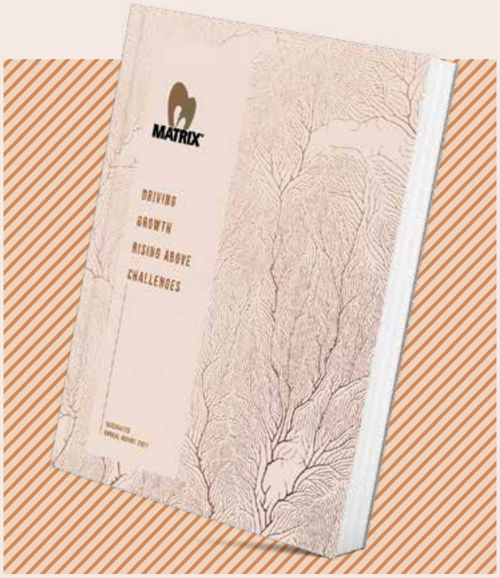
DRIVING GROWTH RISING ABOVE CHALLENGES

INTEGRATED ANNUAL REPORT 2021

COVER RATIONALE



DRIVING GROWTH RISING ABOVE CHALLENGES

The spreading of the "*Roots*" signifies the expansion and growth of Matrix Concepts Holdings Berhad ("Matrix") despite the challenges faced. Matrix is able to rise against all challenges by reaching out to new territories, diversifying growth and excels in our ventures.

Scan the QR Code to download this Integrated Annual Report.

To contact us, please refer to Corporate Information on page 7 of this Integrated Annual Report.

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

The Financial Statements are available on page 141 to page 244 of this Integrated Annual Report.

Contents

FTSE4Good

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

OUR REPORTING SUITE

INTEGRATED ANNUAL REPORT ("IAR") FY2021

Provides a comprehensive, integrated perspective from Management on the business, financial and operational performance of Matrix Concepts Holdings Berhad ("Matrix" or "the Group"), its sustained efforts to create both financial and non-financial stakeholder value, and the Group's continued efforts to integrate environment, social and governance ("ESG") and financial disclosures into a single, linked narrative.

As such, beyond financial results, Matrix's IAR FY2021 provides strategic information pertaining to the Group's business and operational strategies, its challenges and risks, outlook and prospects as well as its business model and industry value chain and other pertinent information, including material ESG performance data.

SUSTAINABILITY REPORT 2021 ("SR2021")

The SR2021 is a comprehensive report of the Group's sustainability performance. It covers results achieved ESG topics deemed material to the Group.

The SR2021 is developed in accordance to the GRI 2018 Standard as well as disclosure requirements under the Bursa Malaysia FTSE4Good Index and MSCI ESG disclosure requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Corporate Governance ("CG") Overview Statement demonstrates how Matrix has applied corporate governance practices as provided for in the Malaysian Code of Corporate Governance 2017 ("MCCG 2017").

About This Report

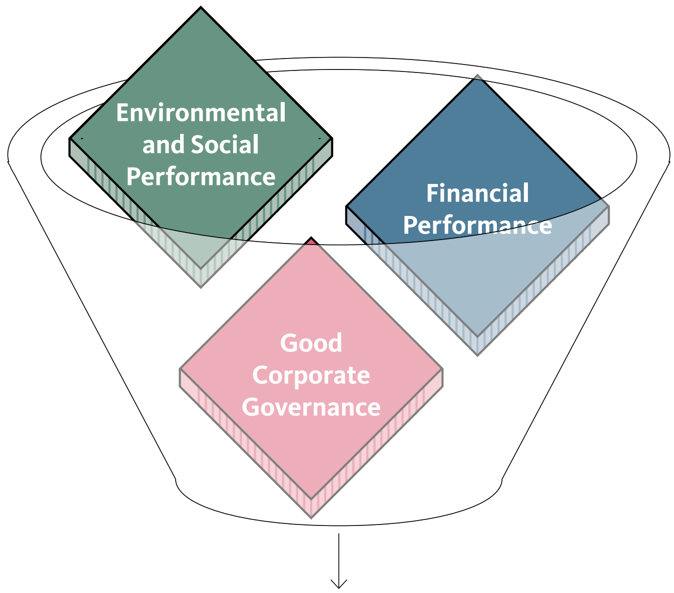
INTRODUCTION

In its third year of Integrated Reporting ("<IR>"), Matrix has aspired for full adoption of the principles based International Integrated Reporting Council ("IIRC") framework for <IR>.

Driven by integrated thinking, Matrix's IAR FY2021 is increasingly supported by non-financial value creation disclosures; and importantly, how do ESG performance influence / impact business strategies and operations and subsequently revenue and profits.

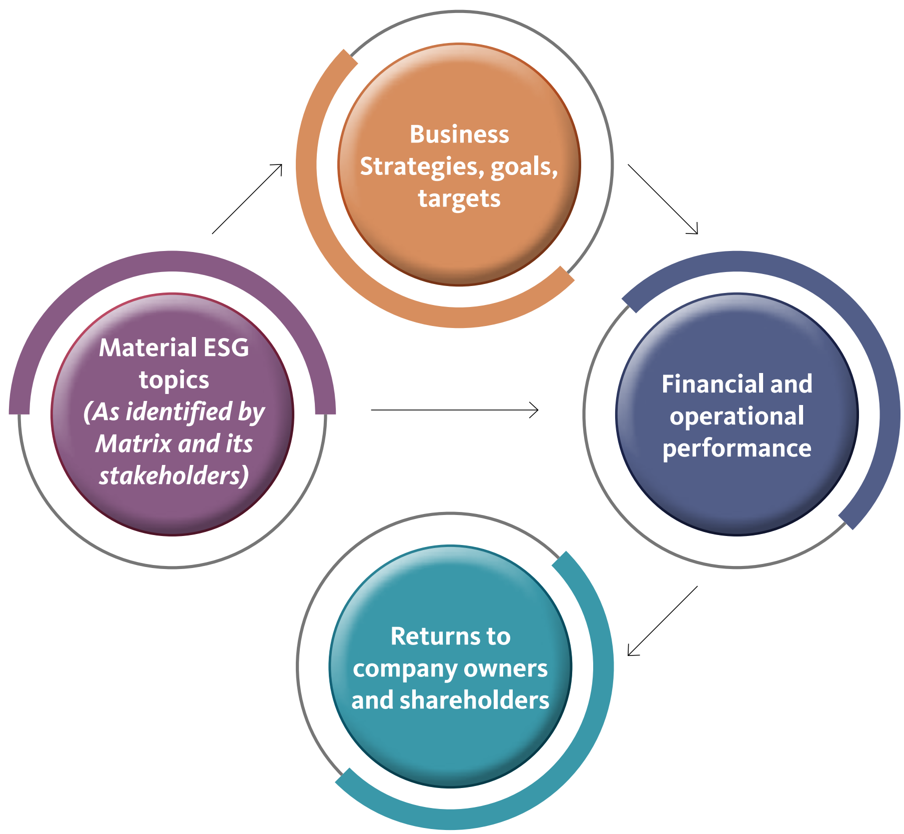
In today's business world, increasingly, sustainable financial performance i.e. continued growth in financial and business performance requires a strategic focus and understanding of ESG matters, as the latter has, will or potentially influence revenue, profits and investor returns over the short, medium and long-term perspectives.

Adopting such integrated thinking leads to mutually beneficial and sustained long-term value creation, which is the key focus for IAR FY2021. In essence, in a concise, but comprehensive manner, how Matrix, through its chosen business model, has created a wide range of financial and non-financial values for the Group and its stakeholders.



Value Creation for Matrix and its Stakeholders

The Board and Senior Management are increasingly placing greater focus on how the potential and actual impact of ESG matters on Matrix's business model as well as the directly and indirect impacts on financial and business performance and stakeholders.



Resort Homes - Crisantha

<IR> REPORT CONTENT

The IAR FY2021 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 FY2021 contains the following:

ESG Linkage to Business Model and Business Performance

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.

*For more information on **ESG Linkage to Business Model and Business Performance**, please refer to Page 61.*

Our Value Creation Model

A visual representation of the Capitals (resources) consumed by Matrix's Business Model and the Outputs and Outcomes created (financial and non-financial values).

*For more information on **Our Value Creation Model**, please refer to Page 66.*

Our Capitals

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

*For more information on **Our Capitals**, please refer to Page 68.*

About This Report

Our Value Chain

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.

*For more information on **Our Value Chain**, please refer to Page 75.*

Our Risks and Mitigation Strategies

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

*For more information on **Our Risks and Mitigation Strategies**, please refer to Page 83.*

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.

*For more information on **Management Discussion and Analysis**, please refer to Page 28.*

Our Operating Environment

A detailed view of the external operating environment comprising key metrics and performance indicators such as property transactions and volumes, house price index and other industry relevant statistics.

*For more information on **Our Operating Environment**, please refer to Page 71.*

Group Strategic Priorities and Future Orientation

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

*For more information on **Group Strategic Priorities and Future Orientation**, please refer to Page 80.*

Sustainability Statement and Sustainability Report

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

*For more information on **Sustainability Statement**, please refer to Page 85. Full Sustainability Report can be viewed at Matrix's website: www.mchb.com.my.*

Our Strategies and Strengths

Information that is pertinent to the business model such as the Group's business strategies and how does Matrix leverage on its inherent business strengths to drive value creation.

*For more information on **Our Strategies and Strengths**, please refer to Page 77.*

Tiara Sendayan - 12-acre lake park

REPORTING SCOPE AND BOUNDARY

Unless otherwise indicated, the content for this Integrated Annual Report reflects data and activities of the Group from 1 April 2020 to 31 March 2021. Where available, data is presented for 3-5 year time frames. Kindly refer to the Five Year Financial Highlights for specific information.

REPORTING FRAMEWORKS

In addition to the IIRC's framework, Matrix's IAR FY2021 has been developed in accordance to the following regulatory frameworks or disclosure guides:

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

RELATED INFORMATION

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

The following Group policies can also be viewed online:

- Anti-Corruption Policy
- Code of Conduct and Ethics
- Whistle-Blower Policy
- Management Occupational Safety and Health Policy
- Risk Management Framework and Policy
- Environment Management Policy
- Sustainability Policy
- Waste and Energy Management and Recycling Practices

FORWARD LOOKING STATEMENTS

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

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

As such, forward-looking statements are not conclusive. Actual plans and results may differ from those expressed in this Integrated Annual 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 Integrated Annual 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 AND AVAILABILITY

A digital version of this Integrated Annual Report and past reports are available for download from our corporate website at:

ONLINE VERSION AND FEEDBACK

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

Feedback on this Integrated Annual Report may be channelled to:

Ms Carmen Loo / Mr Fadzli Suhaimi
Email: carmen@mchb.com.my / mohdfadzli@mchb.com.my / mchb@investor.net.my.

Company Vision and Mission

OUR VISION

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

OUR MISSION

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

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

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

Corporate Information

Board of Directors

- **Dato' Haji Mohamad Haslah Bin Mohamad Amin**
  Chairman
  (Non-Independent Non-Executive Director)
- **Dato' Lee Tian Hock**
  Group Executive Deputy Chairman
  (Non-Independent Executive Director)
- **Ho Kong Soon**
  Group Managing Director
  (Non-Independent Executive Director)
- **Dato' Logendran A/L K Narayanasamy**
  (Non-Independent Non-Executive Director)
- **Rezal Zain Bin Abdul Rashid**
  (Senior Independent Non-Executive Director)
- **Dato' (Ir.) Batumalai A/L Ramasamy**
  (Independent Non-Executive Director)
- **Dato' Hon Choon Kim**
  (Independent Non-Executive Director)
- **Dato' Hajah Kalsom Binti Khalid**
  (Independent Non-Executive Director)
- **Chua See Hua**
  (Independent Non-Executive Director)

Audit Committee

- **Rezal Zain Bin Abdul Rashid** (Chairman)
- **Dato' (Ir.) Batumalai A/L Ramasamy**
- **Dato' Hon Choon Kim**
- **Dato' Hajah Kalsom Binti Khalid**
- **Chua See Hua**

Remuneration Committee

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

Nomination Committee

- **Dato' Hajah Kalsom Binti Khalid** (Chairman)
- **Dato' (Ir.) Batumalai A/L Ramasamy**
- **Dato' Hon Choon Kim**
- **Chua See Hua**

Risk Management Committee

- **Rezal Zain Bin Abdul Rashid** (Chairman)
- **Ho Kong Soon**
- **Dato' Logendran A/L K Narayanasamy**
- **Dato' Hajah Kalsom Binti Khalid**
- **Chua See Hua**

Sustainability Committee

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

ESOS Committee

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

Company Secretary

- **Carmen Loo Kah Boon**
  (MAICSA 0784630)
  (SSM 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

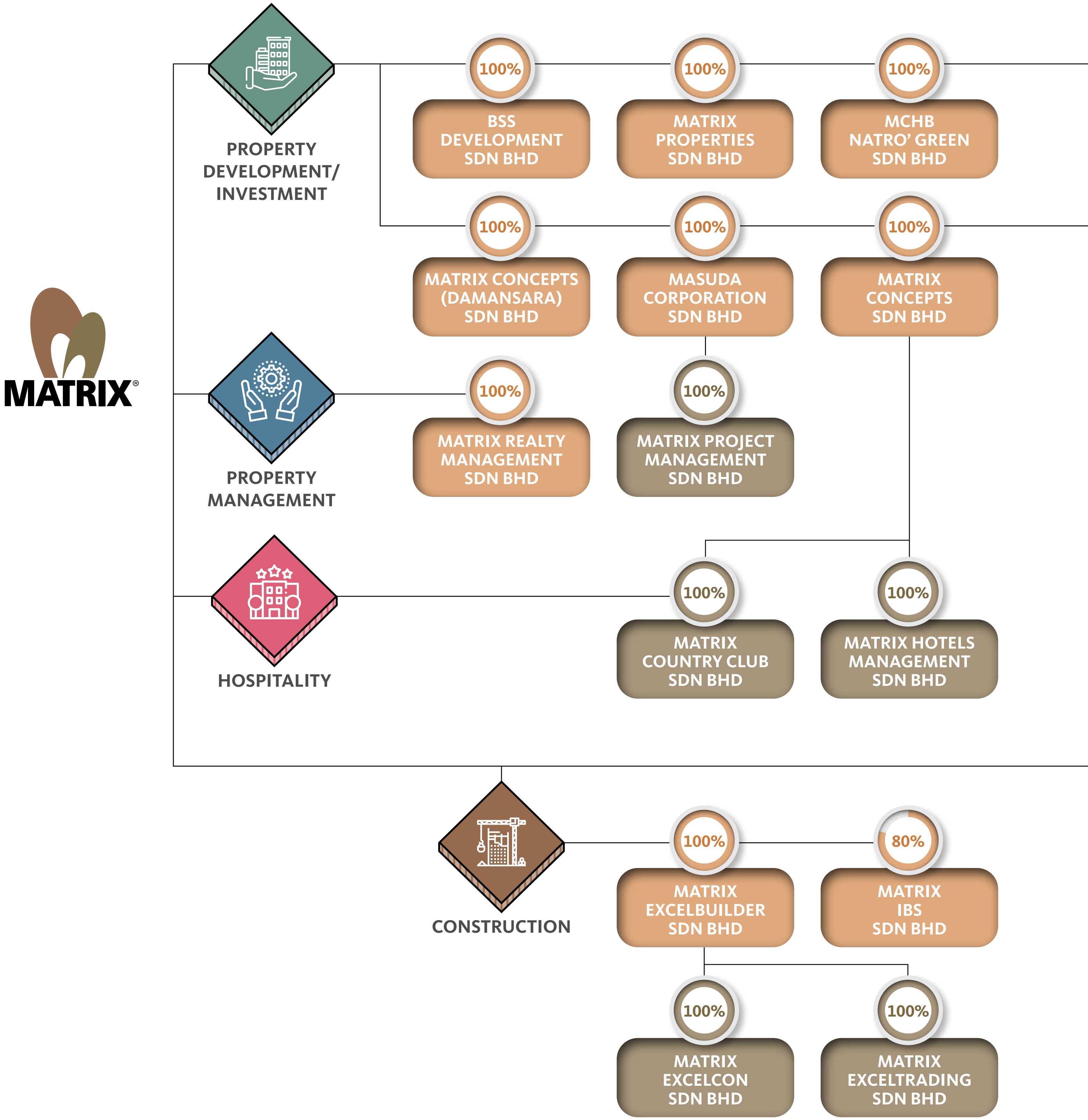
Registrar

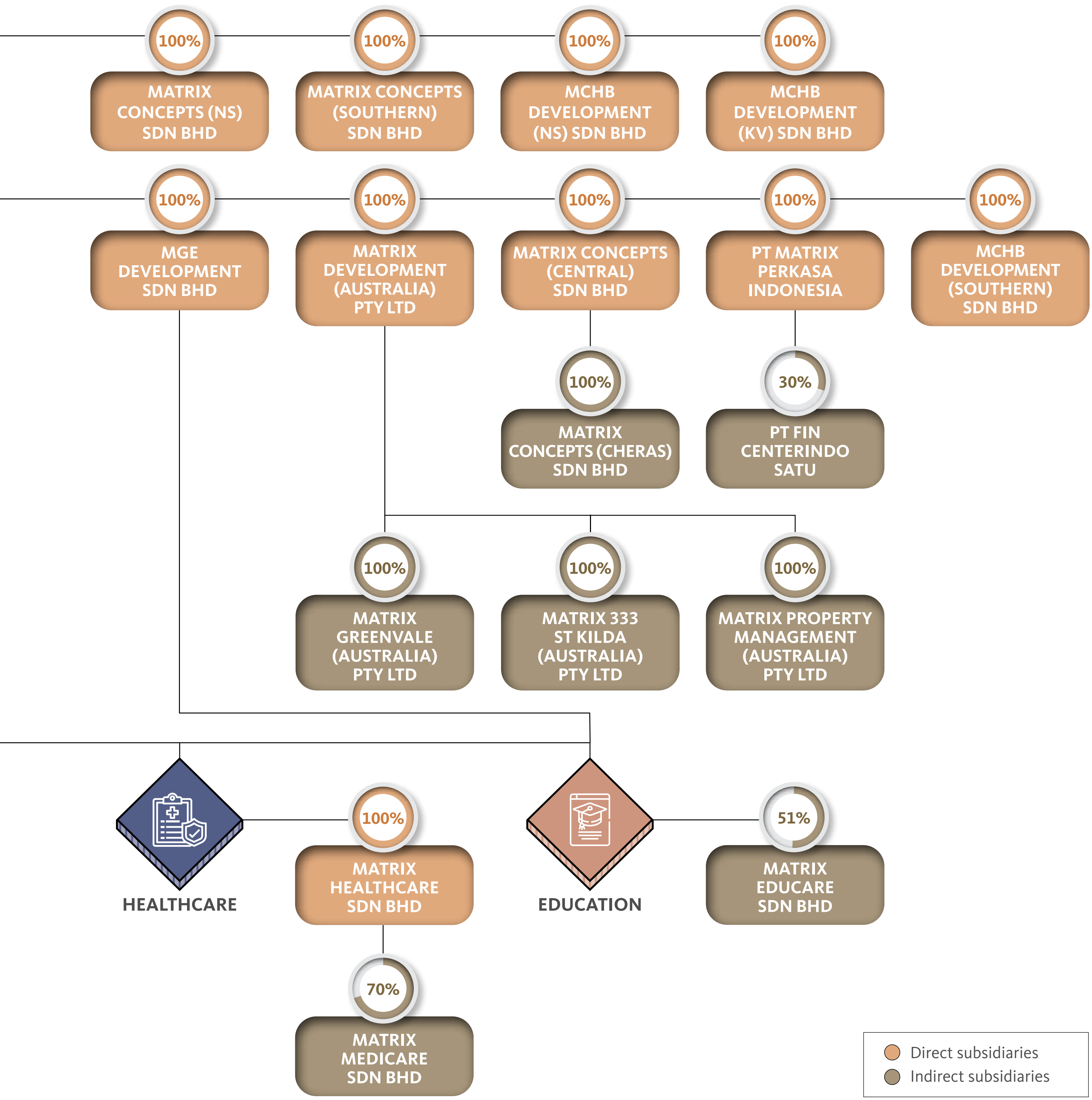
- **Bina Management (M) Sdn Bhd**
  Lot 10, The Highway Centre,
  Jalan 51/205,
  46050 Petaling Jaya,
  Selangor.
  Tel : +603-7784 3922
  Fax : +603-7784 1988

Bankers

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

Corporate Structure




100%
MATRIX CONCEPTS (NS) SDN BHD
100%
MATRIX CONCEPTS (SOUTHERN) SDN BHD
100%
MCHB DEVELOPMENT (NS) SDN BHD
100%
MCHB DEVELOPMENT (KV) SDN BHD
100%
MGE DEVELOPMENT SDN BHD
100%
MATRIX DEVELOPMENT (AUSTRALIA) PTY LTD
100%
MATRIX CONCEPTS (CENTRAL) SDN BHD
100%
PT MATRIX PERKASA INDONESIA
100%
MCHB DEVELOPMENT (SOUTHERN) SDN BHD
100%
MATRIX CONCEPTS (CHERAS) SDN BHD
30%
PT FIN CENTERINDO SATU
100%
MATRIX GREENVALE (AUSTRALIA) PTY LTD
100%
MATRIX 333 ST KILDA (AUSTRALIA) PTY LTD
100%
MATRIX PROPERTY MANAGEMENT (AUSTRALIA) PTY LTD
HEALTHCARE
100%
MATRIX HEALTHCARE SDN BHD
70%
MATRIX MEDICARE SDN BHD
EDUCATION
51%
MATRIX EDUCARE SDN BHD
Direct subsidiaries
Indirect subsidiaries

Key Corporate Milestones

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

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

1996

Incorporation of Matrix Concepts Holdings Berhad.

1997

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

1999

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

2005

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

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.

2017

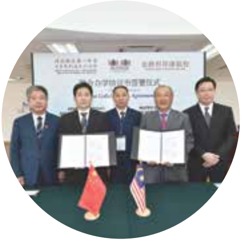
Joint Venture Agreement cum Shareholders Agreement and Subscription Agreement entered into between the Company and Nissin Ex. Co, Ltd and Nihon House Corporation to jointly venture into the manufacturing of prefabricated building materials using the technology of Industrialised Building Systems.

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.



2018

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

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

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

2019

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

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

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.

Group Corporate Profile

ABOUT MATRIX

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

Reflecting its tagline of *"Nurturing Environments, Enriching Lives"*, Matrix aspires to deliver sustainable, community living environments that meets property buyers' aspirations while providing them with value and the opportunity to enjoy and aspire to better lifestyle experiences. In essence, beyond providing quality build and design, Matrix looks to deliver a complete lifestyle eco-system of work, play, dine, shop, learn and more. Matrix has expanded its footprint into Indonesia and Australia.

OUR BUSINESS FOOTPRINT AND PRESENCE

- In Malaysia, we are within the top 11th Property developer based on Market Capitalisation as at 30 June 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.

- 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.

- 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.

- 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.

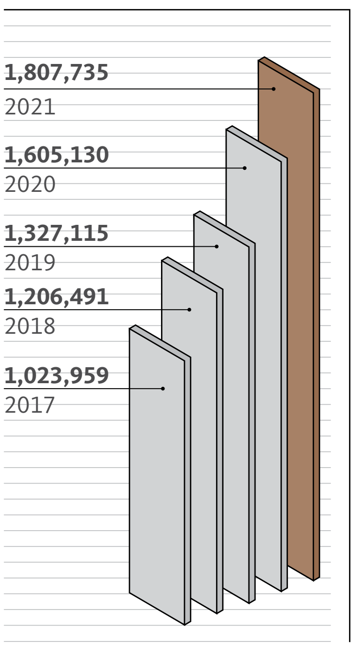
- Through its 30-year management agreement with Pusat Hemodialisis Mawar ("Mawar"), Matrix has now penetrated into the healthcare sector. Matrix Medicare Sdn Bhd, the Group's subsidiary, manages Mawar's non-clinical operations such as finance, administration and human resources.
- The partnership with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

Five-Year Group Financial Highlights

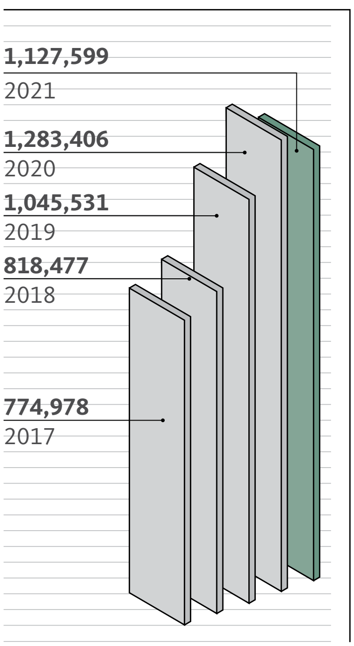
(RM'000)	Audited 31 Mar 2021	Audited 31 Mar 2020	Audited 31 Mar 2019	Audited 31 Mar 2018	Audited 31 Mar 2017
Revenue	**1,127,599**	1,283,406	1,045,531	818,477	774,978
Cost of sales	**(562,354)**	(715,314)	(523,314)	(350,990)	(339,181)
Operating expenses	**(242,879)**	(238,256)	(237,037)	(174,631)	(176,543)
Operating profit	**322,366**	329,836	285,180	292,856	259,254
Other income	**39,520**	10,045	15,883	7,470	8,567
Finance cost	**(26,244)**	(2,145)	(3,296)	(5,098)	(7,509)
Profit before taxation	**340,808**	337,610	297,767	295,228	260,312
Taxation	**(87,726)**	(103,157)	(79,538)	(81,947)	(75,034)
Profit after taxation	**253,082**	234,453	218,229	213,281	185,278
Profit attributable to owners of the company	**262,223**	237,386	218,389	213,280	185,278
Shareholders' equity	**1,807,735**	1,605,130	1,327,115	1,206,491	1,023,959
Earnings per share (sen)*	**31.4**	29.5	29.0	32.0	28.7
Return on equity	**14.5%**	14.8%	16.5%	17.7%	18.1%

* The comparative basic earnings per share have been restated to take into account the effect of:-
(i) bonus issue on the basis of 1 new ordinary share for every 6 existing ordinary shares held in FP2016; and
(ii) bonus issue on the basis of 1 new ordinary share for every 4 existing ordinary shares held in FY2018.

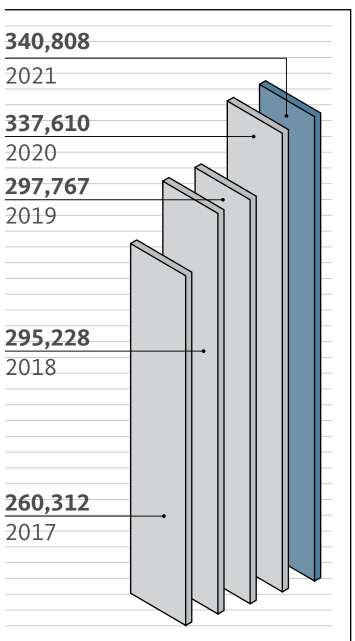
Shareholders' Equity
(RM'000)



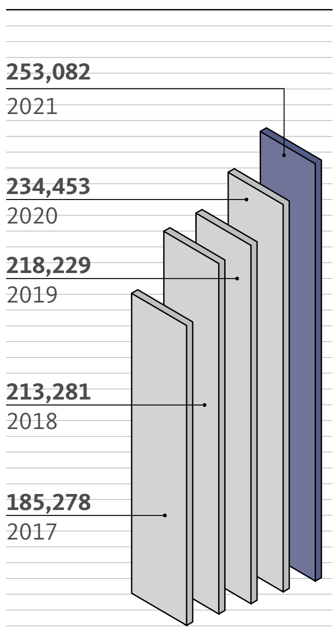
Revenue
(RM'000)



Profit Before Taxation
(RM'000)



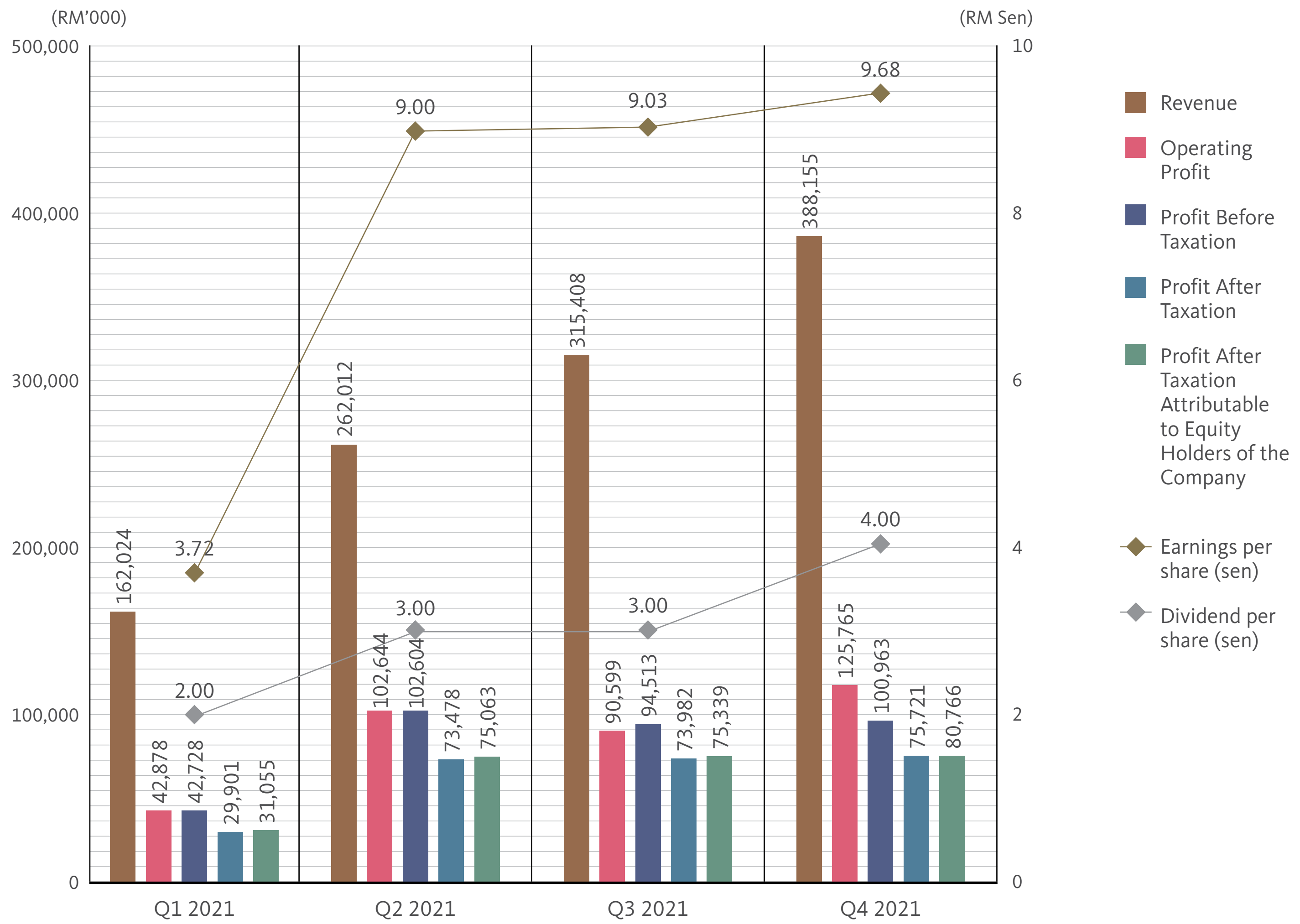
Profit After Taxation
(RM'000)



Group Quarterly Performance

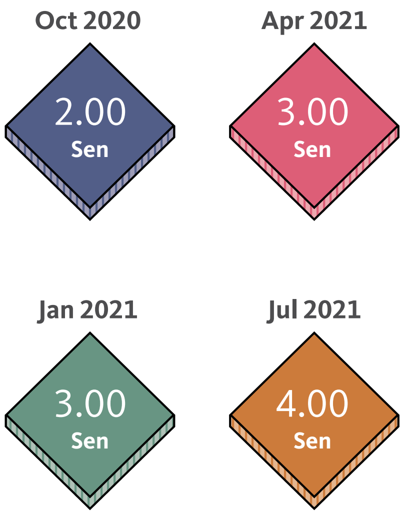
For Financial Year Ended 31 March 2021

	2021			
(RM'000)	Q1	Q2	Q3	Q4
Revenue	162,024	262,012	315,408	388,155
Operating Profit (Include Other Income)	42,878	102,644	90,599	125,765
Profit Before Taxation	42,728	102,604	94,513	100,963
Profit After Taxation	29,901	73,478	73,982	75,721
Profit After Taxation Attributable to Equity Holders of the Company	31,055	75,063	75,339	80,766
Earnings per share (sen)	3.72	9.00	9.03	9.68
Dividend per share (sen)	2.00	3.00	3.00	4.00

