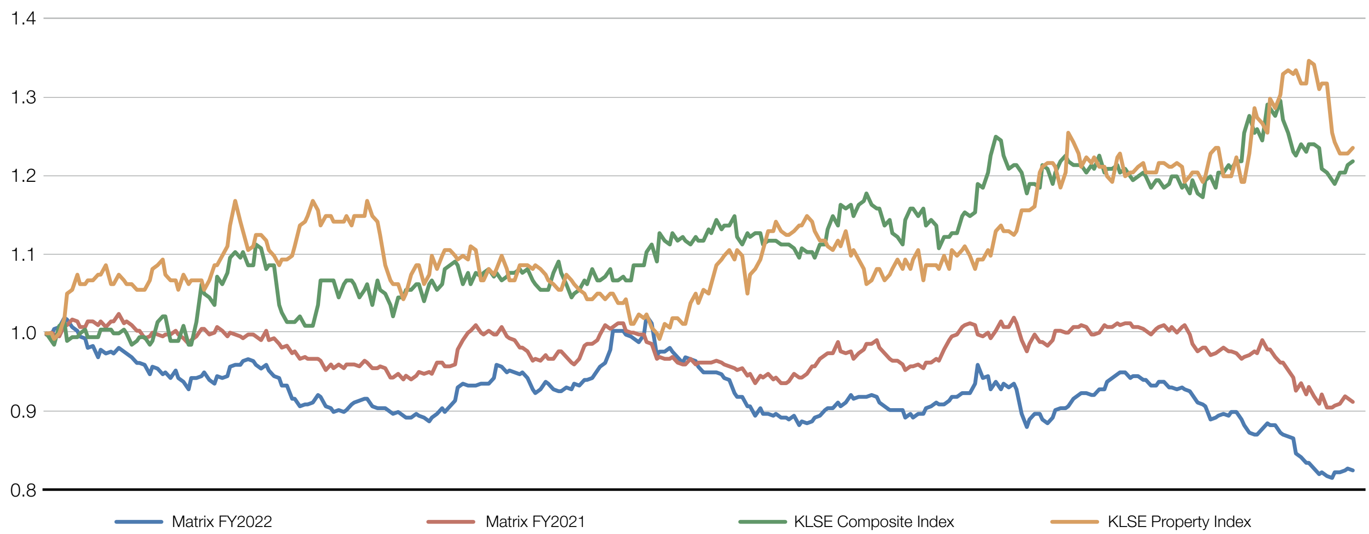
SUMMARY OF DIVIDEND PAYOUT FOR FY2018 TO FY2022



FINANCIAL YEAR	FINANCIAL PERIOD	DATE OF PAYMENT	TYPE OF DIVIDEND	NET DIVIDEND (SEN)	DIVIDEND PAID (RM'MILLION)	TOTAL DIVIDEND PAYOUT (RM'MILLION)	DIVIDEND PAYOUT (%)
2022	4Q22	07-Jul-22	Interim Dividend	3.75	31.3	104.3	52.0
	3Q22	07-Apr-22	Interim Dividend	3.75	31.3		
	2Q22	06-Jan-22	Interim Dividend	3.00	25.0		
	1Q22	07-Oct-21	Interim Dividend	2.00	16.7		
2021	4Q21	08-Jul-21	Interim Dividend	4.00	33.4	100.1	39.6
	3Q21	08-Apr-21	Interim Dividend	3.00	25.0		
	2Q21	08-Jan-21	Interim Dividend	3.00	25.0		
	1Q21	08-Oct-20	Interim Dividend	2.00	16.7		
2020	4Q20	07-Aug-20	Interim Dividend	2.50	20.9	95.3	40.6
	3Q20	15-Apr-20	Interim Dividend	3.00	25.0		
	2Q20	08-Jan-20	Interim Dividend	3.00	24.7		
	1Q20	09-Oct-19	Interim Dividend	3.00	24.7		
2019	4Q19	10-Jul-19	Special Dividend	0.25	1.9	97.1	44.5
			Interim Dividend	3.00	23.6		
	3Q19	10-Apr-19	Interim Dividend	3.00	22.6		
	2Q19	09-Jan-19	Interim Dividend	3.25	24.5		
	1Q19	10-Oct-18	Interim Dividend	3.25	24.5		
2018	4Q18	11-Jul-18	Interim Dividend	3.50	26.3	95.9	45.0
	3Q18	11-Apr-18	Interim Dividend	3.50	26.3		
	2Q18	10-Jan-18	Interim Dividend	3.25	24.2		
	1Q18	11-Oct-17	Interim Dividend	3.25	19.1		

SHARE PRICE **PERFORMANCE**

MATRIX SHARE PRICE INDEX 1 APRIL 2020 - 30 JUNE 2022



SUMMARY OF BENCHMARK INDEX MOVEMENT

	Matrix Share 1 April 2020 - 30 June 2021 (RM)	Matrix Share 1 April 2021 - 30 June 2022 (RM)	Variance (%)	KLSE Composite Index 1 April 2021 - 30 June 2022	KLSE Property Index 1 April 2021 - 30 June 2022
Opening	1.59	1.93	21.4%	1,582.64	771.59
Closing	1.97	2.36	19.8%	1,444.22	636.71
Movement	**0.38**	**0.43**		**(138.42)**	**(134.88)**
Average	1.79	2.16	20.7%	1,551.79	714.54
Lowest	1.58	1.90	20.3%	1,431.05	628.95
Highest	2.15	2.51	16.7%	1,623.47	789.36
Range	1.58 - 2.15	1.90 - 2.51		1,431.05 - 1,623.47	628.95 - 789.36
Median	**1.75**	**2.15**	**22.9%**	**1,551.79**	**715.37**

	Matrix Share 1 April 2020 - 30 June 2021 (Units)	Matrix Share 1 April 2021 - 30 June 2022 (Units)	Variance (%)	KLSE Composite Index 1 April 2021 - 30 June 2022	KLSE Property Index 1 April 2021 - 30 June 2022
Average volume	548,989	570,088	3.8%	167,922,450	181,290,934
Volume median	368,400	414,100	12.4%	148,809,600	148,484,600

Notes:

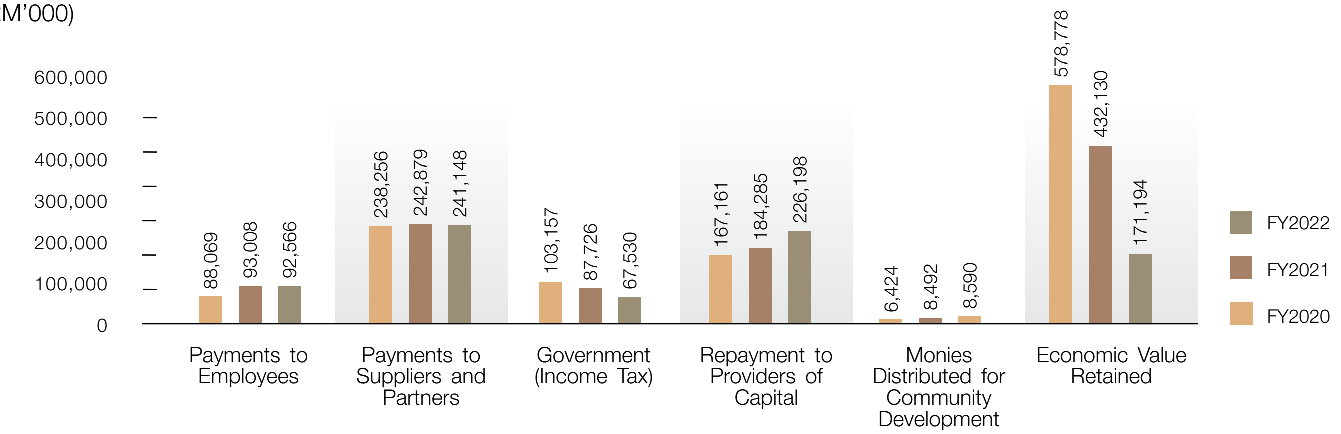
Opening — *Value on 1 April*
Closing — *Value on 30 June*
Movement — *Difference of value between opening and closing*
Average — *Average value for the whole period (Total/no.of days)*
Range — *The gap between lowest and highest value*
Median — *Middle value for the preriod*

STATEMENT OF VALUE ADDED DISTRIBUTION **AND SIMPLIFIED FINANCIAL STATEMENT**

Beyond direct financial values such as revenues and earnings, Matrix continues to focus on the creation of indirect financial values as per the following:

VALUE DISTRIBUTION STATEMENT

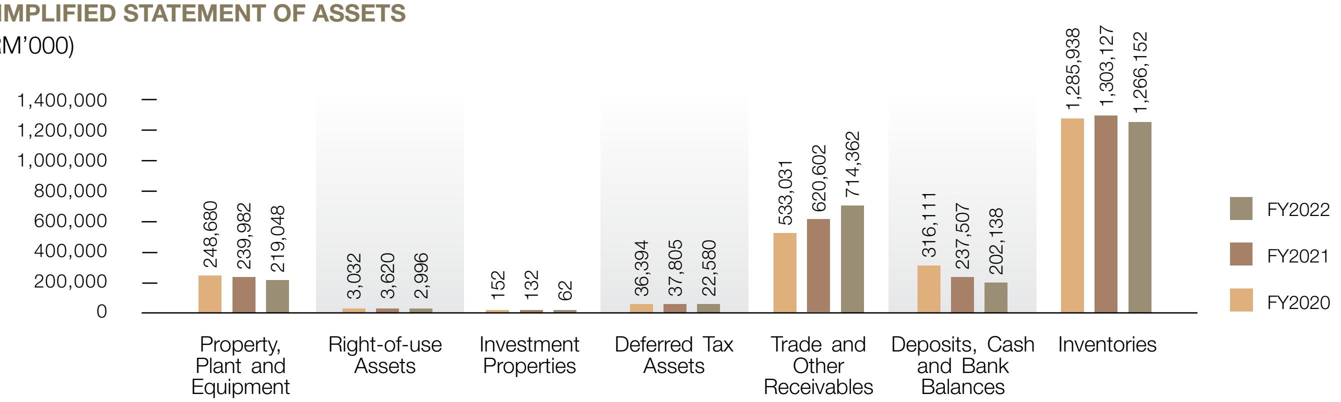
(RM'000)



Further explanation on the Group's financial performance for FY2022 is provided for in the MD and A.

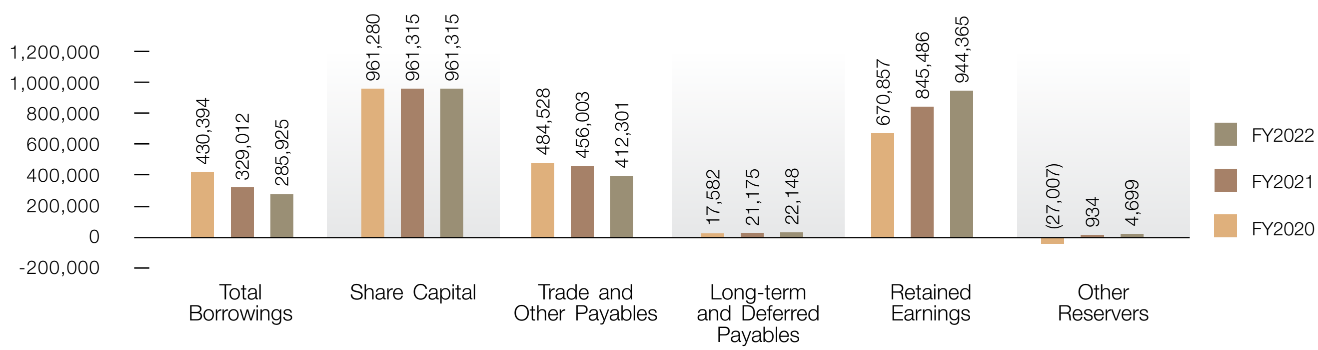
SIMPLIFIED STATEMENT OF ASSETS

(RM'000)



SIMPLIFIED STATEMENT OF LIABILITIES AND SHAREHOLDERS' EQUITY

(RM'000)



AWARDS AND **RECOGNITION**

FOR FINANCIAL YEAR ENDED 31 MARCH 2022

The Star Property Malaysia Awards 2021

i. **ALL-STARS AWARD**
Matrix Concepts Group (Excellence)

ii. **THE BUSINESS ESTATE AWARD**
Sendayan Merchant Square (Honours)

iii. **THE FAMILY-FRIENDLY AWARD (LANDED)**
Ervina, Ara Sendayan (Honours)

iv. **THE STARTER HOME AWARD (LANDED)**
Avisa & Belisa, Laman Sendayan (Excellence)

EdgeProp - Malaysia's Best Managed & Sustainable Property Awards 2021

i. **BUILDING SUSTAINABLE DEVELOPMENT AWARDS 2021**
EdgeProp Malaysia's Responsible Developer
Matrix Concepts Holdings Berhad

EdgeProp MALAYSIA'S BEST MANAGED & SUSTAINABLE PROPERTY AWARDS 2021

iProperty Development Excellence Awards 2021 (iDEA)

i. **BEST DEVELOPERS**
People Choice Award -
Matrix Concepts Holdings Berhad

ii. **BEST VALUE TOWNSHIP DEVELOPMENT**
Bandar Sri Sendayan

iii. **COMMUNITY CSR AWARD**
Matrix Concepts Holdings Berhad

PropertyGuru

ASIA PROPERTY AWARDS (MALAYSIA) 2021

i. **Real Estate Personality of The Year**
Ho Kong Soon,
Group Managing Director
Matrix Concepts
Holdings Berhad

ii. **Best Township Developer**
Matrix Concepts
Holdings Berhad

iii. **Special Recognition for Environmental, Social & Governance (ESG)**
Matrix Concepts
Holdings Berhad

iv. **Special Recognition for CSR**
Matrix Concepts Holdings Berhad

v. **Special Recognition in Sustainable Design and Construction**
Matrix Concepts Holdings Berhad

vi. **Best Mega Township Development**
Bandar Sri Sendayan by Matrix Concepts Holdings Berhad (Highly Commended)

The Edge Billion Ringgit Club 2021

PROPERTY BELOW RM3 BILLION MARKET CAPITALISATION
Matrix Concepts Holdings Berhad

i. **Highest Growth in Profit After Tax Over Three Years**

ii. **Highest Return On Equity Over Three Years**

The Edge Property Excellence Awards 2021 (TEPEA)

TOP 10 DEVELOPER
Matrix Concepts Holdings Berhad

THE EDGE Top Property Developers Awards 2021

NACRA 2021

GOLD EXCELLENCE AWARDS
Matrix Concepts Holdings Berhad

(Companies with Less Than RM2 Billion in Market Capitalisation)

Recognition as Carbon Champion (2021)

- *Environmental Management Systems Emissions Reduction Initiative*

AREA Awards:

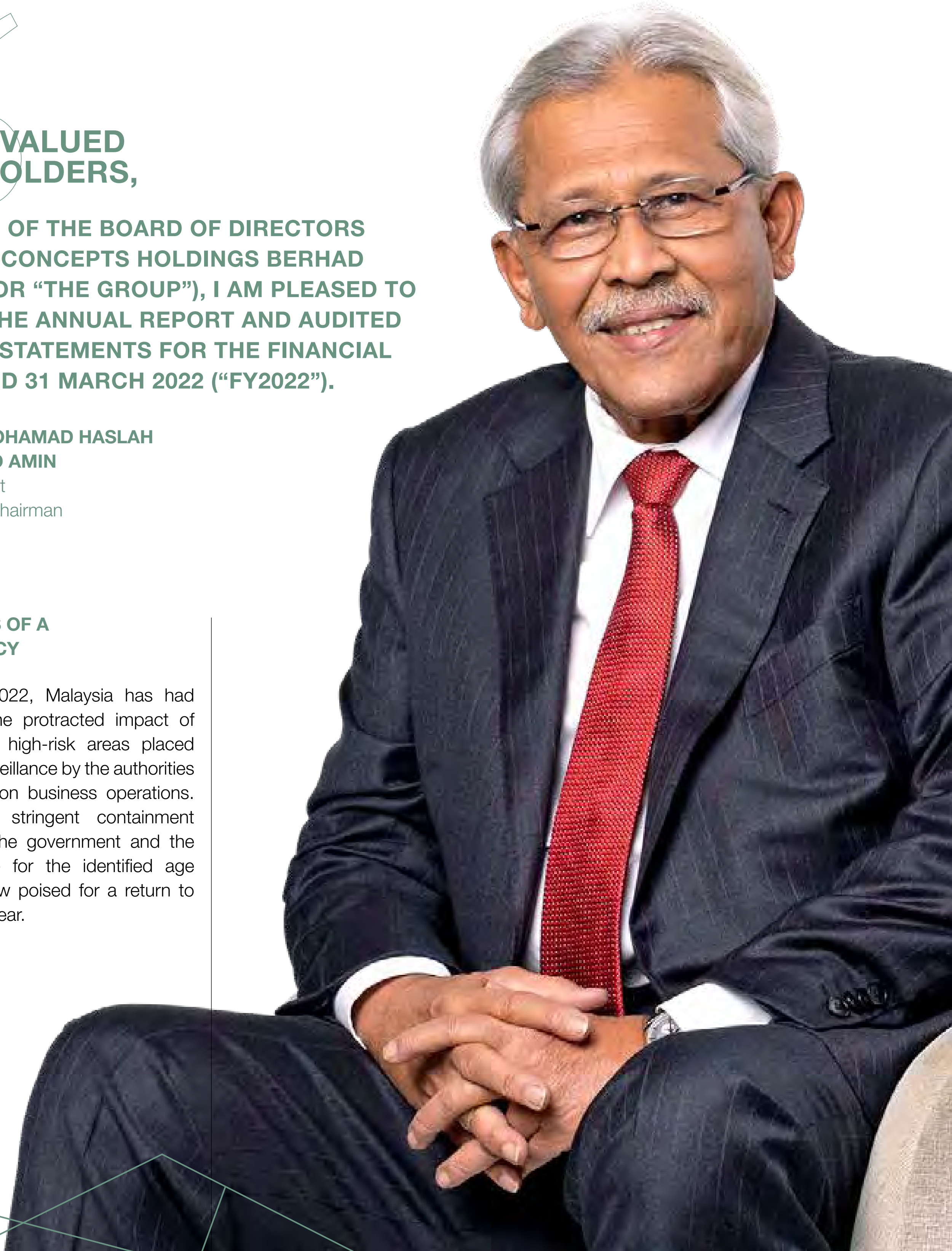
Corporate Governance Category

- *Corporate Governance in a Challenging Environment*

KEY MESSAGES

OUTSTANDING & INSPIRING

CHAIRMAN'S **STATEMENT**



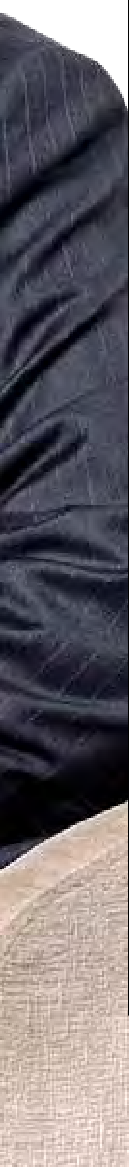
TO OUR VALUED SHAREHOLDERS,

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 2022 ("FY2022").

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

ENCOURAGING SIGNS OF A RETURN TO NORMALCY

Throughout FY2022, Malaysia has had to deal with the protracted impact of Covid-19, with high-risk areas placed under strict surveillance by the authorities and various restrictions on business operations. Nonetheless, with the stringent containment measures imposed by the government and the high vaccination uptake for the identified age groups, the nation is now poised for a return to normalcy in the coming year.



However, an absolute return to a pre-pandemic era is not to be expected immediately, given the lasting effects of how the Covid-19 has forced businesses to change their business models and employees having to adapt to the 'new normal'. Compounding this is the uncertainties on the global front, specifically the Russia-Ukraine war, China's lockdowns and likely austerity in the United States and Europe, factors which could have an impact on Malaysia's GDP growth.

In 2021, Malaysia's GDP expanded 3.1%, despite a 3.6% year-on-year ("y-o-y") growth in the fourth quarter of the year, a hopeful indicator of private investments gaining traction in 2022. According to the National Property Information Centre (NAPIC), the Malaysian property market performance improved y-o-y in 2021, recording an increase of 1.5% in property transactions, with an increase of 21.7% in transaction value. However, total transactions still remain below pre-pandemic levels recorded in 2019.

The residential overhang situation remained ever looming in 2021, rising to 24.7% compared to the increase in 2020 of 20.5%. Various efforts were implemented to aid the residential market, such as the Home Ownership Campaign (HOC) which was further extended until 31 December 2021, the exemption of real property gains tax (RPGT) and other fiscal incentives provided under the National Budget 2022. A more holistic support was also given by the economic stimulus introduced throughout the year that aimed to restore the livelihoods of Malaysians and revive the business sectors.

Such efforts were further reinforced with the Central Bank of Malaysia's ("BNM") decision to maintain the Overnight Policy Rate at 1.75%, the lowest in BNM's historical records. This was after taking into account that risks to Malaysia's economic growth outlook remained tilted to the downside on external and domestic factors amid then-lingering pandemic concerns and expectations of the country's inflation to remain moderate.

HARNESSING OUR RESILIENCE AND BUSINESS AGILITY

Amidst the tumultuous FY2022, industries have since settled in with the new ways of working. At Matrix, we have done likewise but also viewed this as an opportunity to move from a typically defensive strategy to a more progressive stance.

In this approach, we reviewed our operational sustainability and examined ways to drive efficiency further, preparing for the eventual step forward into a post-pandemic era. Such preparedness measures served us well, as we were fast off the starting blocks, responding with business agility to the gradual easing of containment measures.

Keeping in mind employee's and customer's safety and wellbeing, Matrix had embraced digital solutions to ensure business continuity throughout FY2022. Various initiatives employed included running promotional campaigns via social media platforms as well as nurturing stakeholder relationships with a hybrid approach of online and face-to-face engagements.

Hanna @ Laman Sendayan Precinct 1

CHAIRMAN'S STATEMENT

Menara Syariah, Indonesia

Launching of M333, St Kilda (Melbourne)

Cognisant of the economic downturn, we redoubled our efforts to continue to deliver affordable housing as a means to meet the needs of the community, looking to optimise on resources and drive costs down for business sustainability.

Given the prevailing economic challenges exacerbated by the ongoing pandemic, the Group recorded a total revenue of RM892.4 million for FY2022, representing a 20.9% decline over FY2021 with a revenue of RM1,127.6 million revenue.

On the Group's property development segment, we continue to drive strong value proposition by offering various homeownership packages such as right-priced and luxuriously-spacious homes, suitable financing and building a vibrant surrounding township, all with the needs of the potential buyer and community in mind.

This is aptly reflected in the success of the Group's new property launches, notably Hijayu Residences Phase 1 (Parcel 2), Tiara Sendayan 10 and residential projects in Sendayan Developments. The take-up rates within 3 months of launch proved commendable, achieving as much as 99% at Tiara Sendayan 10.

With a clear vision, the Group has acquired a landbank for the future 20 years as a means to drive sustainability and growth as a premier property developer and responsible community builder in Malaysia.

The Group has made inroads on the international front. Coming off the successful launch of M.Greenvale in Australia, where all units were sold out, the Group has launched its third Australian project in St Kilda, Melbourne on 29 May 2022.

In Indonesia, our joint venture participation in the development of the RM1 billion GDV Menara Syariah has reached the 54.7% construction mark. Our operations in Indonesia is motivated by its huge population, growing middle income group, rising purchasing power and commercially attractive property sector.

The Group's education division, Matrix Global Schools ("MGS"), registered a drop in total student enrolment of 15.6% but this is largely attributable to the disruption of the Ministry of Education's academic year brought about by the pandemic. Nonetheless, MGS has managed to increase its enrolment to its original level at 643 students as at May 2022. MGS secured nationwide recognition by being accorded the Top 5 Private International School and the Top 5 Private School in the country.

With view to further diversifying its revenue stream and expanding its earnings base, the Group acquired the management of operations of Mawar Medical Centre in FY2020. This strategic venture is steadily gaining traction within the local community as a healthcare provider of choice, as seen in its increased patient load of 62.35% in FY2022 over FY2021. We are currently looking to expand into other therapeutic fields to strengthen its capacity as a holistic medical center.

All in all, we are cognisant that the Group's current standing, achievements and aspirations will not be possible without our very capable workforce. To this end, we have invested into their ongoing development needs with various training programmes, utilising both classroom and on-the-job mode of learning as well as offering job enrichment opportunity by learning new skills and helping them achieve their potential.

CHAIRMAN'S STATEMENT

SHAREHOLDER VALUE CREATION

Our approach in adopting financial prudence and operational sustainability is reflected in our healthy financial position and sound cashflow management. This approach has enabled a strong value creation for our shareholders, with the Group's total dividend payout for FY2022 being RM104.3 million compared to RM100.1 million in FY2021. This represents a 52% payout of profit after tax, making Matrix one of the top dividend yielding companies listed on Bursa Malaysia Securities Berhad. This is in line with our commitment to deliver greater shareholder value in a sustainable manner.

A noteworthy point is that Matrix was the first company to adopt a quarterly dividend policy for its shareholders 8 years ago, a proud tradition we carry to this day. We complement this with analyst briefings, also on a quarterly basis, for further assurance of governance and transparency of disclosure.

The Group is now into its 3rd year of our enhanced integrated reporting disclosures commitment, adopting the global best practice framework of Integrated Reporting ("IR"). This offers further details on the Group's business model, strengths, strategies, risks and opportunities as well as value creation for stakeholders.

Matrix Concepts Holdings Berhad recognised as Top 10 developer at The Edge Malaysia Top Property Developers Awards 2021

Memorandum of Understanding (MoU) signing ceremony between NS Corporation and MCHB Development (NS) Sdn Bhd

ACCOLADES AND ACHIEVEMENTS

Led by a formidable workforce with over 20 years' experience in the market, we have made our mark in the property development market, being included in the elite list of Top 10 developers of The Edge Malaysia Top Property Developers Awards 2021, while cementing its position as the 6th largest developer in the country by market capitalisation.

Following the Group's ethos to drive for excellence, we are proud to have secured multiple awards from the Government, industry and media in FY2022. This undoubtedly serves as a strong recognition of the dedication and passion of our staff in delivering their best for the individual homeowner and community alike.

As a reflection of our established track record, we concluded a Memorandum of Understanding with NS Corporation, a state-owned body of Negeri Sembilan, on 28 April 2022 to develop land in Malaysia Vision Valley 2.0.

With the nation's progress toward endemicity, our preparedness planning has held us in good stead. It has enabled us to engage operations in high gear, responding with business agility to the opening up of the economy to catch up with development schedules.

CHAIRMAN'S STATEMENT

OUR COMMUNITY, OUR HEART

At Matrix, we are cognisant of the good corporate social responsibility ("CSR") toward the community we live and work in. Going beyond being just an obligatory activity, we have worked to inculcate the spirit of community into the core of our being, reflected in the numerous CSR initiatives organised by Matrix Concepts Foundation. This Foundation operates on the firm belief that CSR initiatives must come from the heart, embodying the family values of Matrix. It is run entirely by volunteers comprising our own employees with a strong desire to contribute back to the community.

The pandemic tested our resolve to engage in community initiatives, given the concerns on health and safety amidst the pandemic. Undeterred, the Foundation took up the challenge to support our community in these trying times. Our volunteers proved formidable to the task at hand, such that they managed to organise even more initiatives in FY2022 compared to the previous financial year. It was indeed heartening at being able to distribute personal protective equipment and food supply, bringing the much-needed assistance for our frontliners, community and the needy.

During the peak of pandemic, Matrix had organised food aid to the needy who are adversely affected by the Covid-19 pandemic.

Distribution of food aid to the needy by Group Executive Deputy Chairman, Dato' Seri Lee Tian Hock

WE INTRODUCED THE ANTI-BRIBERY AND ANTI-CORRUPTION (ABAC) POLICY IN FY2022 TO FURTHER REINFORCE OUR ZERO-TOLERANCE STANCE TOWARD CORRUPTION.

ENHANCED COMPLIANCE AND GOVERNANCE

At Matrix, we have established a governing framework designed to help us achieve our business objectives, address uncertainty and above all, act with integrity. More importantly, we have brought to life this framework of good business practice by inculcating its principles into our everyday working life.

To enable a holistic perspective of this critical topic, we are looking beyond the financial compliance area, enhancing this to cover compliance of the non-financial areas as well.

Working to further strengthen our governance, we have adopted various measures in FY2022, such as introducing the Malaysian Anti-Corruption Commission's ("MACC") Policy on Corporate Liability (Section 17A MACC Act) and aligning with the Malaysian Code on Corporate Governance (MCCG) 2021 updates.

To further reinforce our zero-tolerance stance toward corruption, we have enforced the Anti-Bribery and Anti-Corruption ("ABAC") Policy in FY2022. Likewise, our anti-corruption practices have been broadened to include our supply chain as well and increased Environmental, Social and Governance ("ESG") compliance expectation on our suppliers.

In accordance with MCCG 2021 and to uphold corporate integrity and good business practice, we have taken a step forward to introduce a Board Refreshment Policy to limit our Independent Directors to a maximum term of 9 years on the Board. In testament of our enhanced governance, we have won AREA Award, Corporate Governance Category – "Corporate Governance in a Challenging Corporate Environment" and also awarded Champion in Carbon Emission for 2021.

At Matrix, we continue to uphold the tenets of diversity across all levels of our operations, looking beyond gender, ethnicity and affiliations. Such is the tenacity of our aspiration that we are proud to affirm our 30% achievement of women on the Board of Directors at Matrix, aligning further with the MCCG 2021.

Awards accorded to Matrix in recognition of the commendable ESG efforts

SUPPORTING THE CLIMATE CHANGE AGENDA

At Matrix, we are cognisant of the dire issue of climate change and its ensuing impacts on the environment and communities. This global issue requires a concerted, multi-stakeholder effort to achieve the 2-degree scenario and objectives outlined at the 26th United Nations Climate Change conference ("COP26").

Matrix's commitment to climate change is in line with the Board and Management's increasing responsibility to address ESG related risks and to sustain medium to long-term value creation for our stakeholders.

The Group's ESG strengthened disclosure and commitment in FY2022 is seen in a number of initiatives which have successfully resulted in a reduction of our carbon footprint from 5,261 Tonnes CO_2 in FY2021 to 4,811 Tonnes CO_2 in FY2022. Solar photovoltaic panels installed at the d'Tempat Country Club and now Mawar Medical Centre ("Mawar") and MGS further supported renewable energy toward the Group's aspiration for net zero carbon emission. Given the heightened focus and awareness, the Group's consumption of energy, fuel and water have all reduced in FY2022 compared to FY2021. The Group targets to achieve net zero by year 2050.

CARBON FOOTPRINT

4,811 TONNES

TO ACHIEVE

NET ZERO

BY YEAR 2050

We are pleased to be awarded Carbon Emission Champion by Asia Responsible Enterprise Award ("AREA") in recognition of our effort in carbon emission reduction.

MOVING FORWARD

Following our commendable sales performance in FY2022, we look to the current sales trend to provide the momentum leading into the next financial year. Since the beginning of the pandemic, our share price has demonstrated resilience and stability, attracting a growing list of institutional and foreign shareholder base. This is also reflected in the upside of more than 25% in the past financial year. The improved outlook will allow us to reward our shareholders with higher dividends payouts, which takes into account our healthy growth prospects, strong cashflow, as well as sustained revenue base and profitability.

According to NAPIC, the property market environment for 2022 remains challenging but sees momentum improving on the back of the nation's transition into the endemic phase of Covid-19, with borders reopened and the lifting of restrictions which would revive domestic economic activity. As the economy is set to be on the right trajectory, the property market performance is expected to also be on a similar track. The accommodative policies, continuous government support, well execution of all planned measures outlined in Budget 2022 and the proper implementation of strategies and initiatives under the 12th Malaysia Plan is expected to support growth in the property sector.

In view of these external factors, the Group will pursue a forward-looking strategy to capitalise on the revitalised economy. In keeping with prudent financial management and efficiency of operations, we will focus on renewed growth in the market. We will, however, not lose sight of our community developer philosophy of keeping CSR close to our hearts.

CHAIRMAN'S STATEMENT

Across the Group, we will commit to increasing the Board's oversight on ESG matters by incorporating Corporate Governance on Climate Change into the Board agenda. To support informed, efficient capital-allocation decisions, the Group will move to progressively adopt the Taskforce for Climate-related Financial Disclosures (TCFD) recommendation for climate change. In tandem, we will move to adopt the Sustainability Accounting Standards Board (SASB) sector specific disclosure, essentially an ESG guidance framework for financially material sustainability information by the Group to investors.

HEARTFELT ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I wish to express our sincere appreciation to our Senior Management and staff for their commendable professionalism, resilience and ability to navigate the many challenges and deliver another strong business performance in FY2022.

I extend my valued appreciation to our faithful shareholders – our customers, business partners, bankers, vendors, industry regulators, government bodies and agencies – for their enduring support in growing our business in FY2022.

To my esteemed Board members, I offer my gratitude for your guidance and astute business acumen to work together to achieve another exemplary financial year and continue to chart our journey moving progressively forward.

During the year, Dato' (IR.) Batumalai A/L Ramasamy and Rezal Zain bin Abdul Rashid had retired from the Board in line with the new policy of set term limit of 9 years for Independent Director. On behaf of the Board, I wish to thank both Dato' (IR.) Batumalai A/L Ramasamy and Rezal Zain bin Abdul Rashid for their exemplary tenure on the Board, contributing with their keen insights to finetune our business strategy. We wish them both the best in their future endeavours.

Nusari Aman 3

I take this opportunity to warmly welcome Mazhairul bin Jamaludin and Loo See Mun who joined us on 20 August 2021 and 1 September 2021 respectively. Both come with a wealth of corporate experience and personal expertise and we look forward to their positive contribution on the Board.

As with the Group's tagline, ***"Nurturing Environments, Enriching Lives"***, we are determined to support the socio-economic development and wellbeing of our stakeholders. We firmly believe that as the community grows, so does the Group ultimately.

Looking at our collective resources and talents, I have the utmost confidence in our staff and management to continue our steadfast journey, achieving further milestones in the years ahead and reaffirming our position as a major property developer in Malaysia.

DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN
Chairman

30 June 2022

MANAGEMENT DISCUSSION AND ANALYSIS

THE STRONG SALES ACHIEVED IS FURTHER ATTESTATION OF MATRIX'S PROVEN CAPABILITIES AND TRACK RECORD AS A PROPERTY DEVELOPER. MATRIX CONTINUES TO ALIGN WITH REAL MARKET DEMAND WHILST PROVIDING STRONG VALUE PROPOSITION OF OUR PROPERTIES AND SERVICES, ALL WITH THE AIM OF ACHIEVING THE DEVELOPMENT ASPIRATIONS OF OUR DISCERNING CUSTOMERS.

HO KONG SOON
(Key Senior Management)
Group Managing Director

ABOUT MATRIX

The principal business operations of Matrix Concepts Holdings Berhad ("Matrix" or "the Group") comprises property development and related services. The Group's other business divisions consist of Construction, Education, Hospitality and Healthcare operations, which cumulatively come together to create a unique business model that is sustainable and resilient for our competitive advantage. This is aligned with the Group's aspiration of ***"Nurturing Environments, Enriching Lives"***.

MANAGEMENT DISCUSSION AND ANALYSIS

Further information on the Group's corporate profile and its business model is provided in the About Us and Strategic Review sections of this Integrated Annual Report ("IAR2022").

The Group's flagship property development is its township in Negeri Sembilan, which has now expanded beyond Bandar Sri Sendayan, to also include Ara Sendayan, Tiara Sendayan, Bayu Sutera, Irama Sendayan, Laman Sendayan and Eka Heights. Collectively known as Matrix's Sendayan Developments, it covers an area of approximately 7,000 acres. Another township, nestled in a 1,210-acre expanse is Bandar Seri Impian ("BSI"), situated in Kluang, Johor.

The Group's presence in property development is not limited to townships but is now encompassing a high-rise development as well, with the addition of the RM322.7 million GDV Chambers Residence, located in the heart of the nation's capital Kuala Lumpur.

With view to expanding its base internationally, the Group had embarked on stand-alone developments in M. Greenvale in Melbourne, Australia. This is the Group's successful second project, after M. Carnegie, located adjacent to the verdant 430-acre Greenvale Reservoir Park.

In Indonesia, via a 30% shareholding in a joint venture entity with an Indonesian conglomerate and a major private property developer, Matrix is collaborating in the development of Menara Syariah. This is an affirmation of the Group's growing presence in Indonesia, given its commencement with other developments.

Menara Syariah is a twin 29-storey, USD250 million (RM1.0 billion) iconic development located in the up-and-coming Islamic Financial District ("IFD") of Jakarta. Upon completion, it is poised to be a major landmark and high-profile, world-class commercial address.

Since FY2017, Matrix has delivered a compounded annual growth rate ("CAGR") of 2.9% and 2.1% respectively for revenue and after-tax profits. As at end financial year ended 31 March 2022, market capitalisation of the Group stood at RM1.98 billion.

FY2022 DIVIDEND PER SHARE
12.5 SEN

TOTAL DIVIDEND PAY-OUT
RM104.3 MILLION
52.0% of FY2022 PAT

NET GEARING RATIO
0.04X

The Group has consistently paid out quarterly dividends to shareholders since its listing on the Main Market of Bursa Malaysia Securities Berhad.

Over the past five years, Matrix has cumulatively developed and completed over 8,067 properties in Malaysia and Australia, bringing a total gross development value ("GDV") of RM5.3 billion. The Group's established profile and contribution as a leading township property developer is recognised in the multiple industry awards and accolades it has gained.

The Group's strategic intent is to diversify its business model and strengthen business sustainability and value creation for stakeholders. With this in mind, the Group has since broadened its scope to cover education, construction, hospitality and healthcare sectors. For specific performance related information of each division, please refer to the respective subsections within this report.

REVIEW OF THE OPERATING ENVIRONMENT

Operating amidst a compressed macro-economic environment, due to the Covid-19 pandemic, a sluggish property market, disruption of supply chains and below than expected economic growth in FY2022, Matrix looked to leverage on the strength of its business model to chart a steady path of continued value creation for stakeholders.

For 2021, GDP growth was stymied by global gross domestic product ("GDP") growth for 2021 only reached 6.4%, far lower than the initially projected 11.5%.

Consistent with global trends, Malaysia also posted below par GDP growth of just 3.3%, significantly below predictions of 4.5%. Below par GDP growth was attributed to increased precautionary behaviour from investors and consumers, subdued labour market conditions and continued decline in private sector consumption.

DESPITE THE TURBULENT OPERATING CONDITIONS, MATRIX'S SWIFTLY ADOPTED VARIOUS STRATEGIC MEASURES TO ADJUST TO THE NEW NORMAL THAT HAVE ENABLED CONTINUED PROGRESS ON BOTH BUSINESS AND OPERATIONAL FRONTS.

Malaysia's property market has seen a decline over the last 5 years, exacerbated by a combination of factors, including an oversupply of property types, tight financing conditions, rising costs of living and sluggishness in expansion of the economy and high-value job creation. Compounding these factors are stagnant wages and increased cost of living, which further erode the buying power of prospective property buyers.