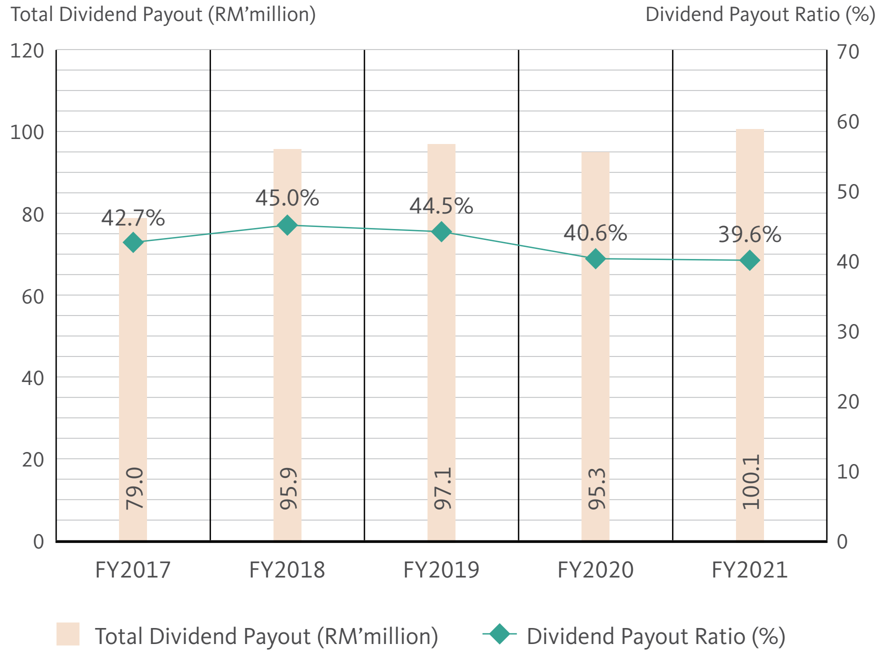


Dividend Highlights

Dividend Payment Per Ordinary Share for the Last 4 Quarters



Summary of Dividend Payout for FY2017 to FY2021



Financial Year	Financial Peiod	Date of Payment	Type of Dividend	Net Dividend (sen)	Dividend Paid (RM'million)	Total Dividend Payout (RM'million)	Dividend Payout (%)
2021	4Q20	08-Jul-21	Interim Dividend	4.00	33.4	100.1	39.6
	3Q20	08-Apr-21	Interim Dividend	3.00	25.0		
	2Q20	08-Jan-21	Interim Dividend	3.00	25.0		
	1Q20	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		
2017	4Q17	20-Jun-17	Interim Dividend	3.75	21.8	79.0	42.7
	3Q17	12-Apr-17	Interim Dividend	3.50	20.1		
	2Q17	12-Jan-17	Interim Dividend	3.25	18.6		
	1Q17	06-Oct-16	Interim Dividend	3.25	18.5		

Share Price Performance

Matrix Share Price Index 1 April 2019 - 30 June 2021

Summary of Benchmark Index Movement

	Matrix Share 1 April 2020 - 30 June 2021 (RM)	Matrix Share 1 April 2019 - 30 June 2020 (RM)	Variance (%)	KLSE Composite Index 1 April 2020 - 30 June 2021	KLSE Property Index 1 April 2020 - 30 June 2021
Opening	1.59	1.90	-16.3%	1,322.66	548.77
Closing	1.97	1.81	8.8%	1,532.63	699.89
Movement	**0.38**	**-0.09**		**209.97**	**151.12**
	23.9%	**-4.7%**		**15.9%**	**27.5%**
Average	1.79	1.86	-3.8%	1,549.92	669.42
Lowest	1.58	1.43	10.5%	1,322.66	548.77
Highest	2.15	1.99	8.0%	1,684.58	788.15
Median	**1.75**	**1.90**	**-7.9%**	**1,575.94**	**647.30**

	Matrix Share 1 April 2020 - 30 June 2021 (units)	Matrix Share 1 April 2019 - 30 June 2020 (units)	Variance (%)	KLSE Composite Index 1 April 2020 - 30 June 2021 (units)	KLSE Property Index 1 April 2020 - 30 June 2021 (units)
Average volume	550,319	478,936	14.9%	176,042,913	373,430,554
Volume median	368,500	275,300	33.9%	152,251,200	287,877,300

Notes:

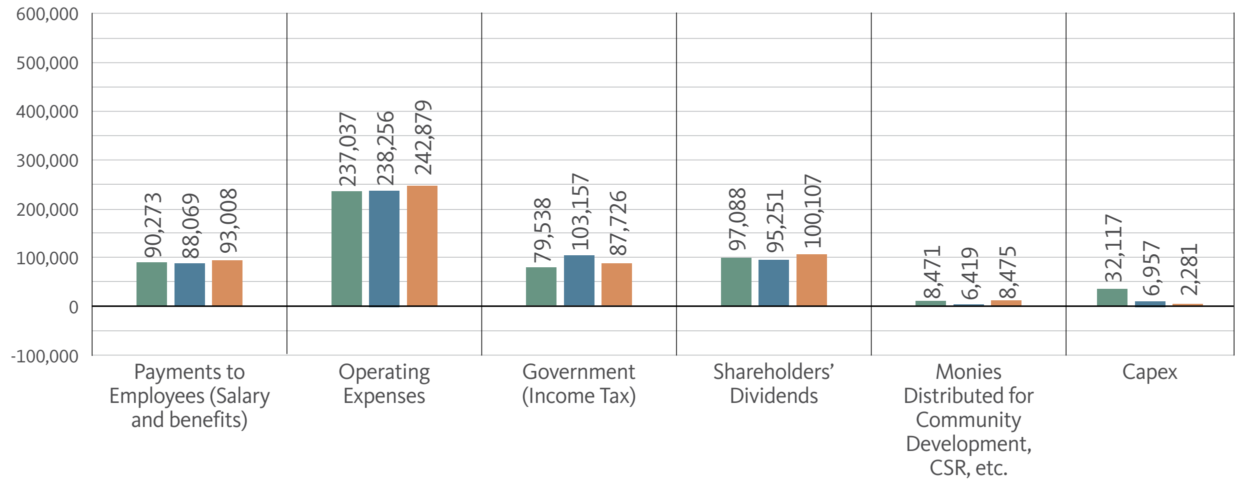
Opening	Value on 1 April
Closing	Value on 30 June
Movement	Difference of value between opening and closing
Average	Average value for the whole period (Total/no. of days)
Range	The gap between lowest and highest value
Median	Middle value for the period

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)

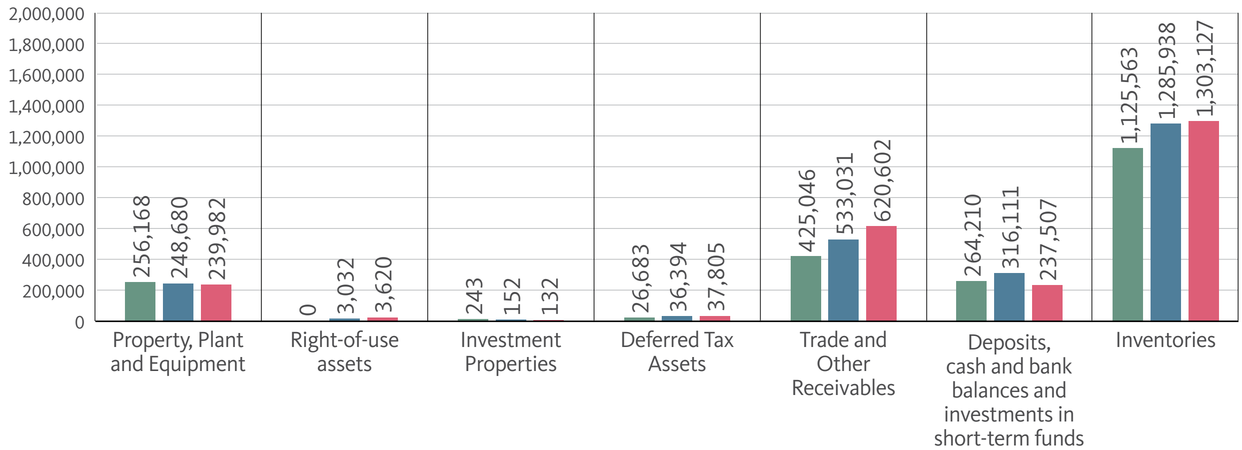
FY2021
FY2020
FY2019



Further explanation on the Group's financial performance for FY2021 is provided for in the MD and A.

Simplified Statement of Assets (RM'000)

FY2021
FY2020
FY2019



Simplified Statement of Liabilities and Shareholders' Equity (RM'000)

FY2021
FY2020
FY2019

Awards and Recognition

For Financial Year ended 31 March 2021

01

PROPERTY INSIGHT PRESTIGIOUS DEVELOPER AWARDS 2020 (PIPDA)

Top 10 Developer Award
- Matrix Concepts Holdings Berhad

Leadership Excellence Award
- Mr. Ho Kong Soon

Best Township Development
- Bandar Sri Sendayan

Best Luxury Landed Development
- Ervina @ Ara Sendayan

02

PROPERTYGURU ASIA PROPERTY AWARDS 2020

Best Mega Township Developer
- Matrix Concepts Group

Best Mega Township Development
- Bandar Sri Sendayan

03

THE EDGE BILLION RINGGIT CLUB AWARDS 2020

Property Below RM3 Billion Market Capitalisation Highest Return on Equity over 3 years
- Matrix Concepts Holdings Berhad

04

LEMBAGA HASIL DALAM NEGERI (LHDN) 25TH TAX DAY CELEBRATION

Best Tax Payer 2020
- Matrix Concepts Holdings Berhad

01

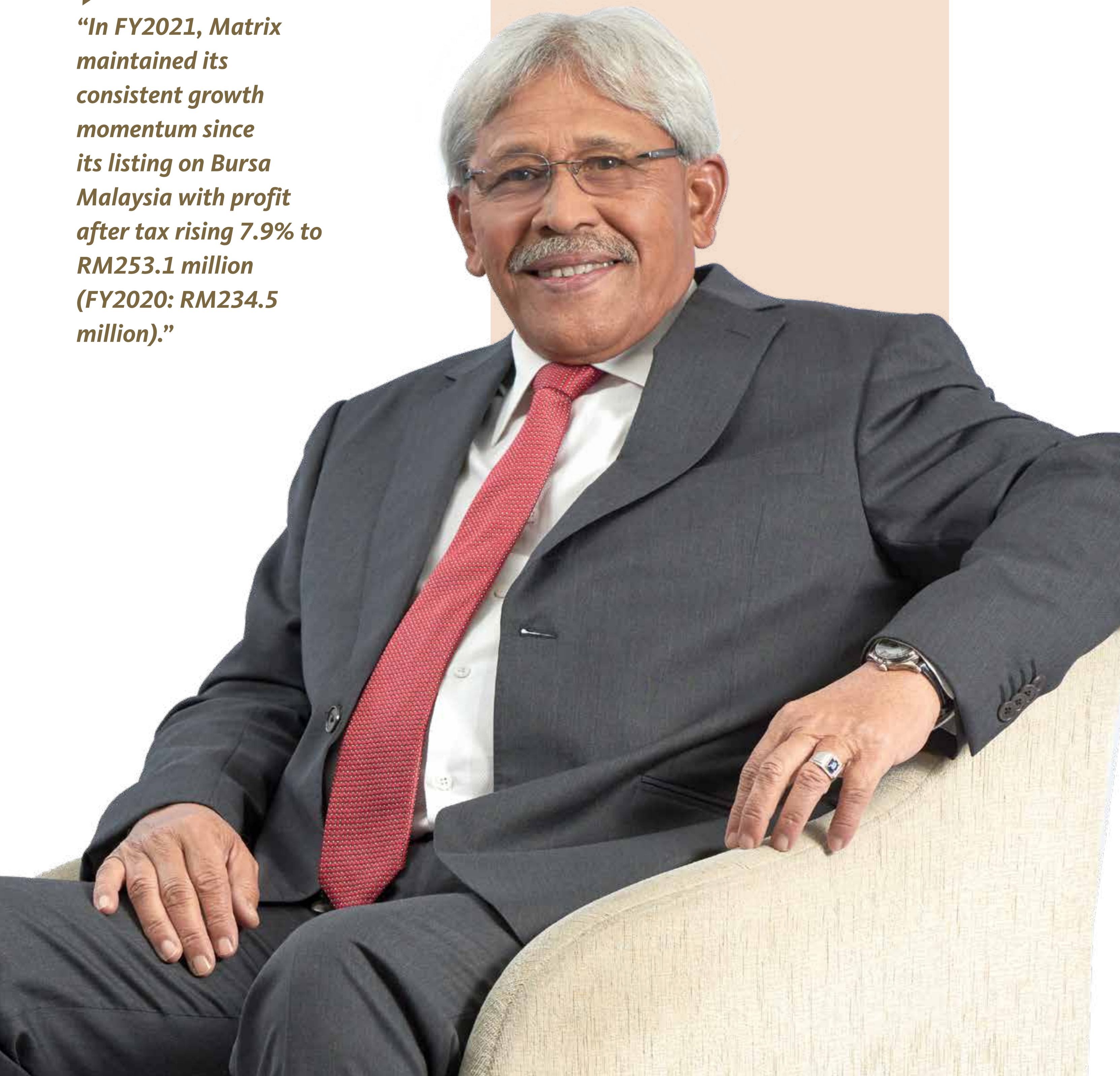
03

02

04

Chairman's Statement

"In FY2021, Matrix maintained its consistent growth momentum since its listing on Bursa Malaysia with profit after tax rising 7.9% to RM253.1 million (FY2020: RM234.5 million)."



Revenue	Profit After Tax	Sales
-11.7%	+7.9%	+16.5%
RM1.1 billion	RM253.1 million	RM1.2 billion

DEAR SHAREHOLDERS

I am delighted to present the integrated annual report and audited financial statements of Matrix Concepts Holdings Berhad ("Matrix" or "the Group") for the financial year ended 31 March 2021 ("FY2021").

DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN
Chairman

FY2021 will always be remembered for the unprecedented COVID-19 outbreak that has adversely impacted global economy and our way of life, forcing us to adapt to new normal in the running of our business.

Despite the challenges presented, I am pleased to share, the Group has successfully delivered another year of record profits, marking our eighth year of continuous growth since listing on the Main Board of Bursa Malaysia.

OPERATING ENVIRONMENT OVERVIEW

FY2021 began with the extension of the initial Movement Control Order ("MCO") which restricted movements on the public, in addition to a halt of all construction activities for almost two months.

Economic recovery from the initial MCO was hampered by further lockdowns of varying levels throughout FY2021 resulting in Malaysia reporting a negative gross domestic product ("GDP") growth of 5.6% for year 2020. It has been more than a decade since Malaysia last reported negative GDP growth, highlighting the magnitude of difficulties faced by the economy and businesses, as well as the general public.

As for the property sector, the pandemic was expected to exacerbate the already troubling issues of record unsold completed properties and poor market sentiment. In spite of this, the property sector remained resilient, uplifted by the low interest environment as Overnight Policy Rate ("OPR") was reduced to 1.75%.

Targeted measures as part of the fiscal stimulus package introduced by the Government further boosted home buyers' appetite, including the extension of the well-received Home Ownership Campaign ("HOC"), stamp duty exemption on instrument of transfer and financing, as well as attractive promotions by participating property developers.

In a surprising twist of events, property developers have been enjoying a relatively encouraging response from the market with increasing mortgage applications and approvals in FY2021 as reported by Bank Negara Malaysia, even surpassing pre-pandemic levels. The long-standing issue of property overhang that has cast a dark shadow over the sector are seeing signs of recovery as completed inventory level dropped by 8% year-on-year.

Take-up rate for properties launched in FY2021, as reported by the National Property Information Centre ("NAPIC"), has picked up commendably at around 60% with demand for landed properties, in particular, remain unabated as average transacted price for landed properties grew by 2% in FY2021.

Chairman's Statement


Ara Sendayan - lake park

While the pandemic has been a major bane for all layers of the economy and society, it has also presented opportunities for businesses to refocus on operational sustainability and efficiency as we continue to adapt to new operating conditions.

SWIFTLY ADAPTING TO NEW OPERATING ENVIRONMENT

Since Matrix's inception over two decades ago, we have experienced two major economic downturns, namely, the 1997 Asian Financial Crisis and the Global Financial Crisis in 2008. The lessons gained from those events have been embedded in the Group's approach in giving great emphasis on financial prudence and operational sustainability.

Throughout the years, we have always maintained a healthy financial position and sound cashflow management, which has been a formidable armour in the Group's management of the COVID-19 situation, allowing us to continue our proud tradition of creating value for our stakeholders in FY2021.

The biggest challenges the Group faced in FY2021 has been the restrictions in physical movements and the uncertainties of looming lockdowns. As the country grapples with the health, economic and social implications during the early days of the pandemic, we channelled our sales and marketing activities towards digital and social platforms to widen our market reach and increase engagement with potential buyers.

Combined with our focus on providing a strong value proposition, we tailored our offerings to meet latest market needs, such as fast-tracking launches of right-priced homes that feature quality, affordability and spaciousness at our award-winning Sendayan Developments.

Addressing the financial challenges that many buyers faced in FY2021, Matrix continued to develop various homeownership packages while also working closely with its panel of bankers to ease the process for prospective homeowners to secure financing.

We were handsomely rewarded with record new bookings and higher new sales in the Group's first financial quarter of FY2021, as we continue to benefit from strong buyers' demand for affordable homes.

The growing reputation and vibrancy of our flagship Sendayan Developments in particular, are attracting more first-time homebuyers and upgraders from Klang Valley, particularly young families enticed by the self-contained and comfortable suburban lifestyle, while still being in close proximity to the Kuala Lumpur city centre.

Upon the upliftment of restrictions in conjunction with the end of the initial MCO, we were resolved to deliver a swift recovery to pre-pandemic levels and quickly mobilised our construction teams while maintaining stringent health protection measures. I am pleased to share that the hard work and commitment of the Matrix team has resulted in our construction activities successfully returning to pre-pandemic schedule within six months of its resumption.

The pandemic has certainly been a disruptive element to the Group in FY2021, it also presented an opportunity for us to review the efficiency of our operations and pursue cost optimisation initiatives.

On the international front, the Group's second Australian project located in the suburbs, M. Greenvale were fully sold despite months of hard lockdown throughout Victoria. The Group will be launching its third Australian project in St. Kilda, Melbourne in 2022.

In Indonesia, our participation in the joint venture ("JV") to undertake the development of the RM1 billion GDV Menara Syariah was affected by the halt in construction works in April 2020. Work has resumed since and construction progress has reached the 25% mark.

The Group believes our involvement in Indonesia remains as a long term venture and in line with its geographical revenue diversification to eventually tap into the huge population, growing middle income group, rising purchasing power and potentially highly-lucrative Indonesia property sector.

While both our property development and construction units have been doing relatively well under the circumstances in FY2021, the same fortune does not apply to our other business units. Both of our Education and Hospitality units suffered in light of the intermittent closure of schools as directed by the Ministry of Health and the public's restrictions for leisure activities respectively.

Recognition by LHDN as Best Tax Payer 2020

As for our Healthcare unit, the pace of Mawar Medical Centre's ("Mawar") restructuring exercise has been eased as the number of outpatient visitations and medical procedures were reduced. Mawar were among the first private medical institution to offer PCR tests to the public.

In many ways, FY2021 has been the catalyst for positive changes to be implemented across our operations, further strengthening our business fundamentals and operations.

Despite FY2021 being marred by the challenges and uncertainties, it has been a remarkably positive year for Matrix under the circumstances, further cementing its position as a major property developer in Malaysia.

MAINTAINS GROWTH MOMENTUM AND ENHANCED SHAREHOLDER RETURNS

In FY2021, Matrix maintained its consistent growth momentum since its listing on Bursa Malaysia with profit


Combatting COVID-19 via drive-through testing.

after tax rising 7.9% to RM253.1 million (FY2020: RM234.5 million).

The Group recorded commendable net profit margin of 22.4% in FY2021, among the highest in the property sector, as well as five-year highs in net profit for three consecutive quarters, underlining its rapid recovery from lockdown restrictions.

The improved performance was achieved on the back of resilient revenue of RM1.1 billion in FY2021 (FY2020: RM1.3 billion), despite depleted revenue recognition in the first quarter.

New property sales meanwhile, was at RM1.2 billion (FY2020: RM1.0 billion) an improvement of 16.5% year-on-year attesting to the continued robust sales enjoyed by the Group.

We declared total dividends of 12 sen per share for FY2021, an improvement from previous year's 11.5 sen per share.

Chairman's Statement

The commendable sales achievement was on the back of RM1.0 billion worth of new property launched during the financial year as the Group re-aligned its product line up to feature mainly products under the RM500,000 price range.

Further analysis of the Group's financial performance for FY2021 is provided in the Management Discussion and Analysis section of this Integrated Annual Report.

Since listing in 2013, the Group has built a reputation as one of the most consistent and rewarding dividend provider with its quarterly dividend payouts a pleasant rarity on Bursa Malaysia among companies with more than RM1 billion in market capitalisation.

Matrix prolonged this uniquely appealing tradition in FY2021 as we declared total dividends of 12 sen per share, an improvement from previous year's 11.5 sen per share. It is important to note that the final dividend of 4 sen was the highest quarterly dividend declared by the Group in the past 5 years.

In addition to the total payout of RM100.1 million or equivalent to 40% of total profit after tax, shareholders of Matrix would have enjoyed a growth of 22.9% in share prices as prices reached RM1.93 at the end of FY2021, from a low of RM1.57 at the beginning of the financial year.

Further information on the Group's dividends summary and share price movement throughout FY2021 are provided in the Investor Relations section of this Integrated Annual Report.

CORPORATE GOVERNANCE AND SUSTAINABILITY

We believe the sustained financial growth the Group has enjoyed in recent years were partly attributable to our determined efforts to strengthen stakeholder trust towards the Matrix brand ensure the sustainability of our role as a responsible corporate citizen to enrich the communities we serve.

Understanding segments of our community were facing financial and emotional distress as a result of the pandemic, we provided care packages consisting of food supplies and basic necessities to the needy in the surrounding areas of our townships. Matrix also provided support to frontliners with festive gifts and personal protective equipment ("PPE") to the media when supply was shortcoming in the early days of the pandemic.

In addition to our support for the community in combating the spread of the virus, the Group also provided financial donation to the victims of horrible flash flood that hit parts of Seremban in November 2020. Matrix has also undertaken and fully-funded public projects such as construction of a multi-purpose community hall and public toilets.

Known for our township developments, we believe we are given a platform to contribute towards building safe and comfortable living spaces for our homebuyers, nestled in harmonious and vibrant communities. Towards this, we have integrated sustainability agenda in our township planning and property development.

Completed installation of solar panels on the rooftop of d'Tempat Country Club.


Donation of PPE for Bomba

Each year, Matrix has taken positive steps to strengthen and further incorporate the environmental, social and governance ("ESG") aspects into our operations to ensure the long-term viability of the Group as a going concern and institutionalise the Group's modus operandi.

In respect of corporate governance, the Group has further reinforced its zero tolerance approach towards corrupt practices within our organisation and throughout its ecosystem. Our policies have been cascaded throughout our supply chain to encourage congruence and commitment towards upholding corporate integrity and good business practices.

In line with our commitment towards greater gender parity, the Group has also increased female participation at the Board level and within the ranks of our Senior Management team.

The Group is ready to embrace the recently announced updates to the Malaysian Code of Corporate Governance ("MCCG 2021"). Despite the updates only taking effect in FY2022, significant milestones have already been achieved towards full compliance as the Board is committed to ensure alignment line with the spirit and practices of MCCG 2021.

As for the environmental component of our sustainability drive, we are gradually increasing the renewable energy contribution at our investment properties, namely d'Tempat Country Club, d'Sora Boutique Business Hotel and Matrix Global Schools ("MGS").

As of end FY2021, we have completed the installation of photovoltaic ("PV") panels at d'Tempat Country Club, generating 242,095 kWh of clean energy between November 2020 and March 2021. Plans are afoot to install the same at MGS and d'Sora Boutique Business Hotel. In addition to this, Matrix has also seen its energy consumption reduced by 11.22% on the back of reduced electricity consumed from the grid.

The importance of ESG has also been further elevated in managing the various human-faceted risks arising from the pandemic. Integrating sustainability at the core of our business model and our vision is the Board's commitment towards ensuring the well-being of all stakeholders and the long-term sustainability of Matrix in line with our tagline "*Nurturing Environment, Enriching Lives*".

Matrix has taken positive steps to strengthen and further incorporate the environmental, social and governance ("ESG") aspects into our operations to ensure the long-term viability of the Group as a going concern.

SAFEGUARDING OUR COMMUNITY

Since the emergence of the pandemic, the Group has taken the utmost care and all necessary precautions to safeguard the health and safety of each staff member of the Group.

Chairman's Statement

Lunch pack distribution to employees during MCO periods to reduce external risks exposure.

Beyond the strict implementation of Government mandated SOPs, Matrix has adopted other measures to avoid the spread of the virus at our premises and reduce the risk exposure of staff in executing their duties. Our staff were provided with adequate free face masks and face shields.

The Group also provided free lunch packs to staff to reduce physical contact out of Matrix's premises and offer convenience to members of our team, with a total of 20,278 lunch packs distributed throughout FY2021.

Most pleasingly for the Group, we have managed to provide employment security to our staff without having to resort to neither redundancy exercise nor paycuts. Matrix are in a solid position financially to continue rewarding our team with bonuses and salary increments in FY2021. The sense of security afforded to our staff will surely help provide comfort amid the many uncertainties arising from the pandemic.

We understand the turbulent times necessitates financial prudence, however, we also believe each member of the Matrix, being the heartbeat of our operations, should be justly rewarded for the Group's record earnings performance. Towards the development of our workforce, training and development opportunities were also provided, predominantly via online channels.

The Group has also actively participated in the Government's efforts in combating COVID-19 via our Healthcare unit, Mawar. The medical centre was among the earliest private medical institution in the country to provide drive-through COVID-19 PCR test for the community at affordable rates. Mawar extended its role in the country's management of the pandemic as it became one of the participating private hospitals under the government's vaccination rollout programme.

LOOKING AHEAD

The threat and challenges posed by the pandemic remains real and it seems we must grasp the possibility of restricted physical movements and prolonged uncertainties to be a theme for FY2022. The insurmountable challenge to inoculate most of our population and discovery of new variants suggest these turbulent times could possibly be prolonged beyond the next 12 months.

The Group will continue to monitor the latest developments relating to the pandemic and have put in place, contingencies to address shortcomings caused by any disruption. Matrix will remain true to our ethos of prudent financial management without sacrificing opportunities for growth and improvements.

We intend to further enhance our operational and cost efficiencies, while further exploring new and innovative methodologies in the Group's activities. There will be greater emphasis on increasing the adoption of digitalisation and exploring alternative sales and marketing channels in FY2022.

The recent upturn in the property market, albeit marginally, has provided further encouragement to the Group to achieve further improvements in its new property sales performance for FY2022. The experience the Group has gained to hasten construction activities from complete halt, will stand in good stead to face another tumultuous financial year.

We remain cautiously optimistic of another rewarding year in FY2022, with our optimism driven by major realtors being most optimistic of the property sector in Negeri Sembilan over the next year, particularly Seremban, supported by the continued steady increase in average house price for landed properties.

With interest rates not expected to be raised in the near future, buyer sentiment will be further uplifted by the attractive packages on offer under the HOC programme. For FY2022, the majority of the Group's planned product launches will consist of products below RM500,000 to satisfy the strong demand for landed properties within such price range.

In FY2022, Matrix look forward to further pursue its agenda for greater ESG incorporation in our operations and business strategies, as well as remain active in our CSR activities affected by the various challenges that may come along.

APPRECIATION AND ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I wish to express my gratitude to all Matrix staff for their professionalism, resilience and speed of adaptability in facing the fast-changing environment brought upon by the new normal.

I would also like to extend my appreciation to the Senior Management team, who have steered the Group through the many challenges faced in FY2021 and their resolve to deliver another rewarding financial year. My heartfelt thanks to all our business associates; our customers, business partners, bankers, lawyers, vendors, local authorities, statutory bodies, Government bodies and agencies who have supported us throughout the Matrix journey.

A special thank you to my fellow board members, for their service and counsel, which have proven pivotal in guiding Matrix to another resounding financial year and maintain its impressive growth trajectory.

I wish to thank Dato' Firdaus Muhammad Rom Bin Harun for his tenure with the Board. Dato' Firdaus has chosen to pursue other interests and wish him well in all of his future endeavours. At the same time, I wish to welcome Ms Chua See Hua as the newest member of Matrix's Board of Directors. Ms Chua brings a wealth of legal and corporate experience as we look forward to her positive contributions.

With the steadfast commitment from all levels, we look forward to the next major milestone of the Matrix brand as we continue on this amazing growth momentum spanning 8 years as a listed entity and drive the Group to greater heights.

Menteri Besar of Negeri Sembilan, YAB Dato' Seri Haji Aminuddin Bin Harun officiating the event accompanied by Group Executive Deputy Chairman, Dato' Lee Tian Hock and Group Managing Director, Ho Kong Soon.

Dato' Haji Mohamad Haslah Bin Mohamad Amin
Non-Independent
Non-Executive Chairman
30 June 2021

Management Discussion and Analysis

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

For financial year ended 31 March 2021 ("FY2021"), Matrix Concepts Holdings Berhad ("Matrix" or "the Group") has achieved another year of robust business and operational performance.

HO KONG SOON
Group Managing Director

Despite operating amidst a turbulent operating environment brought on by the COVID-19 pandemic and a prevailing downturn in the property sector, in FY2021, Matrix has for the third consecutive year, registered revenues exceeding RM1 billion and a five-year record high for net profits.

By swiftly and effectively adjusting to market conditions in FY2021, the Group has continued to record strong sales for its products. In FY2021, the Group launched RM1.02 billion worth of properties and achieved sales of RM1.2 billion. Total unbilled property sales as at 31 March 2021 stood at RM1.02 billion, which provides strong revenue visibility going into FY2022.

Since its listing on the Main Market of Bursa Malaysia Securities Berhad in 2013, Matrix has delivered a compounded annual growth rate ("CAGR") of 9.76% and 7.33% respectively for revenue and after-tax profits. Group market capitalisation stood at RM1.61 billion as at 31 March 2021.

Over the past five years, Matrix has developed and completed 7,681 properties with a total gross development value ("GDV") of RM5.10 billion in Malaysia and Australia.

The Group's Sendayan Developments comprises the Bandar Sri Sendayan ("BSS") township, as well as Ara Sendayan and Tiara Sendayan all located in Negeri Sembilan. The Group's second township is its 1,210 acre- Bandar Seri Impian ("BSI") township, located in Kluang, Johor.

Beyond townships, Matrix also undertakes high-rise developments. Situated along Jalan Ipoh Kecil, off Jalan Putra, the RM322.7 million GDV Chambers Residence, marked Matrix's successful entry into the Kuala Lumpur property market, which has paved the way for similar projects to be launched within the Klang Valley going forward.

In Melbourne, Australia, the Matrix brand name continues to gain appeal. Following the success of the Group's inaugural overseas project, M. Carnegie, Matrix recorded 100% sales for its second Australian project, M. Greenvale.

In Indonesia, Matrix, via its joint venture ("JV") partnership with Indonesian partners, PT Bangun Kosambi Sukses and PT Nikko Securitas Indonesia, is co-developing the 29-storey, RM1.0 billion GDV Menara Syariah in Jakarta's up and coming Islamic Financial District ("IFD").

Aside from property development, the Group's other businesses consists of its education, construction, hospitality and healthcare divisions. Kindly refer to the respective subsections within this Management Discussion and Analysis ("MD & A") for specific performance related information of each division.

Information pertaining to Matrix's business and operational strategies, its business model and value chain, risks factors and mitigation strategies, as well as capitals consumed and values created are provided in the Strategic Review section of this Integrated Annual Report.

REVIEW OF THE OPERATIONAL ENVIRONMENT

Since 2018, Malaysia's property market has been experiencing a downward trajectory caused by a glut in supply for certain property types, tight financing conditions, various government imposed restrictions on buyers and property developers as well as stagnating wages and rising living costs. Buyers continue to face difficulties in securing financing due to strict lending guidelines imposed by banks. Consequently, loan rejection rates have been high.

However, against this backdrop, property developers have exemplified resilience and innovation to adapt to real market demand, providing competitively priced properties in strategic locations.

Matrix, in particular has leveraged on its township developments, notably its Sendayan Developments to drive sales and to appeal to the middle-income, mass segment that continues to seek homes that offer community living while being in close proximity to the Kuala Lumpur city centre.

"In FY2021, the Group launched RM1.02 billion worth of properties and achieved sales of RM1.2 billion. Total unbilled property sales as at 31 March 2021 stood at RM1.02 billion, which provides strong revenue visibility going into FY2022."

Management Discussion and Analysis

Tiara Sendayan - aerial view

With the onset of the unprecedented, black swan pandemic event of COVID-19, conditions faced by the property sector grow even more challenging.

The imposition of the first MCO ("MCO 1.0") from 16 March 2020 - 4 May 2020, led to many sectors of the economy coming to a total standstill. This included the property sector, as the lockdown effectively meant that construction works on all ongoing developments grinded to a halt. All Matrix projects in Malaysia, Australia and Indonesia were affected by lockdowns.

On a related note, during the MCO, many prospective buyers had adopted a wait and see approach given the prevailing economic uncertainties and also due to household income being adversely affected during this period. However, property developers with landed products that offered value for money launched at proven, strategic locations saw encouraging bookings and sales.

With the transition from the MCO to the Conditional MCO and thereafter Recovery MCO, the economy regained some of its lost momentum and appetite for properties began to improve. Particularly, properties priced RM500,000 and below continued to benefit from pent-up demand. Well-designed products at strategic, established locations with an enticing lifestyle proposition continued to see strong buyer traction.

The Government played a pivotal role by announcing full exemption on real property gains tax ("RPGT") as part of its Short-Term Economic Recovery Plan ("PENJANA"). Exemption will be provided on any gains made for sale of properties up to a maximum of three properties between 1 June 2020 and 31 December 2021.

The property market was also supported by other government efforts. These included the highly successful Home Ownership Campaign ("HOC"), which was extended to 31 May 2021 and again to 31 December 2021.

Under the HOC, first time buyers are granted a full stamp duty exemption on both the instrument of transfer and loan agreement for up to RM500,000 of the property's purchase price. The HOC also included a removal of the 70% margin of financing limit applicable for the third housing loan onwards for property valued at RM600,000 and above.

The government also announced an automatic six-month loan moratorium for individual borrowers and SMEs from 1 April 2020 - 30 September 2020.

The existing low interest rate environment due to cuts made in the overnight policy rate ("OPR") by Bank Negara Malaysia had also enabled more qualified buyers to secure home loans and this contributed to a recovery in sales momentum throughout FY2021.

However, beyond the aforementioned external facilitating factors, Matrix's ability to record robust sales in FY2021, was also due to the strategic decisions made and the swiftness in adapting its business and operational strategies to the prevailing external operating environment.

Specific details on the performance of the overall property sector is provided in the Strategic Review: The Operating Environment section of this Integrated Annual Report.

BUSINESS AND OPERATIONAL STRATEGIES

While making no compromises on the health, safety and wellbeing of all relevant stakeholders, Matrix initiated all necessary measures to speed up construction works on all projects towards achieving its pre-pandemic schedule.

Matrix was successful in this regard through the deployment of greater resources, and by leveraging on its long-standing relationship within its supply chains. This enabled progress billings to be restored to pre-pandemic levels.

In FY2021, Matrix pursued greater cost and operational efficiency across its value chain. In particular, specific focus was placed on reviewing our business processes across our value chain towards eliminating redundancies and inefficiencies.

Specifically, a significant 21.4% reduction in cost of sales in FY2021 has been achieved in FY2021, mainly due to the early adoption of new accounting standard MFRS123 and favourable product mix. Selling and marketing expenses have also decreased by 16.3%, driven partly by a transition to greater use of digital and social media which has enabled a more targeted and effective reach to customers, while also overcoming the physical restrictions that have become mandatory amidst a new normal scenario.

Progressively, Matrix has seen a higher booking and new property sales from its online initiatives.

As mentioned earlier, Matrix adjusted its property launches in tandem with market conditions and market demand. The Group chose to delay the launch of its high-rise projects in the Klang Valley and instead, focused on launching landed properties at its Sendayan Developments and BSI township.

Demand for landed properties was robust and the Group focussed on this segment. 79.1% of properties launched were priced RM500,000 and below.

The Group's strategies has enabled Matrix to sustain its business and financial performance in FY2021.

FINANCIAL PERFORMANCE

INDICATOR	FY2021 (RM'000)	FY2020 (RM'000)	Difference (%)
Group revenue	**1,127,599**	1,283,406	(12.1)
Cost of sales	**(562,354)**	(715,314)	(21.4)
Gross profit	**565,245**	568,092	(0.5)
Other income	**39,520**	10,045	293.4
Selling and marketing expenses	**(84,973)**	(101,544)	(16.3)
Administrative and general expenses	**(157,906)**	(136,712)	15.5
Operating profit	**361,886**	339,881	6.5
Finance cost	**(26,244)**	(2,145)	1,123.5
Group profit before tax	**340,808**	337,610	0.9
Group profit after tax	**253,082**	234,453	7.9
Shareholders equity	**1,807,735**	1,605,130	12.6
Total assets and liabilities	**1,796,492**	1,603,028	12.1
Borrowings	**325,519**	427,560	(23.9)
Cash and cash equivalents	**237,507**	316,111	(24.9)

INDICATOR	FY2021	FY2020	Difference (%)
Debt to equity ratio (times)	**0.45**	0.61	(26.2)
Earnings per share (sen)	**31.4**	29.5	6.4
Net assets per share (RM)	**2.15**	1.92	12.0

Management Discussion and Analysis

REVENUE AND SALES

For the third consecutive financial year, Group revenue exceeded the RM1 billion mark. In FY2021, Matrix recorded revenue of RM1.13 billion on the back of robust recovery in its construction activities post lifting of the aforementioned MCO.

Property sales stood at RM1.20 billion (FY2020: RM1.03 billion), 16.5% higher year-on-year ("y-o-y"), which had exceeded the Group's target of RM1.1 billion.

Sales was strong in the first quarter, before dipping in the second and third quarters and then recovering in the final quarter of FY2021. Sales were derived from both new launches and existing projects. In FY2021, Matrix launched RM1.02 billion worth of properties into the market (FY2020: RM1.08 billion). Total number of units launched in FY2021 stood at 2,073 units.

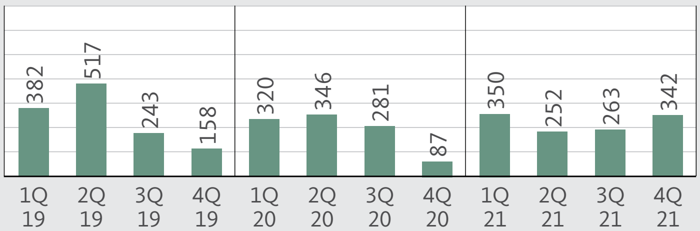
As at 31 March 2021, total unbilled property sales for the Group stood at RM1.02 billion (FY2020: RM1.02 billion).

Ongoing developments stood at RM2.34 billion in GDV, 7.5% lower, year-on-year (FY2020: RM2.53 billion). Average take-up rate across all property projects was 78.1%.

Though revenue had declined due to reduced contributions from all business divisions, this is attributed to the unprecedented, COVID-19 pandemic and the corresponding effects on the economy and the property sector.

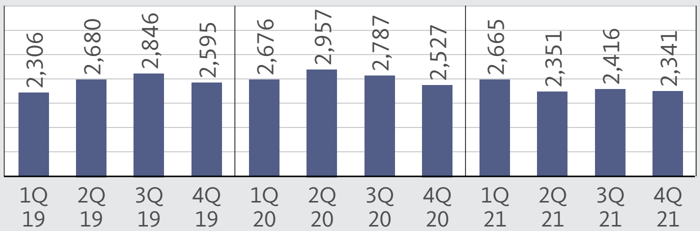
Total Value of Properties Sold*

FY2021: RM1,207.5 million
FY2020: RM1,035.0 million



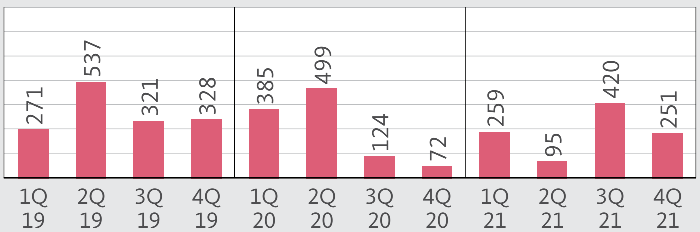
Ongoing GDV (under construction)#

RM2,340.6 million as at 31.3.2021
RM2,526.6 million as at 31.3.2020



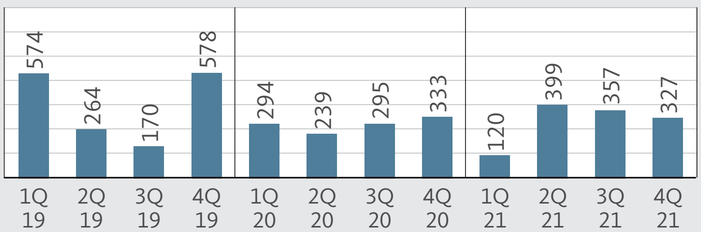
Project Launched#

FY2021: RM1,024.4 million
FY2020: RM1,080.5 million



Projects Completed^

FY2021: RM1,202.8 million
FY2020: RM1,160.9 million



Unbilled Sales#

RM1,019.3 million as at 31.3.2021
RM1,022.4 million as at 31.3.2020

Average Take-up (units) (excl. STV)#

78.1%
As at 31.3.2021

* *Including sales of industrial property at Sendayan TechValley*
\# *Does not include value for Australia projects*
^ *Includes STV3*

The Group's Property Division remains the largest contributor to Group topline performance, accounting for 97.25% of revenue. Residential properties continued to account for the bulk of revenues, contributing RM953.1 million or 84.5% of total FY2021 revenues.

Revenue
(RM'000)

PROPERTY
FY2021:
1,096,567
-11.9% Difference
FY2020: 1,243,989

EDUCATION
FY2021:
12,335
-37.5% Difference
FY2020: 19,741

HOSPITALITY
FY2021:
16,265
-4.7% Difference
FY2020: 17,066

OTHERS
FY2021:
2,432
-6.8% Difference
FY2020: 2,610

TOTAL*
FY2021:
1,127,599
FY2020: 1,283,406
-12.1% Difference

* *Total excludes construction segment revenues, which have been eliminated as it is deemed as an inter-company transaction.*

REVENUE BREAKDOWN BY SEGMENTS

	FY2021 (RM'000)	FY2020 (RM'000)	Difference (%)
Property Development			
• Sendayan Developments			
- Bandar Sri Sendayan	318,243	286,222	11.2
- Ara Sendayan	187,559	215,509	(13.0)
- Tiara Sendayan	314,180	467,568	(32.8)
- Sendayan Tech Valley	104,019	89,760	15.9
TOTAL REVENUE FROM SENDAYAN DEVELOPMENTS	**924,001**	**1,059,059**	**(12.8)**
• Bandar Seri Impian	74,840	88,042	(15.0)
• Chambers Residence	45,946	56,242	(18.3)
• Other Developments	51,780	40,646	27.4
TOTAL PROPERTY DEVELOPMENT REVENUE	**1,096,567**	**1,243,989**	**(11.9)**
Education	12,335	19,741	(37.5)
Hospitality	16,265	17,066	(4.7)
Others	2,432	2,610	(6.8)
TOTAL GROUP REVENUE	**1,127,599**	**1,283,406**	**(12.1)**


Bandar Seri Impian - Impiana Damai

Management Discussion and Analysis

As in previous years, the Group's Sendayan Developments remained the largest revenue contributors, making up RM924.0 million or 81.94% of total revenues for the financial year.

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

COSTS

On the back of various cost reduction strategies and the adoption of MFRS123, Group cost of sales declined by 21.4% to stand at RM562.4 million (FY2020: RM715.3 million). Selling and marketing expenses had seen a significant 16.3% reduction, declining to RM85.0 million (FY2020: RM101.5 million) as the Group continues to actively seek cost efficiencies across its operations.

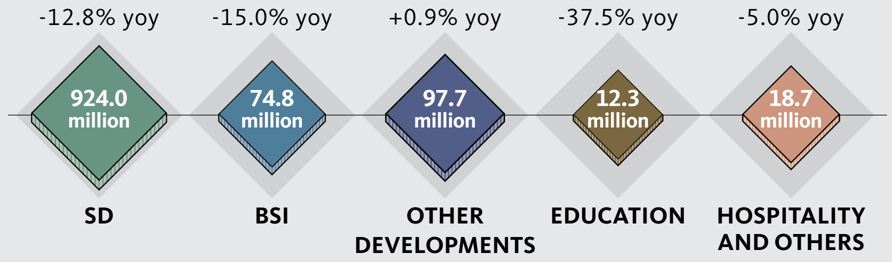
EARNINGS

Group gross profit declined marginally by 0.5% y-o-y to stand at RM565.2 million (FY2020: RM568.1 million). Group profit after tax and minority interest stood at RM262.2 million, 10.5% higher y-o-y.

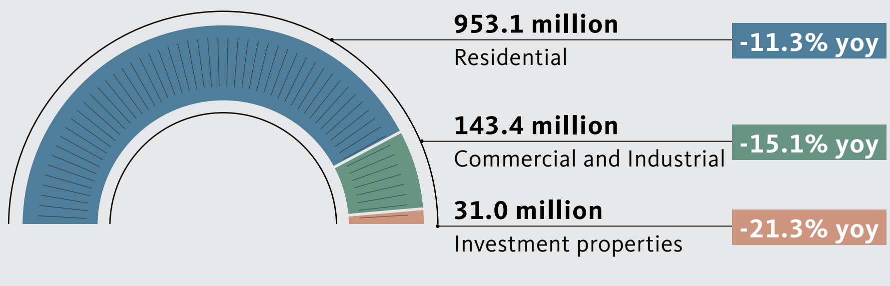
This is a five-year record high for the Group and was achieved despite revenue declining by 12.1% during a pandemic year. The Group's increase in earnings is driven by the aforementioned cost efficiencies achieved across its business operations and value chain.

Retained earnings increased by RM174.6 million or 26.0% in FY2021. This reflects Matrix's continued robust performance. Retained earnings for the financial year stood at RM845.5 million (FY2020: RM670.9 million).

Revenue by Segments
(RM)



Revenue by Type
(RM)



ASSETS AND LIABILITIES

In FY2021, Group assets continued to far exceed liabilities. Matrix remains in a healthy position to discharge all liabilities and commitments.

Non-current assets as at 31 March 2021, stood at RM1.13 billion, 2.8% higher year-on-year due to an increase in investments in joint venture companies as well as inventories. The former includes the Group's strategic investment in PT Fin Centerindo Satu. The latter's increase is primarily due to landbank acquisition activities.

Kindly refer to the Landbank subsection of this MD & A for specific landbank details including land acquisitions made in FY2021.

Current assets increased by a marginal 0.2% 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 16.4%. The Group continues to closely monitor the situation and its debtor position is within control.

However, current assets continues to far exceed current liabilities which indicates steady cash flow for the Group in FY2021 and going forward. Total Group assets saw a marginal growth of 1.3% to RM2.61 billion from FY2020's RM2.58 billion as at end FY2021.

Non-Current Assets	FY2021 (RM'000)	FY2020 (RM'000)	Difference (%)
Property, Plant and Equipment	239,982	248,680	(3.5)
Right of use assets	3,620	3,032	19.4
Investment properties	132	152	(13.2)
Investment in joint venture company	133,232	118,687	12.3
Inventories	685,108	661,836	3.5
Other receivables, deposits and prepayments	34,156	34,880	(2.1)
Deferred tax assets	37,805	36,394	3.9
Goodwill arising on Consolidation	*	*	-
TOTAL	**1,134,035**	**1,103,661**	**2.8**

Current Assets	FY2021 (RM'000)	FY2020 (RM'000)	Difference (%)
Inventories	618,019	624,102	(1.0)
Trade and other receivables	620,602	533,031	16.4
Deposits, cash and bank balance	237,507	316,111	(24.9)
TOTAL	**1,476,128**	**1,473,244**	**0.2**

	FY2021 (RM'000)	FY2020 (RM'000)	Difference (%)
TOTAL ASSETS	2,610,163	2,576,905	1.3

Note:
** Represents RM1.00*

Non-current liabilities have decreased by 19.1%, driven by a reduction in borrowings. The Group has looked to pare down its borrowings, which has consequently reduced its overall borrowings position for FY2021.

The Group's current liabilities, which are liabilities within a 12-month period have also decreased, recording a 15.5% decline on the back of reduced trade and other payables, borrowings and current tax liabilities. As end FY2021, total liabilities have decreased by 16.5%.

Management Discussion and Analysis

Non-Current liabilities	FY2021 (RM'000)	FY2020 (RM'000)	Difference (%)
Borrowings	185,686	239,420	(22.4)
Lease liabilities	2,388	1,682	42.0
Other payables, deposits, accruals and provision	21,175	17,582	20.4
Deferred tax liabilities	222	349	(36.4)
TOTAL	**209,471**	**259,033**	**(19.1)**

Current liabilities	FY2021 (RM'000)	FY2020 (RM'000)	Difference (%)
Trade and other payables	456,003	484,528	(5.9)
Borrowings	139,833	188,140	(25.7)
Lease liabilities	1,105	1,152	(4.1)
Current tax liabilities	7,259	41,024	(82.3)
TOTAL	**604,200**	**714,844**	**(15.5)**

	FY2021 (RM'000)	FY2020 (RM'000)	Difference (%)
Total Liabilities	813,671	973,877	(16.5)
Net Assets Per Share (RM)	2.15	1.92	12.0

Note:
Based on the issued and paid-up share of 834,232,356 (FYE2020:834,214,272) ordinary shares in Matrix ("shares")

GEARING RATIO

Given the prevailing low interest rate environment, Matrix refinanced some of its existing debt with longer repayment tenures and lower interest rates. The Group has also utilised excess cash to make early payment on its debt obligations in FY2021.

Consequently, net gearing reduced in FY2021 to 0.05 times (FY2020: 0.07 times), as gross borrowings reduced by 23.6% to stand at RM329.0 million (FY2020: RM430.4 million).

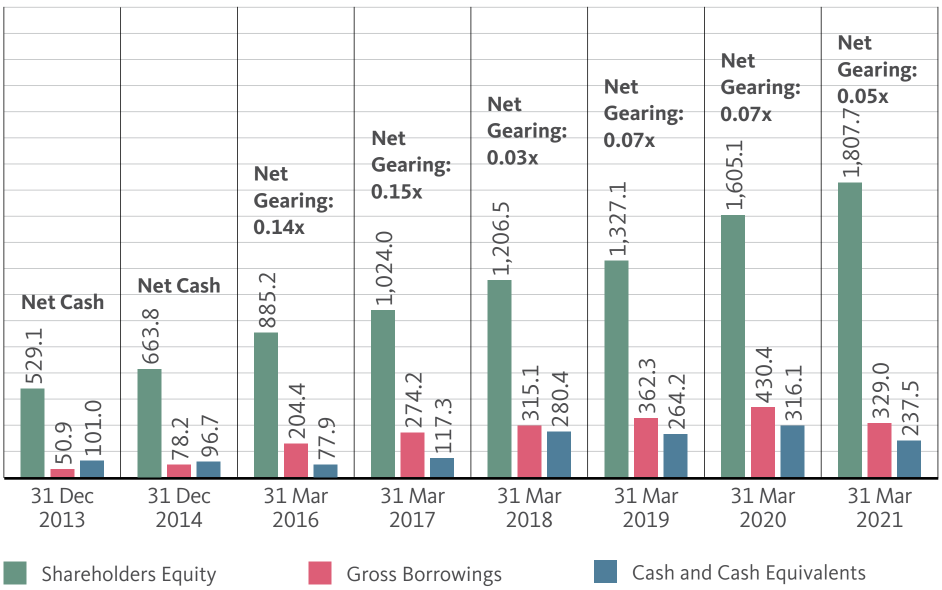
The Group remains prudent in maintaining a sound financial position that enables the execution of sustainable business operations going forward.

CAPITAL STRUCTURE AND CAPITAL RESOURCES

Given FY2021's uncertain operating environment, Matrix opted to not undertake major Capital Expenditure ("CAPEX") exercises. Neither were there any mergers or acquisitions undertaken. This is consistent with the Group's approach to conserve cash and to adopt a more conservative outlook, given the many uncertainties in the external operating environment.

However, should suitable opportunities arise necessitating significant CAPEX going forward, Matrix will accordingly finance such capex via internal funds, external borrowings, seek financing through the capital markets or undertake a combination of the aforementioned.

Minimal Gearing and Robust Financial Position



	FY2021 (RM'000)	FY2020 (RM'000)	Difference (%)
Net cash from operating activities	91,178	52,380	74.1
Net cash used in investing activities	(22,506)	(108,518)	(79.3)
Net cash (used in) / generated from financing activities	(144,528)	138,523	(204.3)
Effect of exchange rate fluctuations on cash held	19,961	(21,190)	194.2
Cash and cash equivalents at beginning of the year	241,462	180,267	33.9
Cash and cash equivalents at the end of the year	185,567	241,462	(23.1)
Cash and cash equivalents comprising fixed deposit, cash and bank balances	237,507	316,111	(24.9)

CASH FLOW, CASH AND BANK BALANCES

Net cash from operating activities had increased significantly by 74.1% to RM91.2 million on the back of increased earnings mainly attributable to the Group's property development division.

Given that CAPEX and investments were not key activities in FY2021, nett cash used in investing activities had decreased significantly compared to FY2020. In FY2020, the Group had partially financed its Indonesia JV with internally generated funds.

Matrix retains sufficient cash to meet its working capital requirements going forward. Cash position will be supported by continued revenue recognition as construction activities have regained their momentum going forward as well as the Group's unbilled sales.

LANDBANK

As at 31 March 2021, Matrix's total landbank stood at 1,911.9 acres comprising mainly of land at the Group's Sendayan Developments and BSI township. The Group also holds land parcels at strategic locations across the Klang Valley.

Acquired land is intended to enable future development projects. Total potential GDV of Matrix's landbank stands at RM9.11 billion. This excludes the GDV for Sendayan Icon Park, which is estimated at over RM6 billion.

Management Discussion and Analysis

PROJECT HIGHLIGHTS

Residential and Commercial Properties

FY2021 saw nine property launches totalling GDV of RM1.02 billion. The Group completed 14 projects with a total GDV of RM1.20 billion. 22 projects are ongoing with a cumulative total GDV of RM2.34 billion.

Average take-up rate across all projects standing at 78.1%. Total unbilled sales stands at RM1.02 billion as at 31 March 2021.

◆ Sendayan Developments

Matrix's Sendayan Developments comprise BSS, Ara Sendayan, Tiara Sendayan and Laman Sendayan.

Sales for the Group's Sendayan Developments were higher in FY2021 at RM941.5 million (FY2020: RM807.5 million) with an average take up rate of 79.2%. Unbilled sales stood at RM745.3 million.

Among the property launches in FY2021 were Hijayu Residence Phase 1 (Parcel 1), Tiara Sendayan 6 (Precinct 8), Tiara Sendayan 7 (Precinct 6), Tiara Sendayan 8 (Precinct 7), Laman Sendayan 1 (Precinct 4), Laman Sendayan 2 (Precinct 2) and Nusari Bayu 2.

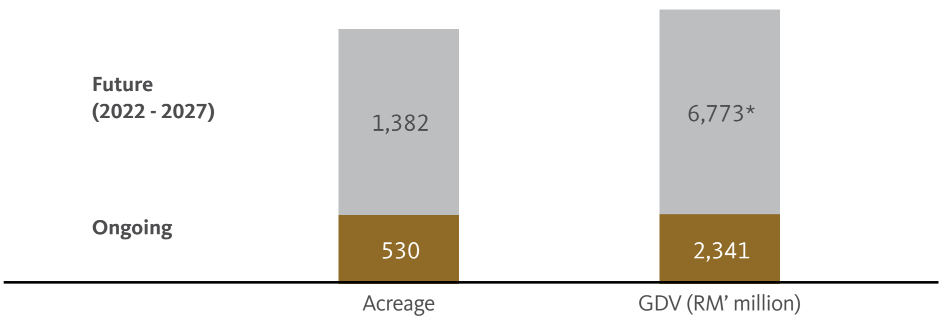
All launches comprised single-storey terrace ("SST") and double-storey terrace ("DST") homes with a large portion of residential units priced RM500,000 and below. The products are targeted at the middle-income market segment of buyers, a segment that continued to see comparatively robust sales in FY2021.

However, the Hijayu range of homes cater to more affluent buyers, looking for larger units that offer enhanced lifestyle comforts and convenience. It is also in high demand from larger or maturing families, including multi-generational households. The Hijayu Homes were sold with complimentary clubhouse memberships and exclusive, residents-only facilities.

The Sendayan Tech Valley ("STV") is the industrial component within Sendayan Developments. STV comprises 752.67 acres of saleable prime, freehold industrial land with a total GDV of RM926.7 million.

The location offers excellent accessibility and connectivity and comes with good in infrastructure, networks and connectivity. STV is presently home to major industrial companies such as Daihatsu Motors, Hino Motors and others.

FY2021 saw STV 2 and 3 cumulatively deliver RM91.5 million in sales (FY2020: RM125.5 million) with 51.40 acres sold. The take-up rate for STV 2 and STV 3 is 81.8% and 91.7% respectively. Unbilled sales stand at RM44.9 million.



* *Does not include potential GDV for Sendayan Icon Park (estimated more than RM6 billion)*

FY2021 Launches

Project Name	Type	Units	GDV (RM'million)
Hijayu Residence Phase 1 (Parcel 1)	DST	183	130.0
Tiara Sendayan 6 (Precinct 8)	DST	246	128.5
Laman Sendayan 1 (Precinct 4)	SST	162	40.1
	DST	144	54.6
Laman Sendayan 2 (Precinct 2)	SST	160	48.4
	DST	220	90.2
Tiara Sendayan 7 (Precinct 6)	DST	278	141.8
Tiara Sendayan 8 (Precinct 7)	DST	254	135.3
Nusari Bayu 2	DST	192	115.9

Tiara Sendayan

At the 295-acre Tiara Sendayan, three new phases were launched: Tiara Sendayan 6, 7 and 8. All launches comprised double-storey terrace homes. Tiara Sendayan 6 comprised 246 units, while Tiara Sendayan 7 and 8 comprised 278 and 254 units respectively. Cumulative GDV for all three phases were RM405.6 million.

All three phases have seen encouraging response with an average take-up of 78.92%. The development's attraction includes the 12-acre central park and the abundant greenery and the close proximity to amenities and facilities.

Tiara Sendayan - entrance statement

In terms of completed phases, the 100% sold Tiara Sendayan 2, comprising 504 double-storey terrace homes was completed and handed over to buyers in July 2020. Also completed and handed over was the RM158.6 million GDV Tiara Sendayan 3. The 100% sold out phase was completed in November 2020.

Tiara Biz - commercial hub

Tiara Biz

Both Tiara Biz 1 and Tiara Biz 2 have been fully sold with construction for both phases completed in December 2020. Tiara Biz 1 comprises 24 double-storey shop houses with a GDV of RM22.6 million, while Tiara Biz 2 comprises 26 double-storey shop houses with a GDV of RM23.7 million.

A petrol station was also completed at Tiara Biz located on a 1.88-acre land parcel with a GDV of RM2.9 million. The petrol station is a welcome addition to meet the infrastructure needs of the local community.

Management Discussion and Analysis

Ara Sendayan

The 78.50-hectare hilltop Ara Sendayan development continues to see strong response from buyers with total sales recorded at RM164.3 million. Unbilled sales stood at RM94.4 million.

In FY2021, Ara Sendayan Precinct 3B comprising 168 double-storey terrace homes were almost completely sold (166 units sold) with construction completion achieved in May 2020. GDV for Phase 3B is RM119.9 million.

Precinct 3A1, comprising 85 double-storey terrace homes has also received encouraging sales with 70 units sold thus far. Project GDV stands at RM64.5 million and construction was completed on November 2020.

Precinct 3A2 comprises 59 double-storey terrace homes, and 10 double-storey semi-detached residences with a cumulative GDV of RM59.5 million also has seen strong traction with 60 of the units sold. All units have been completed in November 2020.

Ara Sendayan - lake park

Precinct 2A, comprising 244 double-storey terrace homes with a GDV of RM191.2 million has been completed by March 2021. Take-up rate stands at 58.2%.

Bandar Seri Impian ("BSI")

Matrix's 1,209.5-acre BSI township registered higher sales of RM94.7 million (FY2020: RM57.6 million) in FY2021.

Bandar Seri Impian – Impiana Square

The township saw two launches during the financial year comprising of 234 units double-storey terrace houses with a total GDV of RM139.6 million. Average take-up rate for ongoing projects stands at 51.5% as at end FY2021 with new sales for the financial year recorded at RM94.7 million. Unbilled sales stood at RM65.6 million as at 31 March 2021.

The township benefits from the injection of 309.5 acres of land acquired through a joint venture ("JV") agreement between Matrix and Koperasi Kemajuan Tanah Negeri Johor Berhad ("Kopketa").

The additional land expands the township's size enabling a more comprehensive masterplan to be implemented that will enable the inclusion of additional value creation and lifestyle components towards enhancing BSI's overall value proposition.

Impiana Square Phase 1 comprising 113 double-storey shop houses with a GDV of RM110.2 million was completed and handed over to buyers in August 2020.

Residensi SIGC

Strategically located next to the Seremban International Golf Club ("SIGC"), Residensi SIGC is an exclusive, 38.3-acre low-density, luxury development based on a golf-resort themed lifestyle. The niched enclave also features a members-only clubhouse.

The RM224.6 million GDV development continues to be in high demand from affluent buyers. In FY2021, Phase 1 and Phase 2 have achieved a take-up of 96.2% and 97.6% respectively. Unbilled sales stand at RM26.1 million.

In FY2021, Phase 1B comprises 78 double-storey terrace homes, of which 76 have been sold with construction completed in August 2020.

Residensi SIGC - aerial view

Hijayu Resort Homes - Crisantha

Hijayu Resort Homes

The RM135.7 million GDV Hijayu Resort Homes Phase 5, has achieved sales of 73.7% with construction completed in March 2021. Phase 5 comprises 175 double-storey terrace homes.

Lobak Commercial Centre

The 2.97-acre Phase 2 of the Lobak Commercial Centre was completed in November 2020. 13 out of the 14, double-storey shop offices have been sold with the GDV of Phase 2 standing at RM25.0 million.

Chambers Residence, Kuala Lumpur

Chambers Residence, Matrix's first high-rise development launched in August 2018, has continued to see strong sales, despite the glut in high-rise properties in the city centre.

Located on one of the last freehold land plots in the Kuala Lumpur city centre, Chambers comprises 509 residential units of varying sizes, of which 80.7% have been sold. The development also features four commercial lots. The high take-up attests to the development's appealing value proposition.

Beyond a modern design and competitive pricing, Chambers is strategically located along Jalan Ipoh Kecil, off Jalan Putra. The RM322.7 million GDV development is within walking distance from a wide range of facilities and amenities, including an LRT station, shopping mall, hospital, a convention centre and many more.

Unbilled sales for the project stands at RM132.1 million. Presently, 54% of construction work has been completed as at 31 March 2021 and the project remains on track for completion by July 2022.

Chambers nearing completion

Management Discussion and Analysis

M. Greenvale - bungalow lots

◆ M. Greenvale (Australia)

M. Greenvale is Matrix's second Australian project following the sold out M. Carnegie. Both projects are located in Melbourne, which has been repeatedly voted as one of the world's most liveable cities by the Economist Intelligence Units ("EIU") Global Liveability Index.

In FY2021, despite the multiple lockdowns in Melbourne, M. Greenvale achieved 100% sales during the financial year.

The 9.7-acre project features 79 residential lots with a GDV of AUD27.8 million (RM79 million). It is located in the suburb of Greenvale, dubbed the "Toorak of the North", after the prestigious and highly desirable Toorak suburb.

M. Greenvale is only 25km north of the Melbourne Central Business District ("CBD") and is close by to the Tullamarine Airport and the scenic 430-acre Greenvale Reservoir Park.

The strong response received for Matrix projects in Melbourne indicates the positive acceptance of the Matrix brand name in the country as well as for the overall value proposition of the Group's products. This has paved the way for the upcoming launch of Matrix's third project in Australia, 333 St Kilda, which is targeted for FY2022.

◆ Menara Syariah (Indonesia)

In FY2020, Matrix expanded into Indonesia via its JV with an Indonesian conglomerate to jointly undertake the development of the RM1.0 billion GDV, Menara Syariah Twin Towers, in Jakarta.

The project was making steady construction progress but was disrupted by the onset of the COVID-19 pandemic in Indonesia. Works have resumed and the project remains on track for completion by end FY2023, becoming the latest addition to the Jakarta skyline.

Menara Syariah comprises a commercial and retail building with two, 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 part of the larger 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.


Menara Syariah

Project Updates – Investment Properties

◆ Matrix Global Schools

In 2020, all schools in Malaysia faced mandatory closure as part of the SOPs to combat the COVID-19 pandemic. Consequently, Matrix Global Schools ("MGS") saw its academic calendar and enrolment numbers impacted.

Responding swiftly to the pandemic scenario, MGS made a successful transition to online platforms to enable the school to continue delivering lessons to students.

Post MCO, where physical classes have been allowed to resume, MGS has implemented strict SOPs to protect its students and stakeholders, supported by digital learning platforms, thus providing a hybrid learning environment. The hybrid approach enables effective delivery of lessons and has been well accepted by both parents and students.

Cognisant of the financial difficulties faced by many students, Matrix has also provided discounts of up to 25% in term fees for eligible students. This is one of the highest discounts provided by any school and has assisted many parents to retain their children in the school.

MGS's student population stands at 580 students as at end FY2021. This comprises 225 international school students, 288 private school students and 67 pre-school students.

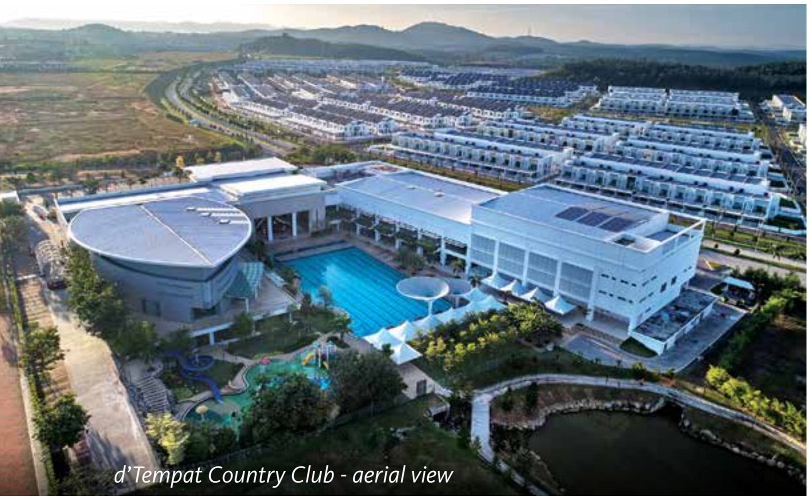
MGS posted a loss before tax of RM6.0 million (FY2020: RM1.5 million) on the back of lower revenue of RM13.0 million (FY2020: RM20.6 million) as discounts were provided due to the aforementioned impacts arising from the COVID-19 pandemic.

Post COVID-19, with a more conducive external operating environment, Management is positive of an improved financial performance from MGS, given that its value proposition as a provider of quality education at competitive prices remains intact. The school continues to be a key place-making component within the BSS township and retains its position as a preferred education institution for the community.