The Covid-19 pandemic over two years has had an unprecedented and tumultuous impact on the economy. The various lockdowns had arrested socio-economic activity with almost all industries and business sectors affected. With many industries unable to operate totally or not at fully capacity, the ensuing effect was loss of jobs and incomes, which impacted consumer buying power and resulted in the domestic economy losing its momentum of recovery.

Similarly, the property sector was also affected by the new normal conditions during the pandemic period. However, the property sector was supported by various incentives and government introduced measures. Among these were the Short-term Economic Recovery Plan namely Pelan Jana Semula Ekonomi Negara ("PENJANA") and Prihatin Rakyat Economic Stimulus Package ("PRIHATIN").

The further extension of the Home Ownership Campaign (HOC) to 31 December 2021 also provided a degree of impetus in supporting buying sentiments. The HOC incentives included full stamp duty exemption on both the instrument of transfer and loan agreement for properties valued up to RM500,000 for first time buyers. In addition, the removal of the 70% margin of financing limit was maintained for the duration of the HOC period, for the third and subsequent housing loans for properties valued at RM600,000 and above.

Additional measures introduced under the National Budget 2022 also supported property sales. These included total exemption of real property gains tax (RPGT) for properties sold after the sixth year of ownership and various other incentives.

Throughout 2021, Bank Negara Malaysia ("BNM") maintained the Overnight Policy Rate ("OPR") at a low of 1.75% as part of its fiscal measures to stimulate economic activity, which has been severely impacted due to the Covid-19 pandemic. Consequently, interest rates on property loans had also dropped to historic lows, which was beneficial for those seeking financing for property purchases.

In 2021, total property sales stood at RM145 billion with more than 300,000 transactions concluded, a 1.5% and 21.7% increase in volume and value respectively year-on-year.

Specifically, the residential sector, in which represents a large majority of Matrix's properties, accounted for more than half of all transactions and RM76.9 billion of all properties transacted. This was a 3.9% and 16.7% increase in volume and value year-on-year. Terraced homes comprised the largest component of residential transactions at 43.0%, followed by high-rise units, which accounted for close to 15% of all residential property transactions.

In terms of new market supply, total number of new properties launched continued to decline with just 44,000 units brought on to market, a 6.74% dip year-on-year. This is consistent with prevailing market conditions, given the existing overhang of supply for certain property types, notably in urban epicentres and the general sluggish economic conditions.

MATRIX IN FY2022

Despite the turbulent operating conditions, Matrix's swiftly adopted various strategic measures to adjust to the new normal that have enabled continued progress on both business and operational fronts.

Among these business strategies were the adoption of business agility through increased digitalisation and technology, continued high level of SOP compliance to ensure speedy progress of construction and development works and ramping up of marketing and promotional activities to drive sales.

MANAGEMENT DISCUSSION AND ANALYSIS

Bayu Sutera 9.5-acre Central Park

Leveraging on the strong Matrix brand confidence among customers, especially in the Sendayan and southern Greater Kuala Lumpur region, Matrix launched RM917.8 million worth of properties and registered total property sales of RM1.3 billion. In addition, as at 31 March 2022, Matrix has registered unbilled sales of RM1.3 billion, which provides clear revenue visibility for the Group going forward.

TOTAL PROPERTY SALES OF
RM1.3 BILLION

UNBILLED SALES
RM1.3 BILLION

The strong sales achieved is further attestation of Matrix's proven capabilities and track record as a property developer. A property developer who continues to successfully meet real market demand and who consistently meets the lifestyle aspirations of customers, with appropriately priced products that offer quality, value for money properties.

Matrix continued to cater to the middle-income market segment, where demand for properties remained comparatively resilient. Of the properties launched in FY2022, 53.8% were priced RM500,000 and below.

Pricing aside, Matrix continued to strengthen the value proposition of its offerings by focussing on other core attributes, which included developing properties, in strategic, highly desired and proven locations such as in Sendayan Developments and continuing to focus on masterplanning developments that would provide community-oriented lifestyles.

FINANCIAL PERFORMANCE

INDICATOR	FY2022 (RM'000)	FY2021 (RM'000)	DIFFERENCE (%)
Group revenue	**892,396**	1,127,599	(20.9)
Cost of sales	**(401,967)**	(562,354)	(28.5)
Gross profit	**490,429**	565,245	(13.2)
Other income	**27,169**	39,520	(31.3)
Selling and marketing expenses	**(69,911)**	(84,973)	(17.7)
Administrative and general expenses	**(171,237)**	(157,906)	8.4
Operating profit	**276,450**	361,886	(23.6)
Finance cost	**(11,452)**	(26,244)	(56.4)
Group profit before tax	**268,396**	340,808	(21.2)
Group profit after tax	**200,866**	253,082	(20.6)
Shareholders equity	**1,910,379**	1,807,735	5.7
Total assets and liabilities	**1,898,874**	1,796,492	5.7
Borrowings	**285,925**	329,012	(13.1)
Cash and cash equivalents	**150,288**	185,567	(19.0)
Debt to equity ratio (times)	**0.38**	0.45	(15.6)
Earnings per share (sen)	**24.6**	31.4	(21.7)
Net assets per share (RM)	**2.28**	2.15	6.0

MANAGEMENT DISCUSSION AND ANALYSIS

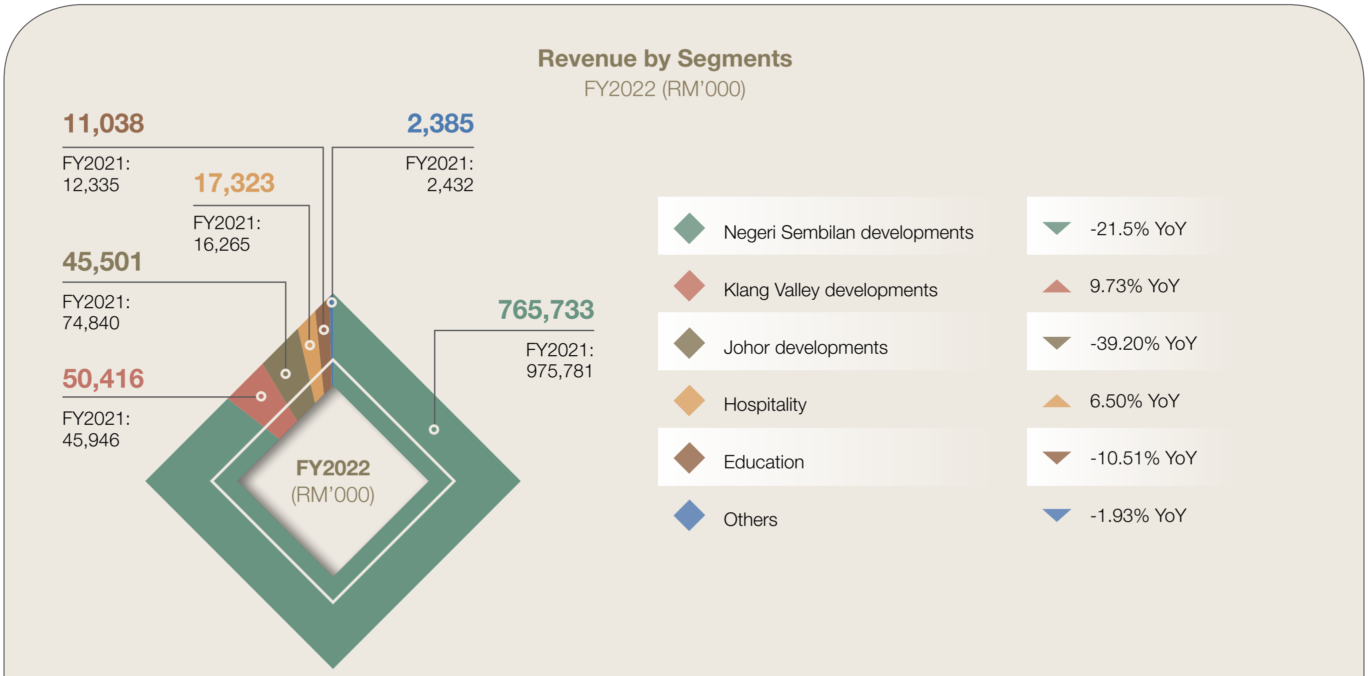
REVENUE

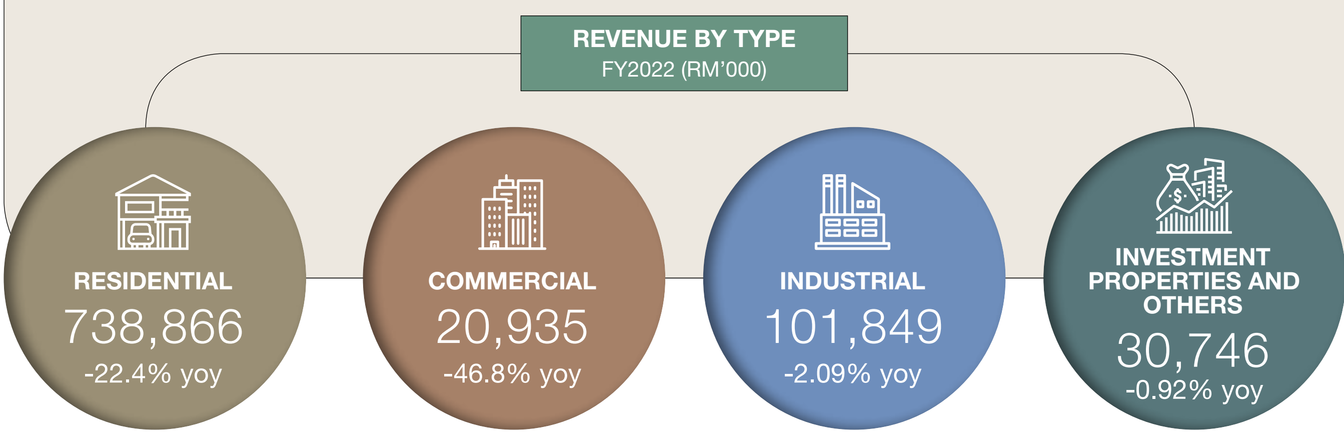
In FY2022, total revenue for Matrix was RM892.4 million, (FY2021: RM1,127.6 million), a decline of 20.9% year-on-year, attributable largely to the various Movement Control Orders ("MCO") imposed from January to August 2021. Effects of the MCO were seen in the disruption to the supply chain and labour shortage, to which impacted significantly the multiple projects and construction sites.

Revenue was further hampered by the delay in the completion of Matrix's M.Greenvale project. Consistent with Australian accounting policies, revenue from this project will be recognised upon its completion in FY2023.

The Group's Property Division remained the largest contributor to topline performance, accounting for 96.6% of revenue. Residential properties, accounted for the bulk of FY2022's revenue, contributing RM738.9 million or 82.8% of total Group turnover. Of this, Matrix's Sendayan Developments (comprising the township of Bandar Sri Sendayan or BSS, Ara Sendayan and Tiara Sendayan) and its other projects in Negeri Sembilan contributed RM765.7 million or 85.8% of total turnover for the financial year.

Matrix's other property development projects, Bandar Seri Impian ("BSI") posted revenue of RM45.5 million, a decrease of 39.2% year-on-year. This was augmented by Chambers KL registering a revenue of RM50.4 million, an increase of 9.7% year-on-year.





MANAGEMENT DISCUSSION AND ANALYSIS

REVENUE BREAKDOWN BY SEGMENTS

SEGMENT	FY2022 (RM'000)	FY2021 (RM'000)	DIFFERENCE (%)
Property Development			
Sendayan Developments			
• Bandar Sri Sendayan	209,365	235,940	(11.3)
• Ara Sendayan	126,807	187,559	(32.4)
• Tiara Sendayan	134,025	314,180	(57.3)
• Laman Sendayan	175,432	82,303	113.2
• Sendayan Tech Valley	101,849	104,019	(2.1)
TOTAL REVENUE FROM SENDAYAN DEVELOPMENTS	**747,478**	**924,001**	**(19.1)**
• Bandar Seri Impian	45,501	74,840	(39.2)
• Chambers Residence	50,416	45,946	9.7
• Other Developments	18,255	51,780	(64.7)
TOTAL PROPERTY DEVELOPMENT REVENUE	**861,650**	**1,096,567**	**(21.4)**
Education	11,038	12,335	(10.5)
Hospitality	17,323	16,265	6.5
Others	2,385	2,432	(1.9)
TOTAL GROUP REVENUE	**892,396**	**1,127,599**	**(20.9)**

SALES

For FY2022, Matrix recorded sales of RM1.34 billion, 10.7% higher year-on-year, compared to RM1.21 billion in FY2021. The sales achieved for the financial year had exceeded the Group's internal target of RM1.2 billion.

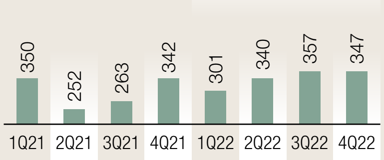
The robust sales are validation of the high appeal factor for Matrix's properties among buyers, due to the overall attractive value proposition of products. Matrix's products are strategically located in desired locales, come with excellent connectivity and accessibility and feature a wide range of family friendly facilities and amenities. In addition, Matrix's properties are appropriately priced while novel design and lifestyle concepts continue to resonate with buyers seeking for value for money homes.

Equally encouraging, unbilled sales achieved for FY2022, stood at RM1.3 billion (FY2021: RM1.0 billion). Average take-up rate across all property projects launched was 89.7%. In FY2022, Matrix launched 1,889 units with a total value of RM917.7 million (FY2021: RM1.02 billion).

FY2022 PERFORMANCE SNAPSHOT

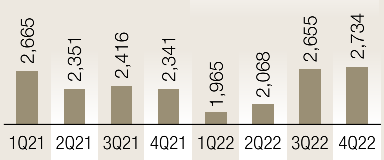
TOTAL VALUE OF PROPERTIES SOLD

FY2021: RM1,207.5 MIL
FY2022: RM1,344.4 MIL



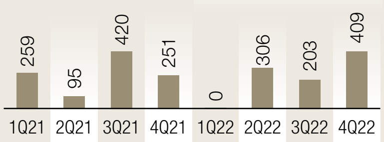
ONGOING GDV (UNDER CONSTRUCTION)

AS AT 31.3.21: RM2,340.6 MIL
AS AT 31.3.22: RM2,733.7 MIL



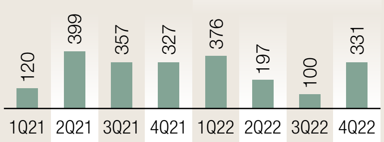
PROJECTS LAUNCHED

FY2021: RM1,024.4 MIL
FY2022: RM917.7 MIL



PROJECTS COMPLETED

FY2021: RM1,202.8 MIL
FY2022: RM1,003.5 MIL



UNBILLED SALES

AS AT 31.3.21: RM1,019.3 MIL
AS AT 31.3.22: RM1,295.1 MIL

AVERAGE TAKE-UP (UNITS) (EXCL. STV)

AS AT 31.3.22: 89.7%

MANAGEMENT DISCUSSION AND ANALYSIS

COSTS

The Covid-19 pandemic has gravely wounded the world economy, with serious consequences impacting businesses and communities. Matrix has not been insulated from these issues, particularly the disruption in supply chain and shortages in labour for its construction activities.

However due to the favourable product mix recognised in FY2022, the Group has managed to record a significant reduction of 28.5% year-on-year in its costs of sales. For FY2022, cost of sales stood at RM402.0 million compared to RM562.4 million in FY2021. The reduction was further enhanced as the Group enjoyed improved gross margin for its matured developments including its best-selling Tiara Sendayan series, a positive reflection of the Group's long-term investment towards its Sendayan Developments.

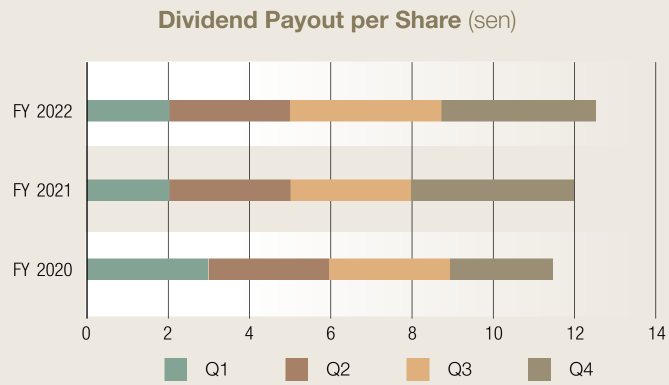
EARNINGS

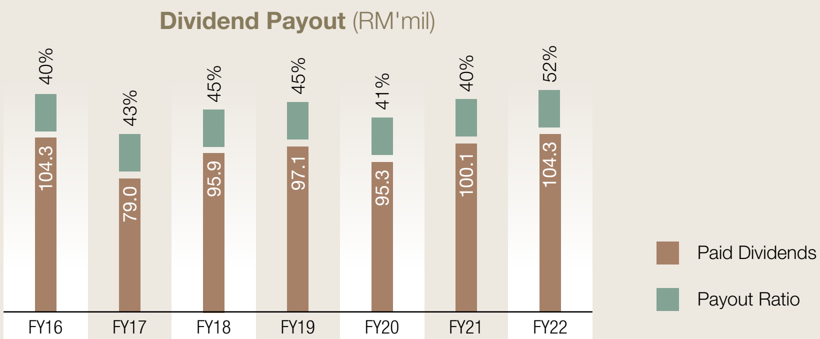
In line with the reduction in revenue, the Group's pre-tax earnings declined 21.2% year-on-year to RM268.4 million (FY2021: RM340.8 million), while profit after tax ("PAT") was 20.6% lower at RM200.9 million compared to RM253.1 million a year ago. Nevertheless, the Group managed to retain a commendable net profit margin of 22.5%, amongst the highest in the industry and consistent with the previous financial year's 22.4%.

DIVIDENDS

In respect of FY2022, the Board of Directors of Matrix has issued dividends to shareholders amounting to RM104.3 million, equivalent to 52% of after-tax earnings for FY2022. Since its listing, Matrix continues to maintain its track record of paying out to shareholders at least 40% of total after tax earnings for the respective financial year. Moving forward, the Group envisages it will be paying out 50%, cashflow permitting.

DIVIDEND PAYOUT SUMMARY





52%
PAYOUT
of FY22
profit after tax

MANAGEMENT DISCUSSION AND ANALYSIS

ASSETS AND LIABILITIES

In FY2022, Group assets stood at RM2.62 billion, a marginal increase of 0.4% compared to RM2.61 billion in FY2021. Matrix's asset position remains healthy, far exceeding liabilities and is able to effectively discharge all commitments and financial obligations going forward.

Non-current assets as at 31 March 2022 recorded RM1.2 billion, an increase of 8.2% on the back of strong increase in inventories as a result of active landbanking exercises.

Current assets declined by 5.7% on the back of reduced inventories as well as reduced deposits, cash and bank balances offset by increased receivables. Trade and other receivables have increased by 15.1%. The Group continues to closely monitor the situation and its debtor position is within control.

NON-CURRENT ASSETS	FY2022 (RM'000)	FY2021 (RM'000)	DIFFERENCE (%)
Property, plant and equipment	219,048	239,982	(8.7%)
Right-of-use assets	2,996	3,620	(17.2%)
Investment properties	62	132	(53.0%)
Investment in joint venture company	140,402	133,232	5.4%
Inventories	802,960	685,108	17.2%
Other receivables, deposits and prepayments	38,734	34,156	13.4%
Deferred tax assets	22,580	37,805	(40.3%)
Goodwill arising on consolidation	*	*	–
TOTAL	**1,226,782**	**1,134,035**	**8.2%**

CURRENT ASSETS	FY2022 (RM'000)	FY2021 (RM'000)	DIFFERENCE (%)
Inventories	463,192	618,019	(25.1%)
Trade and other receivables	714,362	620,602	15.1%
Deposits, cash and bank balance	202,138	237,507	(14.9%)
Current tax assets	12,899	–	–
TOTAL	**1,392,591**	**1,476,128**	**(5.7%)**

** Represents RM1.00*

Non-current liabilities have decreased by 33.6%, driven by a reduction in borrowings and lease liabilities. The Group has looked to pare down its borrowings, which has consequently reduced its overall borrowings position for FY2022.

The Group's current liabilities, which are liabilities within a 12-month period have also decreased, recording a 3.8% decline on the back of reduced trade and other payables and current tax liabilities. As end FY2022, total liabilities have decreased by 11.5%.

NON-CURRENT LIABILITIES	FY2022 (RM'000)	FY2021 (RM'000)	DIFFERENCE (%)
Borrowings	114,587	185,686	(38.3%)
Lease liabilities	2,201	2,388	(7.8%)
Deferred tax liabilities	125	222	(43.7%)
Other payables, deposits, accruals and provision	22,148	21,175	4.6%
TOTAL	**139,061**	**209,471**	**(33.6%)**

CURRENT LIABILITIES	FY2022 (RM'000)	FY2021 (RM'000)	DIFFERENCE (%)
Trade and other payables	412,301	456,003	(9.6%)
Borrowings	168,274	139,833	20.3%)
Lease liabilities	863	1,105	(21.9%)
Current tax liabilities	–	7,259	(100.0%)
TOTAL	**581,438**	**604,200**	**(3.8%)**
Total Liabilities	720,499	813,671	(11.5%)
Net Assets Per Share (RM)	2.28	2.15	6.0%

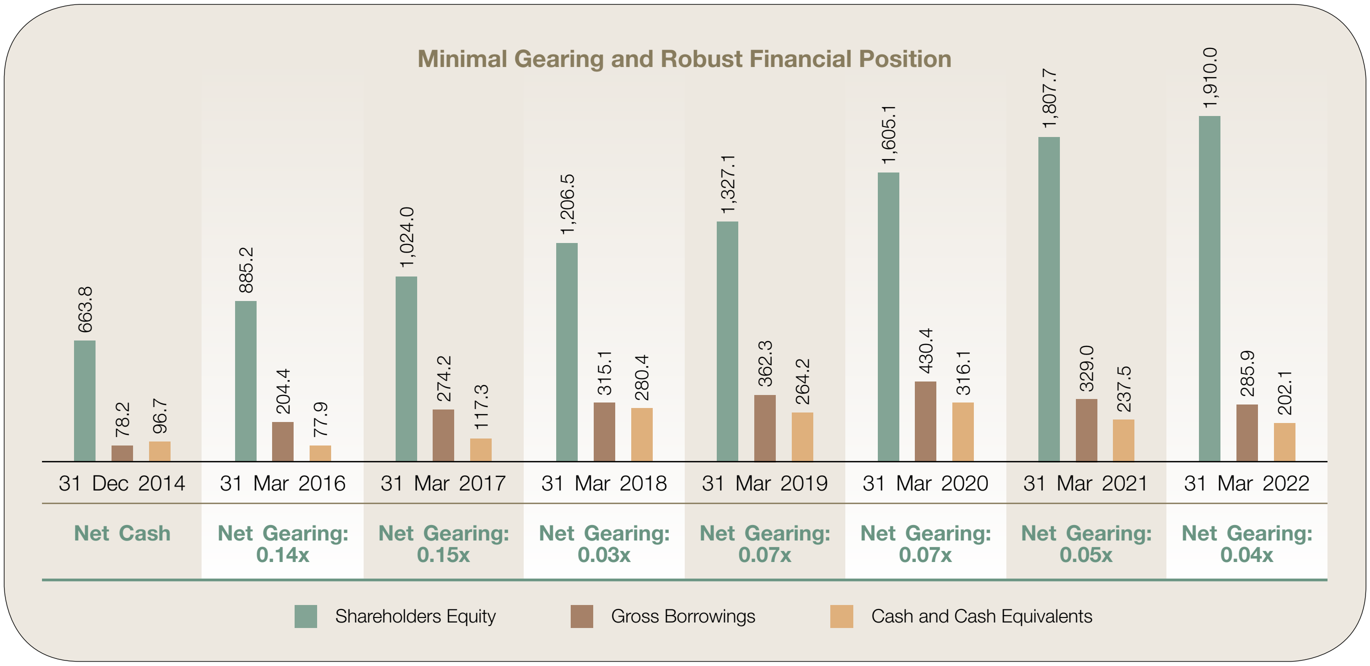
Notes: Based on FY2022's issued and paid-up share of 834,232,356 (FYE2021: 834,232,356) ordinary shares in Matrix ("shares")

GEARING RATIO

The Group has capitalised on the current low interest rate environment to refinance a portion of its existing debt with longer repayment tenures and lower interest rates.

The Group has also utilised excess cash to effect early payment on its debt obligations in FY2022, enabling gross borrowings to stand at RM282.9 million, a reduction in gross borrowings of 13.1% over RM325.5 million in FY2021. Likewise, the Group's gearing registered 0.04 times in FY2022, a slight reduction compared to 0.05 times in FY2021.

Overall, the Group remains prudent in maintaining its position to enable the execution of strategic objectives of creating value moving forward.



CASH FLOW, CASH AND BANK BALANCES

Matrix continues to ensure sufficient cash to meet its working capital requirements going forward. Cash position will be supported by continued revenue recognition from the property development unit and the Group's unbilled sales.

FINANCIAL INDICATORS	FY2022 (RM'000)	FY2021 (RM'000)	DIFFERENCE (%)
Net cash from operating activities	**107,870**	91,178	18.3%
Net cash used in investing activities	**(3,381)**	(22,506)	(85.0%)
Net cash used in financing activities	**(139,792)**	(144,528)	(3.3%)
Effect of exchange rate fluctuations on cash held	**24**	19,961	(99.9%)
Cash and cash equivalents at beginning of the year	**185,567**	241,462	(23.1%)
Cash and cash equivalents at the end of the year	**150,288**	185,567	(19.0%)
Cash and cash equivalents comprising fixed deposit, cash and bank balances	**202,138**	237,507	(14.9%)

**Ringgit weakened significantly in FY2021*

MANAGEMENT DISCUSSION AND ANALYSIS

LANDBANK

As at 31 March 2022, Matrix's total landbank stood at 2,222 acres, with a total GDV of RM15.2 billion. Landbank comprises mainly of land at the Group's Sendayan Developments and BSI townships. In addition, the Group also holds land parcels at strategic locations within Klang Valley. These include new parcel acquisitions in FY2022, comprising Sendayan extension (18.0 acres) and Bayu Sutera 2 and 3 (50.2 acres).

Development plans for landbank, including the latest acquisitions will be announced in due course once plans have been finalised.

PROJECT HIGHLIGHTS

In FY2022, Matrix launched 1,889 property units into the market with a cumulative value of RM917.7 million (FY2021: RM1.02 billion). Average take-up rate across all projects stood at 89.7%, with total unbilled sales at RM1.3 billion as at 31 March 2022.

During the financial year, GDV of ongoing projects reached RM2.73 billion (FY2021: RM2.34 billion) comprising projects in located Sendayan and other parts of Negeri Sembilan, Johor and other locations including Australia.

In total, 1,700 units were completed in FY2022, with a cumulative value of RM1,003.5 mil (FY2021: RM1.2 billion)

	PROJECTS LAUNCHED	ONGOING PROJECTS	PROJECTS COMPLETED
FY2022	RM917.7 mil	RM2,733.7 mil	RM1,003.5 mil
NS* DEV^	RM917.7 mil	RM2,268.5 mil	RM903.2 mil
JOHOR DEV^	–	RM139.7 mil	RM100.3 mil
OTHERS	–	RM325.5 mil	–

* *Negeri Sembilan*
^ *Development*

PROJECT LAUNCHES IN FY2022

PROJECT NAME	NO. OF UNITS / TYPE	GDV (RM MILLION)
Hijayu Residence Phase 1 (Parcel 2)	183-unit 2-storey terrace houses	133.6
Laman Sendayan 3 (Precinct 1A)	274-unit 2-storey terrace houses	123.0
Laman Sendayan 4 (Precinct 1B)	266-unit 2-storey terrace houses	131.2
Laman Sendayan 5 (Laman Biz)	20-unit 1-storey terrace shops	12.6
Bayu Sutera 2B	325 units residential houses	194.3
Bayu Sutera 2A	255 units residential houses	143.6
Tiara Sendayan 9	90-unit 2-storey terrace houses	51.7
Tiara Sendayan 10 (P13A)	280-unit 1-storey terrace houses	69.0
Tiara Sendayan 11 (P13B)	143-unit 1-storey and 53-unit 2-storey terrace houses	58.7

RESIDENTIAL AND COMMERCIAL PROPERTIES

SENDAYAN DEVELOPMENTS (NEGERI SEMBILAN)

Matrix's award-winning Sendayan Developments in Negeri Sembilan comprise Bandar Sri Sendayan, Ara Sendayan, Tiara Sendayan and Laman Sendayan.

Sales recorded across the Group's Sendayan Developments stood at RM1,195.7 million as at 31 March 2022 against RM941.5 million registered in FY2021. In FY2022, the average take-up rate was 88.0% with unbilled sales of RM1.1 billion, as compared to 79.2% and RM745.3 million respectively in FY2021. As at 31 March 2022, its estimated GDV for ongoing projects stood at RM1.65 billion.

The township saw 9 new residential development launches in FY2022, totalling GDV at RM917.7 million.

FY2022 NEW LAUNCHES

PROJECT	TYPE	SITE AREA (ACRES)	UNITS LAUNCHED	TAKE-UP RATE (%)	EST GDV (RM' MIL)	UNBILLED SALES (RM' MIL)	COMMENCEMENT (MONTH/YEAR)	EXPECTED COMPLETION (MONTH/YEAR)
Hijayu Residence Phase 1 (Parcel 2)	DST	15.3	183	67%	133.6	85.1	Oct-21	Sep-23
Laman Sendayan 3 (Precinct 1A)	DST	30.3	274	100%	123.0	65.3	Jul-21	Jun-23
Laman Sendayan 4 (Precinct 1B)	DST	29.4	266	100%	131.2	107.5	Sep-21	Aug-23
Laman Sendayan 5 (Laman Biz)	SST	4.5	20	80%	12.6	8.7	Jan-22	Dec-23
Tiara Sendayan 9	DST	8.6	90	100%	51.7	44.4	Aug-21	Jul-23
Tiara Sendayan 10 (P13A)	SST	24.4	280	99%	69.0	62.3	Oct-21	Sep-23
Tiara Sendayan 11 (P13B)	SST	17.1	143	100%	37.7	56.1	Jan-22	Dec-23
	DST		53	100%	21.0			
Bayu Sutera 2B	DST	34.9	325	95%	194.3	154.2	Jan-22	Dec-23
Bayu Sutera 2A	DST	22.6	255	29%	143.6	39.3	Mar-22	Feb-24
	TOTAL	**187.1**	**1,889.0**	**87.0%**	**917.7**	**622.9**		

In line with the Group's strategy of meeting real market demand, the homes offered a wide range, from single-storey terrace ("SST") and double-storey terrace ("DST") homes with a large portion of residential units concentrated within the RM500,000 price range.


Tiara Sendayan Central Park

Such products offered targeted the middle-income market segment of buyers, a segment that continued to see comparatively robust sales across FY2022.

Catering to the more affluent buyers looking for larger units that offer enhanced lifestyle comforts and convenience, the Hijayu range of homes is also in high demand from larger or maturing families, including multi-generational households. With a combined GDV of RM370.0 million for Hijayu Aman Phase 1 and Phase 2, as well as Hijayu Residence Phase 1, the Hijayu series has successfully achieved take up rate of 96.3% for the entire 543 units as construction was completed in FY2022.

The Hijayu series were sold with complimentary clubhouse memberships which caters for business, leisure and pleasure.

MANAGEMENT DISCUSSION AND ANALYSIS

THE SENDAYAN TECHVALLEY ("STV") (NEGERI SEMBILAN)


Sendayan TechValley

The STV is the industrial component within Sendayan Developments, offering approximately 741.9 acres of net saleable, prime, freehold industrial land with a total GDV of RM1.0 billion.

The location offers excellent accessibility and connectivity, and comes with built-in infrastructure and waste management facilities nearby. Its appeal to buyers is evident in its strong take-up rate of almost 100%. Unbilled sales stood at RM49.3 million as at 31 March 2022.

BANDAR SERI IMPIAN (JOHOR)

The Group's Bandar Seri Impian ("BSI") township registered lower sales of RM57.5 million in FY2022 compared to RM94.7 million in FY2021.

Located in Kluang, Johor, BSI covers an area of 1,209.5 acres which was acquired through a joint venture agreement between Matrix and Koperasi Kemajuan Tanah Negeri Johor Berhad. A comprehensive masterplan guides its development, enhancing value creation and lifestyle components of this township.

It has registered a take-up rate of 59.8% across its four ongoing projects with unbilled sales standing at RM63.2 million as at 31 March 2022.

Eloisa 2 @ Impiana Damai 2A


Chambers Residence

CHAMBERS RESIDENCE (KUALA LUMPUR)

Strategically located at the heart of the nation's capital Kuala Lumpur, the 509-units, freehold Chambers Residence with 4 commercial lots has appealed to discerning buyers within the Klang Valley.

Chambers Residence is within walking distance to a wide range of facilities and amenities, including an LRT station, a shopping mall, a convention centre and a hospital, thus offering unrivalled convenience, accessibility and peace of mind. It is also the Group's sole project in the heart of Kuala Lumpur as well as being its first high-rise development.

As of 31 March 2022, 87.3% units have been sold, attesting to the development's appealing value proposition. It has a GDV value of RM322.7 million with unbilled sales at RM79.1 million.

MANAGEMENT DISCUSSION AND ANALYSIS

M.GREENVALE (AUSTRALIA)

M.Greenvale - bungalow design

Matrix's second project in Australia, M.Greenvale has been completely sold out with revenues from said project to be recognised in FY2023. The 9.7-acre M.Greenvale is located in the suburb of Greenvale, dubbed the "Toorak of the North", after the prestigious and highly desirable Toorak suburb. The suburb is strategically placed just 25km north of the Melbourne Central Business District ("CBD"), close to the Tullamarine Airport and the verdant 430-acre Greenvale Reservoir Park. All its 79 residential land plots have been taken up.

With M.Greenvale mirroring the successful 100% take-up rate of M.Carnegie, Matrix's maiden Australian project, Matrix has started preview of its third Australian project, M333 St. Kilda which is located in the city of Melbourne.

M333 ST. KILDA (AUSTRALIA)

M333 St. Kilda, Matrix's planned eight-storey mixed development situated on a 0.6-acre land in Melbourne is expected to be completed by end-2024. This represents Matrix's largest development in Australia to date.

Its strategic location will appeal to the discerning buyer, taking into consideration it is less than 8km from the city's central business district ("CBD") and home to numerous iconic landmarks. These include St. Kilda Beach and Esplanade, St. Kilda's Botanical Garden and Luna Park. The project has an estimated GDV of AUD80 million (RM240 million).

M333 St Kilda

MENARA SYARIAH (INDONESIA)

In FY2020, Matrix expanded its reach into Indonesia via its joint venture partnership with an Indonesian conglomerate to participate in the development of the RM1.0 billion GDV Menara Syariah, located in the up-and-coming IFD of Jakarta.

Menara Syariah

Menara Syariah will comprise a commercial and retail building with twin 29-storey office towers. In total, the development will offer one million square feet of gross floor area including 23 floors of Grade A office space. It will also feature a retail strip, a landscaped observation deck, an infinity pool and multiple prayer halls.

Menara Syariah is located on a part of a 3.6-hectare plot of land in Pantai Indah Kapuk 2 ("PIK 2"), which is touted as the next international waterfront city of North Jakarta. The aforementioned 3.6-hectare plot is part of the larger 12-hectare Islamic Finance District. 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 the Jakarta city centre.

Construction work was progressing ahead of schedule but was unfortunately disrupted due to the pandemic. With stringent containment measures in place, work was allowed to resume and piling works have since been completed. As at 28 June 2022, overall construction works are at 54.7% completion.

MANAGEMENT DISCUSSION AND ANALYSIS

PROJECT UPDATES – INVESTMENT PROPERTIES

MATRIX GLOBAL SCHOOLS *(SEREMBAN, NEGERI SEMBILAN)*

As at 31 March 2022, MGS's student population stood at 611 students, comprising 190 international school students, 334 private school students and 87 pre-school students.

Throughout FY2022, the Ministry of Education (MoE) Malaysia continued to institute the much-needed measures to mitigate the impact of the pandemic amongst schoolchildren, teachers and relevant school personnel. The nationwide MCO restrictions, alongside international border closures, continued to impact significantly on student and teaching staff recruitment at MGS.

Despite these insurmountable challenges for the education industry, the Management remained steadfast in the restructuring programme of MGS and has managed to reduce loss before tax ("LBT") by 5.0% to RM5.6 billion in FY2022. This was on the back of revenue reducing by 10.5% to RM11.6 million for the year.

Matrix Global Schools

Sensitive to the financial difficulties experienced during this challenging period, Matrix has reached out to provide discounts of up to 25% in term fees to eligible students. This short-term support is one of the highest provided by any school and has assisted many parents to retain their children in the school.

With MOE's gradual easing of restriction on schools, MGS transitioned from a purely online teaching mode to a hybrid learning environment and is progressing further to the return to physical onsite lessons.

Moving forward, Management is optimistic of an improved financial performance, underscoring its value proposition as a provider of quality education with competitive fees. This teaching institution remains an integral place-making component within the Sendayan Developments, securing its position as a preferred and holistic education institution for the community.

d'TEMPAT COUNTRY CLUB *(NEGERI SEMBILAN)*

Located in the heart of Bandar Sri Sendayan, d'Tempat Country Club ("d'Tempat") has established itself a premier business, lifestyle and entertainment venue in Seremban. It represents a central point for a host of recreational options, offering banquet spaces and dining establishments to meet every need and creating a special place where the community can unwind in a friendly and serene atmosphere.


d'Tempat Country Club (aerial view)

With the upliftment of Movement Control Order ("MCO") restrictions in the second quarter of FY2022 resulting in increase in demand for hospitality services, d'Tempat has managed to register a healthy increase of 6.6% in revenue to RM16.2 million in FY2022 compared to RM15.2 million last year. However, profit after tax increased by 2.2% to RM4.6 million from RM4.5 million reported in the previous financial year.

Given its established prominence within the community, d'Tempat will continue to support the local community and cater to their social needs.

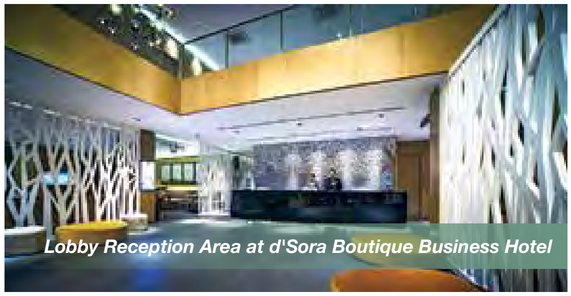
MANAGEMENT DISCUSSION AND ANALYSIS

d'SORA BOUTIQUE BUSINESS HOTEL *(NEGERI SEMBILAN)*

A strong value proposition of d'Sora Boutique Business Hotel is its unrivalled customer experience and locality, being near Seremban city and the Kuala Lumpur International Airport, a strong drawcard for international business travellers.

In FY2022, the hotel registered an occupancy rate of 40.7% compared to 37.0% in FY2021. The increase was in line with the return of pent-up travelling needs, which was similarly experienced nationwide, as all domestic travelling restriction were lifted in the second quarter of FY2022.

With the return of travellers, d'Sora posted revenue of RM1.5 million and loss after tax ("LAT") of RM0.33 million in FY2022 compared to RM1.3 million and RM0.66 million respectively in the previous year.



Lobby Reception Area at d'Sora Boutique Business Hotel

Riding on d'Sora's compelling value proposition of affordable, yet premium hotel services and facilities, value-for-money packages and its strategic location, Management is optimistic of improved performance in the financial year ahead.

CONSTRUCTION

Construction site

A key component of the Matrix business model is Matrix Excelcon, the Group's in-house construction arm. The construction division undertakes all construction works except high-rise projects for Matrix's property development division. It manages all construction sites of the Group. Given it only undertakes internal projects, revenues from Matrix Excelcon are deemed as inter-company transactions and has thus been eliminated.

In FY2022, the stringent Covid-19 SOPs imposed by the government on all construction sites and factories had led to significant disruptions across the construction sector.

Despite the construction sector being deemed an essential industry or service, operations continued to be affected by requirements for reduced work hours and manpower, mandatory social distancing regulations, increased health checks, acute outbreaks of Covid-19 outbreaks at sites of workers hostels and other developments. In addition, the restrictions imposed by the government on the import of foreign workers for the construction sector during this period had also caused manpower shortages leading, which also impacted progress of works on construction sites.

The Company also continued to focus on strict SOP compliance, including an effective vaccination programme. Drawing on the support of Mawar, Matrix Excelcon was able to achieve a 100% vaccination rate, which also enabled operations to resume at full pace at many sites.

Timelines were revised and the pace of work expedited while ensuring compliance to quality and all regulatory requirements. As at end FY2022, all Matrix Excelcon sites resumed full operations.

Aligning with the Group's sustainability agenda toward climate change, Matrix Excelcon is continuously exploring ways to minimise or eliminate construction waste, looking to improve maintenance, adopt more efficient construction techniques and reuse material where possible.

Matrix Excelcon's IBS Factory was set up in FY2020 as part of its continuous drive to adopt more sustainable methods of construction while improving cost and operational efficiencies.

Since January 2022, the IBS system has been replaced with an aluminium formworks system, a construction system for forming cast in-place concrete. The advantage of this system is that it is fast, simple, adaptable and cost effective and is better suited to matrix's construction approach. In addition, the smooth–off form finish of the concrete eliminates the need for costly plastering.

MANAGEMENT DISCUSSION AND ANALYSIS

HEALTHCARE

Matrix Medicare Sdn Bhd is the Group's healthcare division and in FY2020, entered into a 30-year management agreement with Pusat Hemodialisis Mawar for the provision of management services for its medical and haemodialysis centre. Pusat Hemodialisis Mawar is the owner of Mawar Medical Centre ("Mawar"). Matrix Medicare would hence, manage all non-clinical aspects of Mawar's operations, including finance, administration and resources.

The agreement had paved the way for the resumption of Mawar's operations, which prior to Matrix's involvement was deregistered by the Ministry of Health due to financial and other issues.

With the resumption of operations at Mawar, Matrix has enabled the provision of much-needed affordable, high-quality medical care for the local community.

In essence, Mawar operates as a community hospital catering to the needs of society.

Mawar's capabilities was tested particularly during the heights of the Covid-19 pandemic in which it played a frontline role for the community and public at large. Highlights include being of one the first hospitals in Malaysia to introduce drive-thru Covid-19 screening tests as well as being a participant of the government's Covid-19 vaccination programme.

Another key milestone was the procurement of a state-of-the art, RM4.3 million Magnetom Altea 1.5T (Tesla) magnetic resonance imaging ("MRI") system, the first hospital in Malaysia to acquire this. With this facility, the duration of an MRI procedure can be potentially reduced by up to 50%, enabling faster diagnosis and hence faster treatment for patients.

Magnetic Resonance Imaging (MRI) machine 1.5 Tesla Large bore 70 cm

Mawar's acceptance as a healthcare centre of choice for the local community is evidenced in its increased number of patients treated, from 22,407 patients in FY2021 to 36,378 patients in FY2022, an increase of 62.4%. The centre is exploring expanding into other therapeutic fields to further strengthen its capability as a holistic healthcare institution.

Mawar is expected to generate recurring income for the Group, growing incrementally in tandem with the increasing demand for quality and affordable healthcare services for the local community.

LOOKING AHEAD

GENERAL ECONOMIC OUTLOOK

In Malaysia, the recovery momentum for 2021 was affected by the reimposition of nationwide containment measures from June to September 2021, following a rapid resurgence of cases due to the Delta variant. Some sectors, such as construction, were slower to recover due to continued restrictions on movement and operating capacity. As these restrictions were eventually lifted in October 2021 amid rapid progress in pandemic vaccinations, economic activities picked up and labour market conditions improved.

The year 2022 is expected to be a turning point with Malaysia's transition into endemic management of Covid-19. However, there remains uncertainty surrounding the medium-term outlook for the economy, stemming mainly from the extent of economic disruption and how this would eventually interact with post-pandemic structural shifts such as greater digital adoption. Such uncertainties have been further fuelled by the Russia-Ukraine military conflict which began in February 2022, resulting in heightened global financial market volatility and significant implications on emerging market economies.

MANAGEMENT DISCUSSION AND ANALYSIS

Given the pandemic and military conflict, the severely disrupted supply value chain, once stabilised, may not necessarily return to pre-Covid-19 levels. High costs of raw materials and labour would result in high construction prices that may be passed onto buyers.

The impact of possible resurgences of Covid-19 remains a key risk but is expected to be smaller in 2022 than in 2020 and 2021 due to factors such as continued good progress in vaccinations, among others.

For Malaysia, the pace of economic recovery is projected to gather further momentum amid the reopening of the economy and international borders. The accepted management of Covid-19 and high vaccination uptake will help mitigate the adverse impact from future resurgences and thus protect our healthcare system from being overwhelmed. With these factors in mind, we expect less disruption to economic activity and spending in the event of resurgences. As an open economy, Malaysia will continue to benefit from the expansion in global demand, which would support both investment activity and the labour market. Overall, for 2022, growth is expected to expand between 5.3% and 6.3%.

Growth drivers would include higher commodity prices, improved labour market conditions, a rapid transition to digitalisation, and the implementation of infrastructure projects with a high multiplier effect.

PROPERTY INDUSTRY OUTLOOK

With the pandemic transitioning to an endemic phase, it is expected that all economic sectors and industries to post stronger recoveries in momentum of activity. This is also expected for the property sector, which will continue to be spurred by government recovery plans, industry initiatives and incentives and a recovery in consumer confidence and buying power. The latter is expected be driven by the reopening of the economy which would create jobs and provide new opportunities.

The inherent industry issues of market overhang, a depreciating currency, rising costs of living and inflation is expected to persist. Stiff competition among market players also remains a factor. However, supported by government initiatives, the property market is expected to be on the recovery path in line with the gradual economic recovery, although a recovery to pre-pandemic performance remains to be seen.

Nusari Aman 3

MANAGEMENT DISCUSSION AND ANALYSIS

As in previous years, demand for properties priced RM500,000 and below from the middle income, mass market remains resilient. This particular sector of the market comprises primarily owner occupiers and continues to underpin the residential property market.

OUTLOOK FOR MATRIX

Matrix, welcomes the ongoing market recovery, given it is underpinned by strong fundamentals. Despite the pandemic, Matrix has continued to see robust performance. While revenues and earnings have dipper, gross margin for both topline and bottomline have improved.

Leveraging on its proven, award-winning developments, the Board and Management remain positive of posting improved performance for the coming financial year. The Group will leverage on its Sendayan Developments, Bandar Seri Impian and Australian projects while also considering launching projects in the Klang Valley. The Group has earmarked property launches with a total value of RM1.55 billion in properties for FY2023. Most of these launches will come from the Group's Sendayan developments.

In Australia, Matrix's M333 St. Kilda is expected to also see strong traction among buyers. The Group's first two projects in Melbourne have seen 100% sales and have firmly established the Matrix brand in the city. Given its strategic location and appealing design and concept, M333 St. Kilda offers exciting prospects for the Group and also further cements Matrix's position as a recognised property developer in Melbourne.

Similarly, Matrix's joint venture with Indonesia for the development of Menara Syariah is expected to pave the way for new possibilities within Indonesia as well as strengthening the Group's capabilities in undertaking larger and more technically demanding projects.

The knowledge and experience gained from the Indonesia venture place Matrix in good stead to bid for similar projects in the near future. This would likely be undertaken through a joint venture model, going forward.

Clover @ Resort Residence (playground area)

MANAGEMENT DISCUSSION AND ANALYSIS

The Group expects to continue recording healthy demand trend moving forward, with growing inclination for Klang Valley residents to relocate outside of the city centre, made easier by remote and flexible working arrangements.

Supported also by an established and broadened sales channel through the use of digital solutions such as social media platforms, the Group intends to capitalise on the strong demand driven by the strong value proposition of its residential properties, particularly those within the RM600,000 price range.

The Group is cautiously optimistic of maintaining healthy performance in FY2023, supported by encouraging demand for ongoing developments, continued economic recovery, and a low interest rate environment despite a revision in overnight policy rate to 2.0% announced on 11 May 2022 by Bank Negara Malaysia.

The Group's healthcare division will continue its frontline support in the fight against Covid-19, promoting preventative healthcare screenings, avenues for vaccination and assurance of treatment where needed. Expanding focus beyond Covid-19, the division will continue efforts to be the preferred healthcare provider of choice for the local community, providing quality and affordable healthcare and opening out further areas of specialised therapeutic care. Moving forward, a value-based, preventative healthcare approach is targeted, one which emphasises general wellness, enabling the community to lead a healthier and more productive lifestyle.

With local community's needs as its core, the Group's hospitality division would refocus strategies to adapt to the near-normalcy environment. The d'Tempat Country Club will embark on an aggressive promotion as a business destination for meetings, incentives, conferences and exhibitions (MICE), attract and increase footfall for the various sports and recreational activities as well as promote patronage of its food and beverage, offering a unrivalled customer experience.

Clover @ Resort Residence

Specific measures shall be implemented to ensure d'Sora Boutique Business hotel continues to remain competitive and relevant within the the mid-range boutique hotel segment. Its strategic location to the international airport and maturing of Sendayan Developments is a strong drawcard for business travellers and communities.

While the future is immensely challenging given the present circumstances, the Group will continue to seek opportunities for growth and to create value by leveraging on its inherent business strengths and its business model, which has thus proven resilient and sustainable.

The Group remains vigilant but confident of the future and will continue to seek ways to accelerate our growth towards the realisation of our vision and mission and to create continued value for stakeholders.

HO KONG SOON
GROUP MANAGING DIRECTOR

30 June 2022

OUR LEADERSHIP

FUTURE-FORWARD

BOARD OF DIRECTORS' PROFILES

DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN

NON-INDEPENDENT NON-EXECUTIVE CHAIRMAN

Nationality:	Age:	Gender:	Date of Appointment:
Malaysian	69	Male	2 April 2012

TENURE OF DIRECTORSHIP

- 10 years 2 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
- **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

Nationality:	Age:	Gender:	Date of Appointment:
Malaysian	64	Male	4 March 1997

DATO' SERI LEE TIAN HOCK

(KEY SENIOR MANAGEMENT)

FOUNDER, GROUP EXECUTIVE DEPUTY CHAIRMAN

TENURE OF DIRECTORSHIP

- 25 years 3 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
- **Other public company:**
  - Negri Sembilan Chinese Maternity Association
  - Pusat Hemodialisis Mawar

EXPERIENCES

DATO' SERI 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' Seri 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' Seri Lee was redesignated as the Group Executive Deputy Chairman on 1 September 2018.

Currently, Dato' Seri Lee is also the President of Negri Sembilan Chinese Maternity Association and Chairman of Pusat Hemodialisis Mawar, Seremban. He is also the Non-Independent Non-Executive Director of Stella Holdings Berhad.

Nationality:	Age:	Gender:	Date of Appointment:
Malaysian	55	Male	30 December 2002

BOARD OF DIRECTORS' PROFILES

HO KONG SOON

(KEY SENIOR MANAGEMENT)
GROUP MANAGING DIRECTOR

TENURE OF DIRECTORSHIP

- 19 years 6 months

BOARD COMMITTEES MEMBERSHIP(S)

- Risk Management Committee (Member)
- Sustainability 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

Nationality:	Age:	Gender:	Date of Appointment:
Malaysian	60	Male	15 November 2016

TENURE OF DIRECTORSHIP

- 5 years 7 months

BOARD COMMITTEES MEMBERSHIP(S)

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

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Diploma in Architectural

PRESENT DIRECTORSHIP(S)

- **Listed entity:**
  Nil
- **Other public company:**
  - 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 Executive Director of Negri Sembilan Chinese Maternity Association and Vice Chairman of Pusat Hemodialisis Mawar, Seremban.

Nationality:	Age:	Gender:	Date of Appointment:
Malaysian	52	Male	20 August 2021

BOARD OF DIRECTORS' PROFILES

MAZHAIRUL BIN JAMALUDIN

INDEPENDENT NON-EXECUTIVE DIRECTOR

TENURE OF DIRECTORSHIP

- 10 months

BOARD COMMITTEES MEMBERSHIP(S)

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

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Bachelor Degree in Accounting & Finance from Lancaster University, United Kingdom

PRESENT DIRECTORSHIP(S)

- **Listed entity:**
  Nil
- **Other public company:**
  Nil

EXPERIENCES

MAZHAIRUL BIN JAMALUDIN was appointed to the Board on 20 August 2021. He is currently the Chairman of the Audit Committee. He is also member of the Risk Management Committee, Remuneration Committee and Sustainability Committees. He received a Bachelor degree in Accounting & Finance from Lancaster University, United Kingdom, and is a Fellow Member of the Association of Chartered Certified Accountants (ACCA) UK, Chartered Accountant Malaysia as well as ASEAN Chartered Professional Accountant. He is also currently an Independent Non-Executive Director of AXA AFFIN Life Insurance Berhad. He was also a previous member of the Professional Accounts in Business (PAIB) Committee of the Malaysian Institute of Accountants and was an Independent Director of Cradle Fund Sdn Bhd.

He has diverse knowledge on media, telco, insurance and education industry while having deep experience in audit assurance and advisory services. He is currently a Financial Consultant to a public listed company based in Kuala Lumpur. He was previously the Director, Corporate Relations in Astro from 2019 to 2022 and the Financial Controller/Senior Vice President, Commercial Services Multichannel TV, Astro from 2006 to 2010.

In between the two period in Astro, he was the Senior Director, Investment/Outsourcing of Ekuinas from 2010 to 2019. He heads Ekuinas' Outsourced Programme and the Senior Director in charge of Ekuinas' education portfolio. In 2006, he had a stint at Celcom as the Vice President of Financial Accounting and Management Reporting and has also served at Arthur Andersen and Ernst & Young from 1995 to 2005 where he provided audit assurance and advisory services to various public and non-public listed companies.

BOARD OF DIRECTORS' PROFILES

DATO' HAJAH KALSOM BINTI KHALID

INDEPENDENT NON-EXECUTIVE DIRECTOR

Nationality:	Age:	Gender:	Date of Appointment:
Malaysian	66	Female	15 March 2016

TENURE OF DIRECTORSHIP

- 6 years 3 months

BOARD COMMITTEES MEMBERSHIP(S)

- Nomination Committee (Chairperson)
- Audit 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.

Nationality:	Age:	Gender:	Date of Appointment:
Malaysian	73	Male	19 Jun 2015

BOARD OF DIRECTORS' PROFILES

DATO' HON CHOON KIM

INDEPENDENT NON-EXECUTIVE DIRECTOR

TENURE OF DIRECTORSHIP

- 7 years

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

CHUA SEE HUA

INDEPENDENT NON-EXECUTIVE DIRECTOR

Nationality:	Age:	Gender:	Date of Appointment:
Malaysian	68	Female	18 November 2020

TENURE OF DIRECTORSHIP

- 1 year 7 months

BOARD COMMITTEES MEMBERSHIP(S)

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

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Bachelor of Law (LLB) from East London University
- Master's Degree in Law from University of Cambridge (Specialising in Companies & Securities Law and International Law)

PRESENT DIRECTORSHIP(S)

- **Listed entity:**
  Petron Malaysia Refining & Marketing Berhad
- **Other public company:**
  Nil

EXPERIENCES

MS CHUA SEE HUA began her career as a solicitor with Messrs Skrine, Kuala Lumpur in year 1985. She then subsequently joined Ernst & Young, Hong Kong as a general counsel and Simmons & Simmons, an international law firm in Hong Kong from year 1989 to 1997. Ms Chua became the partner of Messrs Raslan Loong, Kuala Lumpur from year 1997 to 2010.

In year 2010, Ms Chua founded Messrs Chua Associates, a boutique law firm in Kuala Lumpur specialising in corporate, commercial, banking, property and capital market work. On 1st March 2021, she joined Christopher & Lee Ong, a law firm affiliated with the Rajah & Tann Network as a partner.

Ms Chua is a member of the Insolvency Practice Committee of the Malaysian Institute of Certified Public Accountants (MICPA) and a member of the Disciplinary Committee of MICPA.

BOARD OF DIRECTORS' PROFILES

LOO SEE MUN

INDEPENDENT NON-EXECUTIVE DIRECTOR

Nationality:	Age:	Gender:	Date of Appointment:
Malaysian	48	Female	1 September 2021

TENURE OF DIRECTORSHIP

- 10 months

BOARD COMMITTEES MEMBERSHIP(S)

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

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Association of Chartered Certified Accountants (ACCA)

PRESENT DIRECTORSHIP(S)

- **Listed entity:**
  Nil
- **Other public company:**
  Nil

EXPERIENCES

MS. LOO obtained her qualifications from the Association of Chartered Certified Accountants (ACCA) in 2002. She is a member of the Malaysian Institute of Accountants (MIA), Associate Member of Chartered Tax Institute of Malaysia (CTIM) and a Professional Member of the Institute of Internal Auditors Malaysia (IIA).

She commenced her professional training in a medium-sized audit and tax firm from 1998 until 2003. During her tenure there, she has extensively involved in various industries including construction, hospitality, trading and manufacturing. She was also involved in tax due diligent review, corporate tax planning, group tax review, tax audit investigation and cross border transactions.

In 2003, she left to gain commercial experience as an internal auditor in a public listed general insurance company. As a senior, she has been trained in internal audit and risk methodologies which enabled her to identify risks and establish proper internal control system, understanding risk management and corporate governance.

In 2004, Ms Loo co-founded Kloo Point Consulting Group, a consultancy firm and has since been heading the practice of taxation services in Malaysia until today. She is a licensed tax agent under Section 153, Income Tax Act 1967. Ms. Loo is also a director of a medium-sized audit firm. She has been involved in the auditing profession for over 20 years.

Note:
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

MANAGEMENT TEAM

LEFT TO RIGHT

PAK HENG CHEONG
Senior General Manager, Project Planning

TAN SZE CHEE
Chief Development Officer

LEONG JEE VAN
Chief Executive Officer,
Property Development

HARRY LEE CHIN YEOW
Assistant Project Manager

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

BRYAN LEE THIAN LONG
General Manager,
Group Sales and Marketing

LIM KOK YEE
Chief Marketing Officer

JOSHUA LIEW CHEE MENG
General Manager, Central Region

HOW GIOK WAH
Group Sales Advisor

LEE JON WEE
Managing Director,
Matrix Development (Australia) Pty Ltd

DAMON LAU CHEE WEN
General Manager, Southern Region

MANAGEMENT TEAM

CORPORATE SUPPORT

LEFT TO RIGHT

NIK LI BIN R. DERAMAN
Senior Manager, Internal Audit

ROSALIND JOSEPHINE LIM POH CHOO
General Manager, Group Legal

LEE BING HONG
General Manager, Group Human Resource & Administration

LOUIS TAN SAY KUAN
Chief Financial Officer

CAMY TEE KAM MEE
General Manager, Group Finance

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

NG LAI THENG
Senior Manager, Group Digital Transformation

MANAGEMENT TEAM

EDUCATION

LEFT TO RIGHT

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

DATO' LIM SI BOON
Director, Matrix Educare Sdn Bhd

LOH GHEE JUAN
Campus Principal

MANAGEMENT TEAM

CONSTRUCTION

LEFT TO RIGHT

HEONG YEE CHOUNG
General Manager,
Construction

CHIA KHING FUAT
Chief Project Director

YVONEE TSEN PEI FONG
General Manager,
Group Contract & Procurement

HEALTHCARE

LEFT TO RIGHT

DR. ONG CHIEW PING
Chief Executive Officer,
Mawar Medical Centre

DATO' DR. VIJAYA SINGHAM A/L PETHARUNAM PILLAI
Medical Director (PIC),
Mawar Medical Centre

VALUE CREATION STRATEGIC REVIEW

A CUT ABOVE

MATRIX AND **VALUE CREATION**

VALUE CREATION TO MATRIX IS NOT JUST LIMITED TO FINANCIAL VALUES BASED ON AN INTERNAL PERSPECTIVE. RATHER, VALUE CREATION IS CENTRED ON ENTERPRISE VALUE AND ENCOMPASSES THE VIEWS OF STAKEHOLDERS.

Value creation is a shared, collective journey that comprises both financial values for the Group and its investors, but also non-financial values including environmental, social and governance ("ESG") values that are of import to our customers, regulators, the community at large and other stakeholders.

Influenced by the external operating environment

Both external and internal views are considered within the context of the external operating environment which includes a diverse range of Political, Economic, Social, Technological, Legal and Environmental ("PESTLE") considerations.

The Board is increasingly placing greater focus on how the potential and actual impact of ESG matters on Matrix's business model as well as the direct and indirect impacts on financial and business performance and stakeholderrs.

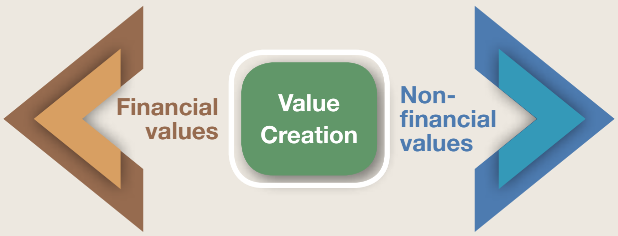
Changes are potentially necessitated due to external forces, shifts in stakeholders' perceptions and aspirations and other material factors. However, the core definition of enterprise value remains which is:

> **"TANGIBLE AND INTANGIBLE POSITIVE OUTCOMES THAT ARE GENERATED THROUGH OUR BUSINESS MODEL FOR THE BENEFIT OF THE BUSINESS, CUSTOMERS AND SOCIETY"**

MATRIX AND VALUE CREATION

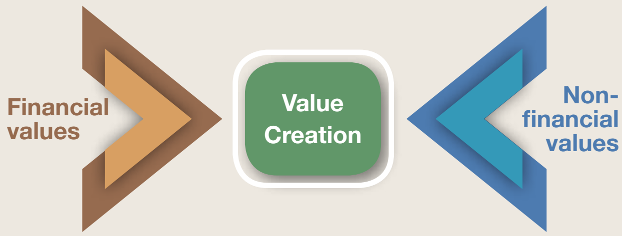
This approach is in contrast to the typical revenue and profit focused driven mindset to value creation, which has proven to be unsustainable.

Traditional Value Creation Perspective



Traditional value creation perspective where financial performance and non-financial performance are opposite to each other and only financial performance is given due recognition as value created.

Matrix's Value Creation Approach



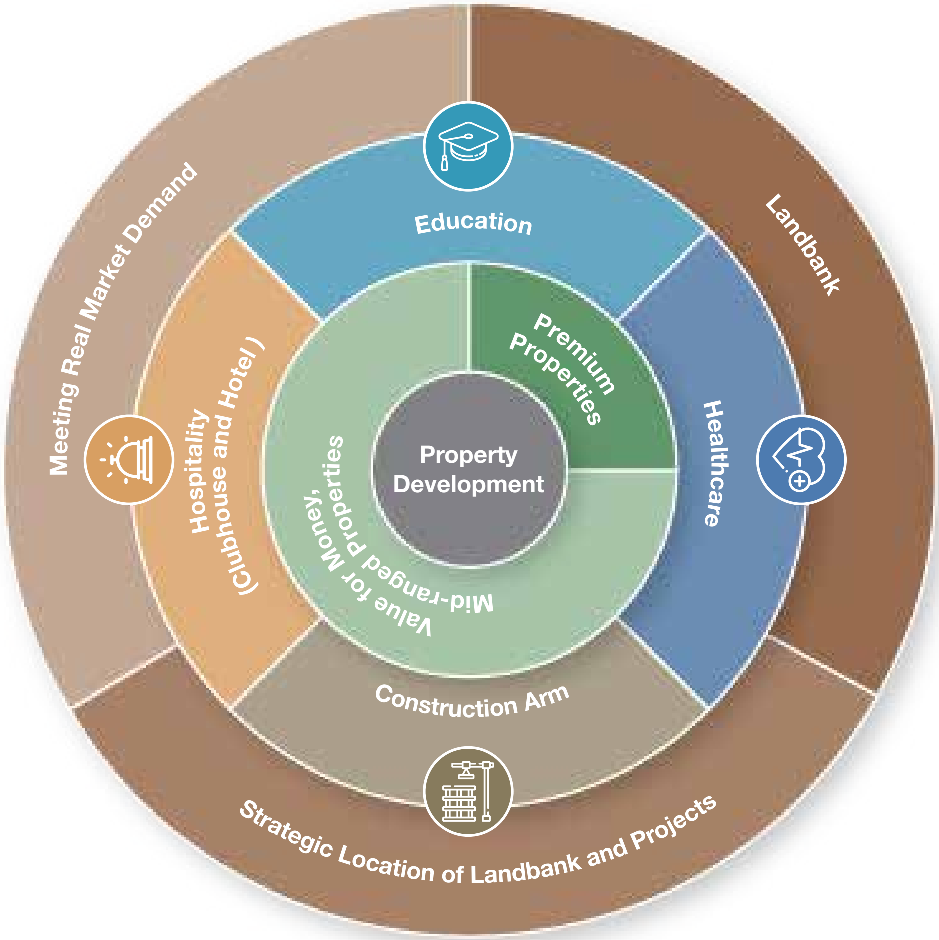
Matrix's value creation approach where both financial and non-financial performance are measured across a triple bottom line based on its impact on the Group and stakeholders over the short, medium and long-term perspectives.

Within this paradigm, other matters of import include availability and access to capitals and dependence on the same, internal factors such as intellectual property, organisational culture and other considerations. These are explored in further detail across Our Strategies to Sustain Value Creation on Page 87.

In addition, Matrix's perspective of value creation is also viewed from a time perspective, that is how enterprise value is sustained or remain relevant over the short, medium and long-term perspectives.

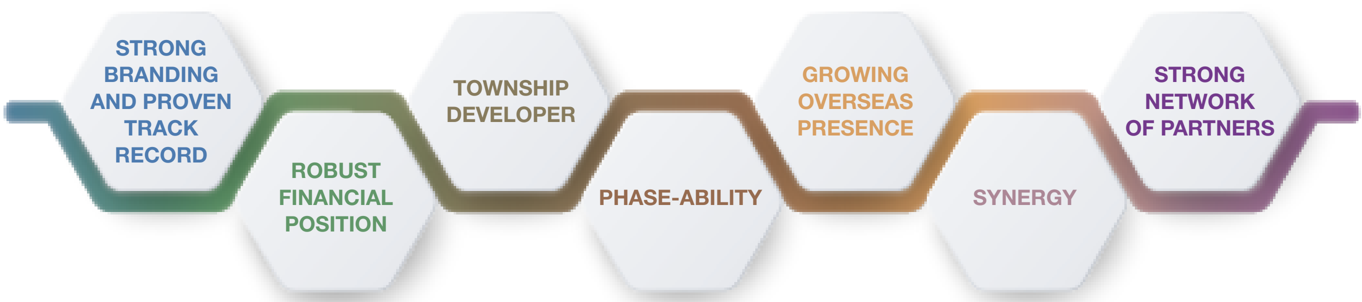
OUR BUSINESS MODEL

The Matrix business model is centred on Property Development, which is supported by its Construction, Healthcare, Education and Hospitality arms.



The Business Model enables the development of the following business strengths (which in turn, enables the effective execution of financial, operational and go-to-market strategies):

OUR BUSINESS STRENGTHS



OUR BUSINESS MODEL

MULTIPLIER EFFECT OF THE BUSINESS MODEL

1 Value for money homes, mostly mid-ranged properties provide quality living and meets the nation's needs for housing demand.

2 Retail and commercial components such as shops, malls and offices sustain local business activity which support local employment and job creation. This leads to a wide range of positive multiplier effects for the local community.

3 Leisure and entertainment components such as the X-Treme Park and the d'Tempat Country Club meet the community needs for recreation.

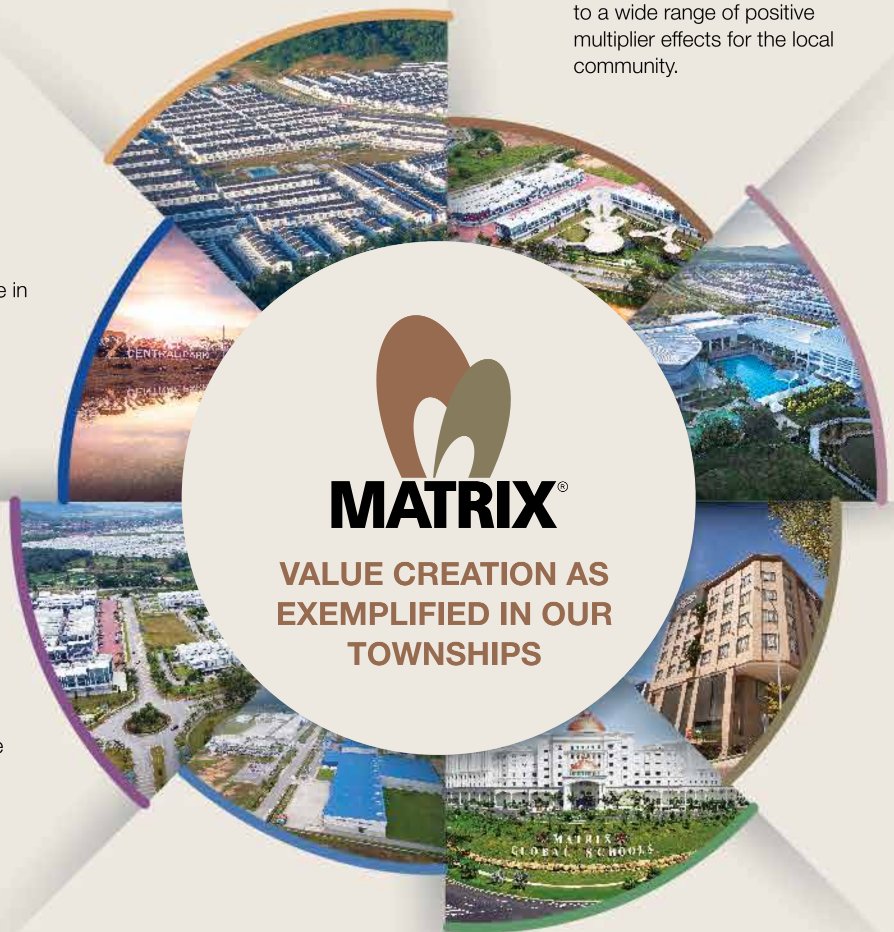
4 d'Sora Boutique Business Hotel completes the value proposition, providing accommodation for leisure or business travellers.

5 Matrix Global Schools complete another segments of value proposition, providing quality education to the younger generation in Bandar Seri Sendayan and its vicinity.

6 Industrial developments at Sendayan TechValley provide further job creation and economic activity to sustain the township.

7 Excellent road and highway infrastructure provides unfettered accessibility and connectivity.

8 Emphasis on "blue" and "green" natural environments enable nature to thrive in our townships.



Ultimately, the model is geared towards the development of self-contained, self-sustaining townships where all crucial components that support the needs of the community are met.

Beyond quality housing of varying types and price points, Matrix's townships aspire to provide the commercial, educational and entertainment aspects as well as healthcare.

OUR BUSINESS MODEL

However, within its approach to property development, which constitutes the main segment or aspect of its business model, Matrix's core competency or inherent business strength is centred on the following: its focus on meeting real market demand through appropriately priced properties, the strategic location of property projects – both townships and stand-alone, vertical developments and a wide range of property types to cater to diverse market segments.

53.8% of Matrix's properties are priced at RM500,000 and below, catering to the middle income, mass segment, where buying sentiment remains strong. This market segment primarily comprises first time home buyers.

MEETING REAL MARKET DEMAND

Matrix's Sendayan township is placed within the Southern regions of Greater Klang Valley, just 30-40km from the city centre.

This enables the township to provide an excellent value proposition of spaciousness, greenery, value for money pricing, while providing accessibility to the heart of Klang Valley, Kuala Lumpur International Airport and more.

The same approach is applied to all Matrix projects centred on strategic location, excellent connectivity and accessibility.

STRATEGIC LOCATION

Aside from its townships, Matrix also develops a wide range of stand-alone projects nationwide as well as in Malaysia and has ventured into Indonesia via its joint venture project, Menara Syariah.

DIVERSE PROPERTY PORTFOLIO

Driven by ample and strategically located landbank, internal construction expertise, and strong understanding of the market.

Matrix's construction arm, Matrix Excelcon, augments the above model by providing construction expertise. The use of an in-house construction entity enables improved project management control that renders better build quality, higher cost efficiency and faster completion of properties.

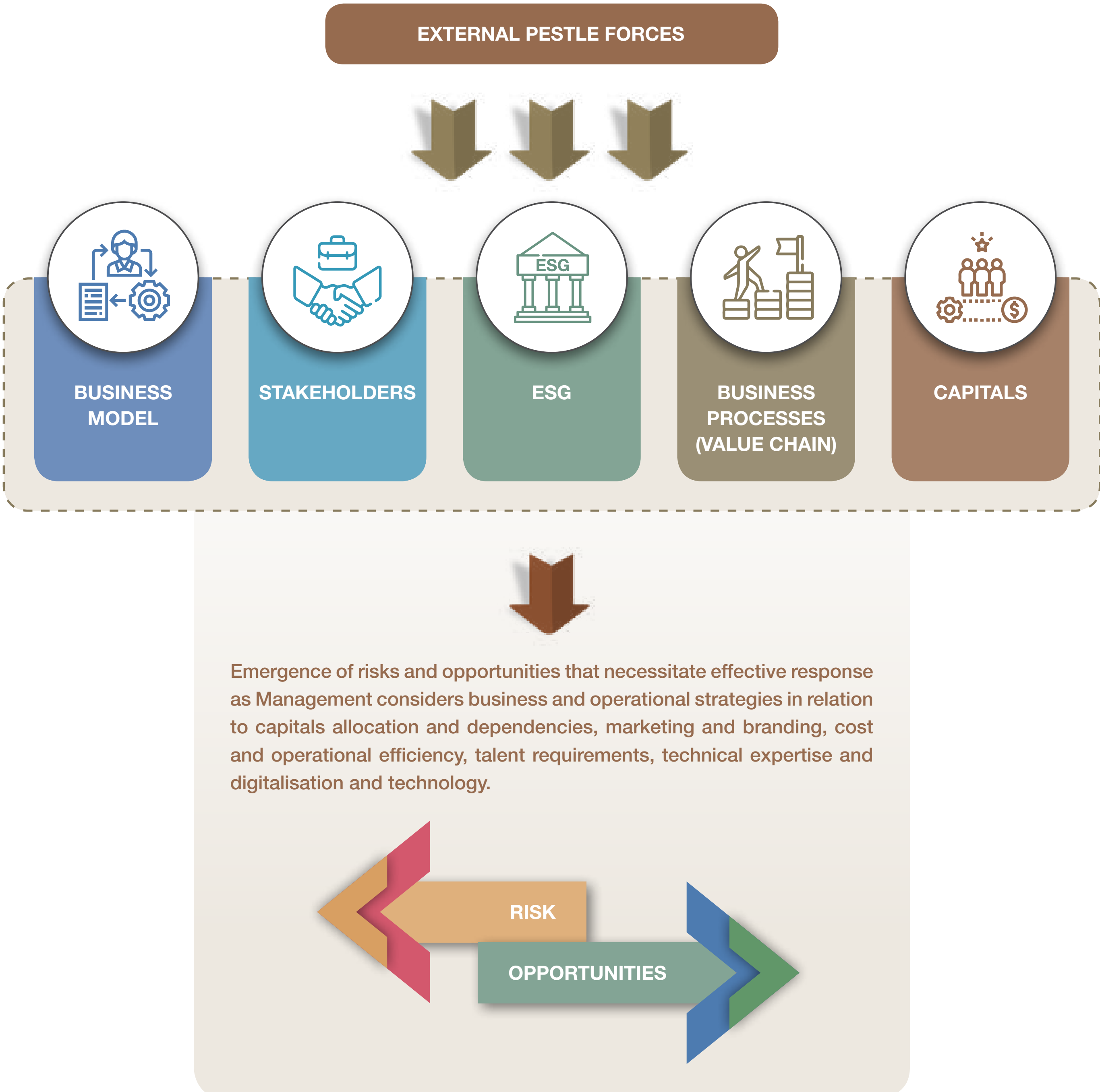
The Group's ample landbank comprising land parcels of varying sizes located nationwide and in Australia, also support the business model and business strategy. Please refer to Our Capitals (natural capitals) for more info on Matrix's landbank.

Similar to previous years, in FY2022, Matrix has continued to launch various marketing campaigns, supported by property ownership packages while also working closely with end-financiers to enhance the appeal of its properties. Please refer to Our Capitals (intellectual capitals) as well as the Management Discussion and Analysis section for more infomation on Matrix's go-to-market strategies.

OUR BUSINESS MODEL

KEY ASPECTS OF THE BUSINESS MODEL

Matrix's business model is a dynamic model and Management continues to consider how various aspects have an impact on value creation. These include the access and availability of capitals, value chain or business process considerations or requirements, the growing role and "voice" of stakeholders and in recent years, material environmental, social and governance ("ESG") issues.



OUR CAPITALS

Matrix's business model relies on and consumes several capitals or resources. IAR2022 provides a strategic snapshot of these capitals as well the relationships to the business model as well as trade-offs between capitals.

Business Value Chain And Key Processes | Significance Of ESG On The Business Model And Value Creation | Values (Output And Outcomes Created) | Strategies to Sustain Value Creation | Risks & Opportunities | Management Discussion and Analysis | Sustainability Report

FINANCIAL CAPITAL

Our Financial capital comprises equity, assets, operating revenue generated and retained profits deployed in our value creation activities.

- Share Capital: RM961.32 mil
- Assets: RM2.62 bil
- Liabilities: RM720.50 mil
- Deposits, Cash and Bank Balance: RM202.14 mil
- Retained profits: RM944.37 mil
- Total Borrowings: RM285.93 mil

RELATED RISKS & MATERIAL MATTERS:

Almost all material matters have a direct or indirect link to financial capitals and outcomes.

FURTHER INFORMATION IS AVAILABLE HERE:

VALUES CREATED:

Revenue: RM892.40 mil
PBT: RM268.40 mil
PAT: RM200.87 mil
Total new property sales: RM1.34 bil
Unbilled sales: RM1.30 bil
Assets: RM2.62 bil
Liabilities: RM720.50 mil
Retained profits: RM944.37 mil
RM104.3 mil in dividends

TRADE OFFS:

- Providing investor / shareholder returns against maintaining reserves for business and operational expansion.
- Continued expenditure on human and social capital as well as improving environmental and governance performance may impact short term financial returns, but will likely lead to improved financial returns in the long run.