In FY2021, Matrix's students attained top scores for the IGCSE examination. The high scoring performance of MGS' students attests to the school's important role in community development; providing holistic, internationally recognised education infrastructure and opportunities at affordable prices.


Matrix Global Schools - aerial view

Management Discussion and Analysis



d'Tempat Country Club - aerial view

d'Tempat Country Club

The d'Tempat Country Club remains the go-to venue in Seremban and Sendayan for business, leisure and social activities. Though the MCO period had impacted the level of events and activities post MCO, d'Tempat Country Club resumed operations with strict compliance to SOPs. The club has retained its appeal among locals as a preferred venue for leisure and community events and other related activities.

In FY2021, d'Tempat Country Club recorded revenues of RM15.2 million and profit before tax of RM6.0 million. Membership as at 31 March 2021 stands at 29,995 comprising 2,132 open and 27,863 property linked memberships.

d'Sora Boutique Business Hotel

The d'Sora Boutique Business Hotel remains a preferred destination for business travellers and the local community, given its close proximity to Seremban city and the Kuala Lumpur International Airport. It is the only business boutique hotel in Sendayan.

The hotel in FY2021, registered an occupancy rate of 37.03% (FY2020: 47.83%) due to the aforementioned pandemic scenario faced in FY2021.

In response, d'Sora Boutique Business Hotel adopted various cost optimisation and operational restructuring measures. It has also increased its use of online or digital mediums to reach out to customers.

For FY2021, d'Sora Boutique Business Hotel posted revenue of RM1.3 million (FY2020: RM2.2 million) and loss before tax ("LBT") of RM0.65 million (FY2020: RM0.37 million). Given d'Sora Boutique Business Hotel's competitive advantages and its compelling value proposition, the hotel should return to profitability in tandem with a recovery in the external operating environment going forward.

d'Sora Boutique Business Hotel

CONSTRUCTION

Matrix Excelcon Sdn Bhd ("Matrix Excelcon") is the Group's internal construction arm, supporting the property development division. Its business activities primarily consists of infrastructure and building works.

In FY2021, the construction arm was affected by the implementation of the MCO, which had imposed a blanket ban on all construction works nationwide. Subsequently, construction works were allowed to resume with new SOPs to be implemented.

With the reopening of the construction industry, Matrix Excelcon has successfully expedited works on all projects. This has enabled the progress of construction to return to almost pre COVID-19 levels.

HEALTHCARE

Matrix's exposure to the healthcare sector is through Group subsidiary, Matrix Medicare Sdn Bhd ("Matrix Medicare"), which has signed a 30-year management agreement with Pusat Hemodialisis Mawar ("Mawar") to provide the latter with management services for its medical and haemodialysis centre. Mawar is the owner of Mawar Medical Centre.

The 30-year agreement sees Matrix Medicare managing all non-clinical aspects of Mawar's operations which includes finance, administration and resources.

In FY2021, Mawar has played a frontline role in combatting COVID-19, in addition to providing quality, affordable healthcare services to the surrounding community. Highlights include being of one the first hospitals in Malaysia to introduce drive-thru COVID-19 screening tests as well being a participant of the government's COVID-19 vaccination programme.

Mawar has provided a countless number of screening tests and vaccinations and both programmes continue to run smoothly. Mawar has also undertaken various cost optimisation strategies and has planned to expand its bed capacity to 52 beds to cater to the growing needs of the local community.

One of the significant highlights for the healthcare division was the procurement of a state-of-the art, RM4.3 million, Magnetom Altea 1.5T (Tesla) large bore 70 cm, magnetic resonance imaging ("MRI") system. The Magnetom Altea is based on a new acceleration technique called 'Turbo Suite Essential' that enables up to 50 percent faster routine scans. This enables faster image acquisition and ultimately faster diagnosis that speeds up patient treatment.

Mawar is the first hospital in Malaysia to acquire the latest MRI system. The system also reduces the patient preparation time before a MRI procedure and provides higher diagnostic confidence and fewer rescans.


Construction workers at Chambers.


MRI machine, 1.5 Tesla, large bore 70 cm.

Management Discussion and Analysis

LOOKING AHEAD

General Economic Outlook

Malaysia began 2021 with a positive outlook with GDP growth for the year forecasted to be between 6%-7.5%[1]. The forecast was based on the continued momentum of economic activity up to the first quarter of 2021 with almost all sectors operating at full capacity.

However, the month of January and April saw the imposition of more MCOs, culminating in the implementation of a full MCO throughout June 2021. This was in response to the spiralling number of daily cases which almost touched the five-figure mark.

The full lockdown will likely have a downward impact on initial projections for GDP and economic recovery. Almost all industries including the construction and property sector have been completed halted. However, this is a necessary measure, together with the ongoing aggressive rollout of vaccines to curb infections and to permanently resolve the pandemic scenario in Malaysia.

The Government in its National Recovery Plan ("NRP") announced on 15 June 2021, stated that Malaysia is on track for a full recovery by the end of 2021. This however, hinges on the possibility of achieving herd immunity by the end of the third quarter of 2021 and daily positive cases decreasing to below 500 cases per day.

The government's optimism and its clear exit plan provides much-needed optimism and renewed vigour among the people and the business community. The effect will be gradual but ultimately, Malaysia should be on track to make a robust economic recovery by 2022, if not earlier.

Bandar Seri Impian - Impiana Bayu

Growth will be supported by higher domestic demand, particularly from pent-up private sector spending. Improvement in the global economy, will translate into a rebound in external demand, and benefit Malaysia's exports oriented economy going forward. Pump-priming through large scale infrastructure projects, particularly transport-related projects will also have a catalytic, multiplier effect across multiple economic sectors.

A continued easing of monetary policies by Bank Negara as well as a wide range of aid and incentives provided by the government will also support the domestic economy.

Property Industry Outlook

The extent and pace of recovery in the property sector will hinge on whether COVID-19 can be effectively addressed. This will be dependent on the pace and effectiveness of the ongoing vaccination programme towards developing herd immunity.

Another material factor is the imposition of MCO 3.0. Though necessary, a prolonged strict lockdown period would likely cause serious economic impact, affecting job and incomes and thus translating into overall dampened demand for properties.

However, there remains plenty of positives. Properties priced RM500,000 and below continue to see strong demand. Notably, landed residential properties, located in the suburbs, with good connectivity and accessibility continue to see strong traction among buyers.

Demand will be supported by first time buyers, owner-occupiers and those buying for family members and for investment purposes.

Given that people are spending more time indoors due to lockdowns, design of homes may change in accordance

[1] *Source: Bank Negara Malaysia Economic and Monetary Review 2020*

to the new normal. The future may see residential units designed with private workspaces akin to an office to accommodate the growing work from home ("WFH") trend.

The extension of the HOC to 31 December 2021 will help to stimulate demand for properties. The HOC has been effective since its implementation and the government's decision to extend the campaign is a welcome move towards supporting the industry.

The HOC and other incentives announced under Budget 2021 will be supportive of industry momentum even as end-financing issues continued to affect property buyers. For developers, compliance cost as well as material, labour cost and land cost will be key considerations going forward.

According to industry statistics[2], preliminary data shows, that in the first quarter of 2021, some 5,919 residential properties were launched of which, 3,669 or 62% percent were landed properties comprising single, double and three-storey terrace homes.

Strategic Priorities and Future Orientation for Matrix

Matrix has prepared well for the aforementioned scenario. The Group has included the potential effects of a prolonged pandemic scenario in its strategic planning for FY2022 and has thus implemented various strategic measures to mitigate the ongoing effects. These include strengthening internal financial controls, ensuring continued access to capital and enhancing the value proposition of its property products and individual projects. The Group will also factor in any possible disruptions to construction schedules for all ongoing projects.

Matrix continues to maintain a healthy cash position, should Management decide to tap on internal generated funds. Its healthy balance sheet will also support the Group in securing financing or access to the capital markets.

The Group will continue to align its product launches to meet real market demand, targeting the segments where sales have proven to be resilient.

Going forward, Matrix will leverage on its proven developments, notably its Sendayan developments, comprising BSS, Ara Sendayan, Tiara Sendayan and Laman Sendayan in Negeri Sembilan and BSI in Kluang, Johor.

In FY2022, Matrix aims to launch RM1.64 billion worth of properties which includes launches at its Sendayan Developments, BSI and Australia. The Group's launches will be planned and timed in tandem with prevailing market trends and buyer sentiments.

New launches include at Hijayu Residence comprising 183 units of double-storey homes with a GDV of RM133.6 million, followed by 46 units of 2-storey bungalows at Hijayu Resort Villa with a GDV of RM110 million.

Also in the pipeline are launches for Laman Sendayan 3 and 4. The former will consist of 250 units of townhouses with a GDV of RM27.5 million. The latter will consist of 540 units of double-storey terrace homes and 20 single-storey shops being brought to market with a cumulative GDV of RM265.6 million.

At Tiara Sendayan, Matrix plans to launch Tiara Sendayan 9, 11, 12 and 13 offering primarily single and double-storey terrace houses (Tiara Sendayan 9 and 13), town houses (Tiara Sendayan 11 and 12). Total number of units to be launched are 952 with a cumulative GDV of RM210.0 million.

The Group's Bayu Sutera project will see the launch of Bayu Sutera 2B (Phase 1) comprising 325 residential units with a GDV of RM175.6 million, followed by 255 residential units at Bayu Sutera 2A (Phase 2) with a GDV of RM131.7 million.

Aside from the Sendayan Developments, other launches slated for FY2022, include at Impiana Bayu at BSI were 195, double-storey terrace homes will be brought to market at a GDV of RM93.6 million.

The Group also will be looking to expand into the Johor Bahru property market via its RM77.9 million GDV project at Taman Anggerik Tengara comprising 240 units of double-storey terrace houses.


Project in Cheras

[2] *Source: National Property Information Centre ("NAPIC")*

Management Discussion and Analysis

Matrix also will further expand its presence in the Klang Valley via its earmarked project in Cheras to develop a RM375 million GDV service apartment. The 5.2-acre land parcel is located just off the Middle Ring Road 2 ("MRR2"). It is also within close proximity to the KL city centre.

In Australia, given the encouraging sales track record of both M. Carnegie and M. Greenvale, the Group aims to launch 333 St Kilda, a 12-storey mixed development in Melbourne with an estimated GDV of AUD80 million (RM240 million).

In Indonesia, the Group looks forward to seeing continued construction progress on Menara Syariah being achieved throughout FY2022 and the eventual completion by end of FY2023.

With regard to its other business divisions, the Group's healthcare division will continue to play a leading role in combatting COVID-19. The ongoing screening and vaccination programmes will be further increased in tandem with growing consumer demand and prevailing conditions amidst the external operating environment.

Beyond COVID-19 related strategies, the division will also look to further entrench itself as a preferred healthcare provider for the local community; enhancing its overall value proposition towards providing excellent and affordable healthcare. However, the challenge remains in changing mindsets to move from the present reactionary approach to seeking medical care to a more proactive and preventive mindset.

Mawar will also focus not just on medical care but also on general wellness, including targeting the elderly, given Malaysia's continued path towards becoming an ageing nation. The healthcare travel segment is also a possibility if travel bubbles are implemented between Malaysia and neighbouring countries.

The Group's plans for the hospitality segment will be centred on serving the local community's needs. Naturally, plans going forward will take into account the ongoing lockdowns and the need for continued strict compliance to COVID-19 prevention SOPs. Matrix will develop relevant market strategies for both d'Tempat Country Club and d'Sora Boutique Business Hotel going forward.

While the future continues to see uncertainties, Matrix is well prepared for the possible eventualities. 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 proven resilient and sustainable.

The Group will look to expand its footprint within Malaysia as well as overseas. Matrix current and future projects provide more than RM16 billion in GDV to last the Group till 2027.

We remain cautious yet 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 2021

M. Carnegie - Melbourne, Australia

Board of Directors' Profiles

DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN

Non-Independent Non-Executive Chairman

Age
68

Nationality
Malaysian

Gender
Male

Date of Appointment
2 April 2012

Tenure of Directorship
9 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

DATO' LEE TIAN HOCK
(Key Senior Management)

Founder, Group Executive Deputy Chairman

Age **63**

Nationality **Malaysian**

Gender **Male**

Date of Appointment
4 March 1997

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

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

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

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

HO KONG SOON

(Key Senior Management)

Group Managing Director

Age **54**

Nationality **Malaysian**

Gender **Male**

Date of Appointment

30 December 2002

Tenure of Directorship

18 years 6 months

Board Committees Membership(s)

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

Academic/Professional Qualification(s)

Bachelor of Engineering Degree from University of Malaya

Present Directorship(s)

Listed entity:
Nil

Other public company:
Nil

Experiences

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

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

Board of Directors' Profiles

REZAL ZAIN BIN ABDUL RASHID

Senior Independent Non-Executive Director

Age **53**

Nationality **Malaysian**

Gender **Male**

Date of Appointment
8 August 2012

Tenure of Directorship
8 years 10 months

Board Committees Membership(s)
- Audit Committee (Chairman)
- Risk Management Committee (Chairman)
- Remuneration Committee (Member)

Academic/Professional Qualification(s)
- Bachelor of Arts (Accounting) Degree from the University of Canberra, Australia
- Member of the Malaysian Institute of Accountants and a CPA Australia

Present Directorship(s)
Listed entity:
Fima Corporation Berhad

Other public company:
Nil

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

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

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

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

DATO' LOGENDRAN A/L K NARAYANASAMY

Non-Independent Non-Executive Director

Age **59**

Nationality **Malaysian**

Gender **Male**

Date of Appointment
15 November 2016

Tenure of Directorship
4 years 7 months

Board Committees Membership(s)
- Risk Management Committee (Member)
- Sustainability Committee (Member)
- ESOS Committee (Member)

Academic/Professional Qualification(s)
Diploma in Architectural

Present Directorship(s)
Listed entity:
Nil

Other public company:
- Matrix Concepts Foundation
- Negri Sembilan Chinese Maternity Association
- Pusat Hemodialisis Mawar

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

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

Board of Directors' Profiles

DATO' HON CHOON KIM

Independent Non-Executive Director

Age
72

Nationality
Malaysian

Gender
Male

Date of Appointment
19 June 2015

Tenure of Directorship
6 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.

DATO' HAJAH KALSOM BINTI KHALID

Independent Non-Executive Director

Age **65**

Nationality **Malaysian**

Gender **Female**

Date of Appointment
15 March 2016

Tenure of Directorship
5 years 3 months

Board Committees Membership(s)
- Nomination Committee (Chairman)
- 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.

Board of Directors' Profiles

DATO' (IR.) BATUMALAI A/L RAMASAMY

Independent Non-Executive Director

Age **73**

Nationality **Malaysian**

Gender **Male**

Date of Appointment
28 December 2012

Tenure of Directorship
8 years 6 months

Board Committees Membership(s)
- ESOS Committee (Chairman)
- Audit Committee (Member)
- Nomination Committee (Member)

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

Present Directorship(s)

Listed entity:
Nil

Other public company:
Nil

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

CHUA SEE HUA

Independent Non-Executive Director

Age **67**

Nationality **Malaysian**

Gender **Female**

Date of Appointment
18 November 2020

Tenure of Directorship
7 months

Board Committees Membership(s)
- Audit Committee (Member)
- Risk Management 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 1 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.

Notes:

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

Management Team

PROPERTY DEVELOPMENT

left to right:

PAK HENG CHEONG
Senior General Manager, Project Planning

TAN SZE CHEE
Chief Development Officer

LEONG JEE VAN
Chief Executive Officer, Property Development

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

HOW GIOK WAH
Group Sales Advisor

LIM KOK YEE
Chief Marketing Officer

BRYAN LEE THIAN LONG
General Manager, Group Sales and Marketing

HARRY LEE CHIN YEOW
Assistant Project Manager

DAMON LAU CHEE WEN
General Manager, Southern Region

LIEW CHEE MENG
General Manager, Central

CORPORATE SUPPORT

left to right:

NG LAI THENG
Senior Manager, Group Digital Transformation

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

ROSALIND JOSEPHINE LIM POH CHOO
General Manager, Group Legal

DATO' HAJI OSMAN HAJI SALLEH
Group Chief Security Officer

NIK LI BIN R. DERAMAN
Senior Manager, Internal Audit

CAMY TEE KAM MEE
General Manager, Group Finance

LOUIS TAN SAY KUAN
Chief Financial Officer

CONSTRUCTION

CHIA KHING FUAT
Chief Project Director

HEONG YEE CHOUNG
General Manager, Construction

LO CHEE KIN
General Manager, Matrix IBS Sdn Bhd

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

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

LEE YAM SEI
Head, Academic
Development

LOH GHEE JUAN
Campus Principal

Transformation Team

HOSPITALITY

left to right:

JEAN-MICHEL KOK
Head of Hospitality

HEALTHCARE

DR. ONG CHIEW PING
Chief Executive Officer

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

ESG Linkage to Business Model and Business Performance

Financial | Manufactured | Natural | Human | Intellectual | Social

Our Strategies and Strengths | Management Discussion and Analysis | Group Strategic Priorities and Future Orientation | Our Risks and Mitigation Strategies | Sustainability Statement and Sustainability Report

Material Topic	Why It Matters	Affected Capitals	Management's Approach And Strategic Response
Financial Stability and Economic And Business Performance	Strong financial results as reflected in growing revenue and profits, is vital for long-term sustainability along with 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. 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. Further information is available here: **Our Business Strategies and Strengths**
Short And Long Term Strategy and Competitive Advantage	Balancing between the Group's short term requirements and long-term prospects is essential to ensure the Group's sustainability amidst a highly competitive and turbulent operating environment. 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.	Financial, Intellectual	Matrix's has clearly identified its outlook and prospects, in tandem with existing market forces and overall operating conditions. With this, the Group has outlined its future business strategies and priorities for FY2022 and beyond. Further information is available here: **Group Strategic Priorities and Future Orientation**
Risk Management	Given the existing external macro-operating environment, a wide range of risks are prevalent i.e. financial, operational, strategic and other forms of risks. These risks can impact value creation and stakeholders if left unchecked. Increasingly, risk arising from ESG matters such as climate change or occupational safety and health ("OSH") is being given increased focus in the identification and assessment of risks.	Financial, Intellectual, Social, Manufactured, Natural	Matrix adopts a proactive stance towards the early identification and subsequently management / mitigation of risks. This includes a triple tier defence mechanism, a regularly updated Risk Assessment Reports, Board oversight on Risks via a dedicated Risk Committee and other measures. Further information is available here: **Our Risks and Mitigation Strategies**

ESG Linkage to Business Model and Business Performance

Material Topic	Why It Matters	Affected Capitals	Management's Approach And Strategic Response
Effective Leadership and Good Organisational Structure	Ensuring a competent and experienced leadership bench and is supported by an effective succession plan with an ample talent pool is vital to ensuring the Group's future prospects. Supporting the leadership is the need to continue cultivating a lean, results oriented organisational structure, that enables strategic decision making and fast execution.		Matrix has developed an effective talent development and leadership succession plan for all key positions across the Group. This includes the Board of Directors and Senior Management. Leaders are assessed and developed on business acumen as well as increasingly, their commitment and understanding of ESG / sustainability matters. Further information is available here: **Sustainability Report**
Employee Engagement, Satisfaction and Career Development	Staff satisfaction and morale is vital towards ensuring retention of high performance 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.		Matrix has implemented a comprehensive talent engagement programme at all levels across the Group. This includes effective communication channels and opportunities for staff to voice their suggestions, concerns and ideas, if any. Matrix is considering developing oversight on the linkage between employee retention and morale to Group productivity, costs and revenue / profitability. Further employee related information is available here: **Sustainability Report**
Health and Safety Compliance	Any non-compliance to regulatory standards could lead to negative financial impact or shutdown of operational sites which affects operations, which in turn affects financial performance and corporate branding as well as stakeholder relationships.		Matrix adheres to set regulations and has developed a robust management approach, comprising policies, standard operating procedures and effective monitoring of Occupational Safety and Health ("OSH") matters to ensure good performance. Employees and worker participation in OSH matters is mandatory. Further information on OSH performance is available here: **Sustainability Report**
Labour Rights and Practices	Issues involving workers may impact the Group's value chain i.e. contractors and thus impact project quality and completion.		Matrix continues to assess its suppliers for human rights practices, including better living condition and their welfare.

Material Topic	Why It Matters	Affected Capitals	Management's Approach And Strategic Response
Environmental Impact (Air, Waste and Noise)	Non-compliance due to pollution or even exceeding permissible levels set by the regulatory authorities could lead to operational shutdown, fines and other negative impact to the business, stakeholders and the environment.		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 on environmental performance is available here: **Sustainability Report**
Energy Conservation, Emissions, Climate Change and Green Buildings and Materials	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 carbon emissions.		Matrix increasingly looks to incorporate more sustainable practices into its business model and its business processes, including in the design and build of homes. The Group's IBS factory is one such development in FY2021. 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: **Sustainability Report**
Quality and Customer Satisfaction	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.		Matrix continues to assess customer satisfaction for all completed projects and has embarked on product quality to ensure improved consistency of finished units. Moving forward, Matrix will implement independent Qlassic assessment to ensure quality check and control.
Anti-Corruption and Anti-Bribery and Fair Procurement	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 corporate reputation and the Matrix brand.		Matrix has developed its Anti-Bribery Anti-Corruption ("ABAC") policy which addresses the issue of corruption and facilitates the awarding of contracts on a quality meritorious basis. The ABAC 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.

ESG Linkage to Business Model and Business Performance

Material Topic	Why It Matters	Affected Capitals	Management's Approach And Strategic Response
Stakeholder Engagement	The views and aspirations of stakeholders are vital in guiding the Group's sustainability journey. Stakeholder views are essential in ensuring Matrix's has accurately determined its material topics and are adopting the right approaches in managing said ESG topics.		Matrix continues to actively engage its stakeholders through a wide range of communication channels. Further information is available here: **Sustainability Report**
Community Development	Developing the community is essential to value creation, as it enables job creation, infrastructure development, increased local investments and ultimately improves the local socio-economic landscape. This leads to increased affluence, a more prosperous community that can support Matrix's business model.		Matrix continues to invest significantly in community and infrastructure development in locations where the Group has a significant business presence. The value of such investments in terms of branding and relationships is being increasingly considered by the Board and Senior Management as part of its strategic plans. Further information is available here: **Sustainability Report**

VISION AND MISSION AND VALUE CREATION NARRATIVE

As mentioned in our About This Report section, aside from revenue, profits and sales, Matrix's view of value creation encompasses benefits, outcomes and impacts created for, and to stakeholders. Hence, the Group's adoption of the 5Ps.

The 5Ps are further aligned to selected United Nations Sustainable Development Goals (SDGs"). These SDGs have been selected based on relevance to Matrix's Vision and Mission and its approach to value creation.

MATRIX SUSTAINABILITY PILLARS	MATRIX'S INITIATIVE	HIGHLIGHTS AND ACHIEVEMENTS	UNSDGS
PLANET	Matrix continues to improve on its environmental footprint, looking to minimise consumption of raw materials and natural resources while adopting more "green" based business processes to reduce production of emissions and waste outputs. This includes the progressive transition to more sustainable construction and building methods, greater use of environmentally friendly or biodegradable materials / products within our business processes, continued pursuit of energy and water consumption efficiency and promoting environmental conservation and awareness among stakeholders.	41.78% reduction in diesel consumption year-on-year. Overall energy reduction of 11.22% on the back of reduced electricity consumed from the grid. Over 242,095 kWh of clean energy generated from solar photovoltaic ("PV") installation at the d'Tempat Country Club. Compliance with DoE levels for noise and air pollution and water discharge. Reduction in overall construction waste produced through use of IBS.	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

MATRIX SUSTAINABILITY PILLARS	MATRIX'S INITIATIVE	HIGHLIGHTS AND ACHIEVEMENTS	UNSDGS
PEOPLE	We continue to place people, which comprises our employees, the community at large, investors / shareholders, our customers and others at the heart of our business and value creation approach. Our focus is on creating positive outcomes for our many different stakeholders. Through our business model, we create jobs, facilitate development of skills and knowledge transfer and build homes, all of which positively benefit people.	Diverse, multi-racial workforce comprising of all major ethnic groups in Malaysia. 37.80% of workforce comprises women. 34% of management comprises women. 100% return to work rates for employees taking parental leave. 5.72 million man-hours without a loss time incident ("LTI"). 100% of employees receive formal appraisals across the Group. High employee representation on HSE Committees. 633 employee received training, 3,275 training hours accumulated. 20,278 lunch packs distributed to staff during MCO and Conditional Movement Control Order ("CMCO") periods.	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
PARTNERSHIP AND PROSPERITY	The strategic partnership between the Group's business components; property development, construction, healthcare, hospitality, education and leisure enable Matrix to develop a complete township eco-system that meets the needs of urban communities. The benefits or values created include infrastructure development, stimulation of business and commercial activities and educational opportunities and transforms barren, undeveloped landscapes into a more prosperous location that enables socio-economic growth and prosperity.	Development of a wide range of local / community infrastructure for public use. Providing accessible and affordable healthcare through the revival of Mawar Medical Centre ("Mawar") for the local community. Providing high-quality, international / local school education via Matrix Global Schools ("MGS"). 100% of its supply chain comprises local suppliers and vendors. Recognised as a best tax payer by the government.	4 QUALITY EDUCATION 11 SUSTAINABLE CITIES AND COMMUNITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS
PEACE	Through our business, we expand the existing socio-economic pie; providing increasing opportunities for people to expand their income, achieve social mobility, enjoy better quality of life, and to realise their lifestyle aspirations. The homes we build provide the cornerstone for the development of stable, strong communities that enjoy safety and security. Our homes also enable many buyer to place "roots"; to start planning and developing their future, including pursuing their life goals such as getting married, starting families, multi-generational living and etc.	To continue supporting societal causes and for Matrix to effectively serve as a positive force to helps society. Continue adjusting its mix of property launches to meet real market demand. Ensuring properties are within the buying range of middle-income Malaysians to provide quality housing and also support the national aspiration of housing the nation.	10 REDUCED INEQUALITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Our Value Creation Model

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.

CAPITAL RESOURCES		INPUTS (BEGINNING OF 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: **RM961.3 million** • Retained Profits: **RM670.9 million** • Cash and cash equivalents at beginning of FY2021: **RM241.5 million** • Total assets: **RM2.6 billion** • Total liabilities: **RM973.9 million** • **RM1.3 billion** market capitalisation • Borrowings: **RM430.4 million**
MANUFACTURED	Our physical assets across all business divisions: Property Development, Construction, Hospitality, Education and Healthcare.	• IBS factory • d'Tempat Country Club • d'Sora Boutique Business Hotel • Matrix Global Schools ("MGS") • Various property units, machinery, commercial units and more
NATURAL	Sustainable development of land, water and energy in the operation of the Group's business divisions. Greater emphasis on recycling and other environmentally friendly practices in line with adoption of UNSDGs.	• 2,030-acre landbank for development • Electricity consumption • Water consumption • Consumption of building / raw materials such as sand, iron ore, cement, etc.
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.	• 981 employees • The stakeholders across our value chain such as vendors, suppliers and customers.
INTELLECTUAL	Our business strategies, inherent industry experience and expertise, Management's skills and proprietary industry knowledge, techniques and intellectual property.	• 25 years of property development experience and know-how • 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 and engagement activities across FY2021 with shareholders, customers, suppliers, employees, government and regulators, industry affiliations and local communities.

BUSINESS MODEL

OUR VISION

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

OUR MISSION

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

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

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

MATRIX

OUR VALUE CHAIN

Refer to page 75 for detailed Value Chain description

OUR CAPITALS

Please refer to page 68

OUR BUSINESS STRATEGIES

Please refer to page 77

RISKS

Please refer to the Risks Section on page 83

SUSTAINABILITY

Refer to Sustainability Report

OUTPUTS

- Revenue: **RM1.1 billion**
  PBT: **RM340.8 million**
  PAT: **RM253.1 million**
- Property sales: **RM1.2 billion**
  Unbilled sales: **RM1.0 billion**
- Share capital: **RM961.3 million**
- Retained profits: **RM845.5 million**
- Cash and cash equivalents at end FY2021: **RM185.6 million**
- Total assets: **RM2.6 billion**
- Total liabilities: **RM813.7 million**
- Borrowings: **RM329.0 million**
- Market capitalisation: **RM1.6 billion** as at end FY2021

OUTCOMES

- **RM100.1 million** dividend payout
- **RM123.1 million** paid in taxes
- **RM85.3 million** paid in wages
- **RM10.1 million** paid in statutory contributions
- **RM96.7 million** repaid to financiers
- Recognised as Best Tax Payer by LHDN on their 25th Tax Day

Outputs

- RM1.0 billion worth of properties launched

Outcomes

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

Outputs

- GHG Emissions
  Electricity consumed
  Water consumed and recycled
- Landbank expansion to 1,911.9 acres

Outcomes

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

Outputs

- 972 employees
- 167 new hires (Matrix Group)
- 37.80% women employees
- 104 interns
- 34% of management comprises women
- 22% of Board of Directors comprises women

Outcomes

- Higher employee satisfaction and morale.

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.
- Top 11th Property Developer in Malaysia in respect of market capitalisation as at 30 June 2021.

Outputs

- 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.

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.

Our Capitals

Matrix employs various capitals within its business. Following is a review of these capitals and its linkage to outputs and outcomes, as well as material factors that potentially may be impact the availability and effectiveness of these capitals.

Our Risks and Mitigation Strategies

ESG Linkage to Business Model and Business Performance

FINANCIAL CAPITAL

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

- Equity
- Assets
- Liabilities
- Cash and cash equivalents
- Retained profits

Related Risks and Material Matters:
Almost all material matters have a direct or indirect link to financial capitals and outcomes.

Further information is available here:

Values Created:
- Kindly refer to the Group five-year financial highlights on page 14.

Trade-Offs
- Providing investor / shareholder returns against maintaining reserves for business and operational expansion.
- Expansion of machinery and production capacity (manufactured capital) such as the IBS factory may necessitate significant expenditure that impacts financial outputs and outcomes.
- 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, inventory of homes, constructed buildings, hospitals, hotels and our IBS factory.

- IBS Factory
- MGS
- d'Tempat Country Club
- d'Sora Boutique Business Hotel
- Mawar

Related Risks and Material Matters:
- Occupational Safety and Health ("OSH")
- Quality and Customer Satisfaction
- Anti-Corruption and Anti-Bribery
- Fair Procurement
- Labour Rights and Practices
- Compliance
- Energy Conservation, Emissions and Climate Change
- Risk Management
- For risks, please refer to page 83.

Further information is available here:

Values Created:
- 7,681 properties completed and delivered with a GDV of RM5.10 billion in the past five years
- Enrolment of 580 students
- 29,995 memberships: 2,132 open and 27,863 property linked memberships
- 37.0% hotel occupancy rate
- Various other qualitative (non-quantifiable values created). Please refer to the Management Discussion and Analysis section and the Matrix Value Creation Model on page 28 and 66 respectively.

Trade-Offs
In the short to medium term, continued investments into the IBS factory and other business premises / places of operation may impact financial returns as the Group continues to experience a customary learning curve at the onset of implementation.

INTELLECTUAL CAPITAL

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

Related Risks and Material Matters:

- Effective Leadership and Good Organisational Structure
- Short and Long Term Strategy
- Competitive Advantage
- Risk Management

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.

- 972 employees (Matrix Group)

Related Risks and Material Matters:

- Stakeholder Engagement
- Labour Rights and Practices
- Occupational Safety and Health ("OSH")
- Public and Customer Safety
- Employee Engagement, Satisfaction and Career Development
- Effective Leadership and Good Organisational Structure

Further information is available here:

Values Created:

- 167 new hires (Matrix Group)
- 37.80% women employees
- 104 interns
- 34% of management comprises women
- 22% 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 for 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 churn 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 win-win partnerships.

- Strategic stakeholder engagements with a wide range of groups, entities and individuals.

Related Risks and Material Matters:
- Risk Management
- Public and Customer Safety
- Fair Procurement
- Labour Rights and Practices
- Stakeholder Engagement
- 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.

- 7.42 million kWh electricity consumption (Matrix Group)
- 518.334 thousand m^3 water consumption (Matrix Group)

Related Risks and Material Matters:
- Environmental Impact (Air, Waste And Noise)
- Energy Conservation, Emissions and Climate Change
- Green Buildings and Materials
- Risk Management

Further information is available here:

Values Created:
- 5981.2 tCO_2e in emissions
- 59.68 thousand kWh solar power generated
- 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.

Our Operating Environment

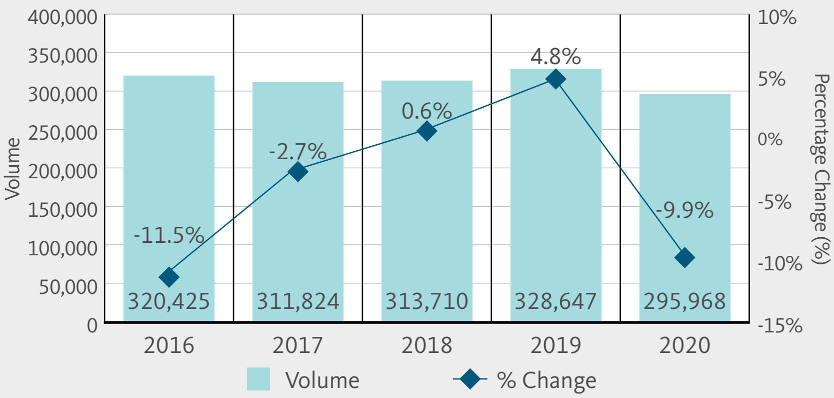
The inclusion of a detailed review of the operating environment, in particular the performance of the property sector is aimed at providing readers a comprehensive perspective of the external backdrop in which Matrix had successfully adapted to and navigated to continue delivering value.

In FY2021, the operating backdrop (as industry statistics provided below show) was on a significant downward trend. The inclusion of key industry data i.e. property sales and transactions as well as data on property loans provides a clearer understanding of market conditions, and a compelling basis for Matrix's change in strategies to better adapt to conditions during the financial year.

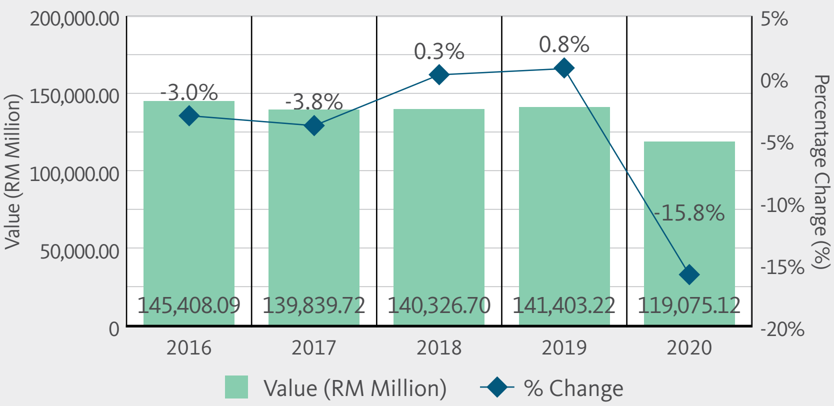
OVERALL PROPERTY TRANSACTIONS BY VOLUME AND VALUE

The property market performance recorded a significant decline in 2020 compared to 2019. A total of 295,968 transactions worth RM119.08 billion were recorded, showing a decrease of 9.9% in volume and 15.8% in value compared to 2019, which recorded 328,647 transactions worth RM141.40 billion.

Overall Property Transactions Volume 2016 - 2020



Overall Value of Transactions 2016 - 2020

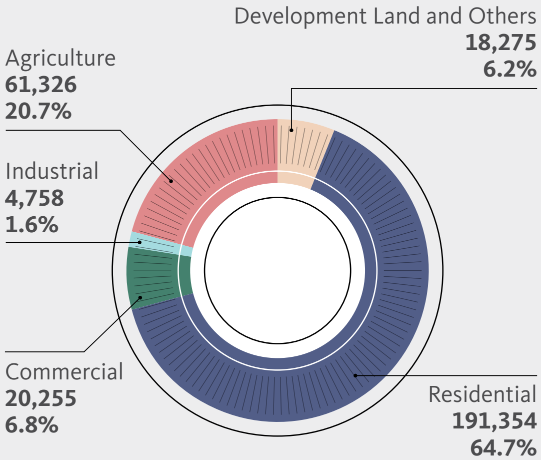


Note:
Statistical data sourced from National Property Information Centre ("NAPIC"), Jabatan Penilaian dan Perkhidmatan Harta Negara.

Volume of transactions across the sub-sectors contracted sharply in 2020. The residential, commercial, industrial, agriculture and development land sub-sectors recorded contraction of 8.6%, 21.0%, 24.0%, 10.7% and 2.6% respectively. In terms of value of transactions, residential, commercial, industrial and development land sub-sectors recorded sharp decline of 9.0%, 32.6%, 14.0% and 34.0% respectively, whereas agriculture recorded otherwise, increased by 0.6%.

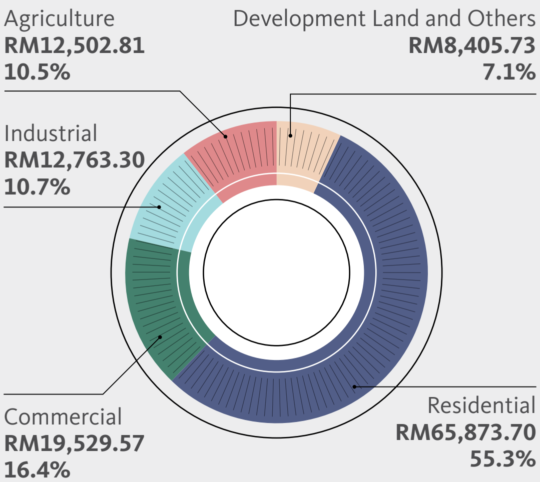
The residential sub-sector led the overall property market, with 64.7% contribution in volume. This was followed by agriculture (20.7%), commercial (6.8%), development land and others (6.2%) and industrial (1.6%). In terms of value, residential took the lead with 55.3% share, followed by commercial (16.4%), industrial (10.7%), agriculture (10.5%) and development land and others (7.1%).

Contribution to Transaction Volume by Sub-sector 2020



Our Operating Environment

Contribution to Transaction Value by Sub-sector 2020



NEW LAUNCH AND SALES PERFORMANCE

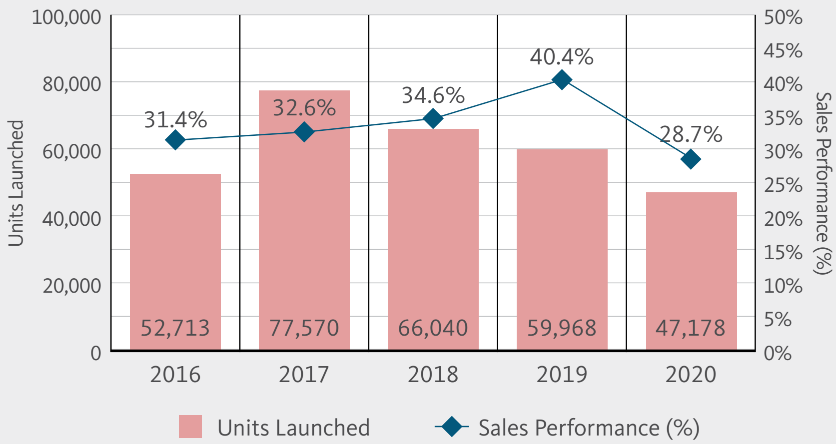
Most developers deferred new launches to focus on selling remaining unsold inventories. As such, there were lesser new launches. In FY2020, there were 47,178 units launched in 2020, against nearly 60,000 units in 2019. Sales performance was modest at 28.7% in 2020, lower than 2019 at 40.4%. The low sales performance was partly due to the sluggish property market and cautious buyers' sentiment. Nevertheless, many developers had adopted new marketing strategies by using website and mobile apps to market their products.

UNSOLD UNITS

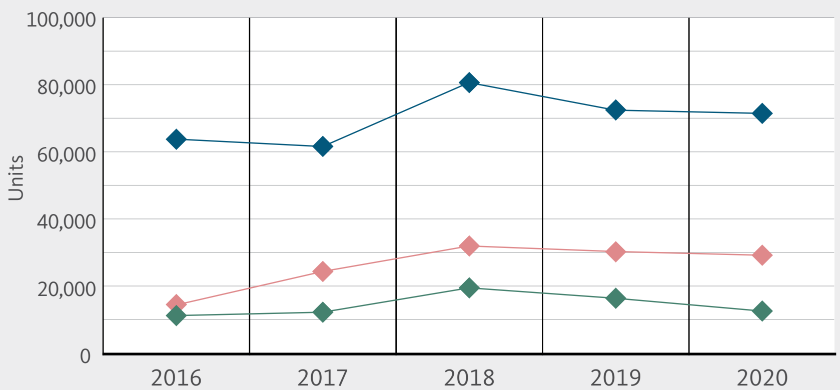
The residential overhang situation was better than expected with 29,565 overhang units worth RM18.92 billion recorded in Q4 2020, reduced by 3.6% in volume. However, value increased by 0.5% against Q4 2019 (30,664 units worth RM18.82 billion). Johor retained the highest number and value of overhang in the country with 7,030 units worth RM5.48 billion, accounting to 23.8% and 29.0% respectively of the national total. Selangor (4,889 units), Perak (3,637 units) and WP Kuala Lumpur (3,023 units) followed suit.

In terms of value, the second highest was Selangor (RM4.29 billion), followed by WP Kuala Lumpur (RM2.92 billion) and Perak (RM1.16 billion). By type, condominium/apartment formed 51.9% (15,354 units) of the national total overhang, followed by terraced houses (28.1%; 8,306 units).

New Launches and Sales Performance 2016 - 2020



Residential Market Status 2016 - 2020



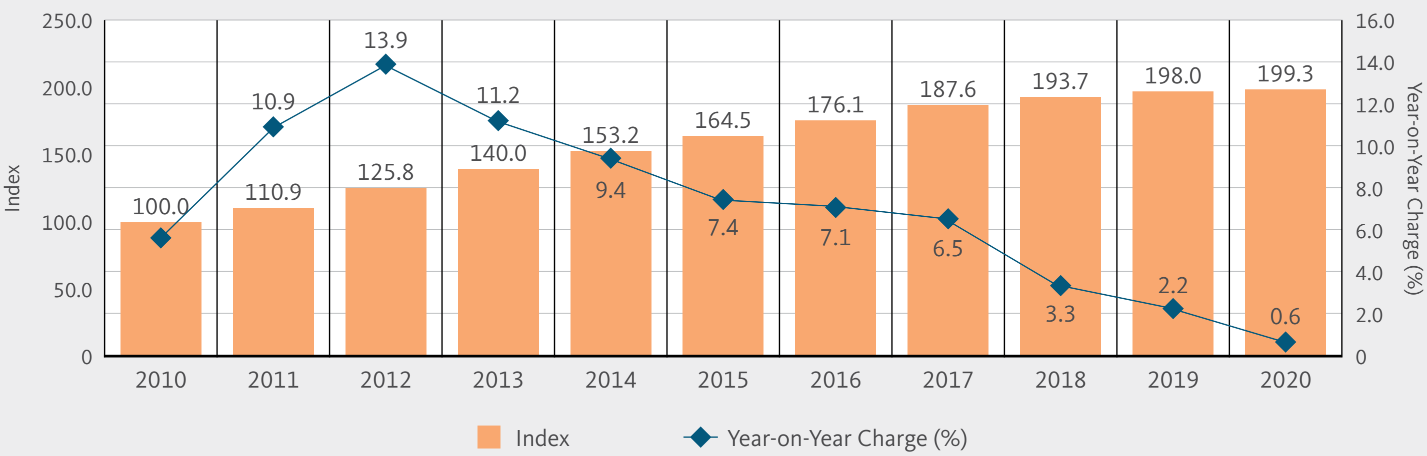
	2016	2017	2018	2019	2020
Overhang	14,792	24,738	32,313	30,664	29,565
Unsold Under Construction	64,077	61,882	80,894	72,692	71,735
Unsold Not Constructed	11,622	12,626	19,865	16,774	12,975

Note:
Statistical data sourced from National Property Information Centre ("NAPIC"), Jabatan Penilaian dan Perkhidmatan Harta Negara.

HOUSE PRICE INDEX

The Malaysian House Price Index (MHPI) stood at 199.3 points in 2020 with a low annual growth of 0.6%, the lowest recorded since year 2010. All states recorded annual growth in 2020 except for WP Kuala Lumpur (-1.0%), Selangor (-0.7%), Pulau Pinang (-0.1%) and Sabah (-1.3%).

Malaysian House Price Index and Growth



House Price Index and Average House Price by State

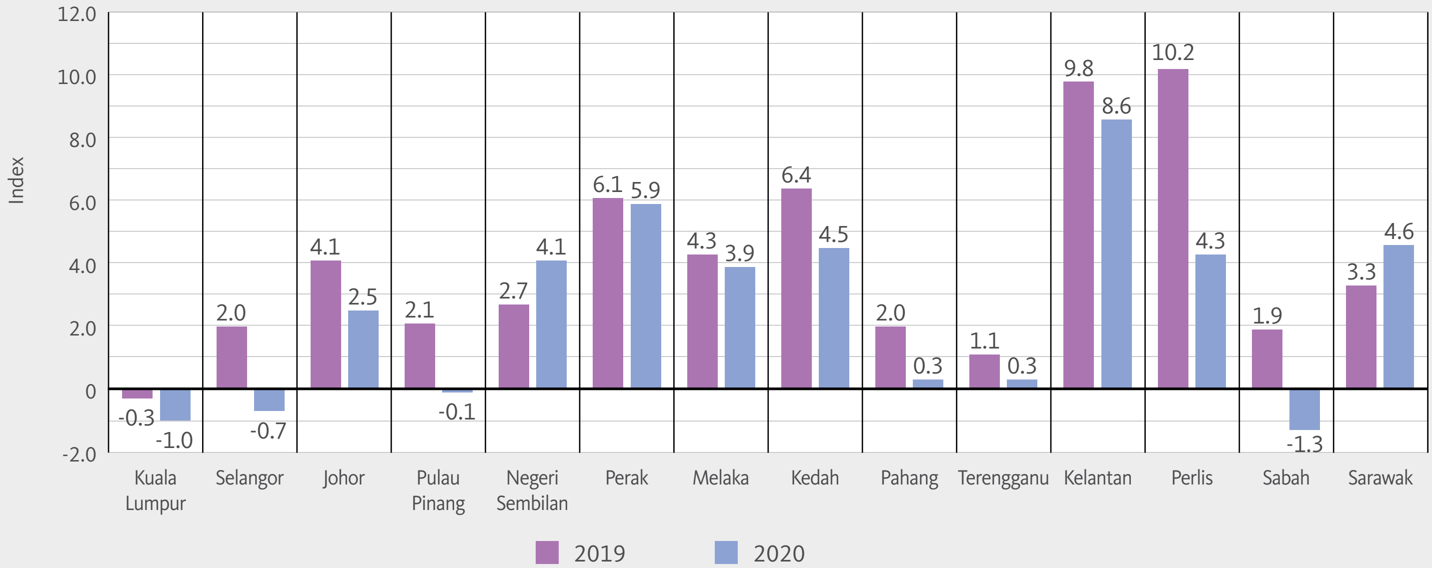
Year		Kuala Lumpur	Selangor	Johor	Pulau Pinang	Negeri Sembilan	Perak	Melaka
2019	**Index Point**	197.9	202.1	227.5	195.7	192.0	192.4	173.8
	Average House Price	RM785,745	RM490,027	RM354,922	RM438,883	RM257,664	RM220,188	RM191,679
2020	**Index Point**	196.0	200.7	233.1	195.5	199.9	203.8	180.6
	Average House Price	RM778,143	RM486,659	RM363,691	RM438,301	RM268,336	RM233,289	RM199,205

Year		Kedah	Pahang	Terengganu	Kelantan	Perlis	Sabah	Sarawak
2019	**Index Point**	178.0	176.5	173.1	169.9	184.6	180.2	178.5
	Average House Price	RM231,312	RM233,015	RM272,754	RM194,469	RM201,478	RM462,111	RM455,173
2020	**Index Point**	186.0	177.0	173.7	184.5	192.5	177.9	186.6
	Average House Price	RM241,688	RM233,608	RM273,666	RM211,193	RM210,125	RM456,262	RM475,899

Note:
Statistical data sourced from National Property Information Centre ("NAPIC"), Jabatan Penilaian dan Perkhidmatan Harta Negara.

Our Operating Environment

House Price Index Growth by State



LOAN APPLICATION AND APPROVAL RATES

Loan application for residential property purchase increased by 2.2% in 2020 while the total loan approval decreased by 17.3%. For the non-residential property, the amount of loan application and total loan approval decreased by 30.0% and 37.3% respectively. The ratio of loans approvals against loans applications for the purchase of residential property and non-residential property stood at 35.0% and 33.6% in 2020 versus 43.2% and 37.5% in 2019.

Loan Application and Loan Approval for Purchase of Residential

	Purchase of Residential				
Year	Loan Application (RM'Billion)	Loan Approval (RM'Billion)	% Change Loan Application	% Change Loan Approval	Approval of Application (%)
2011	186.79	95.16	12.2	13.0	50.9
2012	196.50	92.84	5.2	-2.4	47.3
2013	251.90	120.95	28.8	30.3	48.0
2014	233.50	122.90	-7.3	1.6	52.6
2015	213.80	103.55	-8.5	-15.7	48.4
2016	212.10	87.57	-0.8	-15.4	41.3
2017	239.81	101.52	13.1	15.9	42.3
2018	240.90	103.70	0.4	2.1	43.1
2019	260.77	112.57	8.3	8.6	43.2
2020	266.44	93.12	2.2	-17.3	35.0

Source: Bank Negara Malaysia

Note:
Statistical data sourced from National Property Information Centre ("NAPIC"), Jabatan Penilaian dan Perkhidmatan Harta Negara.

Our Value Chain

Consistent with its vision and mission and the aspirations of stakeholders, Matrix's business model has expanded from build properties to include the creation and delivery of a complete lifestyle proposition centred on a township development approach.

Aside from providing homes, Matrix serves to be the catalyst for the transforming of landscapes in the various locations that it operates in, to deliver a wide range of socio-economic values.

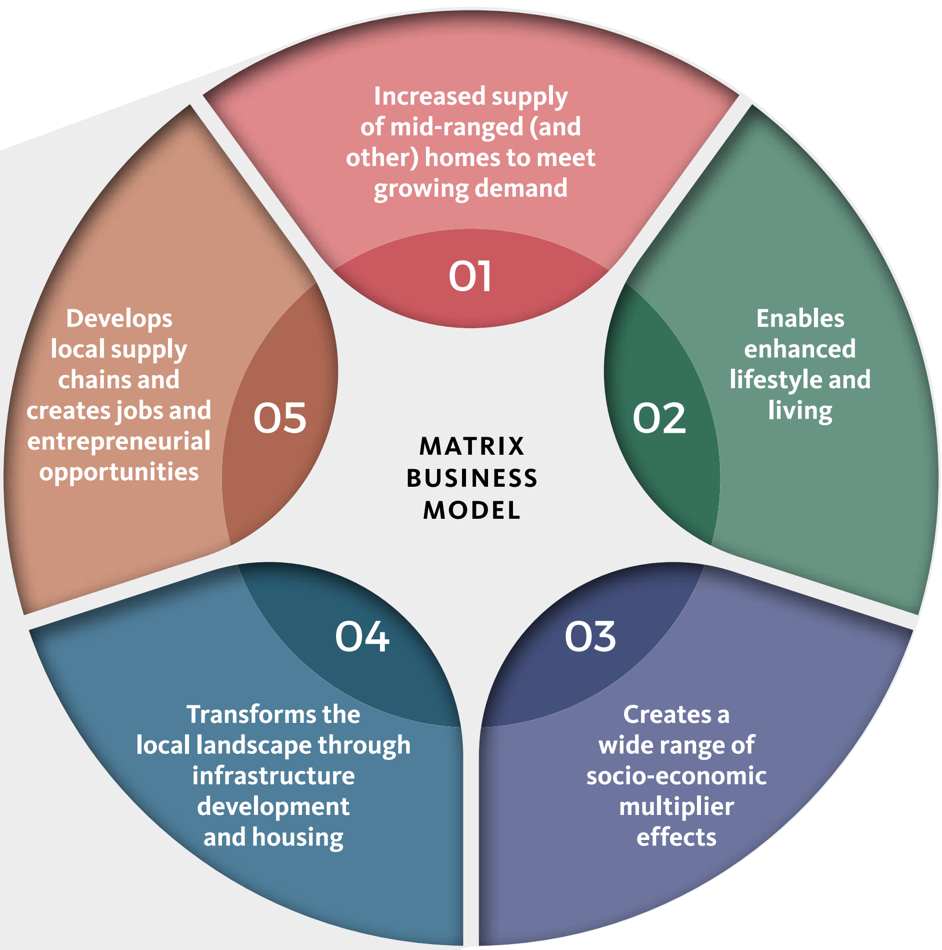
In this way, Matrix's business model enables job creation, wealth creation, provides property investment opportunities, entrepreneurship opportunities and leads to the development of local supply chains. The focus is to retain the positive value creation impacts, while reducing or eliminating negative impacts and to ensure financial value creation is balanced with non-financial (ESG) value creation.

THE PROPERTY VALUE CHAIN

The value chain is provided in IAR FY2021 towards providing a clearer understanding of how the Group executes its business model from start to end to deliver outputs and outcomes.

Matrix seeks to unlock or create value at each stage of the aforementioned property development value chain as the Group transforms idle landbanks into a comprehensive township or an integrated stand-alone property project such as a high-rise or commercial development.

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.



- **Landbank Acquisition And Replenishment**
- **Market Research / Feasibility Study**
- **Design And Masterplan**
- **Regulatory Approval and Project Financing**
- **Project Launch**
- **Construction Works**
- **Vacant Possession**
- **Project / Township Management**

Our Value Chain

LANDBANK ACQUISITION AND REPLENISHMENT

It is imperative that land be purchased at the right pricing and location. Where relevant, land should come with approved high plot ratios to facilitate developments that are more commercially viable and meet market demand.

MARKET RESEARCH / FEASIBILITY STUDY

A consummate understanding of market requirements is essential towards ensuring that the right product is developed at the right location for the right target market, and at the right (affordable) price range.

DESIGN AND MASTERPLAN

In masterplanning, consumer insights must be considered along with land limitations, legal requirements, feasibility studies, competitors' products and other factors.

REGULATORY APPROVAL AND PROJECT FINANCING

Full and speedy approvals are vital. Any delays would affect project launch dates, which will impact sales and also construction works.

PROJECT LAUNCH

Consideration must be given on positioning the unique value proposition of the project. The ownership proposition developed for buyers must be attuned to present economic conditions.

CONSTRUCTION WORKS

Construction works must progress as per schedule and must be undertaken towards achieving desired quality at every stage of development. Other considerations include environmental and social impacts.

VACANT POSSESSION

Units ready for handover should have a low defect rate and should be ready on time to avoid fines for Liquidated Ascertained Damages (LAD) due to late delivery.

PROJECT / TOWNSHIP MANAGEMENT

Customer management activities should be systemised towards forging a strong brand for a long-lasting, mutually beneficial relationship.

The following section, which is Our Strategies and Strengths, provides further information on how Matrix's responds to the key issues, risks and considerations within its value chain.

Our Strategies and Strengths

Matrix strategies are designed in response to market conditions as well as to leverage on the Group's inherent business strengths. Hence, strategies are developed and executed not just to sustain and improve business performance, but also to drive ESG performance, which in turn supports business performance over the medium and long term. The strategies also mitigate against risks and are supported by specific risk mitigation measures.

Our Value Chain | Group Strategic Priorities and Future Orientation | Management Discussion and Analysis | Sustainability Statement and Sustainability Report

Business Strategy	In Relation to Risks and Opportunities, Capitals and Future Prospects	Related Business Strength	Key Environmental and Social Focus
Continued acquisition of strategic landbank Further information is available here:	Landbank is a core natural capital for any property developer. Hence, the acquisition of strategic landbank with high development potential at suitable prices is necessary to drive the business model. The Group focusses on acquiring land adjacent to its township developments, or strategic pockets within the city centre and urban areas. Land can also be acquired through strategic partnerships via joint ventures with landowners. Matrix's ability to acquire landbank is driven by its robust financial position.	Robust financial position Strong network of partners Dedicated landbank acquisition team Township Developer Phase-ability	Prior to acquiring land, all parcels are assessed for biodiversity value or its potential. Similarly, the concerns of surrounding stakeholders are also given consideration in any land acquisition exercise.
Develop and launch more mid-priced homes to meet real market demand. Further information is available here:	Matrix continues to increase its mix of mid-priced homes ranging RM500,000 and below. Given the present market downturn, it is imperative to sell products that are continuing to see strong traction and take-up. However, mid-ranged homes tend to have smaller (but still healthy earning margins), hence it is imperative to sell more units. The long-term benefit of this strategy is that as buyers grow in affluence over time, many of Matrix's mid-range home buyers will translate into higher-end upgraders.	Robust Financial Position Phase-Ability Strong Branding and Proven Track Record	The Group looks to use aluminium formworks, which is more eco-friendly in the construction of projects. More green building design and materials are to be added progressively into projects.
Use of IBS or other alternative construction methods Further information is available here:	In FY2021, Matrix embarked on IBS or other alternative method like aluminium formworks for certain projects which can enable shorten construction time and reduce wastage and consumption of natural capitals.	Robust financial position Phase-ability Township Developer	The manufacturing process at the factory continues to be refined towards more efficient resource consumption and to reduce wastes produced at the factory. Recycling is also undertaken at the factory, where waste products are increasingly reused.

Our Strategies and Strengths

Business Strategy	In Relation to Risks and Opportunities, Capitals and Future Prospects	Related Business Strength	Key Environmental and Social Focus
Venture into healthcare (and other) segments towards realising the ultimate aspiration of establishing a medical centre enhancing the Group earning base. Further information is available here:	The acquisition of Mawar is consistent with Matrix's aspiration of completing its value proposition and enhance earnings base. The acquisition of Mawar is also vital in enabling the Group to acquire much needed healthcare expertise and to develop complementary engines of growth.	Robust financial position Township Developer Synergy	Matrix Group looks to improve the energy, water and paper consumption by progressively introducing Group's best practices.
Establishing joint venture partnerships to drive overseas expansion	In reducing entry barriers and navigating the learning curve in foreign markets, Matrix continues to seek capable foreign partners to drive its overseas footprint whenever applicable or synergistic to the Group's operation.	Strong network of partners Growing Overseas Presence	Matrix's due diligence of potential partners will include strict criteria for robust ESG performance, in particular in the area of corporate integrity and governance.
Tapping technology for business and operational efficiency and growth. Further information is available here:	Matrix continues to leverage on digitalisation, Big Data Analytics and other technological innovations to drive product sales, more so during the present pandemic period, where physical interactions have decreased.	Robust financial position Strong Branding and Proven Track Record	Technology will also be tapped towards reducing environmental pollution and improving governance of social matters such as workers welfare, productivity, health and safety and others.
Driving Environmental and Social Performance Further information is available here:	Beyond regulatory compliance, Matrix is inspired to embed a strong ESG focus within its business model and strategies as the Board and Management view ESG as being an engine of growth and opportunity going forward.	Robust Financial Position Strong Branding and Proven Track Record Township Developer Phase-ability	ESG will enhance performance in corporate integrity and governance.

OUR BUSINESS STRENGTHS

BUSINESS STRENGTHS

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

Strong Branding And Proven Track

Matrix has developed an award-winning brand and a credible 20-year track record in having developed and launched more than 26,000 units of residential, commercial, and industrial properties. The Group's combined on going and future GDV is approximately RM15 billion over the next fifteen (15) years.

Robust Financial Position

The Group is in a healthy fiscal position and is able to leverage on both internally generated funds or borrowings to acquire landbank or launch and develop projects. Matrix's robust financial position ensures its is always able to meet capex and opex requirements.

Township Developer

As a township developer, Matrix is best positioned to masterplan the entire land bank effectively in response to market sentiments and the overall operating environment. Prices, property types and other features can be well controlled by the Group, enabling a most effective market response to mitigate the effects of the present property market downturn. Matrix is able to introduce new ideas and concepts and have better control of our development plans and strategies going forward. This includes phase ability, land use, zoning, infrastructure development and more.

Growing Overseas Business Presence

Matrix has progressively expanded into Australia and Indonesia. This enables the Group to acquire new business strategies, knowledge transfer and know-how while reducing dependence on a single market.

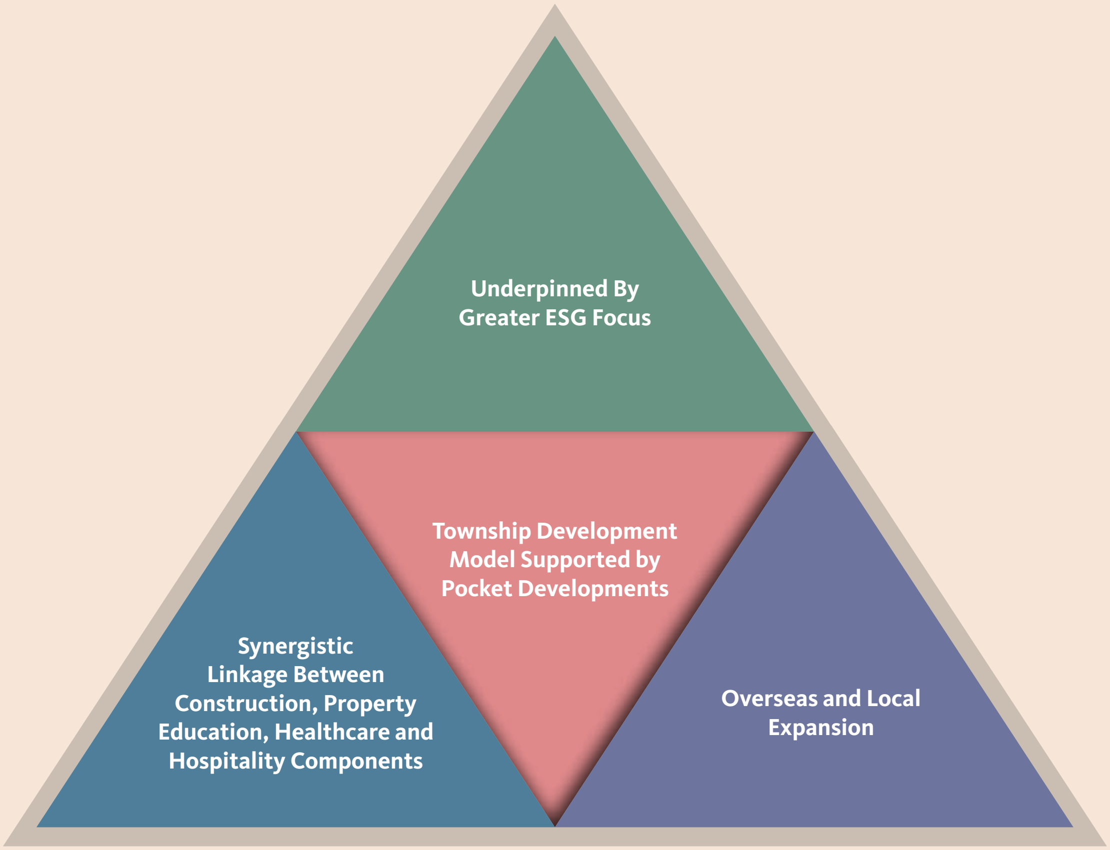
Synergy

Beyond property development, Matrix is able to draw from its construction, education and hospitality components to create a synergetic proposition to enhance the overall value and appeal of its townships. Matrix Global Schools, d'Tempat Country Club and d'Sora Boutique Business Hotel enhance the value creation impact as a property developer.

Strong Network of Partners

Matrix can count on the expertise and experience of many strategic partners who provide the Group with diverse skills and competencies as well as resources.

Group Strategic Priorities and Future Orientation



While the operating environment ahead appears challenging, due to a wide range of external factors, the Group will continue to leverage on its proven business model to drive value creation in FY2021 and beyond.

At the heart of its strategic approach is Matrix's township development model, supported by pocket developments in Greater KL as well as the expansion of its international footprint.

The Group will also increasingly look to derive synergistic benefits from its education, healthcare and other business segments.

Underpinning these broad thrusts is a renewed commitment towards embedding ESG within the business model and processes, emphasising the need to mitigate environmental and social impacts, as well as increasingly leveraging on sustainability to generate new business opportunities.

The following are Matrix's specific strategic priorities for FY2022:

CONTINUED LAUNCH OF MID-RANGED PROPERTIES

For FY2022, a primary strategy would be to further align property launches with market demand. This means offering more mid-range / value for money products. In FY2022, Matrix plans to launch RM1.64 billion worth of properties with the majority being priced RM500,000 and below.

Given the strong take-up of its products in FY2021 and prior, Matrix is confident of also registering strong sales for all planned launches going forward. The division will intensify its approach while also focusing on demand and supply factors, location, pricing, and product packages.

With the launch portfolio being focused on mid-range homes, there will be a greater focus on building houses quickly yet with quality to ensure faster turnover of capital. It is likely that emphasis will be placed on exploring new construction technologies going forward aside from IBS.

INTENSIFIED PURSUIT OF GREATER OPERATIONAL EFFICIENCY AND COST MANAGEMENT

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.

Matrix is undertaking extensive re-engineering of its construction processes of introduction of aluminium formworks as well as business processes, with the view of seeking opportunities to reduce costs. The goal is to derive greater efficiencies and to reduce the operating cost base Group wide as the aluminium formworks are longer lasting as compared with other methods.

LANDBANK EXPANSION

The savings derived from a lower operating cost base can be more strategically used to drive the acquisition of strategic landbank. Targeted additions to existing landbank are land parcels located adjacent to existing townships or strategic pockets within the city centres or urban areas.