MANUFACTURED CAPITAL

Our Manufactured capital refers to our physical assets such as machinery, digitalisation, inventory of homes, constructed buildings, hospitals, hotels, and school.

- Matrix Global School ("MGS")
- d'Tempat Country Club
- d'Sora Boutique Business Hotel
- Mawar Medical Centre ("Mawar")

MATERIAL MATTERS:

- Direct Economic Performance
- Indirect Economic Performance
- Digitalisation and Innovation
- Raw Materials Consumption
- Water Consumption
- Energy Consumption
- Climate Change and Emissions
- Waste Management & Recycling
- Environmental, Social and Regulatory Compliance
- Occupational Safety And Health ("OSH")

FURTHER INFORMATION IS AVAILABLE HERE:

VALUES CREATED:

- Total 611 student enrolment
- 10,109 clubhouse memberships
- 40.7% hotel room occupancy rate
- Increase in patient load at Mawar. 36,378 patients treated by Mawar
- Various other qualitative (non-quantifiable values created). Please refer to the Matrix Value Creation Model

TRADE-OFFS

In the short term, continued investments into manufactured capital may impact financial returns as the Group continues to experience a customary learning curve at the onset of implementation. Gradually, the CAPEX translates into improved top and bottom-line that sustains future enterprise value, especially in the medium and long-term.

The investments into automation and technology will also reduce dependence on unskilled, foreign labour, which will also contribute to significant cost savings. Foreign labour for the construction sector remains scarce due to the government's freeze on recruitment of foreign workers from overseas during FY2022.

INTELLECTUAL CAPITAL

Our Intellectual capital comprises our business model and supporting strategies, business processes and systems, the skills expertise and experience of management and staff and brand equity. It also includes our robust approach to ensuring corporate governance and integrity.

- Comprehensive township development model which includes the integration of non-residential components such as healthcare, commercial, education and entertainment.
- End-to-end value chain comprising the design, construction of residential and commercial property as well as ownership of the healthcare, educational and other components.
- Injection of new technologies and methodologies for enhanced cost and construction efficiency and improved productivity.

MATERIAL MATTERS:

- Diversity and Inclusivity,
- Talent Development and Management
- Direct Economic Performance
- Indirect Economic Performance
- Digitalisation and Innovation

FURTHER INFORMATION IS AVAILABLE HERE:

VALUES CREATED:

Growing brand appeal and market share
Stronger stakeholder relationships

TRADE-OFFS

The continued investments in refining our business model i.e. increased adoption of technology, the upgrading of business processes and methods is essential to shortening construction time, improving build quality and developing stronger customer insights. These are essential in maintaining our competitive edge.

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.

- 923 employees
- 104 interns

RELATED RISKS & MATERIAL MATTERS:

- Diversity and Inclusivity
- Talent Development and Management
- Direct Economic Performance
- Indirect Economic Performance
- Digitalisation and Innovation
- Gender Equality
- Covid-19 Pandemic
- Human and Labour Rights

FURTHER INFORMATION IS AVAILABLE HERE:

VALUES CREATED:

- 181 new hires (Matrix)
- 53% women employees
- 33% of Board of Directors comprises women
- Diversity in staff composition as reflected across gender, diversity and age groups.

TRADE-OFFS

The necessity to develop and retain the Group's talent means that a substantial portion of working capital and operating expenses are allocated for human resources. The continued focus on developing competencies to upskill staff to ensure industry relevance leads to a substantial spend on training and development activities.

In addition, financial capital is also spent on indirect costs such as employee events, employee benefits and other people-related costs to ensure high employee morale and satisfaction.

However, the monies allocated are deemed well spent towards reducing staff attrition and ensuring a high-performing workforce that is capable to delivering value through their professional contributions.

OUR CAPITALS

SOCIAL CAPITAL

Our Social capital refers to the relationships we have built with our stakeholders. These include engagements and ultimately, the strength of rapport and collaboration developed with strategic partners, authorities, supply chain, investors and the community towards generation of all win-win partnerships.

- Strategic stakeholder engagements with a wide range of groups, entities and individuals (please refer to our Sustainability Statement – Stakeholder Engagement section for specific information).

RELATED RISKS & MATERIAL MATTERS:

- Social Compliance
- Indirect Economic Performance
- Branding and Reputation
- Community Development

FURTHER INFORMATION IS AVAILABLE HERE:

VALUES CREATED:

- Successful initiation of various community / CSR projects
- Increased community and customer satisfaction
- Continued development of a close and effective relationship with the government and regulatory authorities.
- Improved understanding of stakeholders' concerns and aspirations
- Improved ability to play an effective role as a good corporate citizen
- Stronger investor and customer confidence.

TRADE-OFFS

Strong stakeholder engagement and relationships ultimately leads to business opportunities, increased understanding of stakeholders' aspirations and a more accurate assessment of materiality topics. This leads to improved environmental and social compliance, a stronger value creating effect on society and stronger branding.

NATURAL CAPITAL

Our Natural capital comprises 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 and other environmental impacts arising from Group operations.

- 222,656 litres of diesel consumption
- 7.2 million kwh electricity consumption
- 762,405 kwh solar based electricity
- 329,869 m^3 water consumption
- 13,327 tonnes of cement
- 2.222 acres of land

RELATED RISKS & MATERIAL MATTERS:

- Climate Change and Emissions
- Energy Consumption
- Raw Materials Consumption
- Water Consumption
- Waste Management & Recycling
- Biodiversity
- Environmental Compliance
- Regulatory Compliance

FURTHER INFORMATION IS AVAILABLE HERE:

VALUES CREATED:

- 4,811.23 Co_2 tonnes
- 193 tonnes of waste
- 762,405 kwh of solar based electricity
- 11,216 Kg of kitchen waste produced
- High compliance rate with regulatory standards for environmental monitoring (effluent, noise and air pollution monitoring)

TRADE-OFFS

The consumption of natural capitals such as land, fuel and energy to drive the business model leads to the production of emissions, environmental pollution, waste and other impacts.

Hence, the business model to generate financial and other values causes impacts to natural capitals. Matrix continues to take measures to improve its ESG performance.

BUSINESS VALUE CHAIN
AND KEY PROCESSES

The business value chain is presented towards providing an understanding of how Matrix's business model is operated and how value is created. Through the value chain diagram, risks and opportunities, capital utilisation and dependencies, environmental and social impacts become more apparent. The illustration depicts the start-to-end process from landbanking right to after the project is completed and handed over to homebuyers.

Each stage of the value chain has its inherent challenges and key considerations, which Matrix continues to address effectively towards ensuring the sustainability of the business model.

BUSINESS VALUE CHAIN AND KEY PROCESSES

FINANCIAL CAPITAL · MANUFACTURED CAPITAL · INTELLECTUAL CAPITAL · HUMAN CAPITAL · SOCIAL CAPITAL · NATURAL CAPITAL

STAGE	CAPITALS UTILISED	MATERIAL MATTERS / RISKS	BUSINESS DIVISIONS
LANDBANK ACQUISITION AND REPLENISHMENT	Land Land acquisition cost	• Raw Materials Consumption • Biodiversity • Environmental Compliance • Direct Economic Performance	• Property Development • Governance
MARKET RESEARCH / FEASIBILITY STUDY	Undertaking research, strategy development, etc. Stakeholder engagement and relationships	• Direct Economic Performance • Indirect Economic Performance • Community Development	• Property Development • Sustainability • Sales and Marketing
DESIGN & MASTERPLANNING	Concept development, town planning, design innovation	• Community Development • Diversity and Inclusivity • Climate Change and Emissions • Energy Consumption • Biodiversity	• Property Development • Construction • Sustainability
REGULATORY APPROVAL AND PROJECT FINANCING	Relationships, good governance and protocols Securing of loans and other forms of project financing	• Regulatory Compliance • Environmental Compliance	• Property Development • Construction • Governance
PROJECT LAUNCH	Development of marketing plans, sales packages, promotion of the product's value proposition, etc.	• Direct Economic Performance • Digitalisation and Innovation • Branding and Reputation • Community Development	• Education • Healthcare • Sustainability • Sales and Marketing

BUSINESS VALUE CHAIN AND KEY PROCESSES

STAGE	CAPITALS UTILISED	MATERIAL MATTERS / RISKS	BUSINESS DIVISIONS
CONSTRUCTION WORKS	Operations of factories, machineries, etc. Purchase of construction materials and other CAPEX and OPEX Consumption of various resources	• Digitalisation and Innovation • Local Procurement and Supply Chains • Regulatory Compliance • Human and Labour Rights • Occupational Safety and Health ("OSH") • Climate Change and Emissions • Energy Consumption • Raw Materials Consumption • Water Consumption • Waste Management & Recycling • Biodiversity • Environmental Compliance	• Construction • Human Resource • Sustainability • Governance
VACANT POSSESSION	Excellent customer service, relationship and rapport building Comprehensive system for handing over of properties and defects management	• Digitalisation and Innovation • Branding and Reputation • Customer Service	• Construction (Defects Management) • Human Resource • Digital Transformation • Sales and Marketing
PROJECT/ TOWNSHIP MANAGEMENT	Continued relationship and rapport building with residents and other stakeholders Systems and processes for effective management Maintenance costs	• Indirect Economic Performance • Branding and Reputation • Digitalisation and Innovation • Regulatory Compliance • Property Maintenance and Upkeep	• Healthcare • Hospitality • Education • Digital Transformation • Property Maintenance

SIGNIFICANCE OF **ESG** ON THE BUSINESS MODEL AND VALUE CREATION

MATERIAL TOPIC	WHY IT MATTERS TO ENTERPRISE VALUE	AFFECTED CAPITALS	MANAGEMENT'S APPROACH AND STRATEGIC RESPONSE
1 DIRECT ECONOMIC PERFORMANCE	• Strong financial results as reflected in growing revenue and profits, is vital for the creation of value (dividends and other returns) for shareholders and also in driving a wide range of environmental and social programmes, strategies and initiatives. • Developing and retaining a competitive value proposition amidst rising costs, a downturn economic climate (which impacts homebuyers' incomes) in an industry with an abundance of players is a key matter for the Group. • In addition, an organisation is better placed to improve its ESG performance when it is profitable.	Financial	Matrix continues to drive business growth (and with that, improved revenue and profitability) through its business model and its selected business strategies. Matrix has clearly identified its outlook and prospects, in tandem with existing market forces and overall operating conditions. With this, the Group has outlined is future business strategies and priorities for FY2022 and beyond. Further information is available here:
2 PRODUCT QUALITY	• Emphasis is placed on ensuring that finished units are of high quality and meet customers' expectations. This is vital to ensuring customer satisfaction, repeat buyers and a stronger brand reputation.	Manufactured Human Financial	Matrix continues to assess customer satisfaction for all completed projects to ensure improved quality consistency of finished units. Further information is available here:
3 DIGITALISATION AND INNOVATION	• Digitalisation and technology provide solutions to reducing environmental footprint, reducing labour costs and improving operational efficiencies. Technology enables effective stakeholder communication including prospective buyers. It creates seamless working environments and can enhance design capabilities. • Acquiring and utilising technology effectively is vital towards sustaining Matrix's competitive edge and value creation.	Financial Intellectual Human	Matrix continues to progress on its journey of digitalisation transformation across all business divisions. The adoption of paperless systems as well as design technologies continue to be a priority in enhancing overall business and operational productivity. The latest adoption is the Hospital Information System ("HIS") by Mawar. Further information is available here

SIGNIFICANCE OF ESG ON THE BUSINESS MODEL AND VALUE CREATION

MATERIAL TOPIC	WHY IT MATTERS TO ENTERPRISE VALUE	AFFECTED CAPITALS	MANAGEMENT'S APPROACH AND STRATEGIC RESPONSE
4 LOCAL PROCUREMENT AND SUPPLY CHAINS	• The use of local procurement reduces transportation costs and enables faster access of goods and services. These enable a faster speed to market. However, quality of local supply must be maintained. • Local procurement also delivers many socio-economic multiplier benefits to local businessmen, value chains and communities.	Financial Manufactured	Matrix continues to maintain a 100% local procurement rate and continues to focus on improving quality of goods and services provided. These include establishing stringent quality control standards, selection based on best value proposition from multiple suppliers and more. Further information is available here
5 BRANDING AND REPUTATION	• Amidst a competitive marketplace with many choices for consumers, the value of the Matrix's brand as a trusted, value for money marque is vital in winning and retaining customers, more so in a buyer's market. It is imperative that Matrix maintains its brand equity by continuing to deliver on promises and to meet buyers and the community's needs. This includes good ESG performance.	Social	Matrix's sales performance serves as a good indicator of the prevailing strong brand trust and confidence among consumers. The Group shall look to conduct more independent, external surveys to better feel the consumers' / stakeholders' perspectives.
6 CLIMATE CHANGE AND EMISSIONS	• With growing stakeholder interest in climate change and other environmental issues, especially among regulators, large investors and even purchasers, Matrix in tandem with evolving trends, has prioritised its direct and indirect contributions to climate change, which includes, energy consumption, waste, and emissions.	Natural Financial Manufactured	Matrix increasingly looks to incorporate more sustainable practices into its business model and its business processes, including in the design and build of homes. Environmental initiatives are given increasing focus as a means for long-term cost savings and efficiency and to develop new business opportunities. Environmental performance is important in attracting investors, seeking financing and developing a more sustainable business model. Further information is available here:

SIGNIFICANCE OF ESG ON THE BUSINESS MODEL AND VALUE CREATION

MATERIAL TOPIC	WHY IT MATTERS TO ENTERPRISE VALUE	AFFECTED CAPITALS	MANAGEMENT'S APPROACH AND STRATEGIC RESPONSE
7 ENERGY CONSUMPTION	• The use of energy is material as it contributes to operating costs. Diesel is used at sites and for company-owned vehicles, while electricity is used to power offices. Energy consumption is also a direct contributor to emissions.	Natural Manufactured	Matrix is taking measures to reduce or improve the efficiency of energy consumption, as well as transition to renewable energy. So far, d'Tempat Country Club, Mawar & Matrix Global Schools have installed the solar panels on their business premise. Moving forward, solar energy consumption is expected to increase overtime. Further information is available here:
8 RAW MATERIALS CONSUMPTION	• The consumption of materials is one of the Group's biggest cost factors and dependence. Supply of resources can be disrupted as evident during the Covid-19 pandemic. The Group also must manage fluctuations in prices as well as demand and supply to ensure sufficient quantities for its projects.	Natural Financial Manufactured	Matrix's dependence on construction materials is consistent with that of other property developers. However, through new design and building technologies, it aims to improve resource efficiency, reduce wastage. Its use of local procurement and large supplier base provides a degree of insulation against supply chain disruptions. Further information is available here:
9 WASTE MANAGEMENT & RECYCLING	• The construction sector produces large and varied quantities of waste, which when not disposed properly, causes environmental impacts. Matrix's growing focus on sustainability warrants greater scrutiny of waste produced from operations based on a 3R approach of Reduce, Reuse and Recycle.	Natural	Matrix is increasingly measuring its waste produced as well as types of waste. Various waste products are reused within construction operations, such as concrete waste, recycled water and more. Further information is available here:
10 ENVIRONMENTAL COMPLIANCE	• Non-compliance due to pollution or even exceeding permissible levels set by the regulatory authorities or infringing environmental concerns could lead to operational shutdown, fines and other negative impacts to the business, stakeholders and the environment.	Natural Financial	Matrix adheres strictly to ensure regulatory compliance through its Environmental Management System. The value of good environmental performance is being included in the Group's business strategies. Further information is available here:

SIGNIFICANCE OF ESG ON THE BUSINESS MODEL AND VALUE CREATION

MATERIAL TOPIC	WHY IT MATTERS TO ENTERPRISE VALUE	AFFECTED CAPITALS	MANAGEMENT'S APPROACH AND STRATEGIC RESPONSE
11 TALENT MANAGEMENT AND DEVELOPMENT	• Staff satisfaction and morale are vital towards ensuring retention of staff and the retention of job experience and company / industry knowledge. Retaining capable talent is vital towards ensuring the effectiveness of executed strategies and supporting Matrix's plans to develop leaders across the Group.	Financial Social Human	Matrix has implemented a comprehensive talent engagement programme at all levels across the Group. This includes two-way communication channels and opportunities for staff to voice their suggestions, concerns and grievances, if any. Matrix is considering developing oversight on the linkage between employee retention and morale to Group productivity, costs and revenue / profitability. Further information is available here:
12 OCCUPATIONAL SAFETY AND HEALTH ("OSH")	• Any non-compliance with regulatory standards could lead to financial impact or shutdown of operational sites which affects operations, which in turn affects financial performance and corporate branding as well as stakeholder relationships.	Manufactured Financial Human Social	Matrix adheres to set regulations and has developed a robust management approach, comprising policies, SOPs and effective monitoring of OSH matters to ensure good performance. Employees and workers participation in OSH matters is mandatory. Further information is available here:
13 HUMAN AND LABOUR RIGHTS	• Issues involving workers may impact the Group's value chain i.e. contractors and thus impact project quality and completion.	Financial Human Social	Matrix continues to assess its suppliers for human rights practices, including forced labour. Further information is available here:
14 CORPORATE GOVERNANCE AND INTEGRITY	• Integrity is essential to developing a culture of efficiency and merit as well as ensuring quality products and services. Integrity is also vital for employee morale and to safeguard the corporate reputation and the Matrix brand.	Human Social Financial	Matrix has developed its anti-bribery anti-corruption ("ABAC") policy which addresses the issue of corruption and facilitates the awarding of contracts on a meritorious basis. The ABAC policy has also been extended to its supply chain of contractors, vendors, suppliers and business partners towards accelerating the development of a high-integrity business environment in Malaysia. Further information is available here:

VALUE (OUTPUT AND OUTCOMES CREATED)

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

The new towhship 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 ecosystem that meets the needs of sustainable, modern living.

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

VALUE CREATION FOR HOMEOWNERS

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

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

With our properties priced competitively, we enable more Malaysians to climb the first step on the property homeownership ladder.

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

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

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

VALUE
(OUTPUT AND OUTCOMES CREATED)

DRIVING HOME OWNERSHIP THROUGH AFFORDABILITY

- Despite an ongoing property overhang, Malaysia continues to face a shortage of suitable homes, which are appropriately priced and suitably located.
- Matrix plays a significant role through the development of homes that are priced within the purchasing power of middle income Malaysians. 53.8% of the Group's properties are priced below RM500,000 in FY2022.

VISIONARY MASTERPLANNING

- Matrix consummately masterplans its developments towards delivering a complete lifestyle proposition.
- Beyond homes, its developments are supported by education, recreation and commercial components. These are provided by Matrix through its other business divisions or by leveraging on the strategic location of its landbank which is adjacent to such facilities / amenities.

CREATING COMMUNITIES

- All Matrix's projects are masterplanned to provide quality housing as well as ample community facilities, ample greenery and more.
- Matrix flagship project, Sendayan Development is a self-contained township with ample amenities. e.g. schools, commercial centre and leisure.

TECHNOLOGY AND INNOVATION

- Matrix continues to tap a wide range of technologies such as aluminium formworks, renewable energy and more to create value and enhance living, while reducing its carbon footprint.

OUR VALUE CREATION MODEL

The Group's value creation model illustrates how it utilises a wide range of resources, beyond financials and how via its business model, these capitals are transformed to deliver tangible, positive benefits and outcomes to stakeholders. The outcomes extend beyond financial results, but also include a wide range of tangible and intangible values created, which have a cumulative or cascading effect across time. As Matrix executes its business model, it creates various financial and non-financial values for stakeholders.

OUR VALUE CREATION MODEL

CAPITAL RESOURCES		INPUTS (FY2021)			
FINANCIAL	Efficient utilisation of funds generated from operations / investments including retained profits, capital and operational expenditures, borrowings and shareholders' funds as well as joint venture investments.	Share Capital: **RM961.32 mil** Retained Profits: **RM845.49 mil**	Cash and cash equivalents at beginning of FY2022: **RM185.57 mil**	Total assets: **RM2,610.16 mil** Total liabilities: **RM813.67 mil**	**RM1.61 billion** market cap Borrowings: **RM329.01 mil**
MANUFACTURED	Our physical assets across all business divisions: Property Development, Construction, Hospitality, Education and Recreation.	• d'Tempat Country Club • d'Sora Boutique Hotel	• Matrix Global Schools • Mawar Medical Centre	• Various property units, machinery, commercial units and more	
NATURAL	Sustainable consumption 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.	**304,144 litres** of diesel consumption **7.4 million kwh** electricity consumption	**242,095 kwh** solar based electricity **518,334 m³** water consumption	**2.52 million** pieces of paper **1,911.9 acres** of land	
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.	**972** employees	The stakeholders across our value chain such as vendors, business associates, regulators, authorities, suppliers and customers.		
INTELLECTUAL	Our business strategies, inherent industry experience and expertise, Management's skills and proprietary industry knowledge, techniques and intellectual property.	**26 years** of property development experience and knowledge	Robust business strategies	Growing brand awareness, appeal and credibility	
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 stakeholders.	Dialogues, community events and engagement activities across FY2022 with shareholders, customers, suppliers, employees, government and regulators, industry affiliations and local communities.			

BUSINESS MODEL

OUR VALUE CREATION MODEL

OUTPUTS (FY2022)

OUTCOMES

Outputs

Revenue: **RM892.40 mil**

PBT: **RM268.40 mil**

PAT: **RM200.87 mil**

Total new property sales: **RM1.34 bil**

Unbilled sales: **RM1.30 bil**

Assets: **RM2.62 bil**

Liabilities: **RM720.50 mil**

Cash and cash equivalents: **RM150.29 mil**

Retained profits: **RM944.37 mil**

Total Borrowings: **RM285.93 mil**

Outcomes

RM104.30 mil dividend payout

RM76.53 mil paid in taxes

RM92.57 mil paid in wages and emoluments

Outputs

Launched **1,889 units**

Completed and delivered **1,700 properties**

611 student enrolment

10,109 clubhouse memberships

40.7% hotel room occupancy rate

89.7% unit take-up rate

Outcomes

High customer satisfaction levels and direct contribution to nation-building and economic growth, job creation and acquisition of intellectual property and technology.

Outputs

4,811.23 Co_2 tonnes

193 tonnes of waste

222,656 diesel consumption

7.2 million kwh electricity consumption

762,405 kwh solar energy generated

Land **2,222 acres**

329,869 m^3 water consumption

11,216 Kg of kitchen waste produced

High compliance rate with regulatory standards for environmental monitoring (effluent, noise and air pollution monitoring)

Outcomes

Improved sustainability performance in line with UNSDGs.
Refer to our Sustainability Report for more information.

Outputs

923 employees

181 new hires (Matrix)

226 turnover

53% women employees

104 interns

33% of Board of Directors comprises women

Outcomes

Higher employee satisfaction and morale.
Creation of various high-paying jobs for local talents, development of local talent pool for the construction, property development, education, healthcare and hospitality sectors.
4 interns hired full time.

Outputs

Received several industry awards and accolades

Adoption of various industry best practice or globally recognised standards for quality excellence

Outcomes

Growing brand appeal and market share.
Stronger stakeholder relationships.
Various property awards and accolades secured in FY2022.

Outputs

- **RM8.59 mil** contributed to CSR and community projects
- **33,625** Covid-19 vaccination doses administered through Mawar and participation in government PIKAS programme
- Treated **36,378 patients**
- Increased community and customer satisfaction
- Continued development of a close and effective relationship with the government and regulatory authorities

Outcomes

- Improved understanding of stakeholders' concerns and aspirations
- Improved ability to play an effective role as a good corporate citizen
- Stronger investor and customer confidence
- Enhanced community development and environmental management

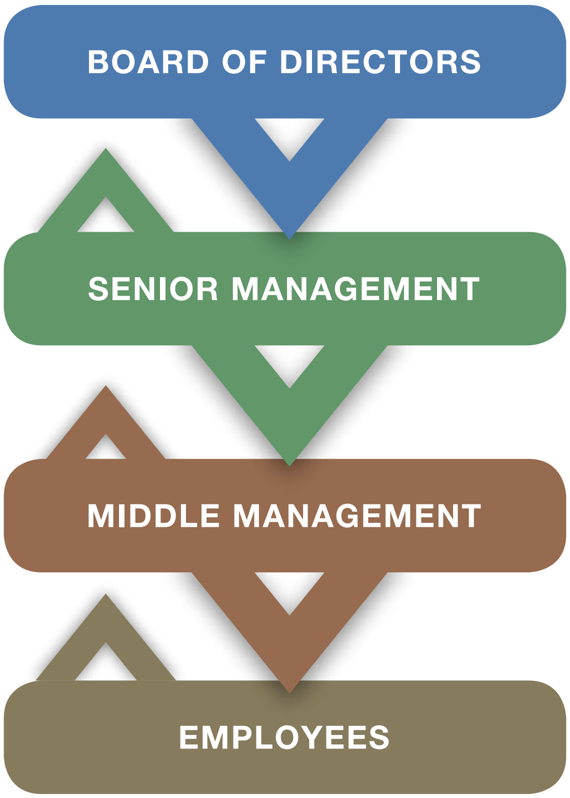
GOVERNANCE OF THE **BUSINESS MODEL**

Matrix's business model is well governed through a multi-tier organisational structure. The Board of Directors, Senior Management, Middle Management and Executive / Non-Executive Levels each play different but important roles to ensure effective execution of the business model.

All levels have distinct roles and responsibilities. Cumulatively, the structure is a highly effective mechanism that provides effective broad strategic oversight and direction, operational level overview and controls as well as effective execution of tasks, jobs and more on a day-to-day level.

The governance structure is supported by robust internal protocols, systems and processes. An effective reporting system is put in place to ensure that information and decision making are decentralised towards ensuring effective and swift response.

Division Heads and Middle Management are empowered and encourage to make strategic decisions within their mandate.



Further information on specific Board Committees and the governance structure is given in the Corporate Governance Overview Statement of IAR2022 and the Corporate Governance Report.

OUR STRATEGIES TO SUSTAIN **VALUE CREATION**

In sustaining value creation, Matrix strategic plan is driven by the following focus areas or pillars:

CONTINUED FOCUS ON MID-RANGED HOMES

- Given present market conditions, Matrix will continue to focus on its launch portfolio to cater to middle income mass market segment with properties priced RM500,000 and below.

- Kindly refer to the Management Discussion and Analysis for specific information on upcoming launches. With the launch portfolio being focussed on mid-ranged homes, there will be a greater focus on building houses quickly yet with quality to ensure faster turnover of capital.

INTENSIFIED PURSUIT OF GREATER OPERATIONAL EFFICIENCY AND COST MANAGEMENT

- All business divisions have been tasked to identify improvement opportunities across their operations. This is towards improving the value chain, towards yielding improved competitive ability and cost savings.

- As the overall property mix increasingly transitions to products that offer smaller earnings margins per unit, it is essential that the Group focusses on yielding greater cost efficiency.

TOWNSHIP DEVELOPMENT MODEL SUPPORTED BY POCKET DEVELOPMENTS

- The Bandar Sri Sendayan township and related Sendayan Developments will continue to be the anchor development for Matrix while the Group also launches stand-alone developments in the Klang Valley and Johor - building on the success of Chambers Residence.

LANDBANK REPLENISHMENT

- Sourcing for additional landbank is essential to the property development model. However, the focus going forward is on acquiring strategic parcels at the right price and location. The Group has a dedicated business development unit which is tasked at identifying land parcels for Management's consideration and approval for purchase.

- Matrix has sufficient financial strength to replenish its landbank by drawing from either internally generated funds as well as bank borrowings or a combination of both.

- Alternatively, joint ventures with landowners is also a possible strategy.

DIGITALISATION DRIVE

- Matrix will look to further increase its adoption of digital technologies to yield efficiencies, streamline processes and reduce costs. Technology adoption will be implemented Group wide.

- Digitalisation transformation will enable lower costs, eliminate redundancies and reduce dependence on labour while expanding customer reach. It will enable better information access, and more accurate market insights, allowing the Group to predict consumer preferences and consumption patterns. It will facilitate improved customer service and communication to increase customer engagement and satisfaction. Digitalisation will also support reduced environmental impacts across the production process.

MARKET EXPANSION

- Matrix shall expand to new property epicentres, where opportunities reside. This includes within Malaysia as well as Australia and other regional markets, where feasible.

STRATEGIES TO SUSTAIN VALUE CREATION

INCREASED STAKEHOLDER ENGAGEMENT

- Matrix shall continue to increase stakeholder engagement to identify the needs of key group's to ensure those business needs are met.

- Matrix aims to adopt a strategic, proactive approach with stakeholders - to actively engage with selected Groups to gain a better understanding of their concerns and their ability to impact enterprise value over the short, medium and long term.

MANAGING ENVIRONMENTAL FOOTPRINT

- The Group aims to strengthen its approach to ESG matters, in particular climate change and related topics. This includes adoption of TCFD as a possibility going forward.

- Matrix has successfully ventured in a small scale into solar with the installation of Photovoltaics ("PV") cells at the d'Tempat Country Club. This has proven successful and the Group will continue to seek more Renewable Energy ("RE") opportunities going forward. This includes installation of PV cells at Matrix Global Schools and Mawar. It may also look into biodiversity-based initiatives, recycling of wastewater and general recycling initiatives where possible.

GENERATING INCREASED POSITIVE SOCIAL IMPACTS

- Matrix aims to continue playing its role in community development, supporting community infrastructure and services. Beyond corporate social responsibilities ("CSR"), Matrix views that contributing to society contributes to the creation of enterprise value and solidifies its position as a good corporate citizen.

ENHANCING CORPORATE GOVERNANCE

- Creation of sustained enterprise value goes hand-in-hand with good business operations. A well-managed organisation requires high-levels of corporate integrity, accountability and robust internal processes and controls.

- Matrix aims to continue to strengthening corporate governance by emphasising improved risk management and mitigation, development of new policies to augment the existing and to continue ensuring adequate check and balance and the development of a high-performance corporate culture centred on integrity.

RISKS AND OPPORTUNITIES

IAR2022 provides a concise view of Matrix's strategic risks as well as opportunities. Along with the disclosure of risks, mitigation meaasures are provided. Risks are defined as any possible or actual event that, if and when occurs, would erode enterprise value or the Group's ability to create and sustain enterprise value.

Opportunities are deemed as actual or potential events or circumstances that Matrix can leverage towards creating, sustaining and enhancing enterprise values.

OPPORTUNITIES

- Operational Efficiency Through An ESG Focus
- Strengthening Of Business Operations Through Corporate Governance
- Growing Population That Supports Demand For Properties
- Continued Resilient Middle-income Market Segment
- Expansion To New Property Epicentres - Locally And Abroad
- Enhanced Digital Transformation

RISKS

- Inability To Meet ESG Targets As Well As Regulatory Non-compliance
- Unsuccessful Adoption Of Technology
- Poor Macro-economic Performance
- Inability To Retain And Develop Talent
- Too Heavily Dependent On Its Property Development Business
- Changes In Government Regulations
- Joint Venture Risks
- Increasing Raw Material Prices

RISKS AND OPPORTUNITIES

OUR RISKS AND MITIGATION STRATEGIES

The risks are future oriented and comprise both financial and ESG related risks. The Group's strategic priorities and its future orientation include consideration for mitigating and managing these risks. Risks cannot be totally eliminated but can be effectively managed to reduce Group exposure and potential / actual impact.

RISKS

RISKS	DESCRIPTION OF RISK	MITIGATION APPROACH
Inability to meet ESG targets including Regulatory Non-Compliance	The Group has established various KPIs and targets to drive sustainability performance across its identified material topics. However, it is likely that the Group may not succeed in achieving its targets which could affect stakeholders or lead to non-compliance with regulators.	Presently, Matrix has a zero case of non-regulatory track record for environmental and social regulatory compliance. The Group has set modest targets to ensure a higher probability of success, given that it is still developing its approach to ESG. Where targets have not been realised, the Group will undertake a detailed assessment to determine root causes and to strengthen its management approach going forward.
Unsuccessful implementation of technology	Going forward, Matrix must accelerate its ongoing transition into a triple bottom line focussed company, as not doing so will see the company becoming an industry laggard. The Group needs to move up the value chain towards becoming a leading property development and lifestyle brand name through a "triple bottom line" focus. The increasing risk of cyber security impact needs to be addressed.	The acquisition and implementation of digital transformation is being effected on a progressive basis driven by a Digital Transformation plan. Beyond technological adoption, the masterplan also provides for the development of capacity, including human talent to support digitalisation and technological adoption, the linking of systems with the value chain and also trial periods to identify and correct glitches. Contingencies are also in place in the event of technological failure or cyber security risks. This is to ensure that crucial operations can continue to proceed.
Inability to replenish landbank	Inability to replenish land bank especially in key locations can disrupt development plans going forward, especially the ability to launch new projects. Increasing land prices for parcels may impact Matrix's ability to develop more mid-range priced properties.	New development designs for homes have been proposed to allow for optimal land use while ensuring sustainable development is practiced. Aside from land purchase, the Group is also undertaking strategic joint ventures with landowners to gain expanded access to land parcels and to reduce land ownership costs.

RISKS AND OPPORTUNITIES

RISKS	DESCRIPTION OF RISK	MITIGATION APPROACH
Poor Macro-Economic Performance	A sluggish economic recovery may impede the capability of buyers or their appetite for property purchase. This may impact property sales.	Even during the heights of the Covid-19 pandemic, Matrix has achieved record revenue on the back of record property sales. Many of the Group's property launches are sold out. However, the Group will adopt precautionary measures such as focussing on the middle-income mass segment, where demand for properties is constant and inelastic. Matrix continues to respond to the real market demand. This includes developing innovative ownership packages, providing financing support and more to maintain sales.
Inability to retain and develop talent	Even as the Group provides attractive remuneration and benefits, a highly competitive talent market may affect Matrix's ability to retain employees. The loss of talent, especially experienced talent, may lead to loss of innate knowledge as well as disrupting working processes and productivity. Succession planning for key positions would also be impacted.	Matrix's employee satisfaction survey shows that employee satisfaction is on the rise. Even so, Group Human Resources continues to focus on employee wellbeing and satisfaction. A regular benchmarking exercise is held to ensure remuneration commensurates with, or exceeds market standards. Matrix continues to focus on developing a high-performance organisational culture centred on merit and performance.
Inability to implement the township masterplan	Matrix's Sendayan Development and Bandar Seri Impian townships continue to grow. However, the difficulties faced in the operations of other components i.e. education and healthcare may lead to a diminished performance for these segments. This may impact the township development model of Matrix, which is central to enterprise value creation.	The Group adapts its township development strategies to address specific pain-points faced i.e. seeking external expertise to develop required components. Experts have been recruited to manage key components such as Mawar and MGS.

RISKS AND OPPORTUNITIES

RISKS	DESCRIPTION OF RISK	MITIGATION APPROACH
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. In essence, Matrix's income is derived primarily from one-off sales and the focus is to grow recurring income streams.	Matrix continues to aggressively develop its other business components. The Group looks to generate recurring revenue such as revenue derived from rentals through ownership and management of property assets under its portfolio.
Changes in government regulations	Amendments, revisions or introduction of new regulations may disrupt business processes, delay approvals or necessitate changes to operations.	The Group remains in constant dialogue with government regulators and authorities to stay abreast with current developments in legislation.
Raw material prices	Any upward revision in raw material prices would lead to costs escalation and possibly overruns. This would erode earnings margins or result in higher property prices as costs are passed to buyers.	Matrix continues to maintain oversight on raw material prices and supply and where suitable, has secured sufficient inventory in advance to ensure operations can proceed smoothly and costs are locked in. Matrix's value chain is based on 100% local procurement which further reduces the risks of disruptions caused by raw material supply.
Joint venture 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. 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.	The Group remains be 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 joint venture partners both within Malaysian and abroad.

RISKS AND OPPORTUNITIES

OPPORTUNITIES

OPPORTUNITIES	DESCRIPTION OF OPPORTUNITY	OPPORTUNITY CAPITALISATION STRATEGY
Improved Value Creation and Enhanced Operational Efficiency Through An ESG Focus	The increased pivot to emphasise sustainability as a value creator and business enabler opens tremendous new opportunities. These include improvements to business processes and the value chain, unlocking operational and cost efficiencies in the long run, improved environmental and social compliance and increased investor appeal. The latter would support access to better financing as well as new market expansion.	The development of a comprehensive ESG Framework has enabled Matrix to align or integrate ESG considerations into the existing business model and business strategies. ESG serves to support the business model and where necessary, changes are being made to bring ESG into the mainstream as a mean to strengthen enterprise value creation.
Strengthening Of Business Operations Through Corporate Governance	Matrix aims to improve the efficiency and effectiveness of business operations through strengthening its internal operating environment via good governance. The Group aims to further improve internal controls and processes and develop SOPs that foster greater integrity, accountability, checks and balances and ultimately develop a robust internal operating environment that supports excellence in work culture and meritorious performance.	A comprehensive review is being undertaken towards identifying gaps in policies and system controls, including the existing oversight on risks. Importantly, the embedding of ESG risks into the existing risk management framework shall be a priority for Management going forward.
Growing Population That Supports Demand For Properties	Malaysia's population continues to record healthy growth. A growing population supports the property market. New and expanding families lead to demand for housing.	Matrix continues to adjust its property launch portfolio to meet existing market demand. While population growth provides underlying support for properties, it is also imperative that the right properties, with prices that are aligned to real market demand be launched to fully leverage on this opportunity.
Continued Resilient Middle-income Market Segment	Similar to the above, the middle income mass market demographic remains resilient, which supports property demand for homes priced RM500,000 and below.	
Expansion To New Property Epicentres - Locally And Abroad	Expansion provides the Group with new growth epicentres while growing its operational base. It provides additional revenue streams.	Matrix continues to be in expansion mode, growing its presence in Malaysia. The Group is also exploring other markets where appropriate or feasible.
Enhanced Digital Transformation	Digital Transformation will enable real-time information access, increased productivity and reduce labour costs.	Matrix continues to further enhance the digital technologies to yield higher efficiency streamline processes and reduce cost.

OUR GOVERNANCE

STEERING ONWARDS

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 IS OF THE VIEW THAT GOOD CORPORATE GOVERNANCE IS ESSENTIAL TOWARDS THE REALISATION OF BUSINESS STRATEGIES AND OBJECTIVES AND IN IMPROVING ITS PERFORMANCE BASED ON A TRIPLE BOTTOM LINE PERSPECTIVE OF ECONOMIC, ENVIRONMENTAL AND SOCIAL MATERIAL TOPICS. THE CREATION OF FINANCIAL AND NON-FINANCIAL VALUES IS INHERENTLY LINKED TO THE PRACTICE OF GOOD CORPORATE GOVERNANCE ACROSS MATRIX.

This Corporate Governance Overview Statement ("CG Overview Statement") provides an overview of how the Group has continued to enhance its practice of corporate governance based on the following principles:

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

Additional corporate governance information is provided in the Group's standalone Corporate Governance Report ("CG Report") which is available for download at: www.mchb.com.my. The CG report is also available on the website of Bursa Malaysia Securities Berhad ("Bursa Malaysia") as it is disclosed to the Exchange together with the Group's FY2022 Integrated Annual Report.

The CG Report provides specific disclosure on how Matrix has applied the individual corporate governance practices outlined in the Malaysian Code on Corporate Governance ("MCCG") 2021.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

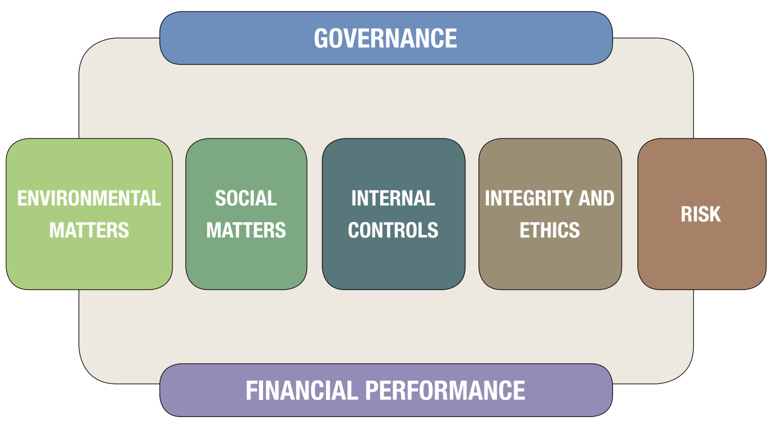
BOARD RESPONSIBILITIES

The Board views integrity, accountability and good governance as an intrinsic part of its overall responsibility in providing leadership and broad strategic direction. Hence, beyond providing strategic direction for the Group, the Board champions good corporate governance as part of its overall responsibilities.

This is achieved by making good corporate governance, together with environmental and social performance (collectively referred to as ESG), a key agenda of the Group's approach to value creation.

The Board continues to set the agenda for corporate governance and plays a leadership and active role in developing related, policies, action plans and also in the development of a conducive organisational culture. The Board also provides full support in enhancing existing policies such as the ABAC and Code of Conduct and Ethics, the Whistleblowing Policy, Sustainability Policy and others.

OUR APPROACH TO GOVERNANCE



CG is the basis for strategic efforts to drive good management and processes and also in managing material issues.

Beyond this, the Board continues to fulfil its fiduciary duties as provided for by the Company's Constitution and its Board Charter as well as the supporting Board Committees' Terms of Reference ("TOR"). The Board Charter and TOR are regularly updated to ensure its relevance in tandem with changes in the internal company environment as well as the external operating conditions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Statement of Directors' Responsibility is enclosed on page 121 of this Integrated Annual Report.

The Board has established the following Board Committees to ensure effective execution of its duties. These are the Audit Committee ("AC"), Nomination Committee ("NC"), Remuneration Committee ("RC"), Risk Management Committee ("RMC") and the Sustainability Committee ("SC").

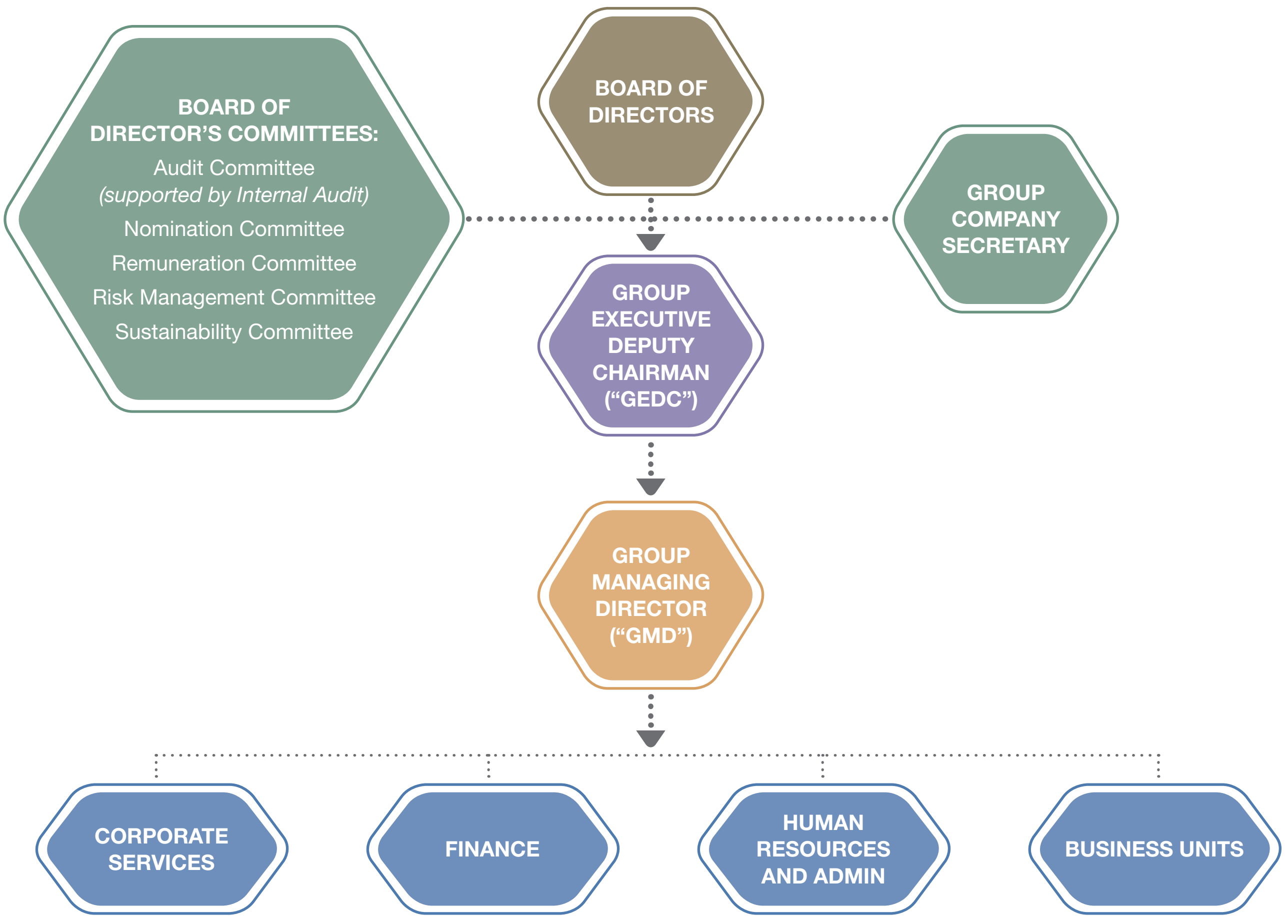
BOARD CHARTER

The Matrix's Board Charter sets out the following:

- Board balance and composition
- Board's authority and schedule of matters reserved for the Board
- The establishment of Board Committees
- Processes and procedures for convening Board meetings
- Process for the assessment of the Board's performance
- Board's access to information and advice
- Declarations of conflict of interest
- 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

Besides the Board, corporate governance in Matrix is driven by a robust framework that sees the involvement of various organisational line functions.

Each line function contributes in its respective capacity towards the realisation of good governance and corporate integrity. This includes accountability, transparency, zero tolerance on corruption and the cultivation of a meritorious organisational culture.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

FORMAL SCHEDULE OF MATTERS RESERVED FOR THE BOARD

Pertaining to Board responsibility and good governance, there is a formal schedule of matters reserved for the Board of Directors.

The Board at its discretion may choose to delegate certain roles and responsibilities to Senior Management or specially formed committees, or at its discretion, alter the matters reserved for its decision. However, this discretionary ability is limited by the Company's Constitution and the law. Following are the key matters reserved for the Board:

- Review and adopt a strategic plan, as developed by the Management, taking into account the sustainability of the Company's business, with attention given to the environmental, social and governance aspects of the business;
- Oversee the conduct of the Company's business, including monitoring the performance of the Management to determine whether the business is being properly managed;
- Identify principle business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to manage such risks;
- Develop and maintain an effective succession plan for all senior management positions;
- Review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the Company's continued ability to compete effectively in the marketplace;
- Review the adequacy and integrity of the Company's management information and internal control systems;
- Ensure that there is a sound framework of reporting internal controls and regulatory compliance; and
- Oversee the Group's adherence to high standards of conduct or ethics and corporate behaviour, including the Code of Ethics for directors.

Further disclosure on the Board's roles and responsibilities is given in the Group's CG Report, which is available at: www.mchb.com.my.

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, Group Executive Deputy Chairman ("GEDC") and Group Managing Director ("GMD") are held by three different individuals at all times.

There is a clear division of responsibilities and authority between all three positions at all times.

As an added measure, the Chairman of the Board is also not the chairman of the AC, NC and RC.

In essence, the Chairman helms the Board and leads it in setting broad strategic goals and ensuring the Group is aligned to its vision and mission. The Chairman drives corporate governance, stakeholder engagement, the sustainability agenda and represents the Group to shareholders.

The GMD as an Executive Director, translates the Board's broad based strategic objectives into actionable business plans and goals and drives the execution of said plans supported by the senior management team.

The GEDC, provides a crucial role in bringing together both the management team's perspective as well as Board aspirations in enabling the development of an effective strategic plan. The GEDC brings a wealth of management and industry experience into the Board.

Kindly refer to the CG Report at www.mchb.com.my for detailed explanation of the delineation of roles and responsibilities for the three positions.

BOARD ACCESS TO INFORMATION AND ADVICE

The Board has full access to all Group and Company's information at all times. 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board members may also seek external advice at the Company's expense should they feel this is necessary in facilitating the execution of their duties. Requests for independent professional advice are to be approved by the Chairman of the Board prior to any director or directors seeking such 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.

Kindly refer to the Board Charter at www.mchb.com.my for further details on the Company Secretary's jobs scope and responsibilities.

BOARD ACTIVITIES AND TASKS IN FY2022

During the financial year, the Board has undertaken the following activities:

STRATEGIC FOCUS	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 FY2022 • Review of dividend payout proposals • Review of Group Financial Plan and operational budget FY2023
Strategic Plans and Investments	• Review and approval of landbank acquisitions • Review and approve business plan • Review and approval of all corporate proposals including strategic alliances, and business partnerships • Review of overall business strategy and the setting and adjustment of broad goals and overall strategic direction
Corporate Governance	• Ensuring good governance practices in line with the MCCG 2021 and Main Market Listing Requirements ("MMLR") of Bursa Malaysia. • Continuing to stay abreast of current developments in corporate governance practices • Ensuring continued progress and improvement across the Group in terms of creating a corporate governance oriented mindset and culture • Board diversity, evaluation and effectiveness
Sustainability	• Matching business goals and objectives with relevant Economic, Environment and Social perspectives to ensure the Group's profitability and growth are consistent with sustainability principles and create positive impact and value for all stakeholders • Review of the mid-year and annual sustainability reports

BOARD COMMITTEES

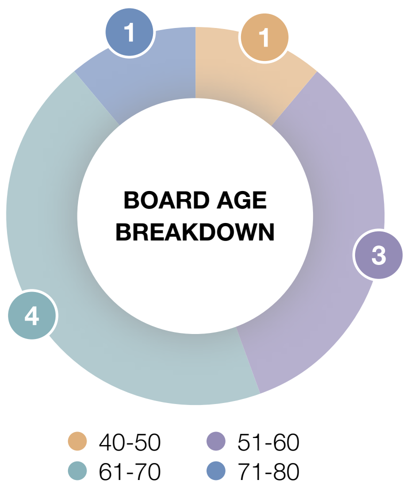
As mentioned earlier, the Board has established various Board Committees with each Committee guided by its respective TOR. Minutes of Committee meetings are tabled at the Board level to keep Board members appraised of matters being discussed at the Committee level. The Chairman of each Board Committee reports to the Board during full Board meetings.

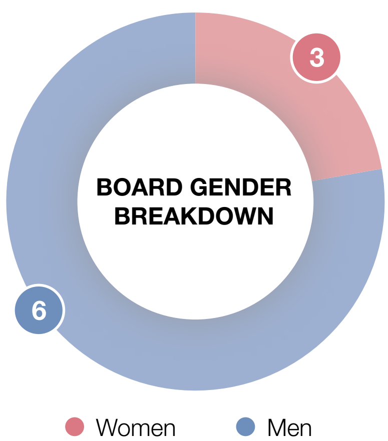
BOARD COMMITTEE	COMPOSITION	ROLES AND RESPONSIBILITIES
Audit Committee	• Mazhairul Bin Jamaludin *(Chairman)* • Dato' Hon Choon Kim • Dato' Hajah Kalsom Binti Khalid • Chua See Hua • Loo See Mun	• Reviews issues of accounting policy and presentation for external financial reporting. • Monitors the Group's internal and external audit functions. • Ensures an objective and professional relationship is maintained always with external auditors.
Nomination Committee	• Dato' Hajah Kalsom Binti Khalid *(Chairperson)* • Dato' Hon Choon Kim • Chua See Hua • Loo See Mun	• 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	• Dato' Hon Choon Kim *(Chairman)* • Mazhairul Bin Jamaludin • Dato' Hajah Kalsom Binti Khalid	• Evaluate, deliberate and recommend to the Board a remuneration policy for key management who are executive directors and / or senior management that is 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 annual remuneration packages, reward structure and fringe benefits applicable to the GEDC, GMD and senior management. • Reviews the overall performance of the Company and the specific KPIs of the GEDC and GMD.
Risk Management Committee	• Chua See Hua *(Chairperson)* • Ho Kong Soon • Dato' Logendran A/L K Narayanasamy • Mazhairul Bin Jamaludin • Dato' Hajah Kalsom Binti Khalid • Loo See Mun	• Advise the Board on the Company's overall risk appetite, tolerance and strategy. • Review the Company's capability to identify and manage new risks. • Review reports on any material breaches of risk limits and the adequacy of proposed action and all reports on the Company from the risk officer. • Review the effectiveness of the Company's internal financial controls, internal controls and risk management systems. • Review and monitor management's responsiveness to the findings and recommendations of the risk officer.
Sustainability Committee	• Dato' Haji Mohamad Haslah Bin Mohamad Amin *(Chairman)* • Dato' Seri Lee Tian Hock • Ho Kong Soon • Dato' Logendran A/L K Narayanasamy • Mazhairul Bin Jamaludin	• Overseeing the implementation of sustainability related policies, measures and actions in achieving the Company's sustainability milestones and goals.

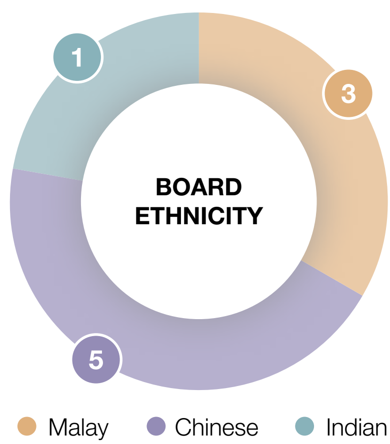
CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD COMPOSITION

Matrix maintains a diverse Board composition. The composition is multi-ethnic with both genders represented at the Group's highest decision making body. Importantly, the Board is also diverse in terms of skillsets, professional qualifications and experience and views and perspectives. This enables a more enriched and comprehensive deliberation on matters brought to the Board for consideration.







COLLECTIVE SKILLS AND COMPETENCE OF THE BOARD

SKILL/CAPABILITIES	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.
Governance, Legal and Corporate Services	Finance and Accounting, company secretarial, audit, legal, financial literacy, human resources and business administration.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

DIRECTORS' INDEPENDENCE

In compliance with Practice 4.1 of the MCCG 2021, the Board comprises a majority of independent directors. Directors' independence is determined based on the MMLR's definition of an Independent Director:

- Presently not a Company employee and is independent of any business relationship or dealings with the Group.
- Continued ability to exercise independent judgment at all times on all matters brought forward for Board deliberation.

Directors are assessed for independence by the NC prior to their appointment and thereafter, on an annual basis and at any time deemed necessary by the Board. In FY2022, all independent directors have met the MMLR's criteria for independence.

No independent director has been engaged in the day-to-day management of the Company, has participated in any business dealings or has involved in any other relationship with the Company (other than in situations permitted by the applicable regulations).

In accordance with Matrix's Board Charter, the Company adopts Board refreshment practices, whereby the maximum tenure of an Independent Director is set for nine (9) cumulative years only. After serving a period of nine cumulative years, an independent director shall retire upon expiry of the term.

At the date of this Statement, none of the independent directors has served more than nine (9) cumulative years on the Board.

CONFLICT OF INTEREST

The Board has established clear processes for declaring and monitoring actual and potential conflicts of interests. The Matrix's Code of Ethics allows the non-conflicted members of the Board to authorise a conflict or potential conflict situation. No such situations were approved by the Board in FY2022.

BOARD APPOINTMENTS

Board appointments are made strictly on the principle of merit. The following criteria is applied when making Board appointments with recommendations provided by the NC:

- Ability to add needed skillsets/competencies or experience to the Board.
- Candidates' professional qualifications, experiences including job tenures.
- Candidates' tenure as a director, particularly in other public listed companies.
- Candidates' ability to provide the necessary time commitments and strategic focus as a Matrix Board of Director.

In FY2022, the Board has further strengthened gender diversity and has appointed an additional woman director making the percentage of women on board at 33%, fully in compliance with the Code.

The NC is responsible for identifying prospects for appointment and employs a wide range of channel to source and identify suitable candidates for directorships. This includes the recommendations of sitting and past directors and Senior Management as well as external channels.

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

TIME COMMITMENT

As mentioned earlier, it is imperative that directors are able to provide the necessary time commitment and strategy to effectively fulfil their roles on the Board.

Hence, prior to accepting a new directorship(s), incumbent Matrix Director must officially notify the Chairman of the Board and clarify the expectation and provide an indication of time commitments for the said new appointment(s).

In assisting Directors with their time commitments, the schedule of meetings is provided to all Directors one year in advance. At present, no Matrix directors have held more than five (5) directorships during the financial year and as such, have duly complied with the Paragraph 15.06 of the MMLR.

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 financial year:

	NUMBER OF MEETINGS HELD					
DIRECTORS	**BOARD**	**AC**	**RC**	**NC**	**RMC**	**SC**
Dato' Haji Mohamad Haslah Bin Mohamad Amin Non-Independent and Non-Executive Chairman	6/6	–	–	–	–	2/2
Dato' Seri Lee Tian Hock Group Executive Deputy Chairman	6/6	–	–	–	–	1/2
Ho Kong Soon Group Managing Director	6/6	–	–	–	2/2	2/2
Dato' Logendran A/L K Narayanasamy Non-Independent and Non-Executive	6/6	–	–	–	2/2	2/2
Mazhairul Bin Jamaludin* Independent and Non-Executive	3/3	3/3	2/2	–	1/1	1/1
Dato' Hon Choon Kim Independent and Non-Executive	6/6	5/5	3/3	1/1	–	–
Dato' Hajah Kalsom Binti Khalid Independent and Non-Executive	6/6	5/5	3/3	1/1	2/2	–
Chua See Hua Independent and Non-Executive	6/6	5/5	–	1/1	2/2	–
Loo See Mun** Independent and Non-Executive	2/2	2/2	–	–	1/1	–
Rezal Zain Bin Abdul Rashid*** Senior Independent and Non-Executivee	2/2	2/2	1/1	–	1/1	–
Dato' (Ir.) Batumalai A/L Ramasamy**** Independent and Non-Executive	4/4	3/3	–	1/1	–	–
Total number of meetings held during the Financial Year	**6**	**5**	**3**	**1**	**2**	**2**

* *Mazhairul Bin Jamaludin appointed on 20 August 2021*
** *Loo See Mun appointed on 1 September 2021*
*** *Rezal Zain retired from the Board effective 8 August 2021*
**** *Dato' (Ir.) Batumalai retired from the Board effective 31 August 2021*

All Directors have exceeded the MMLR's requirements of 50% attendance for Board meetings. Additionally, directors have also approved various matters requiring the sanction of the Board by way of circular resolution.

DIRECTOR'S TRAINING

Directors' training is guided by the annual Board Effectiveness Evaluation ("BEE") exercise, which identifies the training requirements of individual directors. Following is a list of training and professional courses attended by the Matrix's Board of Directors in FY2022:

NAME OF DIRECTOR	TOPICS OF WEBINAR TRAININGS ATTENDED
DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN	• Becoming a Boardroom Star • Sustainability Reporting Requirements
DATO' SERI LEE TIAN HOCK	• A Guide For Malaysian Businesses For Positive Climate Action
HO KONG SOON	• How to set up Effective Climate Governance On Corporate Boards
DATO' LOGENDRAN A/L K NARAYANASAMY	• Directorship- Strategic Risk Management for PLC's Directors
MAZHAIRUL BIN JAMALUDIN	• Mandatory Accreditation Program for Directors of Public Listed Companies • Climate Change, Reporting and Sustainability Trends: The Inter-Links Towards Addressing Sustainable Development Goals And Climate Change
DATO' HON CHOON KIM	• Securities Commission Guidelines On Conduct Of Directors and Implications To Both Directors & Management • Boardroom Mini Seminar For PLC Directors 2021 • Finance for Non-Finance Directors As Required By Bursa Malaysia
DATO' HAJAH KALSOM BINTI KHALID	• Corporate Governance 4th Edition Issued by Bursa Malaysia
CHUA SEE HUA	• Related Party Transaction – Why do they matter? • IMF Resident Representative offices in Hong Kong SAR - Global Financial Stability Report • Securities Industry Development Corporation: Paving the Way for Profitability through Sustainability • Bursa Malaysia: ESG for FTSE4Good Bursa Malaysia Index • Climate Governance Malaysia: ECCC on Director's Duties and Climate Change • MICPA-EY: Setting the ESG Agenda to Achieve Sustainable Long-term Value
LOO SEE MUN	• Directorship: Strategic Risk Management for PLC's Directors • Mandatory Accreditation Program for Directors of Public Listed Companies

CRITERIA FOR RECRUITMENT

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

In the event of any vacancy in the Board, resulting in non-compliance with Bursa Malaysia Securities Berhad's regulations, the vacancy shall be filled within 3 months. In evaluating the suitability of candidates, the NC considers, inter-alia their character, background, knowledge, integrity, competency, experience, commitment (including time commitment) and potential contribution to the Group, and additionally, in the case of candidates proposed for appointment as Independent Non-Executive Directors, the candidates' independency must be established.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD ASSESSMENT

During the financial year, the Chairman of the NC is supported by the Group Company Secretary to conduct a Board Evaluation Exercise ("BEE") 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 is 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 FY2022. 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.

RETIREMENT OF DIRECTORS

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

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 and senior management is reviewed by the RC and recommended to the Board for approval. The Board then deliberates and decides on the said remuneration package without the presence of the beneficiary director and / or senior management.

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. 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 FY2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

FY2022	COMPANY FEES (RM)	COMPANY SALARIES AND BONUS (RM)	COMPANY BENEFITS-IN-KIND (RM)	COMPANY OTHERS (RM)	COMPANY TOTAL (RM)	SUBSIDIARIES FEES (RM)	SUBSIDIARIES SALARIES AND BONUS (RM)	SUBSIDIARIES BENEFITS-IN-KIND (RM)	SUBSIDIARIES OTHERS* (RM)	GROUP TOTAL (RM)
Executive Directors										
Dato' Seri Lee Tian Hock	–	–	–	–	–	–	8,720,000.00	94,271.97	1,691,870.00	10,506,141.97
Ho Kong Soon	–	–	–	–	–	–	10,700,000.00	35,271.97	2,061,668.40	12,796,940.37
TOTAL	**–**	**–**	**–**	**–**	**–**	**–**	**19,420,000.00**	**129,543.94**	**3,753,538.40**	**23,303,082.34**
Non-Executive Directors										
Dato' Haji Mohamad Haslah Bin Mohamad Amin	–	–	–	–	–	1,474,943.00	–	30,063.63	–	1,505,006.63
Dato' Logendran A/L K Narayanasamy	–	–	–	–	–	400,000.00	–	–	–	400,000.00
Mazhairul Bin Jamaludin *(Appointed 20.8.21)*	56,935.48	–	–	10,000.00	66,935.48	–	–	–	–	66,935.48
Dato' Hon Choon Kim	66,000.00	–	636.03	14,500.00	81,136.03	–	–	–	–	81,136.03
Dato' Hajah Kalsom Binti Khalid	66,000.00	–	1,271.97	16,500.00	83,771.97	–	–	–	–	83,771.97
Chua See Hua	66,000.00	–	706.70	13,500.00	80,206.70	–	–	–	–	80,206.70
Loo See Mun *(Appointed 1.9.21)*	31,000.00	–	–	5,000.00	36,000.00	–	–	–	–	36,000.00
Rezal Zain Bin Abdul Rashid *(Resigned 8.8.21)*	21,290.32	–	353.35	21,500.00	43,143.67	4,368.00	–	–	–	47,511.67
Dato' (Ir.) Batumalai A/L Ramasamy *(Resigned 31.8.21)*	15,000.00	–	11,200.00	23,500.00	49,700.00	–	–	–	–	49,700.00
TOTAL	**322,225.80**	**–**	**14,168.05**	**104,500.00**	**440,893.85**	**1,879,311.00**	**–**	**30,063.63**	**–**	**2,350,268.48**

* *Of allocation for incentive payout being part of the employee retention programme.*

Remuneration of Top Five Management for FY2022

MULTIPLES OF RM50,000	TOTAL NOS
1,000,000 – 2,000,000	3
2,000,001 – 3,000,000	1
3,000,001 – 4,000,000	1
TOTAL	**5**

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

Matrix AC comprises exclusively of independent directors with the Chairman of the Committee being a certified accountant and a member of the Malaysian Institute of Accountants. In compliance with the MCCG 2021, the AC Chairman is not the Chairman of the Board of Directors.

The roles and responsibilities of the AC is provided for in its Terms of Reference ("TOR"), which can be viewed at www.mchb.com.my. In executing its role, the AC is supported by the Company's external and internal audit functions. On matters pertaining to risk, the AC is supported by the Board's RMC.

The AC is responsible for, among other matters, ensuring that the Group's and the Company's financial statements, are made out in line with recognised accounting standards i.e. the Malaysian Financial Reporting Standards ("MFRS") and the International Financial Reporting Standards ("IFRS"), and that a balanced and fair view of the financial state and performance of the Group is presented. The said financial statements comprise 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.

Kindly refer to the Audit Committee Report section in this Integrated Annual Report for detailed information on the work scope undertaken by the AC in FY2022.

COMPLIANCE WITH APPLICABLE FINANCIAL REPORTING STANDARDS

The Board states 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.

EXTERNAL AUDIT FUNCTION

The Group's external audit function is performed by Messrs. Crowe Malaysia PLT. The External Auditor reports to the AC and conducts its audit based on an AC approved audit plan. The External Auditor has provided written assurance of its independence in accordance with the independence rules of the Malaysian Institute of Accountants.

The AC has assessed the performance of the External Auditor 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. Hence, the AC has recommended their reappointment for the following financial year, subject to shareholders approval at the forthcoming annual general meeting.

In the course of performing its duties, the External Auditor has met with the Board on one occasion on 24 May 2022 without the presence of Senior Management to provide an update on related accounting and audit matters.

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

FEES	FY2022 (RM)	FY2021 (RM)
Audit Fees	**665,000**	661,000
Non-Audit Fees	**199,000**	197,000

INTERNAL AUDIT FUNCTION

Matrix's internal audit function ("IAF") is supported by Wensen Asia Consulting (M) Sdn Bhd, an independent external firm that provides additional resources to support the Company's IAF.

The IAF executes its work scope based on a defined AC approved audit plan. The IAF provides independent, regular and systematic reviews of the internal control, risk management and governance processes within the Group.

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

RISK MANAGEMENT AND INTERNAL RISK CONTROL FRAMEWORK

As mentioned, risks is a Board agenda but is managed across the Group at all levels, including operational and working levels. This is in line with Matrix's triple bottom line risk management framework that enables risks to be identified and addressed at the earliest possible level.

The Board's approach to risk management has also been bolstered via the Group wide ABAC policy, which has provided safeguards and internal controls to address any potential risks arising from corrupt practices either within the Group or its dealings with its suppliers and stakeholders.

The Board maintains oversight of risks via the RMC. The risk management framework provides for robust internal controls including limits on authority, checks and balances, a frequently updated Risk Register, a risk likelihood Matrix based on severity and likelihood of risks and other processes and systems that facilitate effective mitigation of risks.

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.

The Group's risks and mitigation measures as well as it impact and linkages to material topics and business strategy have been provided in the Strategy section of this Integrated Annual Report. Specific details on the Risk Management Framework are given in the Statement on Risk Management and Internal Control of this Integrated Annual Report.

The Board is of the view that the system of internal control and risk management in place 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.

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.

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

STAKEHOLDER RELATIONSHIP AND COMMUNICATION

Stakeholder management and communication remains a fundamental aspect of Matrix's approach to corporate governance. The views, perspectives and interests of external and internal stakeholders are continuously given due consideration and where relevant, incorporated into the Group's overall approach to value creation.

The Group continues to embrace the challenges as well as the opportunities that arise from the diversity of viewpoints derived from stakeholders as well as the challenge of balancing these perspectives across the short, medium and long-term perspectives.

Towards this end, the Group remains in engagement mode with stakeholders, reaching out to them via diverse communication channels. Key group stakeholders include supply chain partners, development partners and landowners, customers and communities, investors, employees and government and industry.

While the Covid-19 pandemic has affected stakeholder engagement activities during the period under review, Matrix has increased usage of digital communication channels to hold virtual meetings with stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Full details of our stakeholder engagement efforts such as community engagement and more are provided in our stand-alone sustainability report at https://www.mchb.com.my/sustainability/.

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

Matrix is cognisant of the importance of prompt and consistent communication with shareholders, prospective investors, analysts and fund managers to keep them abreast of the Group's business performance, key developments, market outlook and future growth plan.

Matrix provides accurate and timely disclosure of the Group's business performance and on material matters/announcements as per mandated by regulatory requirements. Given the importance of maintaining close and timely engagement with the investor community, the Group's Investor Relations ("IR") team was quick to transit physical meetings and events to online platforms.

Investor relations communication channels and materials include the Integrated Annual Report, Briefing Packs, Flash Notes, Quarterly Results and the company website.

The Group makes timely disclosures and announcements as required to Bursa Malaysia and other regulatory authorities. 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 Integrated Annual Report is customarily sent to shareholders at least 28 days prior to the AGM in fulfilment of Practice 12.1 of the MCCG. For this year AGM, the Notice of AGM and Proxy Form is sent 30 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 Group's website also has a dedicated investor relations section providing related information to shareholders.

This includes the latest financial results, the Integrated Annual Report, the Board Charter, the respective TORs of its Board Committees and more.

Stakeholders may also contact the Company via the direct investor relations contact:

Carmen Loo
(Group Company Secretary, Governance and Sustainability)
Email: carmen@mchb.com.my; or

Fadzli Suhaimi
(Investor Relations Officer)
Email: mohdfadzli@mchb.com.my

CONDUCT OF GENERAL MEETINGS

The Board encourages shareholders to attend and actively participate in the Group's annual general meeting ("AGM"). Even though Malaysia has embraced endemic status, Matrix continues to maintain its shareholders engagements through fully virtual meeting for its 25th AGM.

The virtual session enabled remote participation and electronic voting for shareholders. It also enabled avenues for attendees to ask questions regarding resolutions put forward for voting as well as the company's business performance and future plans.

Questions asked during the meeting were made visible to all attendees via the online platform used so that participants can follow the proceedings with greater clarity.

The results were validated by an independent scrutineer. All resolutions proposed were duly passed. The outcome of the AGM was announced to Bursa Malaysia on the same meeting day. The Company intends to continue with this practice for all future general meetings as virtual general meetings encourage shareholders attendance and enable remote participation.

All directors and relevant members of the Senior Management attended the virtual AGM.

Minutes of the AGM are currently being uploaded to the Company's website within 30 days from the meeting date.

Further details of the aforementioned are provided in Practice 12.3 of the Group's CG Report. Matrix will continue to ensure the timely publishing of its Integrated Annual Report and distribution of all information beforehand to 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 2022 ("FY2022").

OBJECTIVE

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

A MEMBERS OF THE AUDIT COMMITTEE

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

- Mazhairul Bin Jamaludin - Chairman
  Independent Non-Executive Director
- Dato' Hon Choon Kim - Member
  Independent Non-Executive Director
- Dato' Hajah Kalsom Binti Khalid - Member
  Independent Non-Executive Director
- Chua See Hua - Member
  Independent Non-Executive Director
- Loo See Mun - Member
  Independent Non-Executive Director

B SUMMARY ON KEY SCOPE OF RESPONSIBILITIES

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

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

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

C DESCRIPTION OF DUTIES PERFORMED BY THE COMMITTEE

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

The Committee has a responsibility to oversee the Group's internal control. The Committee continues to monitor and review the effectiveness of the Group's internal control with the support of Group'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 FY2022 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 External Auditors"). The Committee has reviewed the unaudited quarterly financial results and audited financial statements of the Group before recommending them for Board's approval.

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

2. Going concern assessment

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

3. Internal audit

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

The Head of Group Internal Audit, reports functionally to the Committee, and the Committee reviewed and approved the annual Internal Audit plan and budget for activities to be undertaken during FY2022. 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 FY2022 was RM526,857 (FY2021: RM592,409).

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 present, to discuss their audit plan and any issues arising from the audit. The Committee had met privately two (2) times with the External Auditors without the management presence on the days of 21 October 2021 and 24 May 2022.

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 2021 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 and proposed new Shareholders' mandate for recurrent related party transactions of a revenue or trading nature.
(iii) the internal audit report relating to existing related party transactions.
(iv) Recurrent Related Party Transactions on quarterly basis.
(v) Solvency Assessment by the management in relation to the declaration of dividends.

Overall Summary of work done by the Committee

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

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

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

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

   i) the audit planning memorandum.
   ii) 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) any 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 Securities Berhad, 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.

D INTERNAL AUDIT ACTIVITIES FOR THE FINANCIAL YEAR

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

Corporate Governance

1. Corporate Liability Risk (Section 17A under MACC Act 2009)

AUDIT COMMITTEE REPORT

Property Development

1. Customer Care and Complaint Management
2. Sales and Marketing Management
3. Business Development and Project Planning Management (NS)
4. Accounting and Financial Management

Construction

1. Safety Management
2. Accounting and Financial Management

Healthcare

1. Fixed Asset Management
2. Human Resource and Payroll Management
3. Safety, Security and Emergency Management

Hospitality

1. Procurement Management (Matrix Country Club)
2. Financial Management (Matrix Country Club)

Education

1. Procurement Management
2. Student Enrolment and Registration Management
3. Revenue and Collection 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) Audit Committee meetings were held during the FY2022. The attendance record of each member is as tabulated below:-

MEMBERS	TOTAL NUMBER OF MEETINGS	NUMBER OF MEETINGS ATTENDED
Mazhairul Bin Jamaludin (Appointed on 20.8.2021)	3	3
Dato' Hon Choon Kim	5	5
Dato' Hajah Kalsom Binti Khalid	5	5
Chua See Hua	5	5
Loo See Mun (Appointed on 1.9.2021)	2	2

F. 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 objectivity and in conformity with approved accounting principles generally accepted in Malaysia and on the representations of the External Auditors included in its reports on the Company's financial statements and internal control over financial reporting.

The Committee considered the independence and appraisal 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.

(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 seven (7) 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 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 to the External Auditors during the FY2022 is set out in the Note 34 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 30% of the total audit fees on a group basis payable to the External Auditors and affiliates) and the Committee concluded that the auditors' independence from the Group was not compromised.

(iv) External Audit fees

The Committee was satisfied that the level of audit fees payable in respect of the external audit services provided (RM665,000 for FY2022) [FY2021 RM661,000] 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 on 19 August 2021.

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 annual general meeting.

STATEMENT ON RISK MANAGEMENT **AND INTERNAL CONTROL**

INTRODUCTION

PURSUANT TO PARAGRAPH 15.26(B) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD, THE BOARD OF DIRECTORS ("THE BOARD") IS PLEASED TO PROVIDE THE FOLLOWING STATEMENT ON THE STATE OF INTERNAL CONTROL AND RISK MANAGEMENT OF THE GROUP. THIS STATEMENT WAS PREPARED IN ACCORDANCE WITH THE "STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL: GUIDELINES FOR DIRECTORS OF LISTED ISSUERS" ISSUED BY THE INSTITUTE OF INTERNAL AUDITORS MALAYSIA.