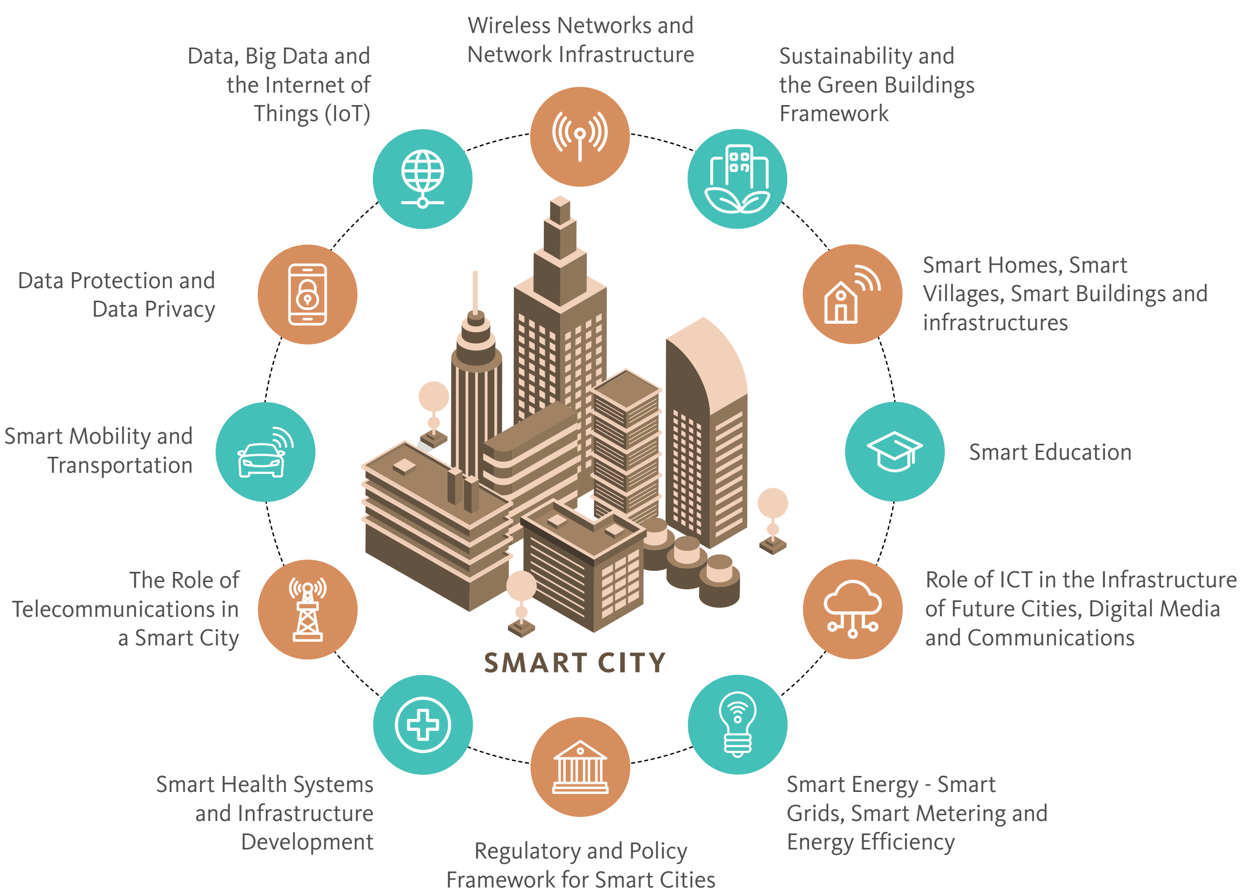
Landbank may also be acquired overseas, whenever opportunity arises.

It is essential that landbank be acquired as there is a growing scarcity of strategic parcels, in highly desirable locations.

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. The focus is to develop a broad product mix that meets real market demand.

BUSINESS AND OPERATIONAL SYNERGY

In realising the township development aspiration, Matrix looks to leverage on its other business components i.e. healthcare, education and hospitality. Matrix has proven its capabilities as a successful property developer, especially for township development.



Group Strategic Priorities and Future Orientation

However, in ensuring the continued appeal and growth of its townships, the various other components must also be further developed towards completing the lifestyle proposition of its townships.

Matrix aims to further develop its capabilities in healthcare and education especially, working closely with joint venture (JV) partners to acquire the necessary competencies, but to also achieve effective and sustainable operations of each component. JV partners must be carefully assessed to ensure their suitability and ability to deliver required competences.

Ultimately, the aspiration is to deliver a sustainable, smart city by having all components integrated together, which is consistent with the Malaysian government's smart city framework.

OVERSEAS EXPANSION

Continued expansion of the Group's overseas footprint is vital towards driving business growth and also acquiring new skills, technologies and experience. A good example is Matrix's participation in the Menara Syariah project, which has enabled Matrix to be exposed to the requirements for large-scale high-rise commercial developments.

Hence, while Malaysia is expected to remain the Group's core base of operations, it will seek to expand its presence in the existing overseas markets of Indonesia and Australia, while also exploring opportunities within the local region and beyond. Overseas expansion also reduces dependence on a single market for revenues.

STRENGTHENING OF CORPORATE GOVERNANCE

The continued emphasis on practicing good corporate governance is necessary towards mitigating against financial and non-financial risks.

Hence, Matrix will continue to strengthen its systems of internal controls to ensure improved accountability, integrity and professionalism across the Group. The emphasis on corporate governance will also include fostering ethnic and gender diversity not just at Board and Senior Management levels, but across the Group.

Going further, the focus on good corporate governance will be progressively cascaded to the Group's value chain of suppliers, vendors and business partners.

DIGITALISATION

The pandemic has shown the importance of digitalisation in removing redundancies and inefficiencies within the value chain. Social distancing has led to physical barriers and other difficulties. Hence, digitalisation efforts will be intensified in FY2022.

In the short-term substantial investments are required in technological acquisition, training of staff and the deployment of systems. There may also be a learning curve before optimum productivity can be achieved.

However, in the medium to long-term, digitalisation will enable lower costs, eliminate redundancies and reduce dependence on labour while expanding customer reach. It will enable richer 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.

GREATER ADOPTION OF ESG WITHIN THE BUSINESS MODEL, STRATEGIES AND PROCESSES

The focus on ESG, together with stakeholder views grows in importance as a prime consideration in guiding the execution of business strategies, in the assessment of results and in the development of internal systems and processes.

The above may have an impact on how capitals are allocated. With the growing focus on ESG, there will likely be increased financial resources provided to drive the ESG agenda. Similarly, technology and digitalisation may also be given increased resource allocation in driving both business and ESG performance.

As mentioned in other sections within the Strategy Section of this IAR, the investments into ESG and technology will support improved financial returns over the medium and long-term time frame.

Matrix has successfully ventured in a small scale into solar with the installation of PV cells at the d'Tempat Country Club. This has proven successful and the Group will continue to seek more other Renewable Energy opportunities going forward. It may also look into biodiversity based initiatives, recycling of wastewater and general recycling initiatives.

Our Risks and Mitigation Strategies

Having considered all strategic elements, which includes its operating environment, the Group's business model, its inherent business strengths and chosen business strategies, its required capital resources and its vision and mission, Matrix is able to develop a more strategic and meaningful view of its risk factors. These include business, operational, strategic, external and internal risks.

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.

Risk	Description of Risk	Mitigation Approach
External macro factors that impact the operating environment	Global or industry wide issues that are beyond the Group's control such as virus pandemics, changes in raw material prices and sluggish economic performance may further worsen sluggish property market conditions. This could exacerbate the overall property overhang, affect market prices and delay a nascent industry recovery.	Economic recovery of the nation is beyond the Group's control. However, the Group will continue to: • Focus on meeting real market demand. • Adjust its property mix to increase project launches for properties prices RM500,000 and below. • Provide financial advice and assistance to buyers to overcome loan rejection and other issues. • Work closely with banks and financial institutions to improve loan approval rates.
Depleting landbank	Inability to replenish land bank especially in key locations can disrupt development plans going forward, especially ability to launch new projects. Increasing land prices for parcels may impact, Matrix 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.
Inability to implement the township masterplan	Due to external or internal factors that may cause delays or total in ability to realise the envisioned township master plan to its fullest potential.	The Group adapt its township development strategies to address specific painpoints faced i.e. seeking external expertise to develop required components. It will also focus on biodiversity and liveability of its townships, with more people centric features within its developments. This includes enhancing greenery of its townships, enhancing landscapes and promoting local flora and fauna.
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.	Matrix continues to aggressively develop its other business components. This includes inking several JV agreements for its education operations and the introduction of IBS into its construction operations.

Our Risks and Mitigation Strategies

Risk	Description of Risk	Mitigation Approach
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.
Inability or slow pace of business evolution	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.	Matrix continues to drive its sustainability journey, integrating ESG into its business model and processes. ESG is being given greater prominence at the Board and Senior Management level. Matrix has also developed a robust ESG approach, comprising policies, implementation roadmap, monitoring and robust disclosure as well as training and education.
IBS implementation issues	The Group is still at a very early stage of IBS implementation and hence the learning curve is high, with potential for errors. Potential issues include wastage in raw materials, labour workforce issues, delay in project completions as well as quality issues. Furthermore, IBS requires high economies of scale (mass production volume) to be commercially viable.	Going forward, main direction will be geared towards reducing raw material consumption, reducing labour dependence and to achieve faster construction times and more consistent quality. It is important to also assess and reduce the environmental impact of the IBS operations as much as possible going forward.
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 business 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 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.
Environmental and social non-performance	The business operations across any value chain may be disrupted by health and safety incidents or cases of pollution or non-compliance to regulatory requirements.	The Group continues to ensure compliance to all standards set by the relevant government ministries and agencies. Matrix also increasingly evaluates ESG performance and looks to be more environmentally and socially focused within its business model.

Sustainability Statement

Resort Residence - Clover

Scan the QR code to download full Sustainability Report 2021.

SUSTAINABILITY PERFORMANCE HIGHLIGHTS

Introduction

This Sustainability Statement is a summarised narrative of the comprehensive stand-alone Sustainability Report 2021 ("SR2021") of Matrix Holdings Concept Berhad ("Matrix" or "the Group").

The full report is accessible at: https://www.mchb.com.my/sustainability/.

This statement provides concise view of the Group's sustainability journey and achievements for financial year ended 31 March 2021. It has been developed in accordance with the Bursa Malaysia Sustainability Reporting Guide Second Edition.

The report boundary covers the principal business activities and operations of the Group and its subsidiaries within Malaysia. This encompasses Matrix's following business divisions: property development operations, construction, healthcare, education, hotel and clubhouse.

The scope is further streamlined to focus on the most pertinent projects, initiatives and activities of Matrix rather than every aspect of operations.

SR2021 has been developed in accordance to the Global Reporting Initiative ("GRI") and the FTSE4Good frameworks as well as in accordance to added disclosures under the MSCI index.

Materiality of ESG topics is determined based on the Group's internal assessment, consultation with stakeholder groups, industry peer comparison and benchmarks and recommended topics based on the GRI and FTSE4Good frameworks. All data in SR2021 have been collated from primary official documents and records.

Sustainability Statement

MATRIX SUSTAINABILITY PILLARS	HIGHLIGHTS AND ACHIEVEMENTS	FUTURE PLANS / COMMITMENTS, TARGETS AND PLEDGES	UNSDGS
PLANET	41.78% reduction in diesel consumption year-on-year. Overall energy reduction of 11.22% on the back of reduced electricity consumed from the grid. Over 242,095 kWh of clean energy generated from solar photovoltaic ("PV") installation at the d'Tempat Country Club. Compliance with DoE levels for noise and air pollution and water discharge. Reduction in overall construction waste produced through use of Industrialised Building System (IBS).	Further increase in solar energy generation through additional PV installations. Improved energy and emissions intensity. Inclusion of environmental management data in future reports. Usage of IBS in overall construction process for more projects. Enhance waste management systems group.	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
PEOPLE	Diverse, multi-racial workforce comprising of all major ethnic groups in Peninsular Malaysia. 37.80% of workforce comprises women. 5.72 million man-hours without a loss time incident ("LTI"). 100% of employees receive formal appraisals across the Group. 633 employees received training, 3,275 training hours accumulated. 20,278 lunch packs distributed to staff during MCO and CMCO periods.	Continued emphasis on recognising diversity and merit in recruitment, retention and reward of employees. Continued focus on increasing gender diversity within all levels of the Group. Zero fatality and zero LTI going forward.	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
PARTNERSHIP AND PROSPERITY	Development of a wide range of local / community infrastructure for public use. Total spend amounting to RM5.3 million. Providing accessible and affordable healthcare through Mawar Medical Centre ("Mawar") for the local community. Providing high-quality, international / local school education via Matrix Global Schools ("MGS") to nurture and develop future generations of talent. 100% of its supply chain comprises local suppliers and vendors. Recognised as a good tax payer by the government.	Continue fulfilling our role as a good corporate citizen by supporting beneficial projects that develop community infrastructure and deliver positive outcomes to society. Continuing to include and develop new value creating components within Matrix's township development and philosophy.	4 QUALITY EDUCATION 11 SUSTAINABLE CITIES AND COMMUNITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS

MATRIX SUSTAINABILITY PILLARS	HIGHLIGHTS AND ACHIEVEMENTS	FUTURE PLANS / COMMITMENTS, TARGETS AND PLEDGES	UNSDGS
PEACE	Over RM8.48 million contributed to a wide range of CSR causes to help needy groups, those affected by COVID-19 and other segments of society. Majority of the Group's properties are priced in the range of RM500,000 in FY2021.	To continue supporting charitable causes and for Matrix to effectively serve as a positive force to helps society. Continue adjusting its mix of property launches to meet real market demand. Ensuring properties are within the buying range of middle-income Malaysians to provide quality housing and also support the national aspiration of housing the nation.	10 REDUCED INEQUALITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Over **242,095 kWh** of clean energy generated from solar photovoltaic ("PV") installation.

Overall energy reduction of **11.22%**.

41.78% reduction in diesel consumption year-on-year.

37.80% of workforce comprises women.

633 employees received training, **3,275** training hours accumulated.

20,278 lunch packs distributed to staff during MCO and CMCO periods.

5.72 million man-hours without a loss time incident ("LTI").

Over **RM8.48 million** contributed to a wide range of CSR causes.

Recognised as a Best Tax Payer by the government.

Development of a wide range of **local / community infrastructure for public use**.

Tier 1 (Setting the Pace) for our Sustainability disclosures by BURSA

FTSE4Good

Included in the **FTSE4Good Bursa Malaysia Index**

Sustainability Statement

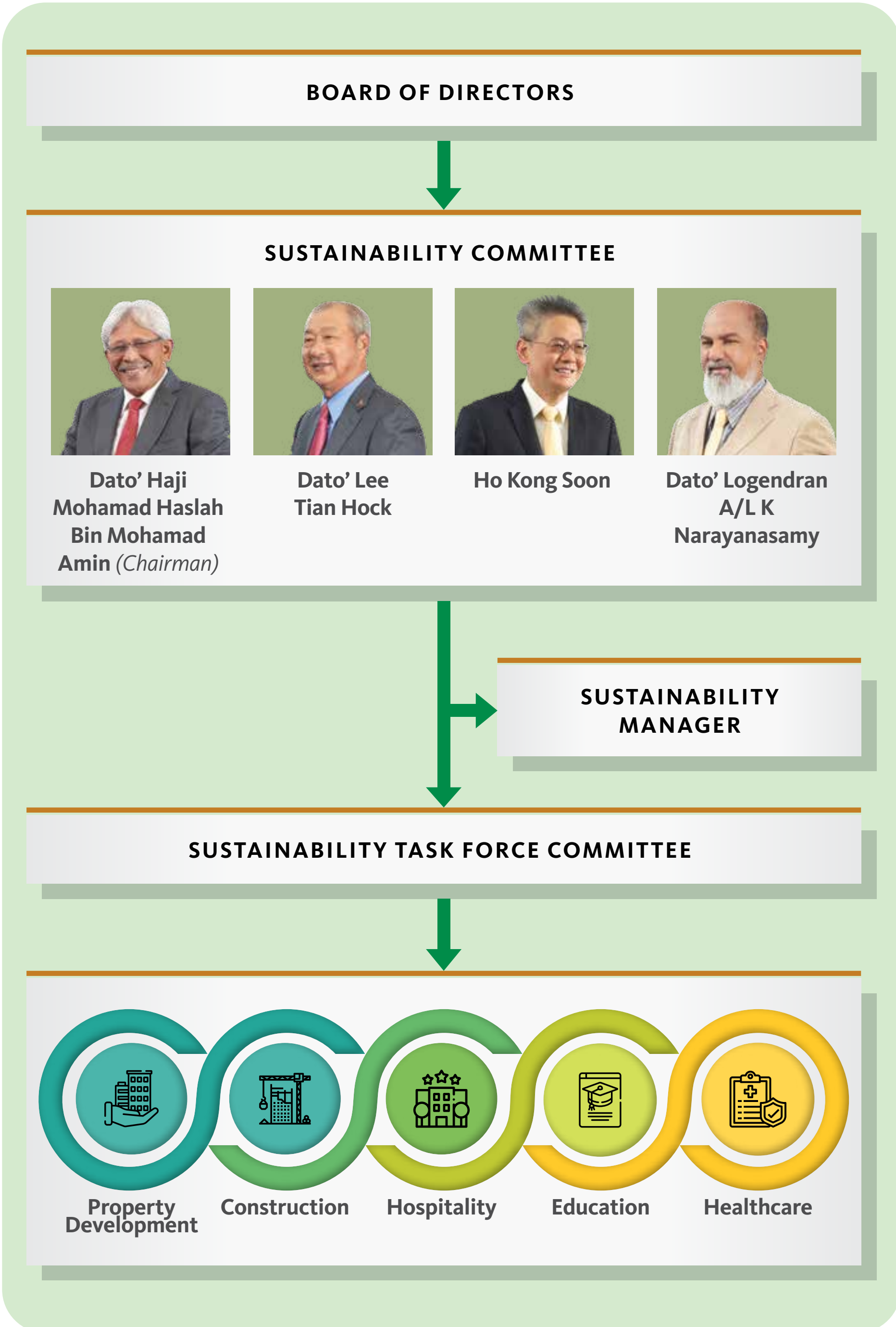
GOVERNANCE OF SUSTAINABILITY

SUSTAINABILITY GOVERNANCE STRUCTURE

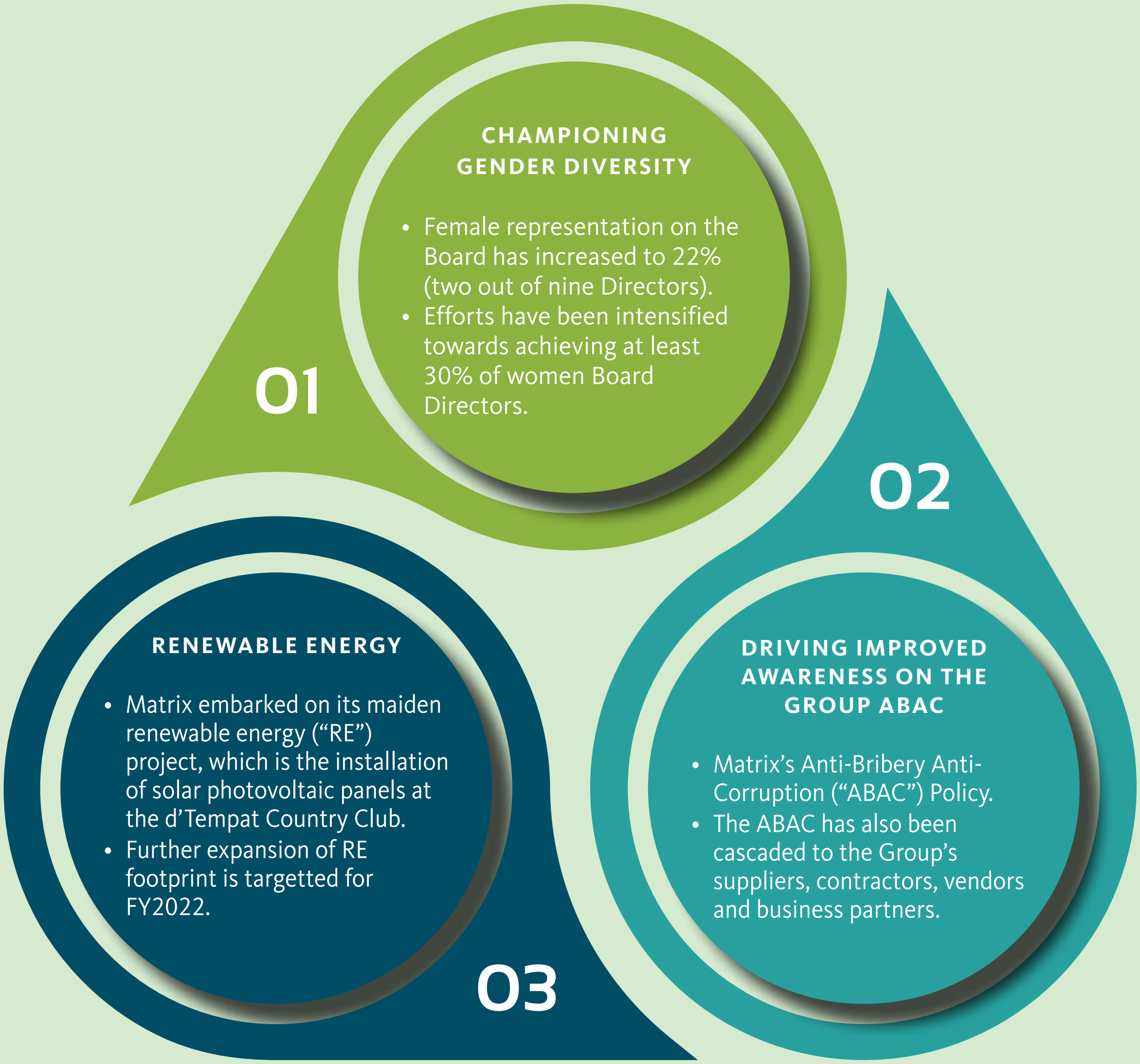
Board Level Sustainability Committee

Sustainability in Matrix is driven by the Board of Directors, through its Board Level Sustainability Committee. The Sustainability Committee was established in November 2016 and champions ESG through the following roles and responsibilities:

- Developing / approving related policies, processes and procedures
- Reviewing and strengthening the Group's Sustainability Policy
- Closely monitoring Matrix's performance on key EES topics and recommending corrective actions / improvement measures, where necessary
- Monitoring arising ESG related risks and how these may impact financial and non-financial value creation.
- Working closely with the Board-level Risk Committee to manage and mitigate overall Group risks.
- Contributing to the progressive development of a sustainability oriented mindset or culture organisation wide. In essence, providing impetus to launch sustainability oriented projects, initiatives and programmes, targeted at stakeholders.
- Where appropriate lead and engage in stakeholder relations building activities.
- Review and approve the Group's mid-year Sustainability Report and annual Sustainability Report and Sustainability Statement.



In FY2021, the Sustainability Committee has been active in driving the following:



Detailed information on all three highlights (and others) are provided in this statement as well the Group's standalone SR2021: https://www.mchb.com.my/sustainability/.

SUSTAINABILITY POLICY

Beyond its robust governance structure, sustainability is also driven by the Group-wide Sustainability Policy. The full Policy is available for viewing here: https://www.mchb.com.my/wp-content/uploads/8.-Sustainability-Policy.pdf.

Sustainability Statement

The Policy provides the basis of a sustainability framework. It outlines the following:

ABAC

In FY2021, Matrix developed and implemented its Anti-Bribery and Anti-Corruption ("ABAC") Policy in accordance with the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018.

The ABAC Policy can be viewed here: https://www.mchb.com.my/wp-content/uploads/Anti-Bribery-and-Anti-Corruption-Policy-processflow.pdf.

The Policy stipulates what is deemed as corrupt behaviour. It also covers gift giving and receiving which is generally prohibited with exceptions only allowed for exceptional cases such as food and fruit and for items that do not increase in value over time such as framed photographs or pewter.

In FY2021, neither Matrix nor its staff were censured for corrupt practices nor were there incidents of non-compliance with the ABAC Policy. In FY2021, the ABAC has been cascaded to suppliers and they must affirm their commitment to adhere to Matrix's ABAC Policy.

WHISTLEBLOWING POLICY AND MECHANISM

In accordance with the Whistleblower Protection Act 2010, Companies Act 2016 and Capital and Market Services Act 2007, Matrix has implemented its Whistleblowing mechanism which is governed by a designated Whistleblowing Policy. The Whistleblowing Policy can be viewed here: https://www.mchb.com.my/wp-content/uploads/MCHB-Whistleblowing-Policy-final.8.8.18.pdf.

The existence of the Policy is to encourage employees and other stakeholders to report on matters pertaining to corruption, corporate integrity and unethical behaviour including discrimination.

The whistleblower shall be provided immunity from any form of punitive action, intimidation or reprisal, irrespective if the allegation is substantiated or proven to be unfounded provided that the report was made in good faith. The individual is also granted confidentiality.

In FY2021, there were zero cases reported through the Whistleblowing mechanism.

STAKEHOLDER ENGAGEMENT

In FY2021, though there were disruptions caused by the pandemic, Matrix has still managed to actively engage its stakeholders. Following is a snapshot of the Group's stakeholder engagement activities for the financial year:

FY2021 STAKEHOLDER ENGAGEMENT TABLE

The Group will continue to explore digital technology as means to increase / improve stakeholder engagement.

KEY STAKEHOLDERS	KEY INTERESTS	MATRIX'S APPROACH
SUPPLY CHAIN PARTNERS	Shared purpose, innovation, consistency and a steady and secure supply of work with positive payment options and wider terms and conditions.	We engage with our supply chain on shared challenges, production capacity, skill shortages, knowledge, good sustainable practices and mutually-beneficial terms.
DEVELOPMENT PARTNERS AND LANDOWNERS	Ability to work within their planning system and generate competitive land value while improving the quality of development, partnership culture and reliability.	We have an excellent record for reliability and expertise, building successful developments by planning and delivering quality and value.
CUSTOMERS AND COMMUNITIES	Great homes to live in, physical and social infrastructure (schools, club and hospital), the character of the proposed development and ongoing support through quality and service.	We engage proactively with local residents and community representatives to address any concerns and work with our supply chain to minimise delays and quality risks.
INVESTORS	A clear and consistent business strategy, strong governance, ethics and transparency, and long-term business value.	Our primary responsibility is to actively engage investors on a timely basis to provide them with information on the Group's fiscal position, its strategies and business plans. This is to strengthen investor confidence in Matrix.
EMPLOYEES	Career development opportunities, availability of training and mentoring, and working conditions.	We continue to invest in progressive employment policies that provide equal opportunities and have career development programmes for all levels.
GOVERNMENT AND INDUSTRY	Increasing the delivery rate of new homes, improving the quality and sustainability of developments, and regulating resource efficiency standards.	We are recognised for delivering high-quality developments and continue engaging with the government on emerging sustainable policy and regulations.

Sustainability Statement

ASSESSING AND PRIORITISING MATERIAL TOPICS

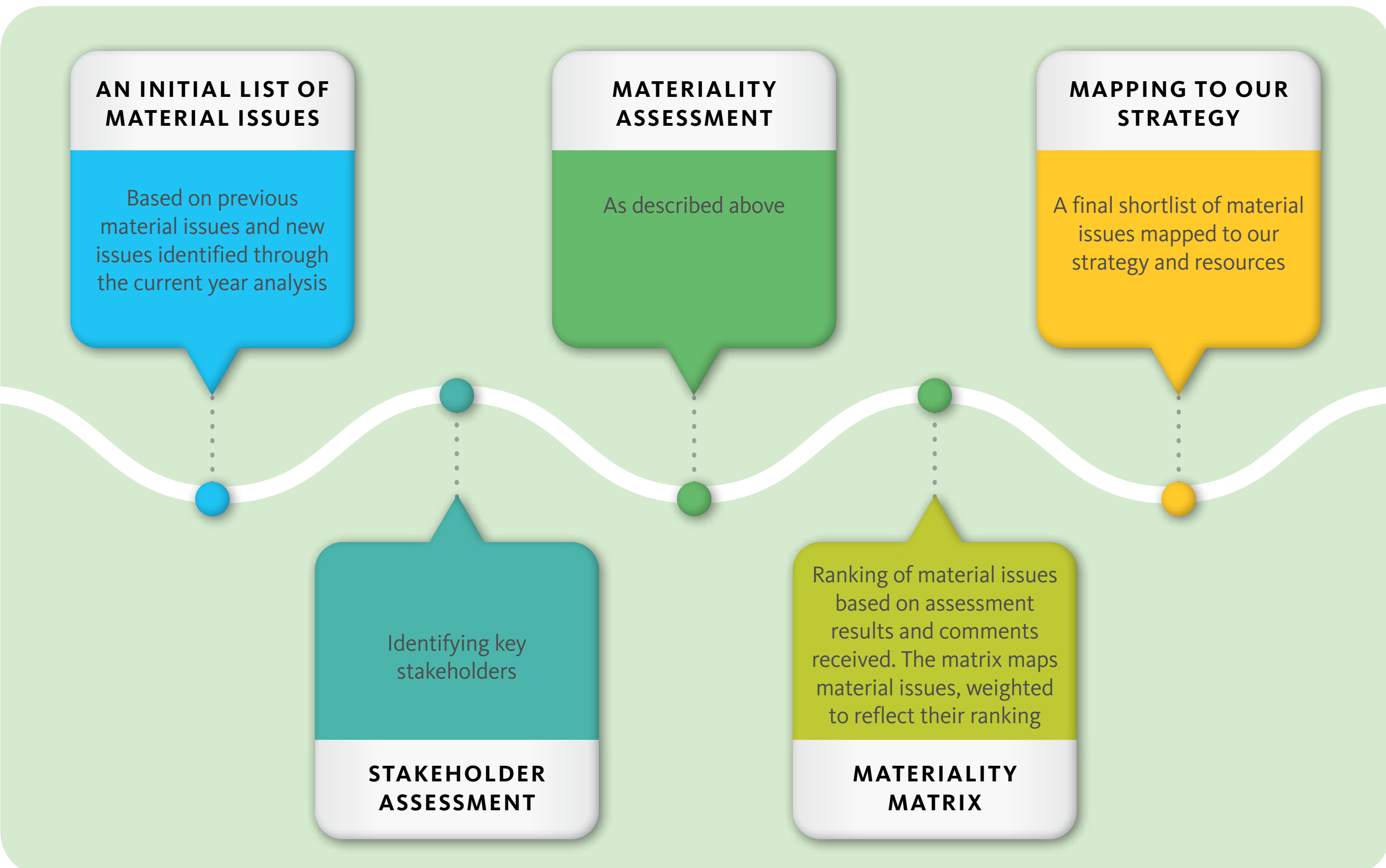
Matrix continues to assess its materiality topics guided by its Sustainability Policy, its Vision and Mission, business plans and strategies as well as its external and internal operating environments. Materiality is assessed based on several factors:

- The extent and likelihood of impact of a particular topic on financial or non-financial value creation, over the short, medium and long term perspectives
- The extent and likelihood of impact on Matrix, in terms of access to capitals, business processes, brand equity, ability / license to operate and other business factors.
- The extent and likelihood of impact on stakeholders, which ultimately, may or will impact Matrix's ability to generate value.

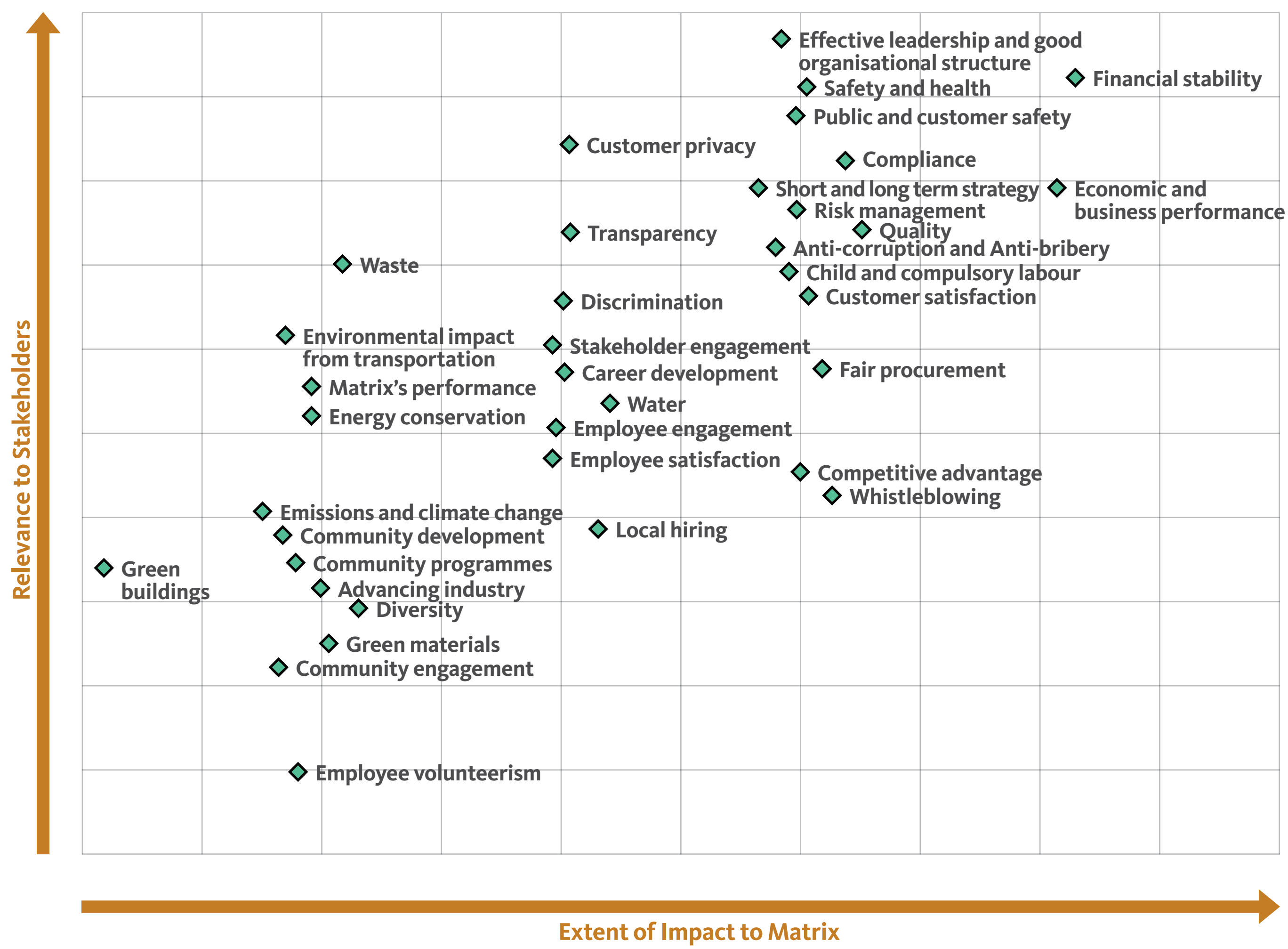
The approach is refined by engaging a wide range of internal and external stakeholders towards gauging their views. This process is undertaken periodically, but usually annually.