RESPONSIBILITIES OF THE BOARD

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

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

Risk Management Framework

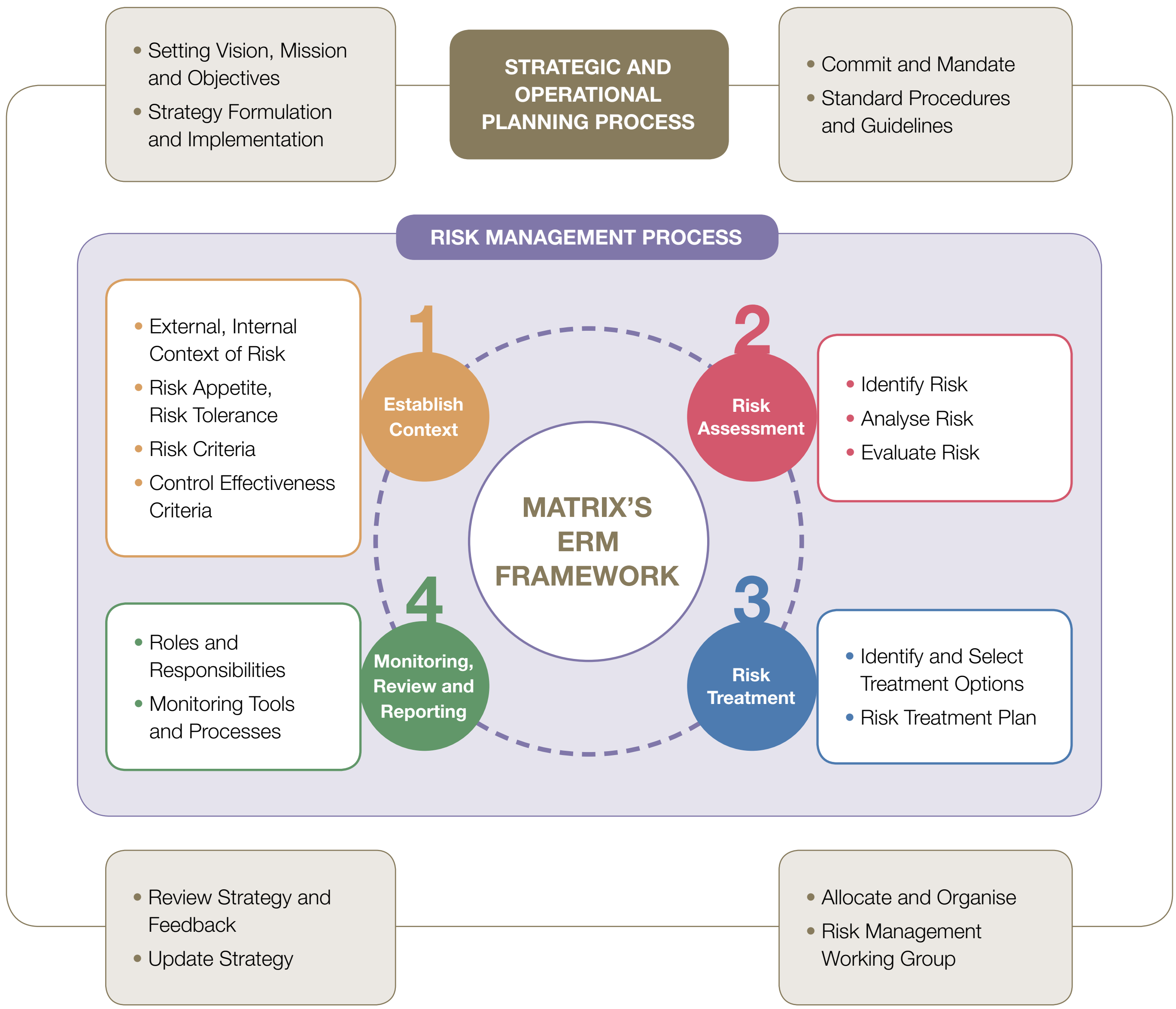
The Risk Management Committee has been established by the Board with clear defined lines of accountability and authority.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

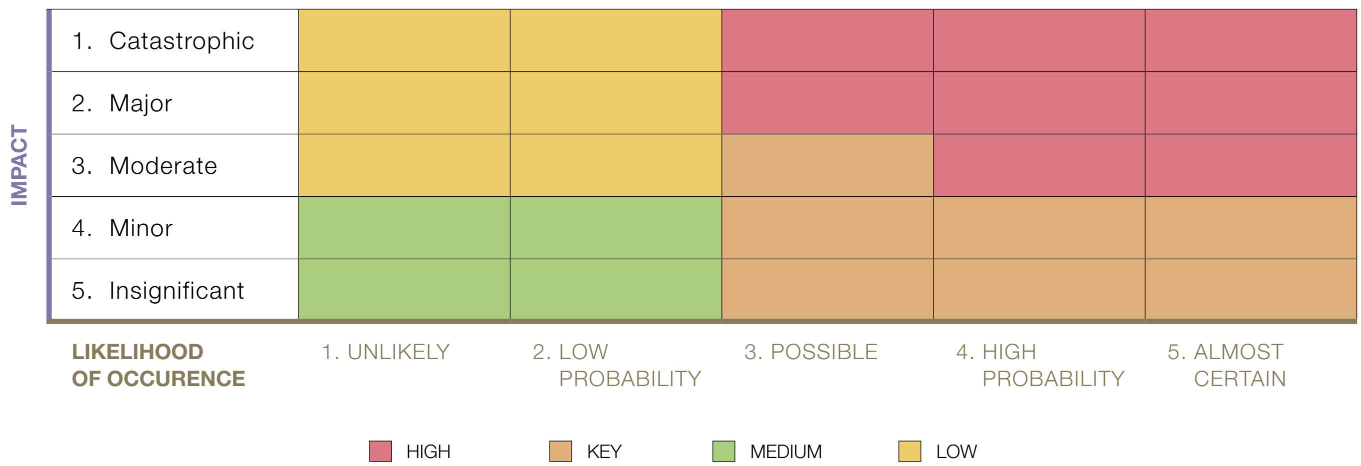
The Company's ERM Framework and processes are summarised in the flow chart as follows:-



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

RISK RATING SCALE – 5 BY 5 MATRIX



Risk Category and Risk Appetite

RISK CATEGORY	GENERAL RISK APPETITE
Strategic	The Company is prepared to take a certain degree of calculated risks relating to the realization of its performance objectives and long term-goals.
Operational	The Company attempts to minimise the impact of unforeseen disruption on its operating activities.
Financial	The Company has a conservative and sound framework of financial policies and procedures to prevent risks that could have a significant impact on the financial results and material misstatements in its financial statements reporting eg gearing ratios.
Compliance & Governance	The Company applies a zero tolerance policy.

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:-

- reviewing the Risk Profile of the Group and action plans to be undertaken to manage the principal risks of the Group; and
- monitoring 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 has 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 are updated and presented to the Risk Management Committee in its meetings periodically.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 and business units are held once a month, led by the 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 2022, 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 Auditors") 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) Services Sdn Bhd assigns at least two (2) executives during each audit assignment, thus providing overall support and back up to the entire internal audit team. The Internal Auditors do not have any relationship with the directors and/or major shareholders of Matrix and they have given assurances that they are free from any conflict of interest or relationships that could impair their objectivity and independence. The Internal Auditors carry 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 are presented independently by the Internal Auditors to the Audit Committee subsequent to discussions with Management on a quarterly basis. The independent monitoring, review and reporting arrangements undertaken by the Internal Auditors give reasonable assurance that the structure of internal controls and business processes are appropriate to the Group's operations so as to properly manage the principal risks to an acceptable level throughout the Group's businesses. Internal control weaknesses are identified and duly addressed either immediately or progressively.

External Auditors

The Group employs Messrs. Crowe Malaysia 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

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

- Budgets are prepared annually for the Business/Operating units and approved by the Board. The budgets include operational, financial and capital expenditure requirements and performance monitored on a monthly basis and the business objectives and plans are reviewed in the regular management meetings attended by division and business unit heads. The Group Managing Director meets 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 Group 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 and approval for the same by the Board prior to expenditure being committed.

- There are sufficient reports generated in respect of the business and operating units to enable proper review of the operational, financial 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 programme. A performance management system is in place with established key performance indicators to measure and review staff performance on an annual basis.

- In the course of conducting annual statutory audit, the External Auditors will highlight any significant audit, accounting and internal controls matters which require attention of the Board and Audit and Risk Management Committees. At least once a year, the Audit and Risk Management Committees meet the External Auditors without the Executive Directors and Management being present. The Audit Committee had communicated and met with the External Auditors and Internal Auditors on 21 October 2021 and 24 May 2022 via virtual and physical meetings without the Executive Directors and Management being present. On 24 May 2022, the External Auditors met with the Audit Committee to highlight on any significant issues which may require attention.

- Whistleblowing Policy

  The Group has instituted a whistleblowing policy with facilitating feedback channels to allow anyone in the Group 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 considers 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 highlighting the key processes, which have been defined based on the Risk Profile of the Group as well as Internal Audit reports to the Audit and Risk Management Committees together with recommendations for improvement.

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

The Board has 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 effective system of internal controls is an ongoing process, the Board and Management maintain an ongoing commitment to continue taking appropriate measures to strengthen the risk management and internal control environment of the Group.

RISKS REVIEW FOR THE FINANCIAL YEAR

Half-yearly reviews 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; and

- reviewed the adequacy of all business resumption and contingency plans, and their readiness for rapid deployment.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The review includes the following:-

- Regular internal audit reports which are tabled quarterly to Board of Directors and the Risk Management Committee.
- Bi-annual risk reviews compiled by the respective units' risk owners and presentation to and discussion with the Risk Management Committee, the Board, Internal Auditors.
- Operating unit's response to the risk analysis conducted on areas of weakness.

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 2022 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 28 June 2022

STATEMENT OF RESPONSIBILITY **BY DIRECTORS**

IN RESPECT OF THE PREPARATION OF THE ANNUAL AUDITED FINANCIAL STATEMENTS (PURSUANT TO PARAGRAPH 15.26 (A) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

The Directors are responsible for ensuring that the annual audited financial statements of the Group and the Company are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia and the MMLR of Bursa Malaysia Securities Berhad.

The Directors are also responsible for ensuring that the annual audited financial statements of the Group and the Company are prepared with reasonable accuracy from the accounting records of the Group and the Company so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 March 2022, 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

PERFORMANCE DRIVEN

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 2022.

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	200,866	14,716
Attributable to:-		
Owners of the Company	205,198	14,716
Non-controlling interests	(4,332)	–
	200,866	14,716

DIVIDENDS

Dividends paid or declared by the Company since 31 March 2021 are as follows:-

	RM'000
In respect of the financial year ended 31 March 2021:-	
- 4th interim single tier dividend of 4.00 sen per ordinary share, paid on 8 July 2021	33,369
In respect of the financial year ended 31 March 2022:-	
- 1st interim single tier dividend of 2.00 sen per ordinary share, paid on 7 October 2021	16,685
- 2nd interim single tier dividend of 3.00 sen per ordinary share, paid on 6 January 2022	25,027
- 3rd interim single tier dividend of 3.75 sen per ordinary share, paid on 7 April 2022	31,284
	106,365

Subsequent to the end of financial year, the directors, on 25 May 2022 declared a fourth interim single tier dividend of 3.75 sen per ordinary share amounting to RM31,283,698 in respect of the current financial year, payable on 7 July 2022 to shareholders whose names appeared in the record of depositors on 22 June 2022. 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 2023.

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

DIRECTORS' REPORT (CONT'D)

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) there were no changes in the issued and paid-up share capital of the Company; and

(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.

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

At the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

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

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

DIRECTORS

The names of 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' SERI LEE TIAN HOCK
HO KONG SOON
DATO' HON CHOON KIM
DATO' HAJAH KALSOM BINTI KHALID
DATO' LOGENDRAN A/L K NARAYANASAMY
CHUA SEE HUA
MAZHAIRUL BIN JAMALUDIN (APPOINTED ON 20.08.2021)
LOO SEE MUN (APPOINTED ON 01.09.2021)
REZAL ZAIN BIN ABDUL RASHID (RESIGNED ON 08.08.2021)
DATO' (IR) BATUMALAI A/L RAMASAMY (RESIGNED ON 31.08.2021)

DIRECTORS' REPORT (CONT'D)

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:-

AHMAD IZZUDDIN BIN ISMAIL
CHIA KHING FUAT
DATUK MOHD AMINUDDIN BIN MOHD AMIN
DATO' HJ. MOHD BAHRUDIN BIN MAHFUZ
DATO' LEE YUEN FONG
DATO' LIM KHENG LOY
DATO' LIM SI BOON
DATO' MOHD JAAFAR BIN MOHD ATAN
EDWIN TAN BEOW AIK
FONG FEE JUNE
KELVIN LEE CHIN CHUAN
KRISNARAGA SYARFUAN
LEE TIAN ONN
LEE JON WEE
LEONG JEE VAN
LIM CHEW HENG
MURTADHA BIN MOKHTAR
SUHAIMI BIN ALI
TAN SAY KUAN
TEOH SIEW YIEN
TUAN HAJI MUSTAZA BIN MUSA
YB DATO' DR. RAZALI BIN AB. MALIK
YB DATO' MOHD KHIDIR BIN MAJID
YEW AH TEE
DR. ONG CHIEW PING (APPOINTED ON 15.11.2021)
REZAL ZAIN BIN ABDUL RASHID (APPOINTED ON 01.04.2022)
HIROSHI KATO (RESIGNED ON 31.12.2021)
MASAYUKI KAWANO (RESIGNED ON 31.12.2021)
NG JUN LIP (RESIGNED ON 01.04.2022)
TUNG AH QUI (DECEASED ON 02.07.2021)
DATO' DR THAVANAISON A/L ARUMUGAM (DECEASED ON 14.11.2021)
DATO' HAJI OSMAN BIN SALLEH (DECEASED ON 28.11.2021)

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares			
The Company	**At 1.4.2021**	**Bought**	**Sold**	**At 31.3.2022**
Direct Interests				
Dato' Haji Mohamad Haslah Bin Mohamad Amin	1,675,737	–	–	1,675,737
Dato' Seri Lee Tian Hock	115,985,399	–	(10,000,000)	105,985,399
Ho Kong Soon	3,284,811	–	–	3,284,811
Dato' Hon Choon Kim	462,500	–	(200,000)	262,500
Dato' Logendran A/L K Narayanasamy	1,543,437	–	–	1,543,437
Dato' Hajah Kalsom Binti Khalid	201,300	–	–	201,300
Indirect Interests				
Dato' Seri Lee Tian Hock[(i)]	167,283,739	10,155,625	–	177,439,364
Ho Kong Soon[(ii)]	26,162,043	–	–	26,162,043
Dato' Hon Choon Kim[(iii)]	8,750	200,000	–	208,750

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

By virtue of his shareholdings in the Company, Dato' Seri Lee Tian Hock is deemed to have interests in the shares in the Company and its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in Note 41 to the financial statements) 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 42 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' REPORT
(CONT'D)

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 41 to the financial statements.

INDEMNITY AND INSURANCE COST

The Company maintains a Directors' and Officers' Liability Insurance Policy on a group basis. During the financial year, the amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Group were RM20,000,000 and RM22,350 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 47 to the financial statements.

SIGNIFICANT EVENTS OCCURING AFTER THE REPORTING PERIOD

The significant events occuring after the reporting period are disclosed in Note 48 to the financial statements.

AUDITORS

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

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

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 28 JUNE 2022

Dato' Seri Lee Tian Hock

Ho Kong Soon

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Dato' Seri 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 135 to 223 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2022 and of their financial performance and cash flows for the financial year ended on that date.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 28 JUNE 2022

Dato' Seri 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 135 to 223 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Tan Say Kuan, NRIC Number: 740912-01-5787
at Seremban
in the state of Negeri Sembilan
on this 28 June 2022

Tan Say Kuan

Before me

Lee Kee Chong (N086)
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 2022 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 135 to 223.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022, 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.

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

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.

Reasonableness of revenue recognition arising from contracts with customers Refer to Note 4.1(e), 4.23(a) and 31 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. Pursuant to MFRS 15, revenue may be recognised at a point in time or progressively over time and judgements 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; and • assessing the computation of revenue recognition.	To address this risk, our audit procedures involved the following: • reviewing the contract terms and identifying performance obligations stipulated in the contracts, on sample basis; • evaluating whether the performance obligations are satisfied at point in time or over time; and • 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(e), 11(b), 31 and 32 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 over time by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period using the input method. This requires the use of estimates, namely on project development revenue and cost. Revenue and cost recognised on property development activities have an inherent risk as it involves judgement and estimates. Substantial changes to construction contract revenue and cost estimates in the future can have a significant effect on the Group's results.	To address this risk, our audit procedures involved the following: • making inquiries and obtaining an understanding from management on the procedures and controls in relation to the estimation of and revision to the property development revenue and cost; • reviewing the reasonableness of the estimated property development revenue by comparing the selling prices of units sold, on sample basis; • reviewing the reasonableness of the estimated property 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, on sample basis; and • evaluating the reasonableness of percentage of completion using the input method.

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

(INCORPORATED IN MALAYSIA)
REGISTRATION NO : 199601042262 (414615-U)
(CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

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

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and 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.

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

(INCORPORATED IN MALAYSIA)
REGISTRATION NO : 199601042262 (414615-U)
(CONT'D)

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

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

- 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 or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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.

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

(INCORPORATED IN MALAYSIA)
REGISTRATION NO : 199601042262 (414615-U)
(CONT'D)

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
02839/10/2023 J
Chartered Accountant

Melaka

28 June 2022

STATEMENTS OF FINANCIAL POSITION

AT 31 MARCH 2022

	NOTE	THE GROUP 2022 RM'000	THE GROUP 2021 RM'000 (RESTATED)	THE COMPANY 2022 RM'000	THE COMPANY 2021 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	5	**–**	–	**323,896**	284,979
Investment in joint venture	6	**140,402**	133,232	**–**	–
Property, plant and equipment	7	**219,048**	239,982	**–**	–
Investment properties	8	**62**	132	**–**	–
Right-of-use assets	9	**2,996**	3,620	**–**	–
Goodwill	10	*****	*	**–**	–
Inventories	11	**802,960**	685,108	**–**	–
Other receivables, deposits and prepayments	12	**38,734**	34,156	**–**	–
Amount owing by subsidiaries	13	**–**	–	**393,825**	487,364
Deferred tax assets	14	**22,580**	37,805	**–**	–
		1,226,782	1,134,035	**717,721**	772,343
CURRENT ASSETS					
Inventories	11	**463,192**	618,019	**–**	–
Trade receivables and contract assets	15	**617,505**	543,097	**–**	–
Other receivables, deposits and prepayments	12	**96,857**	77,505	**2**	2
Amount owing by subsidiaries	13	**–**	–	**443,407**	517,461
Short-term investments	17	**–**	8,154	**–**	8,154
Fixed deposits with licensed banks	18	**58,466**	58,513	**34,029**	34,794
Cash and bank balances	19	**143,672**	170,840	**3,508**	19,925
Current tax assets		**12,899**	–	**–**	508
		1,392,591	1,476,128	**480,946**	580,844
TOTAL ASSETS		**2,619,373**	2,610,163	**1,198,667**	1,353,187

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

STATEMENTS OF
FINANCIAL POSITION

AT 31 MARCH 2022
(CONT'D)

	NOTE	THE GROUP 2022 RM'000	THE GROUP 2021 RM'000 (RESTATED)	THE COMPANY 2022 RM'000	THE COMPANY 2021 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	20	**961,315**	961,315	**961,315**	961,315
Retained profits		**944,365**	845,486	**56,456**	148,105
Other reserves	21	**4,699**	934	**–**	–
Equity attributable to owners of the Company		**1,910,379**	1,807,735	**1,017,771**	1,109,420
Non-controlling interests		**(11,505)**	(11,243)	**–**	–
TOTAL EQUITY		**1,898,874**	1,796,492	**1,017,771**	1,109,420
NON-CURRENT LIABILITIES					
Long-term borrowings	22	**114,587**	185,686	**20,000**	110,000
Lease liabilities	24	**2,201**	2,388	**–**	–
Deferred tax liabilities	14	**125**	222	**–**	–
Other payables, deposits, accruals and provision	28	**22,148**	21,175	**–**	–
		139,061	209,471	**20,000**	110,000
CURRENT LIABILITIES					
Trade payables and contract liabilities	27	**174,363**	170,348	**–**	–
Other payables, deposits, accruals and provision	28	**237,938**	285,655	**32,678**	26,099
Amount owing to subsidiaries	13	**–**	–	**36,314**	17,668
Lease liabilities	24	**863**	1,105	**–**	–
Bank overdrafts	29	**–**	42	**–**	–
Short-term borrowings	30	**168,274**	139,791	**90,000**	90,000
Current tax liabilities		**–**	7,259	**1,904**	–
		581,438	604,200	**160,896**	133,767
TOTAL LIABILITIES		**720,499**	813,671	**180,896**	243,767
TOTAL EQUITY AND LIABILITIES		**2,619,373**	2,610,163	**1,198,667**	1,353,187

* - 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 2022

	NOTE	THE GROUP 2022 RM'000	THE GROUP 2021 RM'000	THE COMPANY 2022 RM'000	THE COMPANY 2021 RM'000
REVENUE	31	**892,396**	1,127,599	**115,385**	200,025
COST OF SALES	32	**(401,967)**	(562,354)	**–**	–
GROSS PROFIT		**490,429**	565,245	**115,385**	200,025
OTHER INCOME		**27,169**	39,520	**47,925**	42,354
		517,598	604,765	**163,310**	242,379
SELLING AND MARKETING EXPENSES		**(69,911)**	(84,973)	**–**	–
ADMINISTRATIVE EXPENSES		**(171,237)**	(157,906)	**(32,694)**	(2,135)
FINANCE COSTS		**(11,452)**	(26,244)	**(16,137)**	(14,062)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	33	**(11)**	–	**(94,500)**	–
SHARE OF RESULTS OF JOINT VENTURE		**3,409**	5,166	**–**	–
PROFIT BEFORE TAXATION	34	**268,396**	340,808	**19,979**	226,182
INCOME TAX EXPENSE	35	**(67,530)**	(87,726)	**(5,263)**	(3,926)
PROFIT AFTER TAXATION		**200,866**	253,082	**14,716**	222,256
OTHER COMPREHENSIVE INCOME					
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS					
- FOREIGN CURRENCY TRANSLATION DIFFERENCES	36	**3,765**	27,941	**–**	–
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**204,631**	281,023	**14,716**	222,256
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		**205,198**	262,223	**14,716**	222,256
Non-controlling interests		**(4,332)**	(9,141)	**–**	–
		200,866	253,082	**14,716**	222,256
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		**208,963**	290,164	**14,716**	222,256
Non-controlling interests		**(4,332)**	(9,141)	**–**	–
		204,631	281,023	**14,716**	222,256
EARNINGS PER SHARE (SEN)					
Basic	37	**24.6**	31.4		
Diluted	37	**N/A**	N/A		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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 1.4.2020		961,280	(27,007)	670,857	1,605,130	(2,102)	1,603,028
Profit after taxation for the financial year		–	–	262,223	262,223	(9,141)	253,082
Other comprehensive income for the financial year							
- Foreign currency translation differences	36	–	27,941	–	27,941	–	27,941
Total comprehensive income for the financial year		–	27,941	262,223	290,164	(9,141)	281,023
Contribution by and distribution to owners of the Company:-							
- Dividends	39	–	–	(87,594)	(87,594)	–	(87,594)
- Warrant exercised	20	35	–	–	35	–	35
Total transactions with owners		35	–	(87,594)	(87,559)	–	(87,559)
Balance at 31.3.2021		961,315	934	845,486	1,807,735	(11,243)	1,796,492

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022
(CONT'D)

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 1.4.2021		961,315	934	845,486	1,807,735	(11,243)	1,796,492
Profit after taxation for the financial year		–	–	205,198	205,198	(4,332)	200,866
Other comprehensive income for the financial year							
- Foreign currency translation differences	36	–	3,765	–	3,765	–	3,765
Total comprehensive income for the financial year		–	3,765	205,198	208,963	(4,332)	204,631
Contribution by and distribution to owners of the Company:-							
- Dividends	39	–	–	(106,365)	(106,365)	–	(106,365)
Shares subscribed by non-controlling interests		–	–	–	–	6,300	6,300
Changes in a subsidiary's ownership interests that do not result in a loss of control	38	–	–	46	46	(2,230)	(2,184)
Total transactions with owners		–	–	(106,319)	(106,319)	4,070	(102,249)
Balance at 31.3.2022		961,315	4,699	944,365	1,910,379	(11,505)	1,898,874

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

STATEMENTS OF
CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022
(CONT'D)

			DISTRIBUTABLE	
THE COMPANY	**Note**	**SHARE CAPITAL RM'000**	**RETAINED PROFITS RM'000**	**TOTAL EQUITY RM'000**
Balance at 1.4.2020		961,280	13,443	974,723
Profit after taxation/Total comprehensive income for the financial year		–	222,256	222,256
Contribution by and distribution to owners of the Company:-				
- Dividends	39	–	(87,594)	(87,594)
- Warrant exercised	20	35	–	35
Total transactions with owners		35	(87,594)	(87,559)
Balance at 31.3.2021/1.4.2021		**961,315**	**148,105**	**1,109,420**
Profit after taxation/Total comprehensive income for the financial year		**–**	**14,716**	**14,716**
Contribution by and distribution to owners of the Company:-				
- Dividends	39	**–**	**(106,365)**	**(106,365)**
Balance at 31.3.2022		**961,315**	**56,456**	**1,017,771**

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

STATEMENTS OF
CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	THE GROUP		THE COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	**268,396**	340,808	**19,979**	226,182
Adjustments for:-				
Bad debts written off	**4**	140	**–**	–
Depreciation of property, plant and equipment	**10,692**	10,904	**–**	–
Depreciation of right-of-use assets	**1,220**	1,399	**–**	–
Depreciation of investment properties	**2**	4	**–**	–
Deposit written off	**103**	1,443	**–**	–
Property, plant and equipment written off	**–**	1	**–**	–
Property development costs written off	**5,579**	–	**–**	–
Impairment loss on deposit	**–**	7,000	**–**	–
Impairment loss on investment in subsidiaries	**–**	–	**30,384**	–
Impairment loss on amount owing by subsidiaries	**–**	–	**94,500**	–
Impairment loss on property, plant and equipment	**11,963**	–	**–**	–
Impairment loss on trade receivables	**11**	–	**–**	–
Interest expense on lease liabilities	**143**	190	**–**	–
Interest expenses	**16,137**	34,755	**16,137**	14,062
Interest income	**(4,583)**	(4,635)	**(47,773)**	(42,354)
Bad debts recovered	**(30)**	–	**–**	–
Gain on disposal of investment property	**(54)**	(11)	**–**	–
Gain on disposal of property, plant and equipment	**(150)**	(7)	**–**	–
Gain on disposal of right-of-use assets	**(63)**	–	**–**	–
Gain on capital reduction of a subsidiary	**–**	–	**(150)**	–
Reversal of impairment of deposit	**(7,000)**	–	**–**	–
Reversal of property development costs written off	**–**	(997)	**–**	–
Share of profit of joint venture	**(3,409)**	(5,166)	**–**	–
Operating profit before working capital changes	**298,961**	385,828	**113,077**	197,890
Decrease/(Increase) in inventories	**31,208**	(20,407)	**–**	–
Increase in receivables and contract assets	**(88,913)**	(107,277)	**–**	*
(Decrease)/Increase in payables and contract liabilities	**(47,883)**	(30,601)	**322**	(1,108)
CASH FROM OPERATIONS	**193,373**	227,543	**113,399**	196,782
Interest received	**2,070**	4,635	**47,773**	42,354
Income tax paid	**(76,530)**	(123,055)	**(2,850)**	(4,613)
Income tax refunded	**3,972**	26	**–**	–
Interest paid	**(15,015)**	(17,971)	**(16,137)**	(14,062)
NET CASH FROM OPERATING ACTIVITIES	**107,870**	91,178	**142,185**	220,461

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

STATEMENTS OF
CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022
(CONT'D)

	NOTE	THE GROUP 2022 RM'000	THE GROUP 2021 RM'000	THE COMPANY 2022 RM'000	THE COMPANY 2021 RM'000
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Repayment from/(Advances to) related companies		**–**	–	**4,276**	(165,046)
Acquisition of non-controlling interests	38	**(2,185)**	–	**(2,185)**	–
Investment in subsidiaries		**–**	–	*****	(400)
Placements of pledged deposits with licensed banks		**(754)**	(1,529)	**(37)**	(62)
Withdrawals/(Placements) of deposits with licensed banks with maturity date more than 3 months		**802**	(18,940)	**802**	(18,940)
Proceeds from disposal of investment property		**122**	27	**–**	–
Proceeds from disposal of property, plant and equipment		**269**	217	**–**	–
Proceeds from disposal of right-of-use assets		**210**	–	**–**	–
Purchase of property, plant and equipment		**(1,845)**	(2,281)	**–**	–
NET CASH (FOR)/FROM INVESTING ACTIVITIES		**(3,381)**	(22,506)	**2,856**	(184,448)
CASH FLOWS FOR FINANCING ACTIVITIES					
Dividends paid		**(100,108)**	(87,594)	**(100,108)**	(87,594)
Advances from non-controlling interest shareholders	40(b)	**4,119**	4,757	**–**	–
Drawdown of term loans	40(b)	**63,517**	26,302	**–**	–
Drawdown of revolving credits	40(b)	**20,000**	10,000	**–**	–
Proceeds from issuance of ordinary shares		**–**	35	**–**	35
Advances from related companies	40(b)	**–**	–	**20,496**	13,839
Repayment of lease liabilities	40(b)	**(1,230)**	(1,337)	**–**	–
Repayment of revolving credits	40(b)	**(20,000)**	(10,000)	**–**	–
Repayment of term loans	40(b)	**(16,090)**	(46,691)	**–**	–
Repayment of Sukuk Wakalah	40(b)	**(90,000)**	(40,000)	**(90,000)**	(40,000)
NET CASH FOR FINANCING ACTIVITIES		**(139,792)**	(144,528)	**(169,612)**	(113,720)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(35,303)**	(75,856)	**(24,571)**	(77,707)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		**24**	19,961	**–**	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**185,567**	241,462	**34,694**	112,401
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	40(d)	**150,288**	185,567	**10,123**	34,694

* - 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 2022

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 28 June 2022.

2. PRINCIPAL ACTIVITIES

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

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

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 statement.

NOTES TO
THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022
(CONT'D)

3. BASIS OF PREPARATION (CONT'D)

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
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 17: Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
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
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. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 7 to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(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 payment profiles of past sales and the corresponding historical credit losses, 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 loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amounts owing by subsidiaries as at the reporting date are disclosed in Notes 12 and 13 to the financial statements respectively.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022
(CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(f) 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.

(g) 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.

(h) Provision for Affordable Housing

The provision for affordable housing represents the shortfall between the cost of constructing affordable housing and the economic benefits expected to be received from the purchasers of affordable housing in the development of affordable housing on involuntary basis. This provision is capitalised in the form of common costs for the development of premium housing. In determining the provision for affordable housing, estimates and assumptions are made by the Group on the structure and construction costs in constructing the affordable housing. In making those judgements, the Group evaluates the provisions based on past experience.

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).

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
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022
(CONT'D)

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
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022
(CONT'D)

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 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 fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

NOTES TO
THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022
(CONT'D)

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 (excluding interest expense) 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.

Financial guarantee contracts are recognised initially as liabilities as fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the gurantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected crefit loss model and the amount initially recognised less cumulative amortisation.

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.

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

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

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

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

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

4.8 INVESTMENT PROPERTIES

Investment properties are properties which are owned or 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

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(CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Property held for future development is stated at the lower of cost and net realisable value.

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.

(b) Properties Under Development for Sale

Property under development for sale is stated at the lower of cost and net realisable value.

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 cost of constructing affordable houses less cumulative amounts recognised as expenses in profit or loss.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 INVENTORIES (CONT'D)

(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 COSTS TO SECURE CONTRACTS

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 costs to secure contracts 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 costs to secure contracts 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 costs to secure contracts does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

4.12 CONTRACT ASSET AND CONTRACT LIABILITY

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 IMPAIRMENT (CONT'D)

(a) Impairment of Financial Assets (Cont'd)

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 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 does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

4.16 EMPLOYEE BENEFITS

(a) Short-term Benefits

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

(b) Defined Contribution Plans

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

4.17 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

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

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

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

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(CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 INCOME TAXES (CONT'D)

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

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

4.18 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.

4.19 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.

4.20 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they are incurred.

4.21 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 FAIR VALUE MEASUREMENTS (CONT'D)

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

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

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

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

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

4.22 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.

4.23 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 Group has an enforceable right to payment for performance completed to date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022
(CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.23 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(a) Property Development Activities

Revenue from property development is recognised progressively when property development services are rendered and such services do not create an asset with an alternative's use to the Group, and the Group has a present right to payment for services rendered to date. The progress towards complete satisfaction of the performance obligation is measured based on a method that best depicts the Group's performance in satisfying the performance obligation of the contract. This is determined by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract. Otherwise, revenue is recognised at a point in time upon delivery of property and customer's acceptance, and the Group has a present right to payment for the property sold.

A receivable is recognised when the development activities are carried out as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. When the services rendered exceed the billings to customers, a contract asset is recognised. If the billings exceed the services rendered, a contract liability is recognised.

(b) Sale of Goods

Revenue is recognised upon delivery of goods and customers' acceptance, and the Group has a present right to payment for goods sold. Revenue is measured based on the consideration specified in a contract with customer and where applicable, net of goods and services tax, expected returns, cash and trade discounts.

(c) Rendering of Services

Revenue is recognised in the accounting period in which the services are rendered and the customer receives and consumes the benefits provided by the Group, and the Group has a present right to payment for, the services.

4.24 OTHER OPERATING INCOME

(a) Interest Income

Interest income is recognised on an accrual basis using the effective interest method unless collectability is in doubt, in which case it is recognised on a cash receipt basis.

(b) Dividend Income

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

(c) Rental Income

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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 2022. 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.

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	
	2022 RM'000	2021 RM'000
Unquoted shares, at cost	**362,680**	293,379
Accumulated impairment losses	**(38,784)**	(8,400)
	323,896	284,979
Unquoted shares, at cost:		
At 1 April	**293,379**	278,629
Addition during the year	**71,001**	14,750
Capital reduction during the year	**(1,700)**	–
At 31 March	**362,680**	293,379
Accumulated impairment losses:		
At 1 April	**8,400**	8,400
Addition during the year	**30,384**	–
At 31 March	**38,784**	8,400

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2022 %	2021 %	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.	Malaysia	**100**	100	Property development and investment holding
Masuda Corporation Sdn. Bhd.	Malaysia	**100**	100	Property development and investment holding
Matrix Concepts Sdn. Bhd.	Malaysia	**100**	100	Property development and investment holding

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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 2022 %	2021 %	Principal Activities
Subsidiaries of the Company				
Matrix Concepts (Southern) Sdn. Bhd.	Malaysia	**100**	100	Property development
MCHB Natro' Green Sdn. Bhd.	Malaysia	**100**	100	Dormant
BSS Development Sdn. Bhd.	Malaysia	**100**	100	Property development
Matrix Properties Sdn. Bhd.	Malaysia	**100**	100	Property investment and investment holding
Matrix Concepts (Damansara) Sdn. Bhd.	Malaysia	**100**	100	Property development
Matrix IBS Sdn. Bhd.	Malaysia	**100**	80	Manufacturing prefabricated building materials 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
MCHB Development (NS) Sdn. Bhd.	Malaysia	**100**	100	Dormant
MCHB Development (Southern) Sdn. Bhd.	Malaysia	**100**	–	Dormant
MCHB Development (KV) Sdn. Bhd.	Malaysia	**100**	–	Dormant
Matrix Development (Australia) Pty Ltd @	Australia	**100**	100	Investment holding
PT Matrix Perkasa Indonesia @	Indonesia	**100**	100	Property development
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	Dormant

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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 2022 %	2021 %	Principal Activities
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.				
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
Subsidiary of Matrix Healthcare Sdn. Bhd.				
Matrix Medicare Sdn. Bhd.	Malaysia	**70**	70	Provision of healthcare services
Subsidiaries of Matrix Development (Australia) Pty Ltd				
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**	100	Management of defect works and rental guarantees for completed group property development

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

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

During the financial year:-

(a) the Company subscribed 25,200,000 new ordinary shares in Matrix IBS Sdn. Bhd. by capitalising the amount owing by Matrix IBS Sdn. Bhd. of RM25,200,000;

(b) the Company acquired an additional 20% equity interests in Matrix IBS Sdn. Bhd. from its non-controlling interests. Following the completion of the acquisition, Matrix IBS Sdn. Bhd. became a wholly owned subsidiary of the Company. The details of the acquisition are disclosed in Note 38 to the financial statements;

(c) the Company subscribed 100 new ordinary shares in MCHB Development (Southern) Sdn. Bhd. for a total cash consideration of RM100;

(d) the Company subscribed 100 new ordinary shares in MCHB Development (KV) Sdn. Bhd. for a total cash consideration of RM100;

(e) the Company subscribed 13,800,000 new ordinary shares in Matrix Development (Australia) Pty Ltd by capitalising the amount owing by Matrix Development (Australia) Pty Ltd of RM43,616,280;

(f) Masuda Corporation Sdn. Bhd. initiated a capital reduction in respect of its issued and paid-up ordinary shares by cancelling 1,700,000 ordinary shares and returning RM1,700,000 to the Company; and

(g) MCHB Natro' Green Sdn. Bhd. initiated a capital reduction in respect of its issued and paid-up ordinary shares by cancelling 150,000 ordinary shares and returning RM150,000 to the Company.

In the previous financial year:-

(a) the Company subscribed 14,750,000 new ordinary shares in Matrix Concepts (Southern) Sdn. Bhd. by capitalising the amount owing by Matrix Concepts (Southern) Sdn. Bhd. of RM14,350,000 and cash consideration of RM400,000;

(b) the Company subscribed 100 new ordinary shares in MCHB Development (NS) Sdn. Bhd. for a total cash consideration of RM100;

(c) Matrix Concepts (Australia) Pty Ltd, a wholly-owned subsidiary of the Matrix Development (Australia) Pty Ltd has been deregistered on 24 September 2020; and

(d) 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.

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6. INVESTMENT IN JOINT VENTURE

	THE GROUP	
	2022 RM'000	2021 RM'000
Unquoted shares, at cost	**118,800**	118,800
Share of post acquisition profits	**8,449**	5,040
Effect of movement in exchange rate	**13,153**	9,392
	140,402	133,232

The details of the joint venture are as follows:-

Name of Joint Venture	Principal Place of Business	Percentage of Ownership 2022 %	2021 %	Principal Activities
Joint venture of PT Matrix Perkasa Indonesia				
PT Fin Centerindo Satu [@]	Indonesia	**30**	30	Property development

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

7. PROPERTY, PLANT AND EQUIPMENT

The Group	AT 1.4.2021 RM'000	ADDITIONS RM'000	EFFECT OF MOVEMENT IN EXCHANGE RATE RM'000	DISPOSAL/ WRITTEN OFF RM'000	RECLASSIFICATION RM'000	IMPAIRMENT RM'000	DEPRECIATION CHARGES RM'000	AT 31.3.2022 RM'000
2022								
Carrying Amount								
Freehold land	1,257	–	–	–	–	–	–	1,257
Buildings	207,392	–	–	–	–	(343)	(5,040)	202,009
Leasehold land and buildings	133	–	–	–	–	–	(2)	131
Office equipment, furniture and fittings	13,857	1,286	(5)	(47)	–	–	(2,898)	12,193
Plant and machinery	5,021	7	–	–	15	(4,132)	(714)	197
Motor vehicles	4,158	552	–	(72)	–	–	(1,377)	3,261
Moulds	8,149	–	–	–	–	(7,488)	(661)	–
Machinery in progress	15	–	–	–	(15)	–	–	–
Total	239,982	1,845	(5)	(119)	–	(11,963)	(10,692)	219,048

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

The Group	AT 1.4.2020 RM'000	ADDITIONS RM'000	EFFECT OF MOVEMENT IN EXCHANGE RATE RM'000	DISPOSAL/ WRITTEN OFF RM'000	DEPRECIATION CHARGES RM'000	AT 31.3.2021 RM'000
2021						
Carrying Amount						
Freehold land	1,257	–	–	–	–	1,257
Buildings	212,430	3	–	–	(5,041)	207,392
Leasehold land and buildings	135	–	–	–	(2)	133
Office equipment, furniture and fittings	15,357	1,326	136	(20)	(2,942)	13,857
Plant and machinery	5,750	–	–	–	(729)	5,021
Motor vehicles	5,403	729	–	(191)	(1,783)	4,158
Moulds	8,348	208	–	–	(407)	8,149
Machinery in progress	–	15	–	–	–	15
Total	248,680	2,281	136	(211)	(10,904)	239,982

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

The Group	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	ACCUMULATED IMPAIRMENT RM'000	CARRYING AMOUNT RM'000
2022				
Freehold land	**1,257**	**–**	**–**	**1,257**
Buildings	**241,004**	**(35,774)**	**(3,221)**	**202,009**
Leasehold land and buildings	**173**	**(42)**	**–**	**131**
Office equipment, furniture and fittings	**34,036**	**(21,843)**	**–**	**12,193**
Plant and machinery	**7,702**	**(3,373)**	**(4,132)**	**197**
Motor vehicles	**15,820**	**(12,559)**	**–**	**3,261**
Moulds	**8,674**	**(1,186)**	**(7,488)**	**–**
Total	**308,666**	**(74,777)**	**(14,841)**	**219,048**

The Group	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	ACCUMULATED IMPAIRMENT RM'000	CARRYING AMOUNT RM'000
2021				
Freehold land	1,257	–	–	1,257
Buildings	241,004	(30,734)	(2,878)	207,392
Leasehold land and buildings	173	(40)	–	133
Office equipment, furniture and fittings	32,809	(18,952)	–	13,857
Plant and machinery	7,680	(2,659)	–	5,021
Motor vehicles	16,248	(12,090)	–	4,158
Moulds	8,674	(525)	–	8,149
Machinery in progress	15	–	–	15
Total	307,860	(65,000)	(2,878)	239,982

Certain freehold land and buildings of the Group amounted to RM131,564,000 (2021 – RM134,544,000) have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Notes 25, 26 and 29 to the financial statements.

During the financial year, the Group has carried out a review of the recoverable amount of its building, plant and machinery and moulds due to continuous losses experienced by a subsidiary. An impairment loss of RM11,963,000, representing the write-down to the recoverable amount was recognised in "Administrative Expenses" line item of the consolidated statement of profit or loss and other comprehensive income as disclosed in Note 34 to the financial statements. The recoverable amount of the building was based on its fair value less costs to sell. The main valuation input used was current replacement costs of the building less depreciation estimated by valuer using the replacement cost method. Since the estimated costs of replacement are a significant unobservable input, the fair value of the building is categorised as a level 3 fair value.

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

The recoverable amount of plant and machinery and moulds were expected to be nil since the affected subsidiary is not expected to turn around in the near future.

8. INVESTMENT PROPERTIES

The Group	AT 1.4.2021 RM'000	DISPOSAL RM'000	DEPRECIATION CHARGE RM'000	AT 31.3.2022 RM'000
2022				
Carrying Amount				
Houses	**132**	**(68)**	**(2)**	**62**

The Group	AT 1.4.2020 RM'000	DISPOSAL RM'000	DEPRECIATION CHARGE RM'000	AT 31.3.2021 RM'000
2021				
Carrying Amount				
Houses	152	(16)	(4)	132

The Group	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	CARRYING AMOUNT RM'000
2022			
Houses	**100**	**(38)**	**62**

The Group	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	CARRYING AMOUNT RM'000
2021			
Houses	200	(68)	132

The estimated fair value of the Group's investment properties as at the end of the reporting period approximates RM133,000 (2021 – RM266,000).

9. RIGHT-OF-USE ASSETS

The Group	AT 1.4.2021 RM'000	ADDITIONS (NOTE 40(a)) RM'000	DISPOSAL/ WRITTEN OFF RM'000	DEPRECIATION CHARGES RM'000	EFFECT OF MOVEMENT IN EXCHANGE RATE RM'000	MODIFICATION OF LEASE LIABILITIES (NOTE 24) RM'000	AT 31.3.2022 RM'000
2022							
Carrying Amount							
Buildings	**3,141**	**91**	**–**	**(1,021)**	**(58)**	**710**	**2,863**
Motor vehicles	**479**	**–**	**(147)**	**(199)**	**–**	**–**	**133**
Total	**3,620**	**91**	**(147)**	**(1,220)**	**(58)**	**710**	**2,996**

The Group	AT 1.4.2020 RM'000	ADDITIONS (NOTE 40(a)) RM'000	DEPRECIATION CHARGES RM'000	EFFECT OF MOVEMENT IN EXCHANGE RATE RM'000	MODIFICATION OF LEASE LIABILITIES (NOTE 24) RM'000	AT 31.3.2021 RM'000
2021						
Carrying Amount						
Buildings	2,265	1,708	(1,111)	(9)	288	3,141
Motor vehicles	767	–	(288)	–	–	479
Total	3,032	1,708	(1,399)	(9)	288	3,620

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(CONT'D)

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 6 years (2021 – 1 year to 5 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	
	2022 RM'000	2021 RM'000
Goodwill arising from consolidation	**18**	18
Accumulated impairment losses	**(18)**	(18)
At 31 March	*****	*

*- Less than RM1,000

11. INVENTORIES

	Note	THE GROUP	
		2022 RM'000	2021 RM'000
Non-current			
Properties held for future development	11(a)	**802,960**	685,108
Current			
Properties under development for sale	11(b)	**385,625**	465,050
Completed properties held for sale	11(c)	**75,088**	148,889
Operating supplies and materials	11(d)	**2,479**	4,080
		463,192	618,019
Recognised in profit or loss:-			
Inventories of property development		**101,931**	55,267
Cost of property development recognised during the current financial year		**260,354**	471,501

11. INVENTORIES (CONT'D)

Certain development properties amounted to RM225,290,000 (2021 – RM227,422,000) have been pledged to secure borrowings as disclosed in Notes 25, 26 and 29 to the financial statements.

(a) Properties held for future development

	THE GROUP 2022 RM'000	2021 RM'000
Land, at cost		
At beginning of the year	**518,966**	462,104
Costs incurred during the year	**111,870**	95,120
Transferred to properties under development for sale (Note 11(b))	**(33,966)**	(38,258)
At the end of the year	**596,870**	518,966
Development costs		
At beginning of the year	**166,142**	199,732
Costs incurred during the year	**66,568**	43,764
Transferred to properties under development for sale (Note 11(b))	**(24,194)**	(77,328)
Reversal of development costs	**–**	(26)
Property development costs written off	**(2,426)**	–
At the end of the year	**206,090**	166,142
Cumulative cost / Carrying amount	**802,960**	685,108

(b) Properties under development for sale

	THE GROUP 2022 RM'000	2021 RM'000
Land, at cost		
At beginning of the year	**431,885**	449,370
Costs incurred during the year	**4,692**	1,546
Transferred from properties held for future development (Note 11(a))	**33,966**	38,258
Reversal of completed projects	**(93,325)**	(71,425)
Reversal of land cost	**–**	(70)
Effect of movement in exchange rate	**(405)**	14,206
At the end of the year	**376,813**	431,885

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(CONT'D)

11. INVENTORIES (CONT'D)

(b) Properties under development for sale (Cont'd)

	THE GROUP 2022 RM'000	THE GROUP 2021 RM'000
Development costs		
At beginning of the year	**157,890**	283,153
Costs incurred during the year	**149,899**	385,011
Transferred from properties held for future development (Note 11(a))	**24,194**	77,328
Reversal of completed projects	**(296,309)**	(590,016)
Property development cost written off	**(3,153)**	–
Effect of movement in exchange rate	**(134)**	2,414
At the end of the year	**32,387**	157,890
Cumulative costs	**409,200**	589,775
Cumulative cost recognised in profit or loss		
At beginning of the year	**(124,725)**	(183,182)
Recognised during the year	**(260,354)**	(471,501)
Unsold units transferred to completed properties held for sale (Note 11(c))	**(28,130)**	(131,483)
Reversal of completed projects	**389,634**	661,441
At the end of the year	**(23,575)**	(124,725)
Carrying amount	**385,625**	465,050

(c) Completed properties held for sale

	THE GROUP 2022 RM'000	THE GROUP 2021 RM'000
At beginning of the year	**148,889**	72,673
Unsold units transferred from properties under development for sale (Note 11(b))	**28,130**	131,483
Disposals during the year	**(101,931)**	(55,267)
Cumulative cost / Carrying amount	**75,088**	148,889

(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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current				
Other receivables (Note (a))	**17,097**	11,318	**–**	–
Prepayment (Note (b))	**21,637**	22,838	**–**	–
	38,734	34,156	**–**	–
Current				
Other receivables:-				
Third parties	**3,779**	4,470	**–**	–
Goods and services tax recoverable	**98**	55	**–**	–
	3,877	4,525	**–**	–
Deposits	**7,322**	6,251	**2**	2
Deposits paid for land acquisition	**20,818**	31,188	**–**	–
Deposits paid for land development right	**22,046**	17,812	**–**	–
Prepayment	**1,965**	3,166	**–**	–
Costs to secure contracts (Note (d))	**40,829**	21,563	**–**	–
	96,857	84,505	**2**	2
Less: Allowance for impairment losses (Note (c))	**–**	(7,000)	**–**	–
	96,857	77,505	**2**	2

(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.

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

		THE GROUP		THE COMPANY	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
(c)	Allowance for impairment losses:				
	At the beginning of the year	**7,000**	2	**–**	–
	(Reversal)/Addition during the year:-				
	- deposits	**(7,000)**	7,000	**–**	–
	Written off during the year:-				
	- other receivables	**–**	(2)	**–**	–
	At the end of the year	**–**	7,000	**–**	–
(d)	Costs to secure contracts:				
	Incremental costs of obtaining a contract				
	At the beginning of the year	**21,563**	24,754	**–**	–
	Add: Incurred during the financial year	**82,621**	74,984	**–**	–
		104,184	99,738	**–**	–
	Less: Cost recognised in profit or loss during the financial year	**(63,355)**	(78,175)	**–**	–
	At the end of the year	**40,829**	21,563	**–**	–

Costs to secure contracts 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.

13. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	THE COMPANY	
	2022 RM'000	2021 RM'000
Amount owing by:		
Non-current		
- Subsidiaries (Non-trade)	**393,825**	487,364
Current		
- Subsidiaries (Non-trade)	**585,547**	565,101
Less: Impairment losses	**(142,140)**	(47,640)
	443,407	517,461
Impairment losses:-		
At 1 April	**47,640**	47,640
Addition during the financial year (Note 33)	**94,500**	–
At 31 March	**142,140**	47,640
Amount owing to:		
Current		
- Subsidiaries (Non-trade)	**(36,314)**	(17,668)

The non-trade balances represent payments made on behalf which bear an interest of 5% per annum (2021 – 4% to 5% per annum). The amounts owing are to be paid over a period of time and are to be settled in cash.

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14. DEFERRED TAX (ASSETS)/LIABILITIES

The Group	At 1.4.2021 RM'000	Recognised in Profit or Loss (Note 35) RM'000	At 31.3.2022 RM'000
2022			
Deferred Tax Liabilities			
Property, plant and equipment	**633**	**(25)**	**608**
Right-of-use assets	**868**	**(271)**	**597**
	1,501	**(296)**	**1,205**
Deferred Tax Assets			
Lease liabilities	**(546)**	**457**	**(89)**
Deferred income	**(72)**	**(25)**	**(97)**
Property development costs	**(10,073)**	**5,703**	**(4,370)**
Unrealised profits	**(19,225)**	**780**	**(18,445)**
Provision	**(9,168)**	**8,509**	**(659)**
	(39,084)	**15,424**	**(23,660)**
	(37,583)	**15,128**	**(22,455)**

The Group	At 1.4.2020 RM'000	Recognised in Profit or Loss (Note 35) RM'000	At 31.3.2021 RM'000
2021			
Deferred Tax Liabilities			
Property, plant and equipment	643	(10)	633
Right-of-use assets	1,134	(266)	868
	1,777	(276)	1,501
Deferred Tax Assets			
Lease liabilities	(1,056)	510	(546)
Deferred income	(70)	(2)	(72)
Property development costs	(6,386)	(3,687)	(10,073)
Unrealised profits	(18,991)	(234)	(19,225)
Provision	(11,319)	2,151	(9,168)
	(37,822)	(1,262)	(39,084)
	(36,045)	(1,538)	(37,583)

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	
	2022 RM'000	**2021 RM'000**
Deferred tax assets	**(22,580)**	(37,805)
Deferred tax liabilities	**125**	222
	(22,455)	(37,583)

15. TRADE RECEIVABLES AND CONTRACT ASSETS

	THE GROUP	
	2022 RM'000	**2021 RM'000**
Trade receivables	**324,193**	229,506
Contract assets in relation to property development (Note 16)	**293,323**	313,591
	617,516	543,097
Less: Allowance for impairment losses	**(11)**	–
	617,505	543,097
Allowance for impairment losses:		
At the beginning of the year	**–**	406
Addition during the year (Note 33)	**11**	–
Written off during the year	**–**	(406)
At the end of the year	**11**	–

(a) The credit terms of the Group range from 14 to 60 (2021 – 14 to 60) days.

(b) Other credit terms are assessed and approved on a case-by-case basis.

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16. CONTRACT ASSETS/(LIABILITIES)

The contract assets and contract liabilities as at 31 March 2022 and 31 March 2021 were not impacted by significant changes in contract terms.

	THE GROUP 2022 RM'000	THE GROUP 2021 RM'000
Net carrying amount of contract assets/(liabilities) is analysed as follows:-		
At 1 April		
- contract assets	**313,591**	279,269
- contract liabilities	**(72,963)**	(89,338)
Property development and construction revenue recognised on performance obligation during the financial year	**861,650**	1,096,567
Less: Billings during the financial year	**(898,034)**	(1,045,870)
At 31 March	**204,244**	240,628
At 31 March		
- contract assets (Note 15)	**293,323**	313,591
- contract liabilities (Note 27)	**(89,079)**	(72,963)
	204,244	240,628

(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 fulfilment 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.

(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:-

2022	THE GROUP 2023 RM'000	THE GROUP 2024 RM'000	THE GROUP 2025 RM'000
Property development revenue	**497,176**	**151,841**	**22,512**
Education service	**1,088**	**–**	**–**
Membership fee	**148**	**–**	**–**
	498,412	**151,841**	**22,512**

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 (Cont'd):-

	THE GROUP		
2021	**2022 RM'000**	**2023 RM'000**	**2024 RM'000**
Property development revenue	351,155	75,561	3,493
Education service	1,944	–	–
Membership fee	89	–	–
	353,188	75,561	3,493

17. SHORT-TERM INVESTMENTS

	THE GROUP/THE COMPANY			
	2022		2021	
	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 40(d))	–	–	8,154	8,154

The funds were invested 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.

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 bear effective interest rates ranging from 0.33% to 3.00% (2021 – 0.96% to 3.80%) per annum and 0.33% to 1.95% (2021 – 0.96% to 1.80%) per annum respectively. The fixed deposits have maturity periods ranging from 28 to 365 (2021 – 28 to 365) days and 25 to 365 (2021 – 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 RM26,595,000 (2021 – RM25,841,000) and RM2,159,000 (2021 – RM2,122,000) which have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 29 to the financial statements.

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19. CASH AND BANK BALANCES

Included in the cash and bank balances of the Group is an amount of RM83,581,000 (2021 – RM115,761,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulation, 2002. 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			
	2022 Number of shares ('000)	2021	2022 RM'000	2021 RM'000
Issued and Fully Paid-Up				
Ordinary shares:-				
At 1 April	**834,232**	834,214	**961,315**	961,280
New shares issued:				
- Warrant conversion	**–**	18	**–**	35
At 31 March	**834,232**	834,232	**961,315**	961,315

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.

21. RESERVES

	THE GROUP		THE COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-distributable:-				
Translation reserves	**4,699**	934	**–**	–

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.

22. LONG-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Sukuk Wakalah (Note 23)	**20,000**	110,000	**20,000**	110,000
Term loans (Note 25)	**84,572**	65,671	**–**	–
Revolving credits (Note 26)	**10,015**	10,015	**–**	–
	114,587	185,686	**20,000**	110,000

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.

Details of the Sukuk Wakalah as at 31 March 2022 are as follows:-

Date of issuance	Tenure (months)	Nominal Value RM'000	Periodic distribution rate (per annum) %	Maturity date
IMTN				
15 August 2017	60	20,000	6.50	15 August 2022
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
		110,000		

23. SUKUK WAKALAH (CONT'D)

Details of the Sukuk Wakalah as at 31 March 2021 are as follows:-

Date of issuance	Tenure (months)	Nominal Value RM'000	Periodic distribution rate (per annum) %	Maturity date
IMTN				
15 August 2017	60	40,000	6.50	15 August 2022
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				
11 February 2021	3	50,000	3.12	11 May 2021
		200,000		

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

	THE GROUP/THE COMPANY 2022 RM'000	2021 RM'000
Current liabilities (Note 30)	**90,000**	90,000
Non-current liabilities (Note 22)	**20,000**	110,000
	110,000	200,000

(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))*.

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24. LEASE LIABILITIES

	THE GROUP 2022 RM'000	2021 RM'000
At 1 April	**3,493**	2,834
Changes due to lease modification (Note 9)	**710**	288
Addition of lease liabilities	**91**	1,708
Interest expense recognised in profit or loss	**143**	190
Repayment of principal	**(1,230)**	(1,337)
Repayment of interest expense	**(143)**	(190)
At 31 March	**3,064**	3,493
Analysed by:-		
Current liabilities	**863**	1,105
Non-current liabilities	**2,201**	2,388
	3,064	3,493

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 (2021 – 5) years and bear effective interest rates ranging from 3.96% to 4.66% (2021 – 3.96% to 4.75%).

25. TERM LOANS (SECURED)

	THE GROUP 2022 RM'000	2021 RM'000
Current liabilities (Note 30)	**68,274**	39,791
Non-current liabilities (Note 22)	**84,572**	65,671
	152,846	105,462

(a) The term loans are repayable over 10 to 84 (2021 – 12 to 84) monthly instalments from the date of drawdown and are secured in the same manner as the bank overdrafts as disclosed in Note 29 to the financial statements.

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

	THE GROUP EFFECTIVE INTEREST RATE 2022 %	2021 %
Floating rate term loans	**2.75 – 5.25**	3.94 – 5.85

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26. REVOLVING CREDITS

	THE GROUP 2022 RM'000	THE GROUP 2021 RM'000
Current liabilities (Note 30)	**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 29 to the financial statements.

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

	THE GROUP EFFECTIVE INTEREST RATE 2022 %	THE GROUP EFFECTIVE INTEREST RATE 2021 %
Floating rate revolving credits	**4.13 – 4.19**	4.13 – 4.50

27. TRADE PAYABLES AND CONTRACT LIABILITIES

	THE GROUP 2022 RM'000	THE GROUP 2021 RM'000 (RESTATED)
Trade payables	**65,248**	73,074
Retention sum	**5,719**	6,512
Contract liabilities in relation to property development (Note 16)	**86,125**	72,963
Contract liabilities in relation to clubhouse membership (Note 16)	**2,954**	–
Accruals	**9,999**	13,481
Provision	**4,318**	4,318
	174,363	170,348

The normal trade credit terms granted to the Group range from 30 days to 60 days (2021 – 30 days to 60 days). Other credit terms are granted to the Group on a case-by-case basis.

28. OTHER PAYABLES, DEPOSITS, ACCRUALS AND PROVISION

	THE GROUP		THE COMPANY	
	2022 RM'000	2021 RM'000 (RESTATED)	2022 RM'000	2021 RM'000
Non-Current				
Non-controlling interest shareholders	**22,148**	21,175	**–**	–
Current				
Other payables	**42,538**	42,583	**–**	–
Advances from customers	**906**	1,106	**–**	–
Non-controlling interest shareholders	**–**	2,076	**–**	–
Goods and services tax payable	**1**	1	**–**	–
Sales and services tax payable	**8**	–	**–**	–
Withholding tax payable	**190**	595	**–**	–
Deposits	**12,056**	10,908	**–**	–
Accruals	**149,529**	141,381	**1,394**	1,072
Provision	**190**	60,113	**–**	–
Dividend payables	**31,284**	25,027	**31,284**	25,027
Deferred income	**1,236**	1,865	**–**	–
	237,938	285,655	**32,678**	26,099

The amount owing to non-controlling interest shareholders is unsecured and bears an interest of 5% (2021 – 4% - 5%) per annum. The amount owing is to be paid over a period of time and are to be settled in cash.

29. BANK OVERDRAFTS

	THE GROUP		THE COMPANY	
	2022 %	2021 %	2022 %	2021 %
Bank overdrafts	**4.95 – 6.20**	6.20	**–**	–

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.

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30. SHORT-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Sukuk Wakalah (Note 23)	**90,000**	90,000	**90,000**	90,000
Term loans (Note 25)	**68,274**	39,791	**–**	–
Revolving credits (Note 26)	**10,000**	10,000	**–**	–
	168,274	139,791	**90,000**	90,000

31. REVENUE

	THE GROUP		THE COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Contract with customers:-				
- Property development and construction revenue	**703,504**	990,162	**–**	–
- Sales of completed properties	**158,146**	106,405	**–**	–
- Revenue from hospitality segment	**17,323**	16,265	**–**	–
- Revenue from education segment	**11,038**	12,335	**–**	–
Dividend income	**–**	–	**115,385**	200,025
Others	**2,385**	2,432	**–**	–
	892,396	1,127,599	**115,385**	200,025

The disaggregation of revenue from contracts with customers is presented under 'Operating Segments' in Note 43.2 to financial statements.

32. COST OF SALES

Included in cost of sales are the following:-

	THE GROUP		THE COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cost of inventories recognised:-				
- property development costs	**260,354**	471,501	**–**	–
- completed properties	**101,931**	55,267	**–**	–
Cost of construction	**14,639**	10,115	**–**	–
Cost of services	**24,428**	24,675	**–**	–
Others	**615**	796	**–**	–
	401,967	562,354	**–**	–

33. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	THE GROUP		THE COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Impairment losses:-				
- trade receivables	**11**	–	**–**	–
- amount owing by subsidiaries	**–**	–	**94,500**	–
	11	–	**94,500**	–

34. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration				
- audit fees:				
- current year:				
- Crowe Malaysia PLT	**563**	557	**70**	70
- other auditors	**102**	104	**–**	–
- (over)/under provision in prior year:				
- Crowe Malaysia PLT	**–**	(25)	**–**	–
- other auditors	**(28)**	26	**–**	–
- non-audit fees:				
- Crowe Malaysia PLT	**8**	8	**8**	8
Bad debts written off	**4**	140	**–**	–
Depreciation:				
- property, plant and equipment (Note 7)	**10,692**	10,904	**–**	–
- investment properties (Note 8)	**2**	4	**–**	–
- right-of-use assets (Note 9)	**1,220**	1,399	**–**	–
Directors' remuneration (Note 41)	**32,276**	32,169	**441**	572
Deposit written off	**103**	1,443	**–**	–
Incorporation fees	**3**	–	**–**	–
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- bank overdraft	**274**	374	*****	6
- non-controlling interest shareholders	**1,078**	912	**–**	–
- finance charges	**9**	9	**–**	–
- inter-company	**–**	–	**6,296**	2,100
- term loan	**8,580**	10,596	**–**	–
- revolving credit	**1,331**	4,651	**–**	–
- imputed interest	**–**	11,847	**–**	–
- Sukuk interest	**4,865**	6,366	**9,841**	11,956
	16,137	34,755	**16,137**	14,062

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34. PROFIT BEFORE TAXATION (CONT'D)

	THE GROUP		THE COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit before taxation is arrived at after charging/(crediting) (Cont'd):-				
Impairment loss:				
- deposit	–	7,000	–	–
- trade receivable	11	–	–	–
- property, plant and equipment	11,963	–	–	–
- loan to subsidiaries	–	–	94,500	–
- investment in a subsidiary	–	–	30,384	–
Interest expenses on lease liabilities (Note 24)	143	190	–	–
Loss on foreign exchange – realised	20	16	–	4
Lease expense:				
- short-term lease	9,121	14,145	–	–
- low value asset	172	232	–	–
Property, plant and equipment written off	–	1	–	–
Property development cost written off	5,579	–	–	–
Staff cost (including other key management personnel as disclosed in Note 41):				
- short-term employee benefits	51,294	52,234	–	–
- long-term employee benefits	565	679	–	–
- defined contribution benefits	6,058	6,480	–	–
- others	4,694	3,893	–	–
	62,611	63,286	–	–
Bad debts recovered	(30)	–	–	–
Gain on foreign exchange – realised	(1)	(2)	(1)	–
Gain on disposal of property, plant and equipment	(150)	(7)	–	–
Gain on disposal of investment properties	(54)	(11)	–	–
Gain on capital reduction of a subsidiary	–	–	(150)	–
Gain on disposal of right-of-use asset	(63)	–	–	–
Reversal of impairment of deposits	(7,000)	–	–	–
Reversal of project costs	(11,286)	(29,071)	–	–
Reversal of property development costs written off	–	(997)	–	–
Interest income of financial assets that are not at fair value through profit of loss:				
- fixed deposits with licensed banks	(1,155)	(1,448)	(558)	(600)
- imputed interest	–	(601)	–	–
- inter-company	–	–	(46,675)	(41,164)
- late payment interest waived/(charged)	176	(359)	–	–
- bank interest	(3,604)	(2,227)	(540)	(590)
	(4,583)	(4,635)	(47,773)	(42,354)
Lease income:				
- property, plant and equipment	(1,723)	(2,157)	–	–

* - Less than RM1,000

35. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current tax expenses	**54,381**	93,259	**5,260**	4,053
(Over)/Under provision in the previous financial year	**(1,979)**	(3,995)	**3**	(127)
	52,402	89,264	**5,263**	3,926
Deferred tax expenses (Note 14):-				
- Origination and reversal of temporary differences	**15,708**	(1,554)	**–**	–
- Over provision of deferred tax liabilities in the previous financial year	**(1)**	(48)	**–**	–
- (Under)/Over provision of deferred tax assets in the previous financial year	**(579)**	64	**–**	–
	15,128	(1,538)	**–**	–
	67,530	87,726	**5,263**	3,926

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	
	2022 RM'000	2021 RM'000
Unused tax losses		
- expires year of assessment 2028	**27,551**	27,551
- expires year of assessment 2029	**15,374**	15,374
- expires year of assessment 2030	**7,032**	7,032
- expires year of assessment 2031	**20,153**	20,153
- expires year of assessment 2032	**11,948**	–
	82,058	70,110
Unabsorbed capital allowances	**12,742**	9,035
Unabsorbed industrial building allowances	**40,620**	35,038
	135,420	114,183

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35. INCOME TAX EXPENSE (CONT'D)

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

	THE GROUP	
	2022 RM'000	2021 RM'000
Unused tax losses		
- expires year of assessment 2028	**27,551**	27,551
- expires year of assessment 2029	**15,374**	15,374
- expires year of assessment 2030	**7,032**	7,032
- expires year of assessment 2031	**20,153**	20,153
- expires year of assessment 2032	**11,948**	–
	82,058	70,110
Unabsorbed capital allowances	**3,745**	2,242
Unabsorbed industrial building allowances	**2,725**	1,711
Others	**96,706**	80,616
	185,234	154,679

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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit before taxation	**268,396**	340,808	**19,979**	226,182
Tax at the applicable corporate tax rate of 24% (2021 - 24%)	**64,415**	81,794	**4,795**	54,284
Tax effects of:-				
Non-deductible expenses	**986**	2,628	**22,797**	55
Non-taxable income	**(1,702)**	(2,324)	**(22,205)**	(50,286)
Effects of differential in tax rates of foreign sources income	**–**	–	**(127)**	–
Share of results in joint venture	**(818)**	(1,240)	**–**	–
Deferred tax assets not recognised during the financial year	**7,230**	10,928	**–**	–
Effects of differential in tax rates of subsidiaries	**(22)**	(81)	**–**	–
(Over)/Under provision of Malaysian Income Tax in the previous financial year	**(1,979)**	(3,995)	**3**	(127)
Over provision of deferred tax liabilities in the previous financial year	**(1)**	(48)	**–**	–
(Under)/Over provision of deferred tax assets in the previous financial year	**(579)**	64	**–**	–
Income tax expense for the financial year	**67,530**	87,726	**5,263**	3,926

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021 – 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.

36. OTHER COMPREHENSIVE INCOME

	THE GROUP	
	2022 RM'000	**2021 RM'000**
Items that will be reclassified subsequently to profit or loss		
Foreign currency translation:		
- changes during the financial year	**3,765**	27,941

37. EARNINGS PER SHARE

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	
	2022	**2021**
Profit attributable to owners of the Company (RM'000)	**205,198**	262,223
Weighted average number of ordinary shares in issue ('000)	**834,232**	834,227
Basic earnings per share (Sen)	**24.6**	31.4

38. ACQUISITIONS OF NON-CONTROLLING INTERESTS

On 11 November 2021, Matrix IBS Sdn. Bhd. increased its issued and paid-up share capital from RM2,500,000 to RM34,000,000. The Company subscribed an additional 25,200,000 new ordinary shares in Matrix IBS Sdn. Bhd. by capitalising the amount owing of RM25,200,000.

On 17 November 2021, the Company acquired an additional 20% equity interests in Matrix IBS Sdn. Bhd. for RM2,184,513 in cash, increasing its ownership from 80% to 100%. The carrying amount of Matrix IBS Sdn. Bhd.'s net assets in the Group's financial statements on that date was RM11,108,285. The Group recognised an increase in non-controlling interests of RM4,069,350 and an increase in retained profits of RM46,137.

The following summarises the effect of changes in the equity interests in Matrix IBS Sdn. Bhd. that is attributable to the owners of the Company:-

	THE GROUP
	2022 RM'000
Equity interest in 1 April	**(11,838)**
Effect of increase in the Company's ownership interest	**2,230**
Additional subscription of shares in a subsidiary	**25,200**
Share of post acquisition losses	**(16,242)**
Equity interest at 31 March	**(650)**

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39. DIVIDENDS

	THE GROUP/THE COMPANY	
	2022 RM'000	2021 RM'000
In respect of the financial year ended 31 March 2020:-		
- 4th interim single tier dividend of 2.50 sen per ordinary share, paid on 7 August 2020	–	20,856
In respect of the financial year ended 31 March 2021:-		
- 1st interim single tier dividend of 2.00 sen per ordinary share, paid on 8 October 2020	–	16,684
- 2nd interim single tier dividend of 3.00 sen per ordinary share, paid on 8 January 2021	–	25,027
- 3rd interim single tier dividend of 3.00 sen per ordinary share, paid on 8 April 2021	–	25,027
- 4th interim single tier dividend of 4.00 sen per ordinary share, paid on 8 July 2021	**33,369**	–
In respect of the financial year ended 31 March 2022:-		
- 1st interim single tier dividend of 2.00 sen per ordinary share, paid on 7 October 2021	**16,685**	–
- 2nd interim single tier dividend of 3.00 sen per ordinary share, paid on 6 January 2022	**25,027**	–
- 3rd interim single tier dividend of 3.75 sen per ordinary share, paid on 7 April 2022	**31,284**	–
	106,365	87,594

Subsequent to the end of financial year, the directors, on 25 May 2022 declared a fourth interim single tier dividend of 3.75 sen per ordinary share amounting to RM31,283,698 in respect of the current financial year, payable on 7 July 2022 to shareholders whose names appeared in the record of depositors on 22 June 2022.

40. CASH FLOW INFORMATION

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

	THE GROUP	
	2022 RM'000	2021 RM'000
Cost of right-of-use assets purchased (Note 9)	**91**	1,708
Amount financed through lease liabilities (Note (b))	**(91)**	(1,708)
Cash disbursed for purchase of right-of-use assets	**–**	–

40. CASH FLOW INFORMATION (CONT'D)

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

The Group	TERM LOANS RM'000	SUKUK WAKALAH RM'000	LEASE LIABILITIES RM'000	REVOLVING CREDITS RM'000	NON-CONTROLLING INTEREST SHAREHOLDERS RM'000	OTHERS RM'000	TOTAL RM'000
2022							
At 1 April	105,462	200,000	3,493	20,015	23,251	–	352,221
Changes in Financing Cash Flows							
Proceeds from drawdown	63,517	–	–	20,000	–	–	83,517
Repayment of borrowing principal	(16,090)	(90,000)	(1,230)	(20,000)	–	–	(127,320)
Repayment of borrowing interests	(4,497)	(9,841)	(143)	(493)	–	(41)	(15,015)
Advances from non-controlling interest shareholders	–	–	–	–	4,119	–	4,119
Non-cash Changes							
Acquisition of new leases	–	–	91	–	–	–	91
Changes due to lease modification	–	–	710	–	–	–	710
Finance charges recognised in profit or loss	8,580	4,865	143	1,331	1,078	283	16,280
Finance charges (reversed)/ capitalised in inventories	(4,083)	4,976	–	(838)	–	(242)	(187)
Shares subscribed by non-controlling interests	–	–	–	–	(6,300)	–	(6,300)
Effect of movement in exchange rate	(43)	–	–	–	–	–	(43)
At 31 March	152,846	110,000	3,064	20,015	22,148	–	308,073

40. CASH FLOW INFORMATION (CONT'D)

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

The Group	TERM LOANS RM'000	SUKUK WAKALAH RM'000	LEASE LIABILITIES RM'000	REVOLVING CREDITS RM'000	NON-CONTROLLING INTEREST SHAREHOLDERS RM'000	OTHERS RM'000	TOTAL RM'000
2021							
At 1 April	124,325	240,000	2,834	20,015	17,582	–	404,756
<u>Changes in Financing Cash Flows</u>							
Proceeds from drawdown	26,302	–	–	10,000	–	–	36,302
Repayment of borrowing principal	(46,691)	(40,000)	(1,337)	(10,000)	–	–	(98,028)
Repayment of borrowing interests	(4,913)	(11,956)	(190)	(757)	–	(155)	(17,971)
Advances from non-controlling interest shareholders	–	–	–	–	4,757	–	4,757
<u>Non-cash Changes</u>							
Acquisition of new leases	–	–	1,708	–	–	–	1,708
Changes due to lease modification	–	–	288	–	–	–	288
Finance charges recognised in profit or loss	10,596	6,366	190	4,651	912	383	23,098
Finance charges (reversed)/ capitalised in inventories	(5,683)	5,590	–	(3,894)	–	(228)	(4,215)
Effect of movement in exchange rate	1,526	–	–	–	–	–	1,526
At 31 March	105,462	200,000	3,493	20,015	23,251	–	352,221

40. CASH FLOW INFORMATION (CONT'D)

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

The Company	LOAN FROM RELATED COMPANIES RM'000	SUKUK WAKALAH RM'000	OTHERS RM'000	TOTAL RM'000
2022				
At 1 April	**17,668**	**200,000**	**–**	**217,668**
<u>Changes in Financing Cash Flows</u>				
Net advance from subsidiaries	**20,496**	**–**	**–**	**20,496**
Repayment of borrowing principal	**–**	**(90,000)**	**–**	**(90,000)**
Repayment of borrowing interests	**(6,296)**	**(9,841)**	*****	**(16,137)**
<u>Non-cash Changes</u>				
Finance charges recognised in profit or loss	**6,296**	**9,841**	*****	**16,137**
Capital reduction in subsidiaries	**(1,850)**	**–**	**–**	**(1,850)**
At 31 March	**36,314**	**110,000**	**–**	**146,314**

The Company	LOAN FROM RELATED COMPANIES RM'000	SUKUK WAKALAH RM'000	OTHERS RM'000	TOTAL RM'000
2021				
At 1 April	3,829	240,000	–	243,829
<u>Changes in Financing Cash Flows</u>				
Net advance from subsidiaries	13,839	–	–	13,839
Repayment of borrowing principal	–	(40,000)	–	(40,000)
Repayment of borrowing interests	(2,100)	(11,956)	(6)	(14,062)
<u>Non-cash Changes</u>				
Finance charges recognised in profit or loss	2,100	11,956	6	14,062
At 31 March	17,668	200,000	–	217,668

*- Less than RM1,000

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40. CASH FLOW INFORMATION (CONT'D)

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

	THE GROUP 2022 RM'000	THE GROUP 2021 RM'000
Payment of short-term leases	**9,121**	14,145
Payment of low-value assets	**172**	232
Interest paid on lease liabilities	**143**	190
Payment of lease liabilities	**1,230**	1,337
	10,666	15,904

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

	THE GROUP 2022 RM'000	THE GROUP 2021 RM'000	THE COMPANY 2022 RM'000	THE COMPANY 2021 RM'000
Fixed deposits with licensed banks (Note 18)	**58,466**	58,513	**34,029**	34,794
Cash and bank balances (Note 19)	**143,672**	170,840	**3,508**	19,925
Bank overdrafts (Note 29)	**–**	(42)	**–**	–
Short-term investments (Note 17)	**–**	8,154	**–**	8,154
	202,138	237,465	**37,537**	62,873
Less: Fixed deposits pledged to licensed banks (Note 18(b))	**(26,595)**	(25,841)	**(2,159)**	(2,122)
Fixed deposits with maturity of more than 3 months	**(25,255)**	(26,057)	**(25,255)**	(26,057)
	150,288	185,567	**10,123**	34,694

41. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Group and of the Company and certain members of senior management of the Group and of the Company.

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

	THE GROUP		THE COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
(a) Directors				
Directors of the Company				
Executive Directors				
Short-term employee benefits:				
- salaries, bonuses and other benefits	**19,661**	19,384	**–**	–
Defined contribution benefits	**3,033**	2,978	**–**	–
Long-term employee benefits	**480**	473	**–**	–
	23,174	22,835	**–**	–
Non-executive Directors				
Short-term employee benefits:				
- fees	**2,202**	2,287	**322**	412
- other benefits	**119**	160	**119**	160
	2,321	2,447	**441**	572
	25,495	25,282	**441**	572

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41. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensation during the financial year are as follows (Cont'd):-

	THE GROUP		THE COMPANY	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
(a) Directors (Cont'd)				
Directors of the subsidiaries				
Executive Directors				
Short-term employee benefits:				
- fees	**1,409**	1,606	**–**	–
- salaries, bonuses and other benefits	**4,627**	4,526	**–**	–
	6,036	6,132	**–**	–
Defined contribution benefits	**648**	658	**–**	–
Long-term employee benefits	**97**	97	**–**	–
	6,781	6,887	**–**	–
Total directors' remuneration (Note 34)	**32,276**	32,169	**441**	572

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM160,000 and RM Nil (2021 – RM170,000 and RM Nil) respectively.