The data and insights are then analysed with a preliminary matrix developed. The matrix is further refined at both senior management and Board level, before being approved.

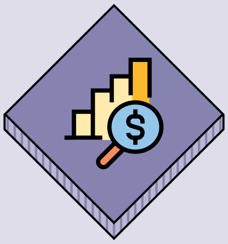
Our materiality review process is as follows.



Following are the Group's materiality matrix and material topics for FY2021.



Sustainability Statement



Economic Performance

DIRECT AND INDIRECT VALUES CREATED

The generation of direct economic values such as revenues and profits provides funding for ESG strategies and activities. Matrix's business performance in FY2021 enables the continued generation of wealth for a wide range of stakeholders as per the following:

INDICATOR	FY2019 (RM'000)	FY2020 (RM'000)	FY2021 (RM'000)
Payments to Employees (Salary and benefits)	90,273	88,069	93,008
Operating Expenses	237,037	238,256	242,879
Government (Income Tax)	79,538	103,157	87,726
Shareholders' Dividends	97,088	95,251	100,107
Repayment to Financiers	71,368	69,637	96,691
Monies Distributed for Community Development, CSR, etc.	8,471	6,419	8,475

28 June 2020

EXPANSION OF BED CAPACITY AT MAWAR

Matrix continued to invest in Mawar, this time by expanding the medical facility's bed capacity to meet the growing number of patients who required admitted care.

With Matrix's support, Mawar now has 48 beds and this expnsion of capacity further enhances the medical facility's capability to provide quality medical care that meets the local community's needs.

14 August 2020

PROVIDING QUALITY EDUCATION

MGS has continued to exemplify itself as a leading educational institution with its students attaining top scores in the IGCSE examination.

The high scoring performance of MGS' students attests to the school's important role in community development; providing high-level, internationally recognised education infrastructure and opportunities at affordable prices. MGS continues to contribute to developing Malaysia's next generation of talents and nurturing the nation's future leaders.

24 September 2020

BRINGING HIGH-TECH MEDICAL EQUIPMENT TO MAWAR

In expanding the medical capabilities of Mawar, it has invested in a state-of-the art, RM4.3 million, Magnetic Resonance Imaging ("MRI") machine, 1.5 Tesla, large bore 70 cm. The latest model of MRI machine with higher imaging resolution and biomatrix technology enables the medical centre to provide better quality healthcare for patients.

Sustainability Statement

10 October 2020

SUPPORTING DEVELOPMENT OF LOCAL INFRASTRUCTURE

In FY2021, Matrix stepped forward to support the development of an off river storage ("ORS") facility by contributing RM200,000 to assist Negeri Sembilan residents affected by the floods issue towards ensuring sufficient fresh water supply in Port Dickson.

The ORS facility will help to alleviate water woes presently faced in the area caused by drought, sudden water treatment plant shutdowns and other issues.

Dato' Lee Tian Hock, receiving the award from Yang Berhormat Senator Tengku Datuk Seri Utama Zafrul Bin Tengku Abdul Aziz during the presentation ceremony.

9 March 2021

RECOGNISED AS A BEST TAX PAYER BY THE GOVERNMENT

At the 25th Tax Day Celebration of the Inland Revenue Board ("IRB"), Matrix was recognised as one of the Best Tax Payers.

The Group is honoured to have been acknowledged at the prestigious event which was officiated by the Minister of Finance Yang Berhormat Senator Tengku Datuk Seri Utama Zafrul Bin Tengku Abdul Aziz.

Matrix stands tall on its track record of contributing to the development of the nation through tax payments.

PRODUCT QUALITY AND CUSTOMER SATISFACTION

Quality is essential in ensuring customer satisfaction, especially in developing repeat buyers or buyers through referrals. Good quality strengthens brand credibility and enables trust to be developed with customers and stakeholders.

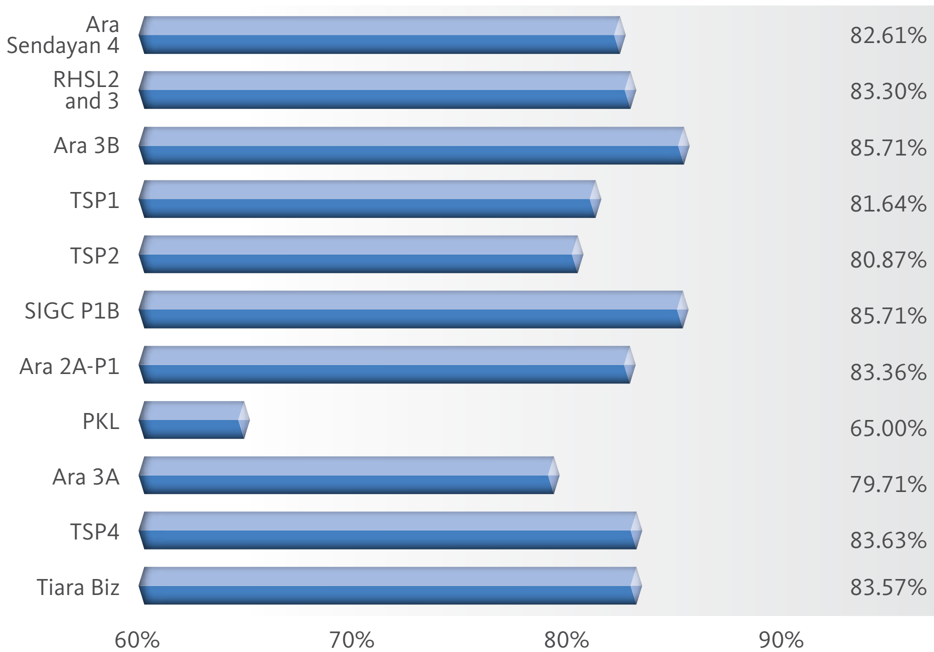
However, aside from a commercial perspective, the emphasis on quality also goes towards improving cost and operational efficiencies, in reducing wastage and improving construction time and completion of units.

CUSTOMER SATISFACTION DRIVEN

Customer satisfaction is regularly gauged. These measurements are implemented for the Group's Property Development, Education, Hotel and Recreational (clubhouse) business divisions.

Property Division Customer Satisfaction Results

MCHB (NS) Key Handover Customer Satisfaction Rating (Y2020/2021) (%)



DRIVING SUSTAINABILITY ACROSS OUR VALUE CHAIN

Beyond its own organisation and operations, Matrix has progressively encouraged to align suppliers with the Group's standards and benchmarks for ESG. Matrix's management approach is driven by its Sustainable Supply Chain Policy: https://www.mchb.com.my/wp-content/uploads/Sustainability-Supply-Chain-Policy.pdf.

The Group conducts risk assessments on suppliers, for both environmental and social compliance as part of its pre-qualification criteria. This include desktop as well as physical inspection audits.

Contractors that fail to adhere to Matrix's requirements will be given a warning to improve and if non-performance persists, will be removed by the Procurement Department's list of approved vendors.

100% of its supply chain comprises local suppliers and vendors. Interested vendors may bid under an open tender system where contracts are awarded based on the best value proposition offered; in terms of cost, quality of goods and services and other set criteria.

PRODUCTS AND SERVICES

Achieving quality and excellence while protecting intellectual property and Matrix's assets.

COMPLIANCE

Good corporate citizenship and compliance with all applicable Malaysian laws, regulations and generally accepted practices.

HUMAN RIGHTS AND LABOUR RIGHTS

Respecting the protection of human rights and supporting basic labour rights outlined in Malaysian Labour Law such as:

- Equality of opportunity and treatment
- Meeting Malaysian law in terms of minimum pay, working hours, overtime hours and overtime differentials
- Prohibiting child and forced labour in any form

OCCUPATIONAL SAFETY AND HEALTH

Providing a safe, healthy and well-managed working environment and preventing incidents and injuries.

ENVIRONMENTAL MANAGEMENT

Complying with local environmental legislation including:

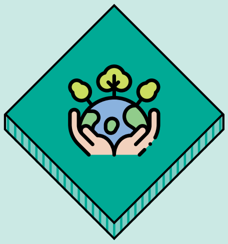
- Managing waste properly
- Optimising resources with the use of energy, raw materials and water

BUSINESS ETHICS

Zero tolerance for corruption, bribery and money laundering.

Suppliers' compliance with this policy are evaluated annually and violations may result in their contracts being terminated.

Sustainability Statement



Environment

CLIMATE CHANGE

Increasingly, given its growing effects across the world and in Malaysia, Matrix has begun to focus on climate change from the following perspectives: the possible impacts of climate change on Matrix's business model and its business operations, and Matrix's possible contributions to climate change through the consumption of resources, the Group's business processes and its production of products and services.

The Group also intends to regard climate change from a more strategic perspective; which is the potential impact on its stakeholders.

RISKS AND OPPORTUNITIES PRESENTED BY CLIMATE CHANGE

Opportunities

- Opportunities to develop alternative solutions such as recycling greywater to achieve self sufficiency.
- Opportunity to promote environmental awareness across the value chain and to customers towards encouraging concerted action for greater cumulative impact.
- Increased potential to seek government and regulatory support for incentives and other benefits for more eco-friendly practices.
- Greater acceptance for use of eco-friendly design, materials and features within property development.

Risks

- Potentially impact availability of suitable land for development due to changing weather patterns and lack of water sources.
- Higher acquisition and development costs.
- Lack of water may disrupt construction operations.
- Increased operational costs for both businesses due to increased expenditure required to address climate change impacts.

One of the key highlights in relation to climate change is Matrix's maiden solar photovoltaic ("PV") project at its 50,000 sqft d'Tempat Country Club. Plans are also in progress to implement the same at the MGS.

Completed installation of solar panels on the rooftop of d'Tempat Country Club.

ENERGY CONSUMPTION

Matrix's management approach to electricity consumption is guided by the Group's Energy Management System ("EnMS") standard.

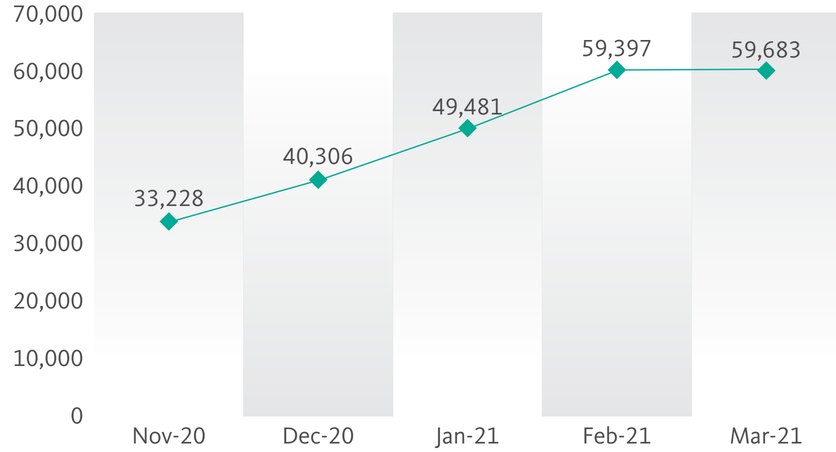
The Group's electricity consumption for FY2021 is higher primarily due to the inclusion of the energy consumption from the Mawar, a new business unit managed by Matrix.

Sans Mawar, Matrix actually has achieved an overall energy reduction of 11.22% on the back of reduced electricity consumed from the grid due to reductions at MGS, d'Tempat Country Club and d'Sora Boutique Business Hotel.

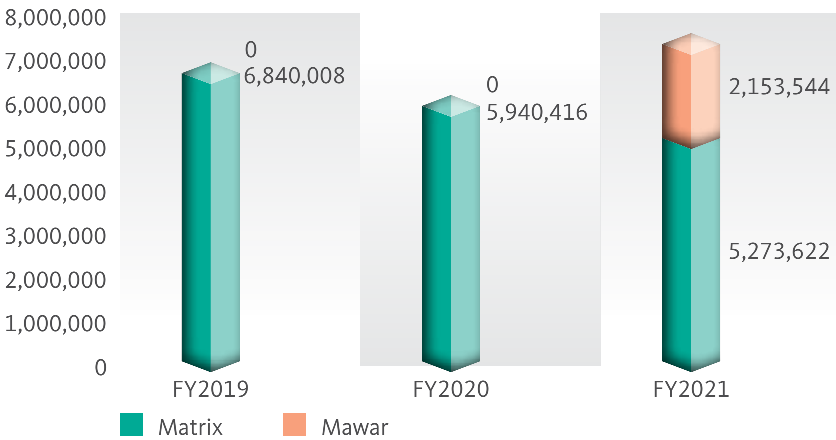
Matrix has commenced measures at Mawar towards becoming more energy efficient.

Diesel consumption is typically linked to construction activities. In FY2021, the disruption to construction activities caused by the COVID-19 pandemic had impacted the level of works and activities at project sites. Hence, diesel consumption significantly reduced by 41.78% year-on-year.

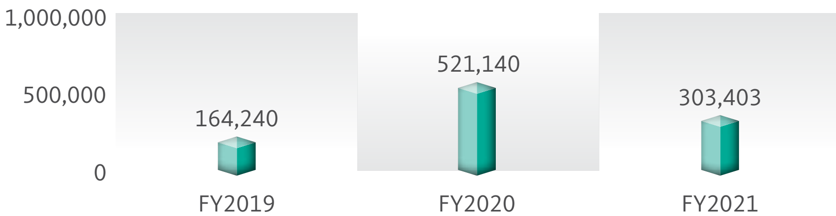
Solar Energy Generated
(kWh)



Electricity Consumption
(kWh)



Diesel Consumption
(Litres)



Sustainability Statement

CARBON EMISSIONS

Matrix has implemented an Environmental Management System ("EMS") to manage environmental impacts including emissions. Based on its EMS, the following measures have been implemented Group wide to better manage energy consumption and carbon emissions:

- Increased monitoring and control of diesel usage at all project sites
- Replacing use of diesel powered company vehicles for electric or hybrid vehicles
- Adopting RE alternatives to reduce reliance on electricity from the national grid.

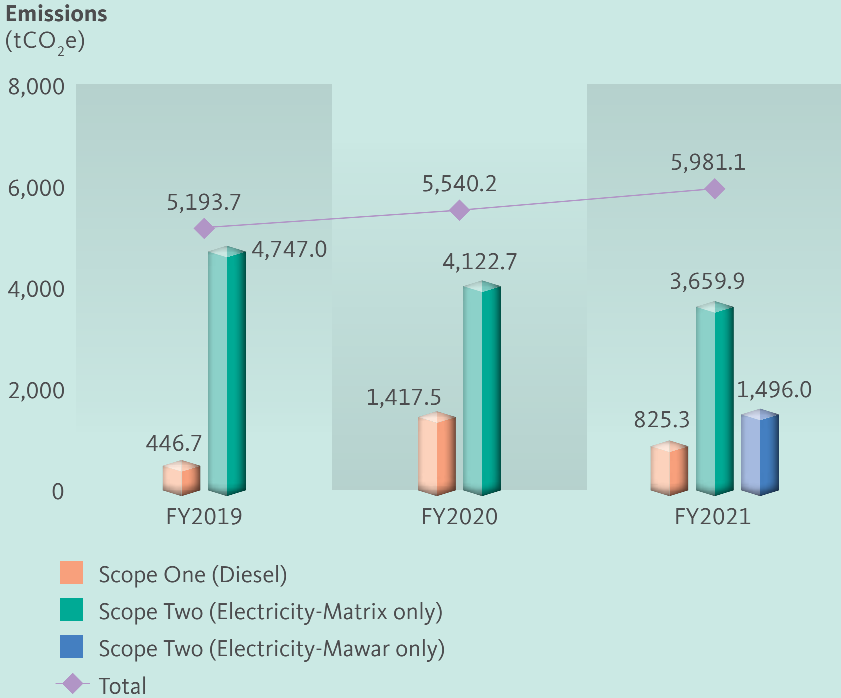
On the whole, while emissions have increased, the increase is largely due to the inclusion of Mawar's operations. With the exception of Mawar, Matrix has seen emissions derived from diesel and electricity reduce by 41.78% and 11.22% year-on-year.

WATER CONSUMPTION

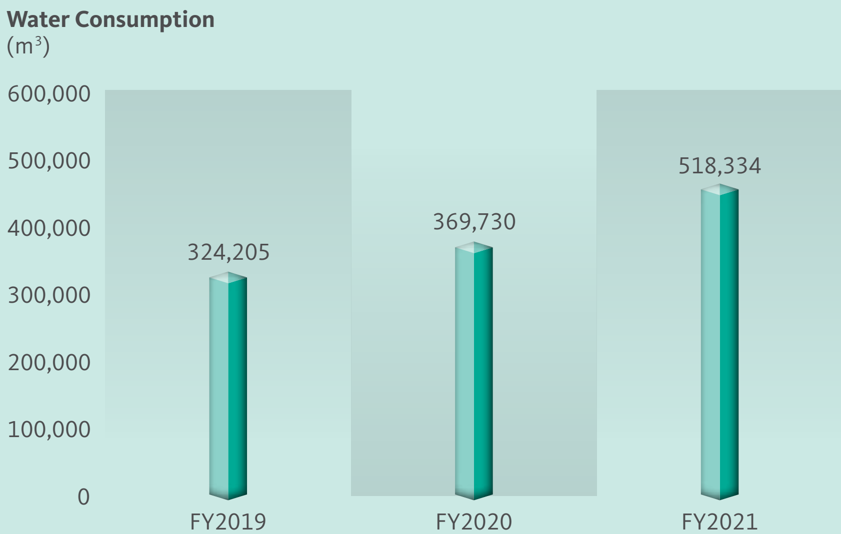
The Group is exploring the possibility of implementing the following to manage water consumption:

- Option for homeowners to install water saving features in their homes
- Increased construction of rainwater harvesting tanks across Matrix's projects.
- Use of greywater or storm retention pond water for non-potable use.

Overall water consumption has increased by 28.67% due to injection of Mawar (62,880 m^3) into the Group as well as higher water consumption by Matrix's construction division, primarily for its operations in Negeri Sembilan.



Note: Calculation based on the internationally-recognised GHG Protocol established by the World Business Council for Sustainable Development ("WBCSD") and the World Research Institute



WASTE

Matrix produces several types of wastes from its operations as per follows:

- Earth and other debris resulting from excavations
- Hardcore and concrete waste
- Steel scrap
- General waste and debris
- Chemical waste

Waste is managed according to the Group's stringent process and procedures which comply with the DOE's regulatory standards as well as industry best practices.

A recycling centre is established at each project site for the recovery of reusable municipal waste such as glass, aluminium and plastic.

How Materials are Reused to Reduce Waste

The increasing amount of waste generated became a primary focus for our design, procurement, innovation and construction teams in FY2021.

Short, Medium and Long-Term Approach to Designing Out Construction Waste

- Innovation and designing out waste through offsite construction methods
- Communication, target setting, performance and feedback
- Strict enforcement of segregation and diversion

Re-using concrete waste for road underlay at construction sites.

The use of the IBS system, enables further reduction in waste. Matrix's IBS plant adheres to all relevant acts and regulations when storing, managing and disposing of scheduled wastes. These regulations include the following:

- Environmental Quality Act 1974 (Act 127) relating to the prevention, abatement, control of pollution and enhancement of the Environmental Regulations and Order
- Environmental Quality (Scheduled Wastes) Regulations 2005
- Regulations 15 of the Environmental Quality (Sewage)
- Regulations 2009 that allows sludge disposal with written permission from the Department of Environment State Office

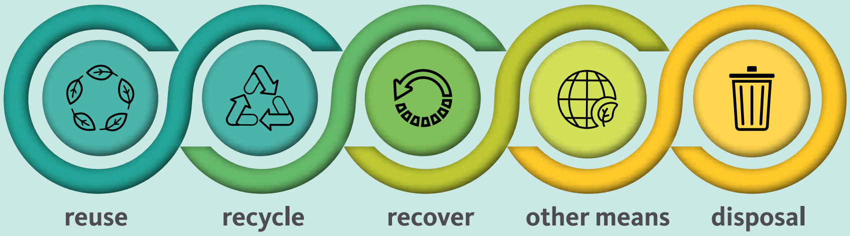
Sustainability Statement

WASTE

Point-Source Segregation

Paper	Plastic	Hazardous	Toxic	Scheduled	Metal Scrap	Other Wastes

Lookout for the followings possibilities..



New Drainage System

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

BENEFITS OF NEW DRAINAGE SYSTEM

- Reduce water consumption
- Reduced labour requirements
- Zero environmental pollution produced as no wastewater will enter the main drain
- Reduce air pollution from dust particles during dry season

Waste from the IBS Factory	FY2021
Total waste generated from production (Kg)	610,961
Other waste (Kg)	15,586
Waste recycled (Kg)	7,515

Waste data is given for only FY2021 as full plant operations only commenced within the said financial year.

Waste collected are sold to scrap collectors.

RECYCLING

Recycling is increasingly being practiced across the business model and Matrix's various business divisions. The Construction and Property Development business divisions in particular, have institutionalised various recycling standard operating procedures ("SOPs"). Matrix also encourages its supply chain to minimise and recycle waste.

Old timber

Transformed into invaluable wood chippings

Unused or waste plasterboard

Reused

Old tiles and bricks

Repurposed as building materials or road paving underlay

Rubble

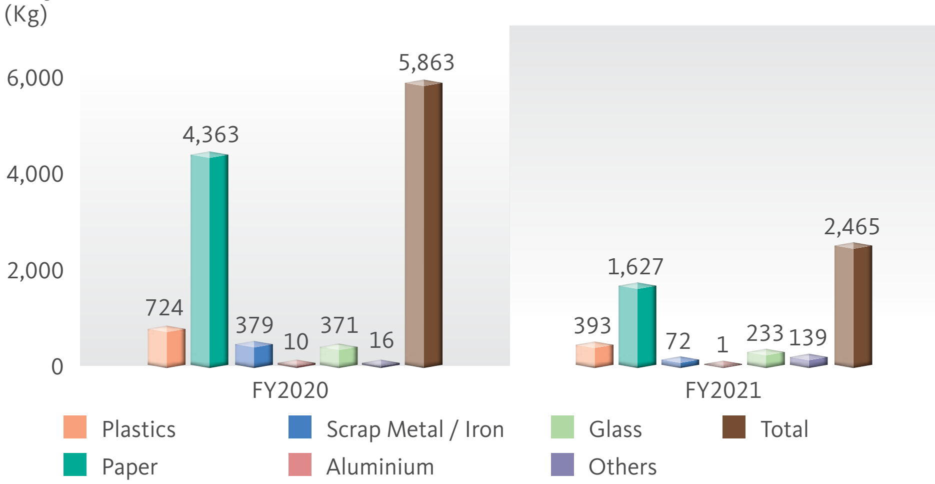
Repurposed as building materials or road paving underlay

Wood

Reused to stack concrete material panels and slabs

Data is provided for recycled waste collected from Matrix's head office and the d'Tempat Country Club. On the whole, recycled waste collection efforts were affected during the MCO period, resulting in lower quantities collected for FY2021.

Recycled Waste
(Kg)



↑ *Scrap metals and all other construction materials for recycling.*

Sustainability Statement

WASTE MANAGEMENT

Chemical Waste

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

Used Oil

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

Food Waste From d'Tempat Country Club

Composite bins operating on two different methods, water-based vegetation and chemical-based, are placed at d'Tempat Country Club to manage food waste. d'Tempat Country Club has begun composting its kitchen and garden waste for use in landscaping and the food enzymes are used for other general purposes. This process which in turn reduces chemical fertiliser costs.

BIODIVERSITY

For FY2021, for the time being, neither Matrix's landbank nor its existing townships or standalone developments are considered to be sites of high biodiversity value. The same applies to locations adjacent to the Group's business operations.

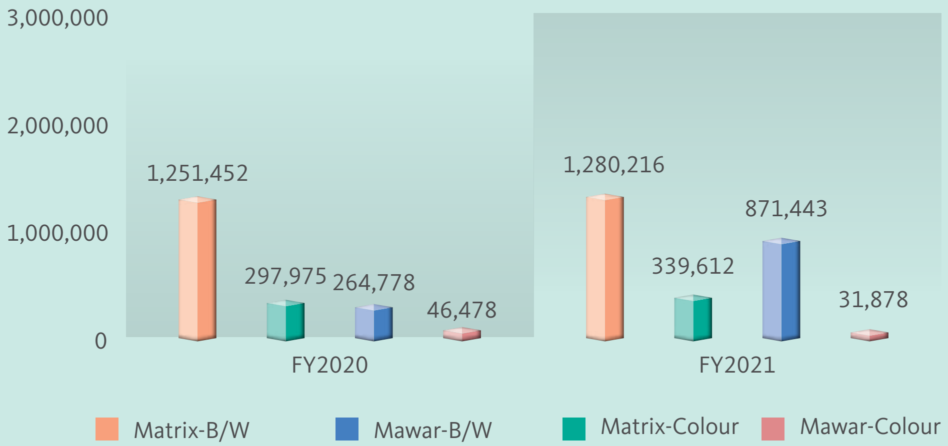
Matrix shall continue to monitor all sites for potential biodiversity value. This includes unique habitats as well as flora and fauna, especially any of the latter that is on the IUCN Red List.

PAPER USAGE

Paper consumption has increased primarily due to a 35.6% increase in paper consumption at Mawar for black and white printing.

The Group looks to reduce paper usage with the incorporation of more digitalised systems and processes across the Group.

Paper Consumptions
(pieces)



Social

COMMITTED TO FAIR LABOUR AND HUMAN RIGHTS

Matrix is guided by basic human rights principles and the Malaysian Employment Act 1995 and all other relevant labour laws of Malaysia. The Group subscribes to the International Labour Organisation ("ILO") and the Universal Declaration of Human Rights and also the UN Global Compact 10 Principles.

Matrix has instituted the following policies and procedures:

Compliance with Minimum Wage Order 2018
Right to freedom of association
Prevention of child or force labour
Policies that address non-discrimination, the creation of an equal opportunity workplace, gender and ethnic diversity
Policy Statement on Human Rights and Labour Standards.

In FY2021, Matrix continues to uphold its track record for zero reported incidents of infringements of the rights of any persons, adult or child, nor any incidence of, forced or compulsory labour.

COVID-19 PREVENTION

Matrix, first and foremost prioritises the health and safety of its staff. As such, the Group has ensured a high level of Standard Operating Procedure ("SOP") compliance across its operations. Matrix developed special COVID-19 procedures and work processes to ensure smooth and safe operations during the pandemic.

At Group and subsidiary level, special attention and preventive measures including emergency responses were undertaken.

New measures introduced include reduced manpower, social distancing requirements at the workplace, regular screening and testing of employees including temperature checks, mandatory 14-day quarantine periods for infected staff and staff who may have been in close contact with infected staff. Regular disinfection was conducted at various operational sites. Where relevant, staff were issued with PPE by the company.

A general work-from-home ("WFH") order was issued to all staff with exceptions made for staff who are required to be stationed on site. Given the stringent measures taken and the strict compliance to SOPs, The Group is pleased to report only a very small number of positive cases in FY2021 and all cases are well controlled to prevent spread of infections.

Through Mawar, Matrix has been playing a key role in facilitating the government's vaccination programme. Mawar has been roped in to disseminate vaccines to medical frontliners in FY2021.

Sustainability Statement

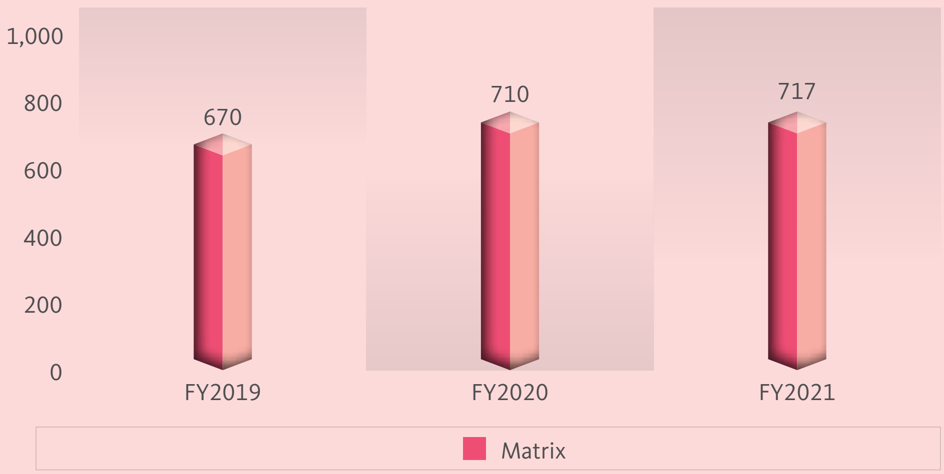
GROUP WORKFORCE

The goal of Matrix in managing its workforce is to develop and retain a high-performing, competent talent pool that enables enhanced value creation across the Group's operations.

The Group's Human Resource department has developed a comprehensive talent management approach with specific strategies on recruiting, training, retaining and rewarding its workforce.

Despite the difficulties posed during a downturn operating environment, Matrix has still managed to grow its workforce in FY2021.

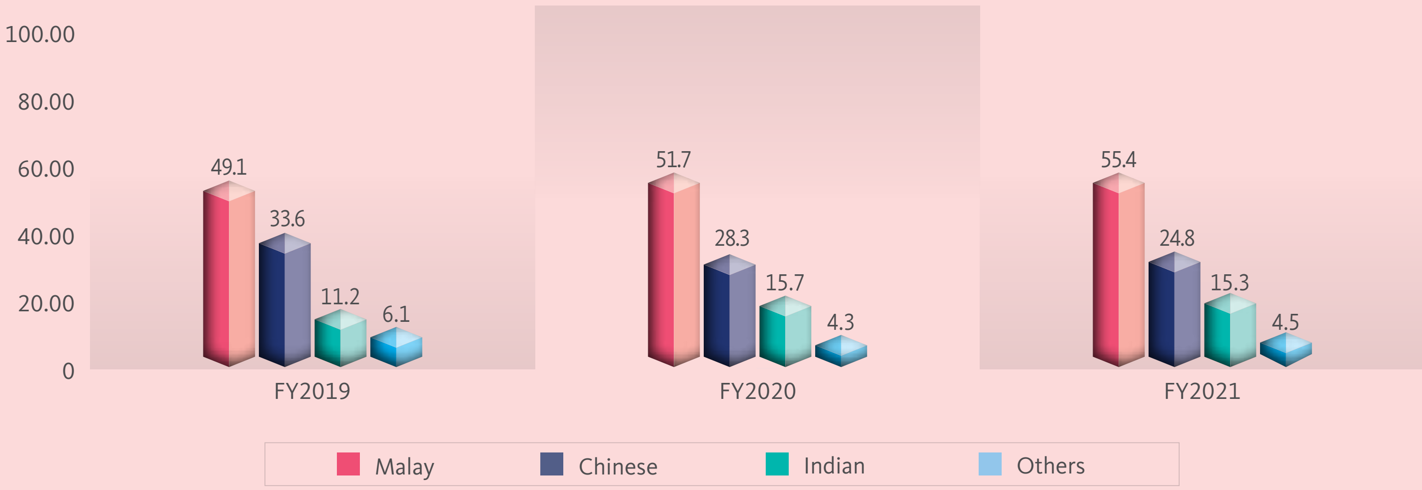
Total Number of Employees



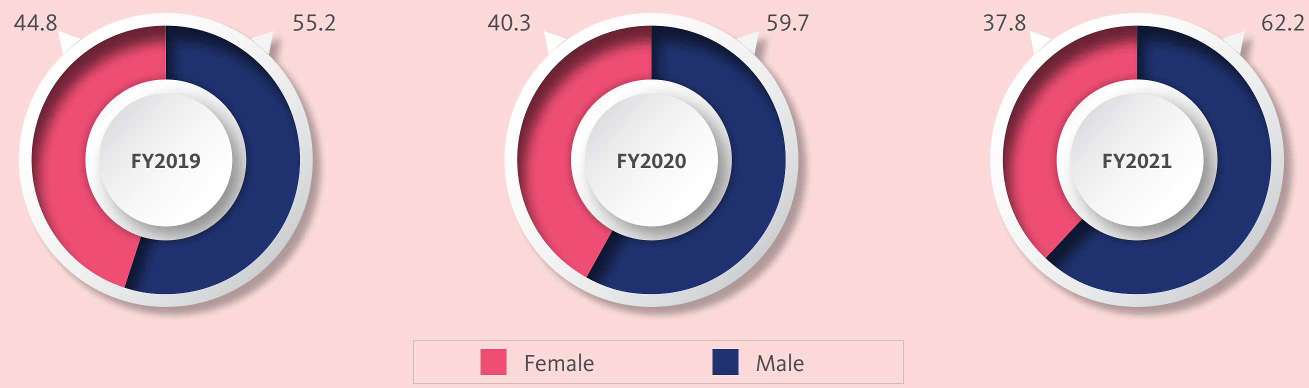
DIVERSITY AND INCLUSIVITY

The Group continues to cultivate the diversity of its workforce with a well-balanced composition of male and female employees as well as in reflecting ethnic diversity.