(b) Other Key Management Personnel

	THE GROUP		THE COMPANY	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Short-term employee benefits	**4,501**	3,998	**–**	–
Defined contribution benefits	**635**	609	**–**	–
Long-term employee benefits	**107**	98	**–**	–
Total compensation for other key management personnel (Note 34)	**5,243**	4,705	**–**	–

42. 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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Subsidiaries				
Dividend income	**–**	–	**(115,385)**	(200,025)
Interest income	**–**	–	**(46,675)**	(41,164)
Interest expenses	**–**	–	**6,296**	2,100
Person connected to directors of the Company and of certain subsidiary companies				
Sales of development properties	**–**	(2,432)	**–**	–
Rental paid	**43**	43	**–**	–
Purchase of marketing materials	**159**	325	**–**	–
Corporations connected to directors of the Company and of certain subsidiary companies				
Consultancy services	**1,728**	2,068	**–**	–
Purchases of building materials and sub-contract charges	**21,240**	43,607	**–**	–
Purchase of food supplies	**–**	167	**–**	–
Purchase of land	**–**	10,738	**–**	–
Rental paid	**240**	240	**–**	–
Petrol charges	**10**	–	**–**	–

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43. 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 and hospital management services

43.1 BUSINESS SEGMENTS

	Property Development and Construction RM'000	Education RM'000	Hospitality RM'000	Others RM'000	Group RM'000
2022					
Revenue					
External revenue	**861,650**	**11,038**	**17,323**	**2,385**	**892,396**
Inter-segment revenue	**314,321**	**526**	**334**	**–**	**315,181**
	1,175,971	**11,564**	**17,657**	**2,385**	**1,207,577**
Consolidation adjustments					**(315,181)**
Consolidated revenue					**892,396**
Results					
Segment results	**286,769**	**(4,346)**	**5,914**	**118**	**288,455**
Interest income					**4,583**
					293,038
Share of results of joint venture					**3,409**
Depreciation					**(11,914)**
Finance costs					**(16,137)**
Profit before taxation					**268,396**
Income tax expense					**(67,530)**
Consolidated profit after taxation					**200,866**

43. OPERATING SEGMENTS (CONT'D)

43.1 BUSINESS SEGMENTS (CONT'D)

	Property Development and Construction RM'000	Education RM'000	Hospitality RM'000	Group RM'000
2022				
Segment results includes the followings:-				
Bad debts written off	**–**	**–**	**4**	**4**
Deposit written off	**103**	**–**	**–**	**103**
Impairment loss on property, plant and equipment	**11,963**	**–**	**–**	**11,963**
Property development cost written off	**5,579**	**–**	**–**	**5,579**
Bad debts recovered	**(30)**	**–**	**–**	**(30)**
Rental income	**(1,703)**	**(20)**	**–**	**(1,723)**
(Gain)/Loss on disposal of property, plant and equipment	**(158)**	**8**	**–**	**(150)**
Gain on disposal of investment property	**(54)**	**–**	**–**	**(54)**
Gain on disposal of right-of-use assets	**(63)**	**–**	**–**	**(63)**
Impairment on trade receivables	**–**	**11**	**–**	**11**
Reversal of impairment loss on deposit	**(7,000)**	**–**	**–**	**(7,000)**

	Property Development and Construction RM'000	Education RM'000	Hospitality RM'000	Others RM'000	Group RM'000
2021					
Revenue					
External revenue	1,096,567	12,335	16,265	2,432	1,127,599
Inter-segment revenue	455,493	709	290	–	456,492
	1,552,060	13,044	16,555	2,432	1,584,091
Consolidation adjustments					(456,492)
Consolidated revenue					1,127,599
Results					
Segment results	377,703	(5,231)	5,738	(141)	378,069
Interest income					4,635
					382,704
Share of results of joint venture					5,166
Depreciation					(12,307)
Finance costs					(34,755)
Profit before taxation					340,808
Income tax expense					(87,726)
Consolidated profit after taxation					253,082

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43. OPERATING SEGMENTS (CONT'D)

43.1 BUSINESS SEGMENTS (CONT'D)

	Property Development and Construction RM'000	Education RM'000	Hospitality RM'000	Group RM'000
2021				
Segment results includes the followings:-				
Bad debts written off	17	–	123	140
Deposit written off	1,443	–	–	1,443
Impairment loss on deposit	7,000	–	–	7,000
Property, plant and equipment written off	–	–	1	1
Rental income	(2,132)	(25)	–	(2,157)
(Gain)/Loss on disposal of property, plant and equipment	(12)	5	–	(7)
Gain on disposal of investment property	(11)	–	–	(11)

	Property Development and Construction RM'000	Education RM'000	Hospitality RM'000	Others RM'000	Group RM'000
2022					
Assets					
Segment assets	**2,335,556**	**129,748**	**78,397**	**40,193**	**2,583,894**
Unallocated assets	**35,997**	**–**	**(509)**	**(9)**	**35,479**
Consolidated total assets					**2,619,373**
Liabilities					
Segment liabilities	**683,149**	**12,334**	**7,653**	**17,238**	**720,374**
Unallocated liabilities	**94**	**–**	**31**	**–**	**125**
Consolidated total liabilities					**720,499**
Other Segment Items					
Additions to non-current assets other than financial instruments:					
- Property, plant and equipment	**1,622**	**57**	**166**	**–**	**1,845**
- Right-of-use assets	**–**	**–**	**91**	**–**	**91**

43. OPERATING SEGMENTS (CONT'D)

43.1 BUSINESS SEGMENTS (CONT'D)

	Property Development and Construction RM'000	Education RM'000	Hospitality RM'000	Others RM'000	Group RM'000
2021					
Assets					
Segment assets	2,321,966	135,245	79,514	35,633	2,572,358
Unallocated assets	37,804	–	–	1	37,805
Consolidated total assets					2,610,163
Liabilities					
Segment liabilities	773,476	11,548	5,793	15,373	806,190
Unallocated liabilities	7,003	–	481	(3)	7,481
Consolidated total liabilities					813,671
Other Segment Items					
Additions to non-current assets other than financial instruments:					
- Property, plant and equipment	1,944	42	295	–	2,281
- Right-of-use assets	1,389	152	167	–	1,708

43.2 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
2022					
Primary Geographical Markets					
Malaysia	**861,650**	**11,038**	**17,323**	**2,385**	**892,396**
Timing of Revenue Recognition					
At a point in time	**158,146**	**–**	**4,686**	**–**	**162,832**
Over time	**703,504**	**11,038**	**12,637**	**2,385**	**729,564**
	861,650	**11,038**	**17,323**	**2,385**	**892,396**

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43. OPERATING SEGMENTS (CONT'D)

43.2 DISAGGREGATION OF REVENUE (CONT'D)

Revenue from contracts with customers is disaggregated by primary geographical market and timing of revenue recognition as below (Cont'd):-

	Property Development and Construction RM'000	Education RM'000	Hospitality RM'000	Others RM'000	Group RM'000
2021					
Primary Geographical Markets					
Malaysia	1,096,567	12,335	16,265	2,432	1,127,599
Timing of Revenue Recognition					
At a point in time	106,405	–	3,622	–	110,027
Over time	990,162	12,335	12,643	2,432	1,017,572
	1,096,567	12,335	16,265	2,432	1,127,599

43.3 MAJOR CUSTOMERS

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

44. CAPITAL COMMITMENTS

	THE GROUP 2022 RM'000	THE GROUP 2021 RM'000	THE COMPANY 2022 RM'000	THE COMPANY 2021 RM'000
Purchase of property, plant and equipment	**40**	–	**–**	–
Purchase of land held for property development	**94,328**	124,122	**–**	–
Acquisition of development right	**70,271**	74,355	**–**	–
	164,639	198,477	**–**	–

45. 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.

45.1 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.

(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 25, 26 and 29 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	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Effects on Profit After Taxation				
Increase of 77 basis points (2021: 77 basis points)	**–1,053**	–402	**+3,791**	+3,232
Decrease of 77 basis points (2021: 77 basis points)	**+1,053**	+402	**-3,791**	-3,232

(iii) Price Risk

The Group does not have any quoted investments and hence is not exposed to price risk.

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45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 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) Maximum 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 against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

The Group considers any receivables having significant balances, more than 90 days overdue and vacant possession delivered are deemed credit impaired.

<u>Trade Receivables and Contract Assets</u>

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.

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 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)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

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 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 trade receivables to settle their debts using the linear regressive analysis. The Group has identified the unemployment rate, Gross Domestic Product (GDP) and inflation rate index as the key macroeconomic factors of the forward-looking information.

Allowance for Impairment Losses

The Group	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
2022			
Current (not past due)	**97,183**	**–**	**97,183**
1 to 30 days past due	**46,322**	**–**	**46,322**
31 to 60 days past due	**39,381**	**–**	**39,381**
61 to 90 days past due	**35,331**	**–**	**35,331**
More than 90 days past due	**105,976**	**–**	**105,976**
	324,193	**–**	**324,193**
Credit impaired:			
Individually impaired	**(11)**	**–**	**(11)**
Trade receivables	**324,182**	**–**	**324,182**
Contract assets	**293,323**	**–**	**293,323**
	617,505	**–**	**617,505**

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 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)

Allowance for Impairment Losses (Cont'd)

The Group	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
2021			
Current (not past due)	92,271	–	92,271
1 to 30 days past due	30,206	–	30,206
31 to 60 days past due	30,848	–	30,848
61 to 90 days past due	17,371	–	17,371
More than 90 days past due	58,810	–	58,810
Trade receivables	229,506	–	229,506
Contract assets	313,591	–	313,591
	543,097	–	543,097

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.

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers the license banks 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.

Amount Owing By Subsidiaries

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Company considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

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45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Amount Owing By Subsidiaries (Cont'd)

Allowance for Impairment Losses

The Company	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
2022			
Low credit risk	**837,232**	**–**	**837,232**
Credit impaired	**142,140**	**(142,140)**	**–**
	979,372	**(142,140)**	**837,232**
2021			
Low credit risk	1,004,825	–	1,004,825
Credit impaired	47,640	(47,640)	–
	1,052,465	(47,640)	1,004,825

The movements in the loss allowances are disclosed in Note 13 to the financial statements.

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 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
2022						
Non-derivative Financial Liabilities						
Lease liabilities	4.83	3,064	3,206	976	2,230	–
Trade payables	–	80,966	80,966	80,966	–	–
Amount owing to non-controlling interest shareholders	5.00	22,148	30,444	1,827	8,282	20,335
Other payables, deposits and accruals	–	235,407	235,407	235,407	–	–
Term loans	3.98	152,846	162,895	71,797	84,411	6,687
Sukuk Wakalah	6.16	110,000	131,149	104,307	26,842	–
Revolving credits	4.29	20,015	20,637	10,419	10,218	–
		624,446	664,704	505,699	131,983	27,022

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Group	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 – 5 YEARS RM'000	OVER 5 YEARS RM'000
2021						
Non-derivative Financial Liabilities						
Lease liabilities	5.00	3,493	3,664	1,197	2,467	–
Trade payables	–	93,067	93,067	93,067	–	–
Amount owing to non-controlling interest shareholders	4.70	23,251	30,869	3,071	8,175	19,623
Other payables, deposits and accruals	–	219,899	219,899	219,899	–	–
Term loans	1.12	105,462	116,626	42,552	67,233	6,841
Sukuk Wakalah	5.49	200,000	227,507	96,357	131,150	–
Revolving credits	4.33	20,015	21,513	10,600	10,913	–
Bank overdrafts	6.20	42	42	42	–	–
		665,229	713,187	466,785	219,938	26,464

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 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
2022					
Non-derivative Financial Liabilities					
Other payables, deposits and accruals	**–**	**32,678**	**32,678**	**32,678**	**–**
Amounts owing to subsidiaries	**5.00**	**36,314**	**36,314**	**36,314**	**–**
Sukuk Wakalah	**6.16**	**110,000**	**131,149**	**104,307**	**26,842**
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries	**–**	**–**	**277,563**	**277,563**	**–**
		178,992	**477,704**	**450,862**	**26,842**
2021					
Non-derivative Financial Liabilities					
Other payables, deposits and accruals	–	26,099	26,099	26,099	–
Amounts owing to subsidiaries	5.00	17,668	17,668	17,668	–
Sukuk Wakalah	5.49	200,000	227,507	96,357	131,150
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries	–	–	208,666	208,666	–
		243,767	479,940	348,790	131,150

45. FINANCIAL INSTRUMENTS (CONT'D)

45.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	THE GROUP	
	2022 RM'000	**2021 RM'000**
Term loans (Note 25)	**152,846**	105,462
Bank overdrafts (Note 29)	**–**	42
Sukuk Wakalah (Note 23)	**110,000**	200,000
Revolving credits (Note 26)	**20,015**	20,015
	282,861	325,519
Less: Short-term investments (Note 17)	**–**	8,154
Less: Fixed deposits with licensed banks (Note 18)	**58,466**	58,513
Less: Cash and bank balances (Note 19)	**143,672**	170,840
	202,138	237,507
Net debt	**80,723**	88,012
Total equity	**1,898,874**	1,796,492
Debt-to-equity ratio (times)	**0.04**	0.05

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

45. FINANCIAL INSTRUMENTS (CONT'D)

45.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	THE GROUP		THE COMPANY	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Financial Assets				
Mandatorily at Fair Value Through Profit or Loss				
Short-term investments (Note 17)	**–**	8,154	**–**	8,154
Amortised cost				
Trade receivables (Note 15)	**324,182**	229,506	**–**	–
Other receivables and deposits (Note 12)	**28,198**	22,039	**2**	2
Amount owing by subsidiaries (Note 13)	**–**	–	**837,232**	1,004,825
Fixed deposits with licensed banks (Note 18)	**58,466**	58,513	**34,029**	34,794
Cash and bank balances (Note 19)	**143,672**	170,840	**3,508**	19,925
	554,518	480,898	**874,771**	1,059,546
Financial Liabilities				
Amortised cost				
Lease liabilities (Note 24)	**3,064**	3,493	**–**	–
Term loans (Note 25)	**152,846**	105,462	**–**	–
Trade payables (Note 27)	**80,966**	93,067	**–**	–
Other payables, deposits and accruals (Note 28)	**257,555**	243,150	**32,678**	26,099
Amount owing to subsidiaries (Note 13)	**–**	–	**36,314**	17,668
Bank overdrafts (Note 29)	**–**	42	**–**	–
Sukuk Wakalah (Note 23)	**110,000**	200,000	**110,000**	200,000
Revolving credits (Note 26)	**20,015**	20,015	**–**	–
	624,446	665,229	**178,992**	243,767

NOTES TO
THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022
(CONT'D)

45. FINANCIAL INSTRUMENTS (CONT'D)

45.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	THE GROUP		THE COMPANY	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Financial Assets				
Fair Value Through Profit or Loss				
Net gains recognised in profit or loss	**300**	273	**300**	273
Amortised cost				
Net gains/(losses) recognised in profit or loss	**4,298**	(7,625)	**(47,027)**	42,081
Financial Liabilities				
Amortised cost				
Net losses recognised in profit or loss	**(16,280)**	(23,098)	**(16,137)**	(14,062)

45.5 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.

45. FINANCIAL INSTRUMENTS (CONT'D)

45.5 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:-

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
2022					
Financial assets					
Other receivable (non-current)	**–**	**17,097**	**–**	**17,097**	**17,097**
Financial liabilities					
Amount owing to non-controlling interest shareholders (non-current)	**–**	**22,148**	**–**	**22,148**	**22,148**
Sukuk Wakalah	**–**	**105,963**	**–**	**105,963**	**110,000**
Term loans	**–**	**152,846**	**–**	**152,846**	**152,846**
Revolving credits	**–**	**20,015**	**–**	**20,015**	**20,015**
2021					
Financial assets					
Short-term investments	–	8,154	–	8,154	8,154
Other receivable (non-current)	–	11,318	–	11,318	11,318
Financial liabilities					
Amount owing to non-controlling interest shareholders (non-current)	–	21,175	–	21,175	21,175
Sukuk Wakalah	–	196,055	–	196,055	200,000
Term loans	–	105,462	–	105,462	105,462
Revolving credits	–	20,015	–	20,015	20,015

NOTES TO
THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022
(CONT'D)

45. FINANCIAL INSTRUMENTS (CONT'D)

45.5 FAIR VALUE INFORMATION (CONT'D)

As the Group does not have any financial instruments carried at fair value, the following table sets out only the fair value profile of financial instruments that are not carried at fair value at the end of the reporting period (Cont'd):-

The Company	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
2022					
Financial assets					
Amount owing by subsidiaries (non-current)	**–**	**393,825**	**–**	**393,825**	**393,825**
Financial liability					
Sukuk Wakalah	**–**	**105,963**	**–**	**105,963**	**110,000**
2021					
Financial assets					
Short-term investments	–	8,154	–	8,154	8,154
Amount owing by subsidiaries (non-current)	–	487,364	–	487,364	487,364
Financial liability					
Sukuk Wakalah	–	196,055	–	196,055	200,000

(a) The fair values, which are for disclosure purposes, have been determined using the following basis:-

(i) The fair value of other receivable (non-current), 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 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 2022 %	2021 %
Sukuk Wakalah	**5.50 – 6.85**	3.12 – 6.85

46. COMPARATIVE FIGURES

The following figures had been reclassified to conform with the presentation of the current financial year:-

The accrued construction costs were reclassified to trade payables and contract liabilities as the accrued costs were trade in nature.

	As Previously Reported RM'000	As Restated RM'000
Statement of Financial Position (Extract):-		
Trade payables and contract liabilities	165,596	170,348
Other payables, deposits, accruals and provision	290,407	285,655

47. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as global pandemic. Following the declaration, the Government of Malaysia has on 18 March 2020 imposed the Movement Control Order ("MCO") and subsequently entered into various phases of the MCO to curb the spread of the COVID-19 pandemic in Malaysia.

The Group's operations have been disrupted by a series of precautionary and control measures taken by the government and private corporations in response to the emergency of the COVID-19 pandemic.

The Group's financial performance and cash flows for the current reporting period had been impacted by the COVID-19 pandemic. Nevertheless, the Group will continuously assess the situation and put in place measures to minimise impact to its business.

48. SIGNIFICANT EVENTS OCCURING AFTER THE REPORTING PERIOD

(i) On 28 April 2022, MCHB Development (NS) Sdn. Bhd. entered into a Memorandum of Understanding ("MOU") with NS Corporation, the development arm of the Negeri Sembilan State, to explore the possibility of collaborating in the development of certain land parcels within the Malaysia Vision Valley 2.0 region.

(ii) On 25 May 2022, the Company proposed to undertake the proposed bonus issue of 417,116,178 new ordinary shares in the Company ("Bonus Shares") to be credited as fully paid-up on the basis of 1 Bonus Share for every 2 existing ordinary shares held in the Company.

The proposal are subject to approvals from Bursa Malaysia Securities Berhad and shareholders at the forthcoming Annual General Meeting.

ADDITIONAL **INFORMATION**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

UTILISATION OF PROCEEDS

There were no new proceeds raised during the financial year ended 31 March 2022.

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 2022 as shown below:-

	The Group RM	The Company RM
Audit Fees	665,000	70,000
Non-Audit Fees *	199,000	23,000

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

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 2022.

LIST OF PROPERTIES

PROPERTIES OWNED BY OUR GROUP

No.	Location	Tenure	Land (Acres)	Usage	Net book value as at 31 March 2022 (RM'000)	Date of acquisition
1.	Lot 12652-12654, Bandar Sri Sendayan, Seremban, Negeri Sembilan	Freehold / Perpetuity	26.1	School and clubhouse	174,512	5 July 2013

DEVELOPMENT PROPERTIES

No.	Location	Tenure	Land (Acres)	Usage	Net book value as at 31 March 2022 (RM'000)	Date of acquisition
1.	Bandar Sri Sendayan	Freehold / Perpetuity			125,780	11 August 2011
(i)	Lot No. PT 10992-11011, 11016-11029, 13158-13190, 13229-13262, 13298-13337, 13378-13426, 13477-13503, 13941-14150 and 12667, Bandar Sri Sendayan, Seremban, Negeri Sembilan		48.7	On-going and/or future mixed residential and commercial development		
(ii)	Lot No. PT 7148-7194 and 7196-7209 Bandar Sri Sendayan, Seremban, Negeri Sembilan		4.9	Future commercial development		
(iii)	Lot No. PT 4895 and 12662-12663, Bandar Sri Sendayan, Seremban, Negeri Sembilan		18.4	On-going commercial development		
(iv)	Lot No. PT6140-6172, Bandar Sri Sendayan, Seremban, Negeri Sembilan		4.9	Future mixed commercial and industrial development		
(v)	Lot No. PT 6394, 11651, 11653, 11663-11680, and 6329, Bandar Sri Sendayan, Seremban, Negeri Sembilan		30.5	On-going industrial and commercial development		
(vi)	Lot No. PT 6868, Bandar Sri Sendayan, Seremban, Negeri Sembilan		116.0	Future commercial development		
(vii)	Lot No. PT 10717-10865, 12655-12658, 12660 and 12679, Bandar Sri Sendayan, Seremban, Negeri Sembilan		55.3	Future mixed commercial development		
2.	PT 159 Section 46, Town of Kuala Lumpur, District of Kuala Lumpur	Freehold	1.1	On-going residential and commercial development	49,948	24 December 2013
3.	PT37936-39868, Mukim of Labu, Seremban, Negeri Sembilan	Freehold	237.0	Future mixed residential and commercial development	91,773	10 April 2014

LIST OF **PROPERTIES**
(CONT'D)

No.	Location	Tenure	Land (Acres)	Usage	Net book value as at 31 March 2022 (RM'000)	Date of acquisition
4.	PT43234-44480, 44491 and 44492, Mukim of Labu, Seremban, Negeri Sembilan	Freehold	164.0	On-going and/or future mixed residential and commercial development	48,775	13 February 2015
5.	HS(D) 297055, PT8790, Mukim Pekan Kinrara, Daerah Petaling, Negeri Selangor	Leasehold	5.8	Future residential development	99,296	4 January 2016
6.	650 & 660 Somerton Road, Greenvale 3059 Victoria Australia	Freehold	9.7	On-going residential development	59,035	12 November 2018
7.	333 St Kilda Road, St Kilda 3182 Victoria Australia	Freehold	0.6	Existing budget hotel for future commercial and residential development	67,318	7 December 2018
8.	Lot 2828-2831 and 2833-2861, Mukim Jimah, Daerah Port Dickson, Negeri Sembilan	Freehold	202.8	Future residential development	142,739	Between 14 June 2017 and 14 February 2020
9.	HS(D) 267031, PT48041, Mukim Sungai Buloh, Daerah Petaling Jaya, Negeri Selangor	Leasehold	5.6	Future residential development	59,584	28 February 2020
10.	PT45679-46321, 5357-5359, 5363-5365 and 26304, Mukim of Labu, Seremban, Negeri Sembilan	Freehold	126.9	Future mixed residential and commercial development	64,337	Between 13 August 2015 and 12 August 2020
11.	203 parcels of vacant agriculture land held under separate titles situated in Bandar Sri Sendayan, Negeri Sembilan	Freehold	400.4	Future mixed residential and commercial development	194,606	Between 21 December 2019 and 31 March 2022
12.	19 parcels of vacant agriculture land held under separate titles situated in Bandar Sri Sendayan, Negeri Sembilan	Freehold	106.2	Future mixed residential and commercial development	47,057	Between 6 August 2019 and 31 March 2022
13.	Lot 15257 and 13245, Mukim of Labu, Seremban, Negeri Sembilan	Leasehold	134.9	Future mixed residential and commercial development	35,863	24 February 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 42 - Related Party Disclosures in the Audited Financial Statements for the financial year ended 31 March 2022, the disclosure of the breakdown of the aggregate value of RRPTs incurred during FY2022 are as below:-

No.	Related Parties	Relationship with Matrix Group	Type of RRPT	Actual Aggregate Value as at 31 March 2022 (RM)
1.	Y&Y Mix Sdn Bhd	Datin Seri 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' Seri Lee Tian Hock. Yong Moi Noi, who is a director of Y&Y Mix Sdn Bhd, is the sister-in-law of Dato' Seri 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' Seri Lee Tian Hock.	Supply ready mix concrete to Matrix Excelcon Sdn Bhd and Matrix IBS Sdn Bhd	18,479,146.00
2.	Takrif Maksimum Sdn Bhd	Dato' Seri 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 Seri Yong Chou Lian, who is a substantial shareholder and director of Takrif Maksimum Sdn Bhd, is the spouse of Dato' Seri Lee Tian Hock.	Rental of retail space to BSS Development Sdn Bhd to be utilised as its sales gallery	60,000.00
3.	Reka Homes, Reka Light 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	9,330.00

RECURRENT RELATED PARTY **TRANSACTIONS ("RRPTS")**

(PURSUANT TO PARAGRAPH 10.09(2)(B) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)
(CONT'D)

No.	Related Parties	Relationship with Matrix Group	Type of RRPT	Actual Aggregate Value as at 31 March 2022 (RM)
4.	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 former 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 and Matrix IBS Sdn Bhd	2,752,200.00
5.	Yong Moi Noi	Yong Moi Noi is the sister-in-law of Dato' Seri Lee Tian Hock.	Agency services for the sourcing and purchase of sales, marketing materials or collaterals, corporate gift and decoration items	158,933.20
6.	Lee Geok Hoon and Cheong Yong Chieh	Lee Geok Hoon and Cheong Yong Chieh are the sister and brother-in-law of Dato' Seri Lee Tian Hock.	Rental of retail space to Matrix Excelcon Sdn Bhd for the purpose of operating as an office	43,200.00
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-in-law and sister-in-law of Mr Lee Tian Onn, who in turn is the brother of Dato' Seri Lee Tian Hock.	Rental of retail space to Matrix Concepts Sdn Bhd for the purpose of operating as an office	180,000.00
8.	GXM Pty Ltd	Lee Jon Wee, who is the sole director and sole shareholder of GXM Pty Ltd, is also the director of 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	1,728,304.87

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2022

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	931	39,553	0.00
100 To 1,000 shares	2,165	1,355,516	0.16
1,001 To 10,000 shares	5,748	25,361,274	3.04
10,001 To 100,000 shares	2,154	61,390,205	7.36
100,001 To Less Than 5% of issued shares	384	531,286,197	63.69
5% and above of issued shares	3	214,799,611	25.75
Total	**11,385**	**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' Seri Lee Tian Hock	105,985,399	12.70	(i) 177,439,364	21.27
2	Shining Term Sdn Bhd	105,734,357	12.67	–	–
3	Datin Seri Yong Chou Lian	2,678,820	0.32	(ii) 111,954,844	13.42
4	Employees Provident Fund Board	70,704,852	8.48	–	–

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 Seri Yong Chou Lian and offspring 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 Seri Yong Chou Lian	2,678,820
f) Harry Lee Chin Yeow	2,155,625
g) Kelvin Lee Chin Chuan	2,000,000
h) Vivian Lee Chin Shean	2,000,000
i) Jennice Lee Chin Mei	2,000,000
j) Cindy Lee Chin Hui	2,000,000
Total	**177,439,364**

(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

AS AT 30 JUNE 2022 (CONT'D)

DIRECTOR'S SHAREHOLDINGS

	Name of Director	No. of Shares Direct	%	Indirect	%
1	Dato' Haji Mohamad Haslah Bin Mohamad Amin	1,675,737	0.20	–	–
2	Dato' Seri Lee Tian Hock	105,985,399	12.70	(i) 177,439,364	21.27
3	Ho Kong Soon	3,284,811	0.39	(ii) 26,162,043	3.14
4	Dato' Hon Choon Kim	262,500	0.03	(iii) 208,750	0.03
5	Dato' Hajah Kalsom Binti Khalid	201,300	0.02	–	–
6	Dato' Logendran A/L K Narayanasamy	1,543,437	0.19	–	–
7	Chua See Hua	–	–	–	–
8	Mazhairul Bin Jamaludin	10,000	0.001	–	–
9	Loo See Mun	–	–	–	–

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 Seri Yong Chou Lian and offspring 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 Seri Yong Chou Lian	2,678,820
f) Harry Lee Chin Yeow	2,155,625
g) Kelvin Lee Chin Chuan	2,000,000
h) Vivian Lee Chin Shean	2,000,000
i) Jennice Lee Chin Mei	2,000,000
j) Cindy Lee Chin Hui	2,000,000
Total	**177,439,364**

(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, Datin Lee Siow Kian @ Lee Siew Kian and offspring pursuant to Section 59(11)(c) of the Act.

a) Datin Lee Siow Kian @ Lee Siew Kian	8,750
b) Hon Woei Chia	200,000
Total	**208,750**

TOP THIRTY (30)
LARGEST SHAREHOLDERS
AS AT 30 JUNE 2022

No.	Name	No. of Shares Held	%
1.	Kenanga Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Shining Term Sdn. Bhd.*	75,000,000	8.99
2.	RHB Capital Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Dato' Seri Lee Tian Hock*	73,593,675	8.82
3.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board*	66,205,936	7.94
4.	Ambang Kuasa Sdn. Bhd.	32,699,185	3.92
5.	Shining Term Sdn. Bhd.	30,734,357	3.68
6.	Lembaga Tabung Haji	30,116,800	3.61
7.	Maybank Securities Nominees (Asing) Sdn. Bhd. *Maybank Securities Pte Ltd For Asia Core Properties Inc Pte Ltd*	26,576,300	3.19
8.	Supreme Interest Sdn. Bhd.	25,855,793	3.10
9.	Maybank Securities Nominees (Asing) Sdn. Bhd. *Maybank Securities Pte Ltd For PT Fin Centerindo Dua*	21,670,700	2.60
10.	Magnitude Point Sdn. Bhd.	19,950,890	2.39
11.	Dato' Seri Lee Tian Hock	16,391,724	1.96
12.	RHB Nominees (Tempatan) Sdn. Bhd. *RHB Asset Management Sdn Bhd For Dato' Seri Lee Tian Hock*	16,000,000	1.92
13.	Target Venue Sdn. Bhd.	12,449,543	1.49
14.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Exempt AN For AIA Bhd.*	11,731,245	1.41
15.	Permodalan Nasional Berhad	10,294,100	1.23
16.	Citigroup Nominees (Asing) Sdn. Bhd. *Exempt AN for Bank of Singapore Limited (Foreign)*	8,851,600	1.06
17.	Kenanga Nominees (Asing) Sdn. Bhd. *Exempt AN for Monex Boom Securities (HK) Limited*	8,835,000	1.06
18.	Cartaban Nominees (Tempatan) Sdn. Bhd. *PBTB For Takafulink Dana Ekuiti*	8,653,450	1.04

TOP THIRTY (30)
LARGEST SHAREHOLDERS
AS AT 30 JUNE 2022
(CONT'D)

No.	Name	No. of Shares Held	%
19.	Fine Approach Sdn. Bhd.	8,300,000	0.99
20.	Amanahraya Trustees Berhad *Amanah Saham Bumiputera 3 - Didik*	7,357,487	0.88
21.	Maybank Nominees (Tempatan) Sdn. Bhd. *ETIQA Family Takaful Berhad (Family)*	6,567,275	0.79
22.	Public Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Dato' Seri Lee Tian Hock (E-SRB/PDN)*	6,250,000	0.75
23.	Yakin Teladan Sdn. Bhd.	6,220,487	0.75
24.	Kumpulan Wang Persaraan (Diperbadankan)	6,161,683	0.74
25.	Meridian Effect Sdn. Bhd.	5,990,850	0.72
26.	Citigroup Nominees (Asing) Sdn. Bhd. *Exempt AN for Citibank New York (Norges Bank 14)*	5,367,521	0.64
27.	Yong Soi Mee	4,500,000	0.54
28.	HSBC Nominees (Tempatan) Sdn. Bhd. *HSBC (M) Trustee Bhd For Affin Hwang Aiiman Growth Fund (4207)*	4,481,277	0.54
29.	Maybank Nominees (Tempatan) Sdn. Bhd. *Mtrustee Bhd For Aiiman TNB RBTF (EQ) (433139)*	4,357,500	0.52
30.	Cartaban Nominees (Tempatan) Sdn. Bhd. *PAMB For Prulink Dana Unggul*	4,238,591	0.51
	Total	**565,402,969**	**67.78**

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fifth Annual General Meeting ("25th AGM") of Matrix Concepts Holdings Berhad ("MCHB" or "the Company") will be conducted on a fully virtual basis through live streaming via remote participation and voting facilities ("RPV") using Vote2U at https://web.vote2u.my (Domain Registration No. with MYNIC-D6A471702) provided by Agmo Digital Solutions Sdn Bhd in Malaysia on **Friday, 26 August 2022** 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 2022 and the Directors' and Auditors' reports thereon.

2. TO APPROVE the payments of Directors' Fees of RM322,225 for the financial year ended 31 March 2022 (2021: RM412,000). **Ordinary Resolution 1**

3. TO APPROVE the payments of Directors' Benefit of up to RM910,100 payable pursuant to Section 230(1) of the Companies Act 2016. **Ordinary Resolution 2**

4. TO RE-ELECT the following Directors retiring in accordance with Clause 103 and Clause 109 of the Company's Constitution:-

   a) Ho Kong Soon *(Clause 103)* **Ordinary Resolution 3**
   b) Dato' Logendran A/L K Narayanasamy *(Clause 103)* **Ordinary Resolution 4**
   c) Mazhairul Bin Jamaludin *(Clause 109)* **Ordinary Resolution 5**
   d) Loo See Mun *(Clause 109)* **Ordinary Resolution 6**

5. TO RE-APPOINT Messrs. Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 7**

AS SPECIAL BUSINESS

TO CONSIDER AND IF THOUGHT FIT, to pass the following as Ordinary Resolutions:-

6. **Authority to Allot and Issue Shares Pursuant to Section 75 of the Companies Act 2016** **Ordinary Resolution 8**
   "**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 Section 75 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)

7. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** **Ordinary Resolution 9**

"**THAT** approval be hereby given for the renewal of the mandate granted by the shareholders of the Company on 19 August 2021 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 July 2022, 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 25th 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."

8. **Proposed Bonus Issue of up to 417,116,178 new Ordinary Shares in MCHB ("MCHB Shares" or "Shares") ("Bonus Shares") on the basis of 1 Bonus Share for every 2 existing MCHB Shares held on an entitlement date to be determined and announced later ("Entitlement Date") ("Proposed Bonus Issue of Shares")** **Ordinary Resolution 10**

"**THAT** subject to the approvals of all relevant authorities and/or parties being obtained, approval be and is hereby given to the Board of Directors of the Company ("Board") to issue and allot up to 417,116,178 Bonus Shares, issued as fully paid, at no consideration and without capitalisation of the Company's reserves to the shareholders of the Company whose names appear in the Record of Depositors of the Company as at 5.00 p.m. on the Entitlement Date to be determined by the Board and announced by the Company at a later date, on the basis of 1 Bonus Share for every 2 existing MCHB Shares held;

THAT fractional entitlements arising from the Proposed Bonus Issue of Shares, if any, will be disregarded and dealt with in such manner as the Board in its absolute discretion deems fit, expedient and in the best interest of the Company;

NOTICE OF
ANNUAL GENERAL MEETING
(CONT'D)

THAT the Bonus Shares shall, upon issuance and allotment, rank equally in all respects with the then existing MCHB Shares, save and except that they will not be entitled to any dividend, right, allotment and/or any other distribution that may be declared, made or paid prior to the date of issuance and allotment of the Bonus Shares;

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements (including without limitations, the affixation of the Company's Common Seal in accordance with the Company's Constitution) as may be necessary or expedient in order to implement, finalise, give effect and complete the Proposed Bonus Issue of Shares with full powers to assent to any condition, modification, variation and/or amendment in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company."

9. **TO TRANSACT** any other business of which due notice shall have been given.

By Order Of The Board
LOO KAH BOON
Group Company Secretary
(MAICSA 0784630)(SSM PC NO. 201908001700)
Negeri Sembilan
28 July 2022

Notes:-

(i) In view of the ongoing Covid-19 outbreak and in the best interest of public health and safety, the 25th AGM will be conducted on a fully virtual basis through live streaming via remote participation and voting facilities ("RPV") using Vote2U at https://web.vote2u.my (Domain Registration No. with MYNIC-D6A471702) provided by Agmo Digital Solutions Sdn Bhd in Malaysia. Please read and follow the procedures as set out in the Administrative Guide of the 25th AGM in order to register, participate and vote remotely via the RPV facilities.

(ii) 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 25th 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.

(iii) 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.

(iv) 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.

(v) 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.

(vi) In respect of deposited securities, only shareholders whose name appear in the Record of Depositors on 17 August 2022 shall be entitled to attend, speak and vote at the 25th AGM.

(vii) All the resolutions as set out in the notice of 25th AGM will be put to vote by poll via online voting facilities.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes on Item 1, 3, 5 and all Special Businesses of the Agenda.

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 3 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 25th AGM until the next annual general meeting of the Company to be held in the year 2023.

   The Directors' Benefits payable to the Directors comprise meeting allowances, club memberships, leave passages and allocations of incentive payouts for the employees of the Company as part of the Employee Retention Programme initiated by the Company with effect from 1 January 2020 (referred to as "ERP"). Executive directors being employees of the Company are entitled to the ERP. If the Proposed Ordinary Resolution 2 is passed at the 25th AGM, with the exception of the ERP which are payable only at the completion of at least 5 years from 1 January 2020, the payment of the Directors' Benefits will be made by the Company as and when incurred. The breakdown of the Directors' Benefits which are payable are as follows:-

		RM
a)	Meeting Allowance, Leave Passages and Club Memberships	430,000
b)	Allocation of ERP for executive director for the financial year ended 31 March 2022	480,100
		910,100

   The Board is of the view that it is fair and equitable for the Directors to be paid as and when incurred for part (a) above, given that the Directors have duly discharged their responsibilities and provided their services to the Company for the said period.

3. **Item 5 of the Agenda – Re-appointment 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:-

4. **Authority to Allot and Issue Shares Pursuant to Section 75 of the Companies Act 2016**

   The proposed Ordinary Resolution 8 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-Fourth Annual General Meeting held on 19 August 2021 and unless revoked or varied at a general meeting, shall expire at the Twenty-Sixth 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 need arises during the financial year, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to any amount not exceeding in total, 10% of the total number of issued shares of the Company for the time being, for such purpose.

5. **Recurrent Related Party Transactions**

   The proposed Ordinary Resolution 9 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 July 2022 accompanying the Company's Integrated Annual Report 2022.

6. **Proposed Bonus Issue of Shares**

   The Proposed Ordinary Resolution 10 is to seek shareholders' approval on the Proposed Bonus Issue of Shares to issue and allot up to 417,116,178 Bonus Shares, issued as fully paid, to the shareholders of the Company whose names appear in the Record of Depositors of the Company as at 5.00 p.m. on the Entitlement Date to be determined by the Board and announced by the Company at a later date, on the basis of 1 Bonus Share for every 2 existing MCHB Shares held. Please refer to the Circular to Shareholders dated 28 July 2022 for the details in relation thereto.

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 25th AGM of Matrix Concepts Holdings Berhad are as follows:-

    a) Ho Kong Soon
    b) Dato' Logendran A/L K Narayanasamy
    c) Mazhairul Bin Jamaludin
    d) Loo See Mun

2. The profiles of the Directors who are standing for re-election are set out on page 53, 54, 55 and 59 of this Integrated Annual Report.

3. The information relating to the shareholdings of the above Directors in the Company and its related corporation are set out on page 230 of this Integrated Annual Report.

4. **Authority to issue shares pursuant to Section 75 of the Companies Act 2016**

    The shareholders had at the Twenty-Fourth Annual General Meeting held on 19 August 2021, 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 25th AGM. Details of the said authority are further explained in the Explanatory Notes attached with the Notice of 25th AGM on page 236 of this Integrated Annual Report. The Board intends to seek a renewal of the said authority.

5. **Proposed Bonus Issue of Shares**

    The Proposed Ordinary Resolution 10 is to seek shareholders' approval on the Proposed Bonus Issue of Shares to issue and allot up to 417,116,178 Bonus Shares, issued as fully paid, to the shareholders of the Company whose names appear in the Record of Depositors of the Company as at 5.00 p.m. on the Entitlement Date to be determined by the Board and announced by the Company at a later date, on the basis of 1 Bonus Share for every 2 existing MCHB Shares held. Please refer to the Circular to Shareholders dated 28 July 2022 for the details in relation thereto.

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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.	Contact: 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-Fifth Annual General Meeting ("25th AGM") of the Company to be conducted on a fully virtual basis through live streaming via remote participation and voting facilities ("RPV") using Vote2U at https://web.vote2u.my (Domain Registration No. with MYNIC-D6A471702) provided by Agmo Digital Solutions Sdn Bhd in Malaysia on Friday, 26 August 2022 at 10.00 a.m.and at any adjournment thereof.

Item	Agenda	Ordinary Resolution	For	Against
Ordinary Businesses				
1.	To receive the Audited Financial Statements for the financial year ended 31 March 2022 together with the Reports of the Directors and the Auditors thereon			
2.	To approve the payment of Directors' Fees	1		
3.	To approve the payment of Directors' Benefits	2		
4.	a) To re-elect Ho Kong Soon as Director of the Company	3		
	b) To re-elect Dato' Logendran A/L K Narayanasamy as Director of the Company	4		
	c) To re-elect Mazhairul Bin Jamaludin as Director of the Company	5		
	d) To re-elect Loo See Mun as Director of the Company	6		
5.	To re-appoint Auditors	7		
Special Businesses				
6.	Authority to Allot and Issue Shares pursuant to Section 75 of the Companies Act 2016	8		
7.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	9		
8.	Proposed Bonus Issue of Shares	10		

(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 ______________________________ 2022

____
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 17 August 2022 shall be entitled to attend, speak and vote at the 25th AGM.
(vi) The 25th AGM will be conducted fully virtual via RPV. 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

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WWW.MCHB.COM.MY

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