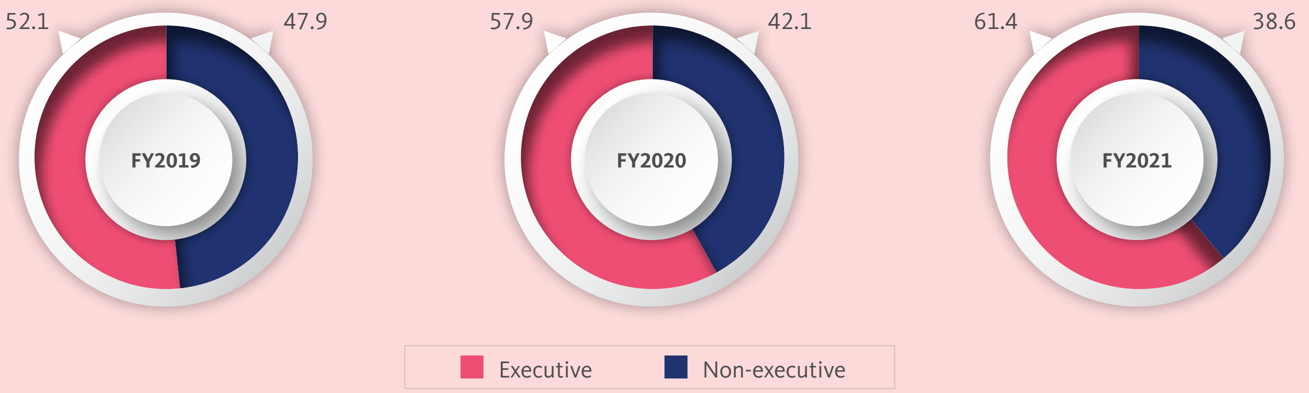
Staff Ethnicity (%) Matrix



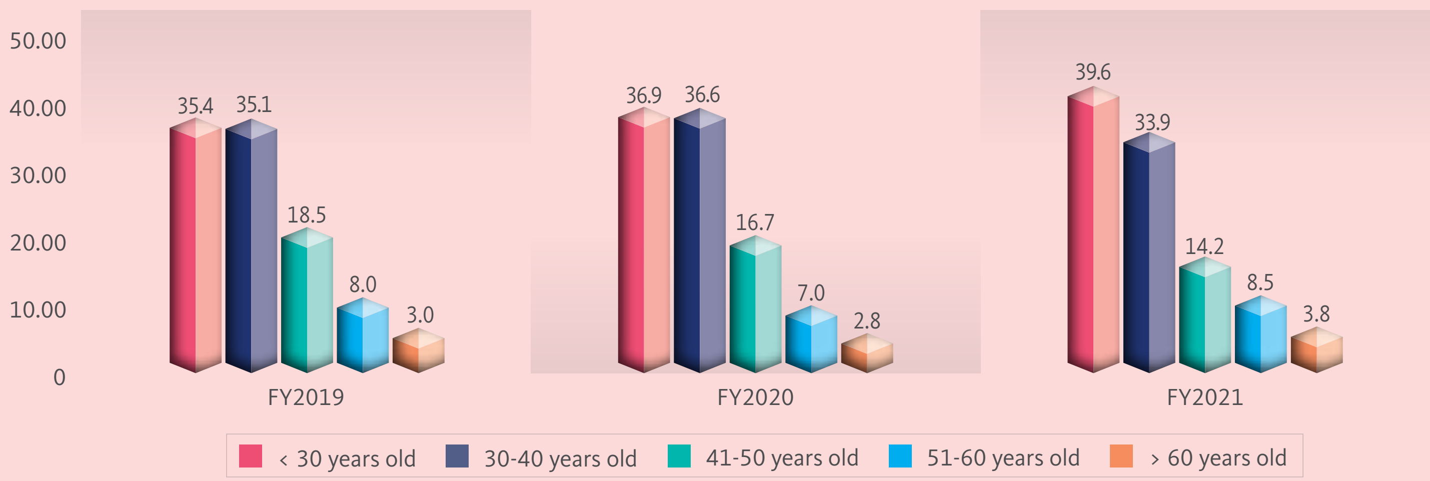
Workforce Breakdown by Gender (%)



Workforce Breakdown by Employment Category (%)

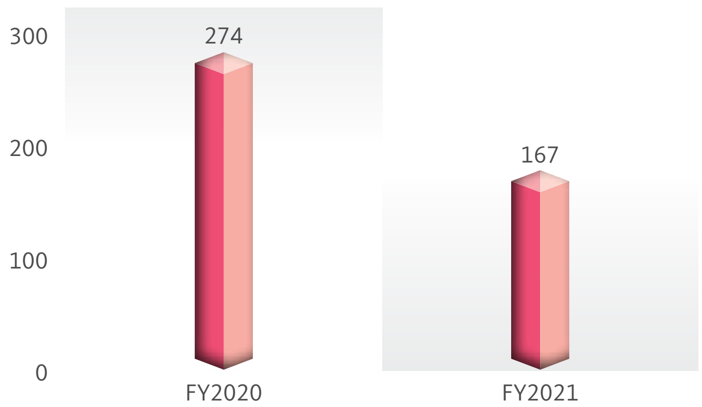


Employee Age Breakdown (%)

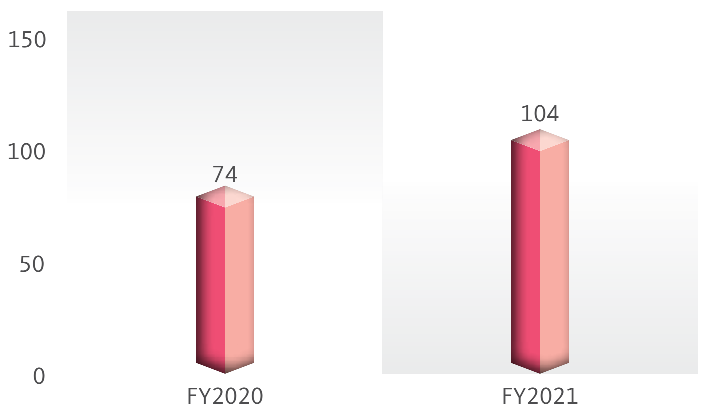


Sustainability Statement

No. of New Hires



No. of Interns



STAFF REMUNERATION AND BENEFITS

Compensation packages for staff commensurate with their professional qualifications, job experience and skills, level of responsibility and importance of their respective positions, market demand and supply factors and also length of tenure in a particular position.

Rewards are both monetary and non-monetary and our remuneration system ensures an equal ratio of 1:1 between male and female employees.

Matrix complies with the Malaysian government's minimum wage policy with all employees earning monthly wages equal to or exceeding the set minimum wage of RM1,200 per month.

In FY2021, Matrix contributed more RM10 million cumulatively in EPF and SOCSO contributions.

	FY2019	FY2020	FY2021
EPF (RM'000)	9,902	9,834	9,957
SOCSO (RM'000)	420	446	441
TOTAL (RM'000)	**10,322**	**10,280**	**10,398**

All staff are accorded benefits in accordance to the Employment Act 1955 as well as additional benefits which the company provides at its own volition and discretion. These include statutory and other types of leave including parental leave, healthcare benefits including medical insurance, sick pay, an employee education programme and others.

EMPLOYEE DEVELOPMENT AND TRAINING

Management's approach to training is based on several aspects. These include closing any performance or skills gaps that the respective employee may have, as a form of reward or to improve employee morale, to retain employees, or to enable employees to develop as future leaders for the Group towards fulfilling succession planning goals and objectives.

100% of employees receive appraisals, which guides their training customised training plans. Employees in almost all instances enjoy fully sponsored participation at professional courses, seminars, training programmes and more.

Matrix	FY2019	FY2020	FY2021
Total Pax Attended Training	1,079	708	633
Total Training Hours	6,312	4,259	3,275
Total Training Cost (RM)	268,293	213,848	126,776
Average Training Hours / Participant	5	6	5
Average Training Spend / Participant (RM)	248	302	200

In FY2021, training activities have been disrupted by the present pandemic, which has necessitated that many training activities to be postponed, especially training that requires physical presence. Where possible, physical engagements have been transitioned to online modes of delivery.

Training courses have focussed on managerial skills, ICT skills, sales skills, health and safety, financial and accounting, customer service and satisfaction as well as corporate governance.

Occupational Safety and Health

The Group complies with the Malaysian Occupational Safety and Health Act 1994, Environmental Quality Act 1974, regulation orders and other Codes of Practice ("referred to as "HSE").

The above mentioned HSE commitments are also communicated to suppliers, vendors, contractors and business partners, who must at all times, abide by these commitments.

The Board of Directors of the Group, as well as its subsidiary companies maintain oversight on all health and safety matters pertaining to their companies.

Matrix Strives to Align Its Safety Practices with the Following Regulations

01 OCCUPATIONAL SAFETY AND HEALTH ACT ("OSHA") 1994 WITH REGULATIONS

02 FACTORY AND MACHINERY ACT 1967 WITH REGULATIONS

03 OHSAS 18001: OCCUPATIONAL SAFETY AND HEALTH ("OSH") MANAGEMENT SYSTEM

04 MS 1722: OCCUPATIONAL SAFETY AND HEALTH ("OSH") MANAGEMENT SYSTEM

05 OCCUPATIONAL SAFETY HEALTH AND ENVIRONMENT ("OSHE") MANAGEMENT SYSTEM

Sustainability Statement

WORKER REPRESENTATION ON JOINT HEALTH AND SAFETY COMMITTEES

Each operational site has its own HSE Committee with balanced employer and employee representation. The Committees enable two-way engagement with workers sharing their feedback, concerns and suggestions to management. Matrix also holds Monthly HSE Operations Meeting to address prevailing HSE issues and to enable immediate rectification.

Safety and Health Governance (Up to 31 March 2021)

Project Site	Chairman	Secretary	Employer Representatives	Employee Representatives
Ara Sendayan Precinct 2A	1	2	3	2
Ara Sendayan Precinct 3	1	2	3	3
SL Resort Homes	1	2	3	3
Tiara Sendayan Biz	1	2	3	4
Tiara Sendayan Precinct 3	1	2	3	2
Tiara Sendayan Precinct 4	1	2	3	2
Tiara Sendayan Precinct 5	1	2	3	2
Tiara Sendayan Precinct 8	1	2	3	4
Tiara Sendayan Precinct 6	1	2	3	3
Laman Sendayan Precinct 4	1	2	3	3
Laman Sendayan Precinct 3	1	2	3	2
Resort Residence 1	1	2	3	2
Hijayu Aman	1	2	3	3
Ara Sendayan Precinct 2B	1	2	3	3
Laman Sendayan Precinct 2	1	2	3	3
Laman Sendayan Precinct 1	1	2	3	3
Bayu Sutera Precinct 2	1	2	3	3
Matrix IBS Sdn Bhd	1	1	9	7

HSE PROGRAMMES AND TRAINING

Matrix continues to organise various OSH based training for staff and even third-party contract workers. These included training on proper use of PPE equipment, handling, storage and disposal of schedule waste, forklift safety training, firefighting training and fire drills.

Safety and Health Training Attended

Trainings	Date	Staff	Workers	Organisers
Crane and hoist operation and safety inspection training (internal)	26/06/2020	1	5	Internal Training
Lifting method and process and safety (internal)	21/07/2020	9	-	Internal Training
Kursus induksi keselamatan & kesihatan bagi pekerja binaan (eSICW)	08/12/2020	2	36	Internal Training
Correct method handling panel / slab (internal)	09/12/2020	3	41	CIDB Seremban
Chemical handling and PPE and storage and use (internal)	12/01/2020	-	7	Internal Training
Crane and hoist operation and safety inspection training (internal)	10/02/2020	-	5	Internal Training
Safe lifting method use anchor pin and lifting belt	02/04/2021	-	17	Internal Training
PPE Arverness, lifting method and cutting and bar bending	17/02/2021	-	4	Internal Training
Chemical handling and PPE and storage and use (internal)	19/03/2021	-	3	Internal Training



Workers on site at Matrix IBS factory.

Sustainability Statement

HSE PERFORMANCE

In FY2021, Matrix achieved 5.72 million man-hours without a loss time incident (“LTI”) before recording one incident.

The fatality is due to the failure of a contract worker employed by a third party construction company to use proper personal protection equipment while working on site.

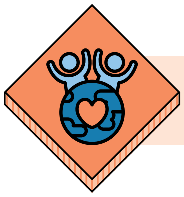
A day after the incident, a refresher working at height training session was held for all workmen on site. The following additional safety measures have been taken immediately after the incident:

- Installation of safety ropes at walkway slabs as an additional protection measure.
- Increase in safety briefing for workers on work at height
- If possible, prevent having older workers, those aged 50 and above from working at height.
- Ensure all access and walkways are free from obstruction.

Given that the IBS factory only commenced full operations in FY2021, data is provided for one year as below.

HSE Performance (Matrix Excelcon)	FY2019	FY2020	FY2021
Safe Man hours without fatalities	13,785,652	11,564,796	5,446,800
Number of fatalities	-	-	1
Lost Workday Cases	-	-	-
Restricted Workday Cases	-	-	-
Fire Case	-	-	1
First Aid Case	7	-	3
Environmental Pollution	-	-	-
Property Damage	18	-	-
Near Miss	20	-	1
Dangerous Occurrence Case	-	-	-

HSE Performance (Matrix IBS)	FY2021
Safe Man hours without fatalities	273,688
Number of fatalities	-
Lost Workday Cases	1
Restricted Workday Cases	-
Fire Case	-
First Aid Case	1
Near Miss	2
Dangerous Occurrence Case	4

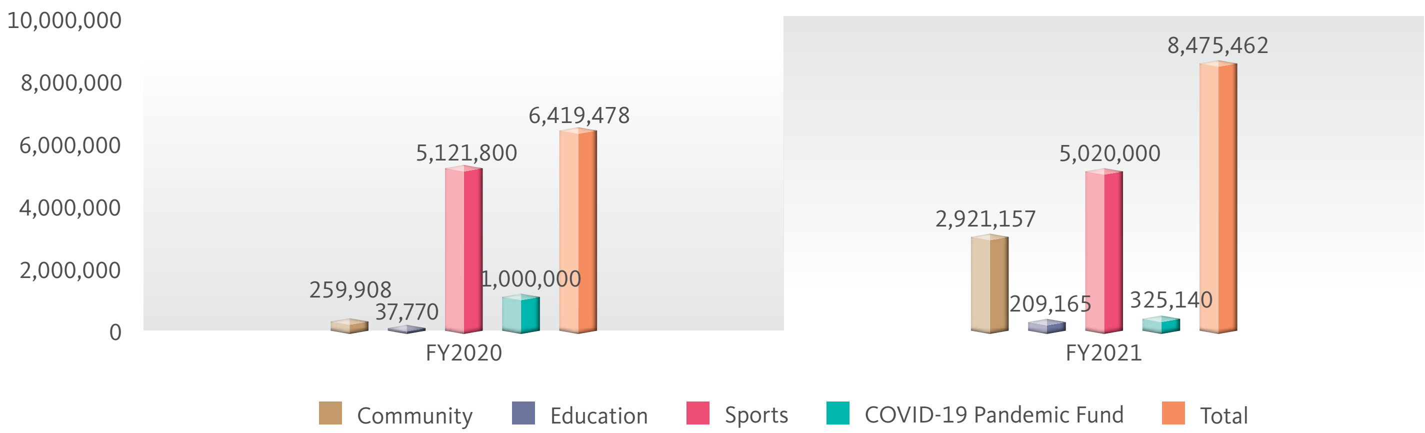


Community

CREATING POSITIVE SOCIETAL IMPACT

Inspired by its business philosophy of *"Nurturing Environment and Enriching Lives"*, Matrix has continued to lend its support to the community. The Group has increased its social / community contributions by 37.60% to the tune of RM8.48 million as shown below.

CSR Contributions
(RM)



Please scan the QR code to download the full Sustainability Report 2021.

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 FY2021 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") 2017.

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.

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 is regularly updated to ensure its relevance in tandem with changes in the internal company environment as well as the external operating conditions.

The Statement of Directors' Responsibility is enclosed on page 139 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"), Employee Share Option Scheme ("ESOS") Committee and the Sustainability Committee ("SC").

BOARD CHARTER

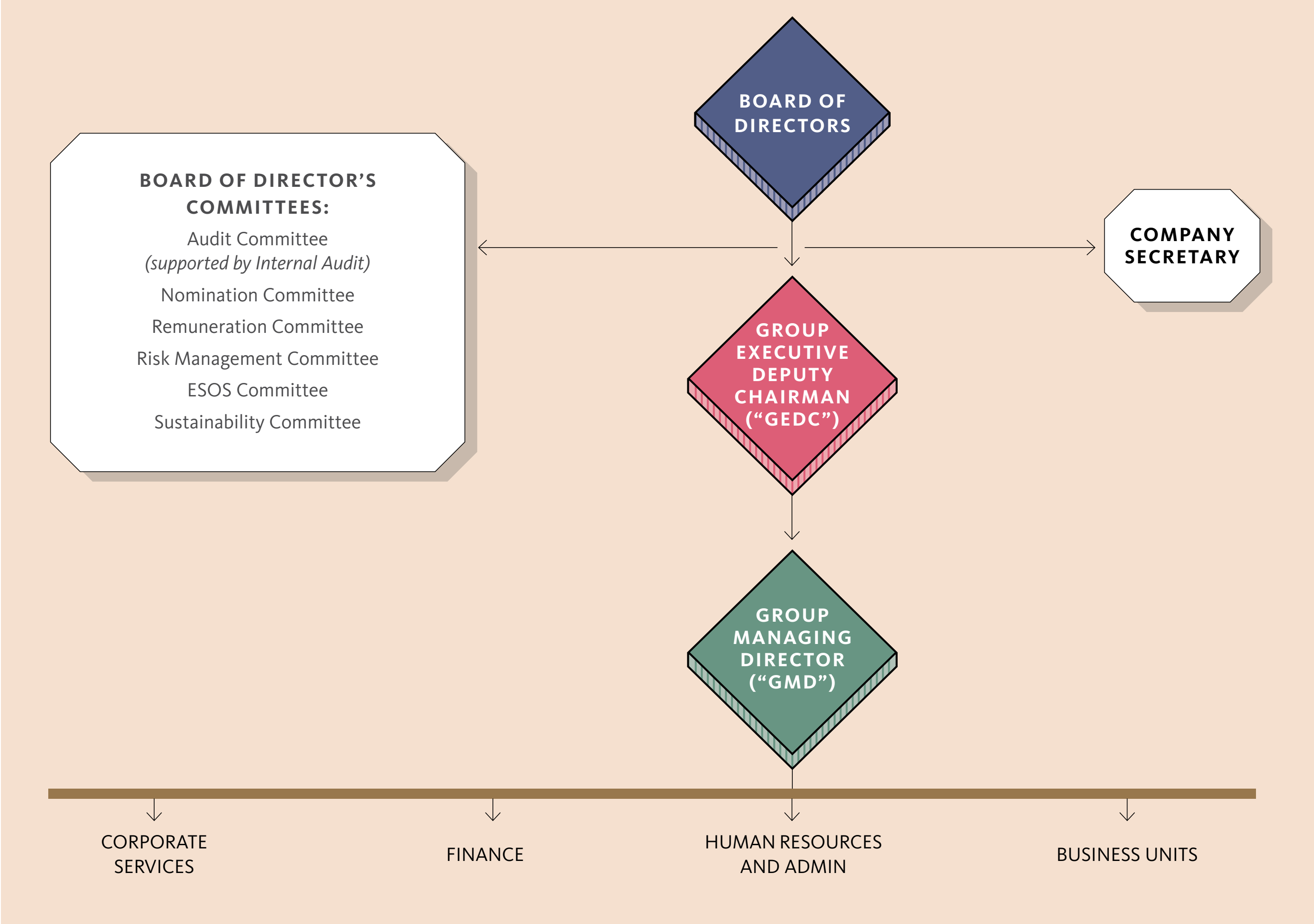
The Matrix Board Charter sets out the following:

- 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.

MATRIX GOVERNANCE FRAMEWORK



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.

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 CG Report at www.mchb.com.my for further details on the Company Secretary's jobs scope and responsibilities.

BOARD ACTIVITIES AND TASKS IN FY2021

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 FY2021 • Review of dividend payout proposals • Review of Group Financial Plan and operational budget FY2021
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 2017 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

Corporate Governance Overview Statement

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.

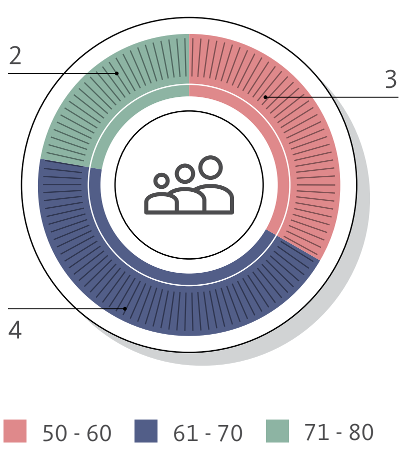
Board Committee	Composition	Roles and Responsibilities
Audit Committee	• Rezal Zain Bin Abdul Rashid (Chairman) • Dato' (Ir.) Batumalai A/L Ramasamy • Dato' Hon Choon Kim • Dato' Hajah Kalsom Binti Khalid • Chua See Hua	• Reviews issues of accounting policy and presentation for external financial reporting. • 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 (Chairman) • Dato' (Ir.) Batumalai A/L Ramasamy • Dato' Hon Choon Kim • Chua See Hua	• 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) • Rezal Zain Bin Abdul Rashid • 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	• Rezal Zain Bin Abdul Rashid (Chairman) • Ho Kong Soon • Dato' Logendran A/L K Narayanasamy • Dato' Hajah Kalsom Binti Khalid • Chua See Hua	• 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.

Board Committee	Composition	Roles and Responsibilities
Employee Share Option Scheme Committee	• Dato' (Ir.) Batumalai A/L Ramasamy (Chairman) • Ho Kong Soon • Dato' Logendran A/L K Narayanasamy	• Determine basis of allocation of share options to all Eligible Persons and to make the Offer to Eligible Persons upon such terms and conditions as it deems fit in accordance with the provisions of the Bylaws. • Vary, amend, waive or modify any of the terms and conditions of offer at any time and from time to time as it deems necessary or appropriate. • Accept or reject any application for the exercise of share options as it deems fit in accordance with the provisions of the Bylaws.
Sustainability Committee	• Dato' Haji Mohamad Haslah Bin Mohamad Amin (Chairman) • Dato' Lee Tian Hock • Ho Kong Soon • Dato' Logendran A/L K Narayanasamy	• Overseeing the implementation of sustainability related policies, measures and actions in achieving the Company's sustainability milestones and goals.

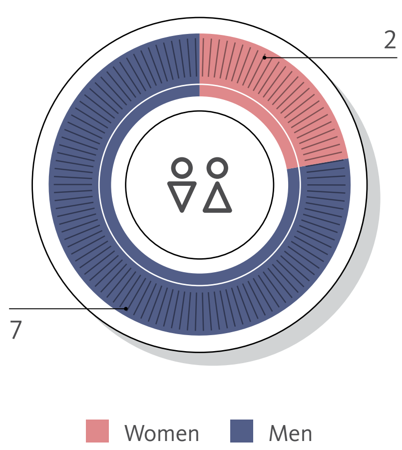
BOARD COMPOSITION

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.

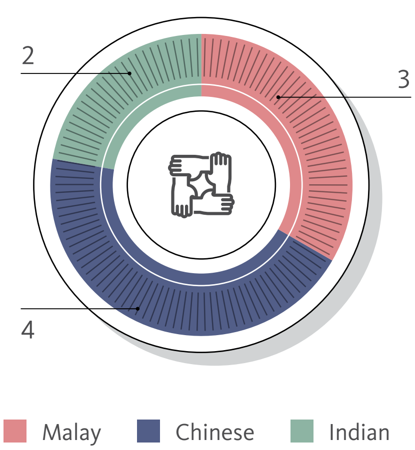
Board Age Breakdown



Board Gender Breakdown



Board Ethnicity



Corporate Governance Overview Statement

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 and Corporate Services	Finance and Accounting, company secretarial, audit, legal, financial literacy, human resources and business administration.

DIRECTORS' INDEPENDENCE

In compliance with Practice 4.1 of the MCCG 2017, 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 FY2021, all Board 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 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 accordingly.

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 FY2021.

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

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

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 FY2021, the Board has looked to further strengthen gender diversity and has appointed an additional woman director making the percentage of women on board at 22.2%. Matrix will continue to look to emphasise diversity, going forward towards achieving at least 30% of its directors to comprise women.

The NC is responsible for identifying prospects for appointment and employs a wide range of channel to source and identify suitable candidates. 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), a sitting 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 Board 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.

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:

Directors	Number of Meetings Held					
	BOARD	AC	RC	NC	RMC	SC
Dato' Haji Mohamad Haslah Bin Mohamad Amin Non-Independent and Non-Executive Chairman	5/5	-	-	-	-	2/2
Dato' Lee Tian Hock Group Executive Deputy Chairman	5/5	-	-	-	-	2/2
Ho Kong Soon Group Managing Director	5/5	-	-	-	2/2	2/2
Rezal Zain Bin Abdul Rashid Senior Independent and Non-Executive	5/5	5/5	2/2	-	2/2	-
Dato' (Ir.) Batumalai A/L Ramasamy Independent and Non-Executive	5/5	5/5	-	2/2	-	-
Dato' Hon Choon Kim Independent and Non-Executive	5/5	5/5	2/2	2/2	-	-
Dato' Hajah Kalsom Binti Khalid Independent and Non-Executive	5/5	5/5	2/2	2/2	2/2	-
Dato' Logendran A/L K Narayanasamy Non-Independent and Non-Executive	5/5	-	-	-	2/2	2/2
Chua See Hua* Independent and Non-Executive	2/2	1/1	-	-	-	-
Dato' Firdaus Muhammad Rom Bin Harun**	3/3	3/3	-	1/1	1/1	-
Total number of meetings held during the Financial Year	5	5	2	2	2	2

* *Appointed on 18 November 2020*
** *Dato' Firdaus retired from the Board effective 30 September 2020*

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

Corporate Governance Overview Statement

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 FY2021:

Name of Director	Topics of Training Attended
Dato' Haji Mohamad Haslah Bin Mohamad Amin	• Webinar - Making the Business Case for Sustainability
Dato' Lee Tian Hock	• Webinar - Making the Business Case for Sustainability
Ho Kong Soon	• Webinar - Making the Business Case for Sustainability
Rezal Zain Bin Abdul Rashid	• Webinar Series - Climate Action: The Board's Leadership in Greening the Financial Sector • Webinar Series - Governance Symposium 2020 - Driving Governance in the New Normal: The Future Begins Now • Webinar Series - Data Intelligence & Analytics 2.0 Conference • Webinar - Making the Business Case for Sustainability
Dato' (Ir.) Batumalai A/L Ramasamy	• Webinar Series - Board Dynamics - What are the Key Governance Reporting and Compliance Requirements • Webinar - Making the Business Case for Sustainability
Dato' Hon Choon Kim	• Webinar Series - Board Dynamics - What are the Key Governance Reporting and Compliance Requirements • Webinar - Making the Business Case for Sustainability
Dato' Hajah Kalsom Binti Khalid	• Webinar Series - Board Dynamics - What are the Key Governance Reporting and Compliance Requirements • Webinar - Making the Business Case for Sustainability
Dato' Logendran A/L K Narayanasamy	• Webinar - Making the Business Case for Sustainability
Chua See Hua	• Webinar - Making the Business Case for Sustainability • Webinar - Rethinking Corporate Risk To Manage Market Uncertainty – 'Ethics, Regulatory Compliance and Control Environment'

BOARD ASSESSMENT

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

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

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

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

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

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

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

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

The Board is satisfied with the outcome of the BEE for FY2021. The performance of the respective Board Committees and individual Directors have been satisfactory with areas of improvement noted. Directors will be sent for training where there may be potential gaps or a future requirement to acquire and apply any particular competency or skill.

DIRECTORS' REMUNERATION

The Remuneration Committee 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 FY2021.

	Company					Subsidiaries				
FY2021	**Fees (RM)**	**Salaries and Bonus (RM)**	**Benefits-in-kind (RM)**	**Others (RM)**	**Company Total (RM)**	**Fees (RM)**	**Salaries and Bonus (RM)**	**Benefits-in-kind (RM)**	**Others# (RM)**	**Group Total (RM)**
Executive Directors										
Dato' Lee Tian Hock	-	-	-	-	-	-	8,694,000.00	97,095.96	1,701,080.00	10,492,175.96
Ho Kong Soon	-	-	-	-	-	-	10,425,000.00	38,095.93	2,014,955.90	12,478,051.83
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**19,119,000.00**	**135,191.89**	**3,716,035.90**	**22,970,227.79**
Non-Executive Directors										
Dato' Haji Mohamad Haslah Bin Mohamad Amin	-	-	-	-	-	1,474,509.00	-	34,970.93	-	1,509,479.93
Rezal Zain Bin Abdul Rashid	160,000.00	-	1,048.05	14,500.00	175,548.05	-	-	-	-	-
Dato' Firdaus Muhammad Rom Bin Harun (Retired on 30 September 2020)	30,000.00	-	38,679.96	58,000.00	126,679.96	-	-	-	-	-
Dato' (Ir.) Batumalai A/L Ramasamy	66,000.00	-	-	12,000.00	78,000.00	-	-	-	-	-
Dato' Hon Choon Kim	66,000.00	-	1,052.05	14,000.00	81,052.05	-	-	-	-	-
Dato' Hajah Kalsom Binti Khalid	66,000.00	-	2,103.95	16,000.00	84,103.95	-	-	-	-	-
Dato' Logendran A/L K Narayanasamy	-	-	-	-	-	400,000.00	-	-	-	400,000.00
Chua See Hua (Appointed on 18 November 2020)	24,166.67	-	-	3,000.00	27,166.67	-	-	-	-	-
TOTAL	**412,166.67**	**-**	**42,884.01**	**117,500.00**	**572,550.68**	**1,874,509.00**	**-**	**34,970.93**	**-**	**1,909,479.93**

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

Corporate Governance Overview Statement

Remuneration of Top Management for FY2021

BANDS OF RM50,000 (50)	GROUP
950,000 - 1,000,000	1
1,350,000 - 1,400,000	1
1,950,000 - 2,000,000	1
2,300,000 - 2,350,000	1
2,800,000 - 2,850,000	1
Total	**5**

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 2017, the AC Chairman is not the Chairman of the Board of Directors.

The roles and responsibilities of the AC is provided for in its 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 FY2021.

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 February 2021 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	FY2021 (RM)	FY2020 (RM)
Audit Fees	661,000	702,000
Non-Audit Fees	197,000	172,500

INTERNAL AUDIT FUNCTION

Matrix's internal audit function ("IAF") is supported by Wensen Asia Consulting (M) Sdn Bhd, an independent external firm 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 onset of COVID-19 has affected stakeholder engagement activities, 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/ or the condensed sustainability statement provided in this Integrated Annual Report.

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.

IR 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 Manager)
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"). With requirements for social distancing and to reduce physical engagements due to COVID-19, Matrix in FY2021 has transitioned to a fully virtual meeting for its 24th AGM.

The inaugural virtual AGM was held on 30 September 2020. The 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. Moving forward, the Company shall circulate the same within 30 days to the shareholders in compliance with the latest updates to the MCCG ("MCCG 2021").

Further details of the aforementioned is 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 2021 ("FY2021").

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:-

- Rezal Zain Bin Abdul Rashid - Chairman
  Senior Independent Non-Executive Director
- Dato' (Ir.) Batumalai A/L Ramasamy - Member
  Independent Non-Executive Director
- Dato' Hon Choon Kim - Member
  Independent Non-Executive Director
- Dato' Hajah Kalsom Binti Khalid - Member
  Independent Non-Executive Director
- Chua See Hua - 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 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 FY2021 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 FY2021. 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 FY2021 was RM592,409 (FY2020: RM613,299).

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 one (1) time with the External Auditors without the management presence on 24 February 2021.

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) 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.

Audit Committee Report

D INTERNAL AUDIT ACTIVITIES FOR THE FINANCIAL YEAR

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

Property Development

1) Pricing, Discount and Rebates Compliance (Johor projects)

Construction

1) Project Cost Control
2) Maintenance Management
3) Quality Control Management
4) Procurement Management (IBS factory)
5) Quality Assurance and Quality Control Management (IBS factory)
6) Inventory and Warehouse Management (IBS factory)
7) Production Management (IBS factory)

Healthcare

1) Procurement Management
2) Patient and Customer Service Management
3) Sales and Billing Management
4) Credit Evaluation and Collection Management
5) Inventory (Drugs and Consumables) Management
6) Digital 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 FY2021. The attendance record of each member is as tabulated below:-

Members	Total Number of Meetings	Number of Meetings Attended
Rezal Zain Bin Abdul Rashid	5	5
Dato' (Ir.) Batumalai A/L Ramasamy	5	5
Dato' Hon Choon Kim	5	5
Dato' Hajah Kalsom Binti Khalid	5	5
Chua See Hua (Appointed on 18.11.2020)	5	1

F ANNUAL REVIEW AND PERFORMANCE EVALUATION OF THE EXTERNAL AUDITORS

As required by its Terms of Reference, the Committee conducted their annual performance evaluation in an effort to continuously improve its processes. The Committee's responsibility is to monitor and review the processes performed by the management and the External Auditors. It is not the Committee's duty or responsibility to conduct auditing or accounting reviews or procedures. The Committee members are not employees of the Company. Therefore, the Committee has relied, without independent verification, on management's representation that the financial statements have been prepared with integrity and objective and in conformity with approval accounting principles generally accepted in Malaysia and on the representations of the External Auditors included in its reports on the Company's financial statements 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 three (3) years as per the External Auditors policy, which is in accordance with the by 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. Neverthess, the Committee is considering to fix the tenure of the audit engagement partner to five (5) years to ensure the independence of the External Auditors are not compromised.

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

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

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

The total of audit fees and non-audit fees paid to the External Auditors during the FY2021 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 form 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 (RM661,000 for FY2021) [FY2020 RM702,000] 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 30 September 2020.

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 their effort to maintain an effective and sound system of risk management and internal controls:-

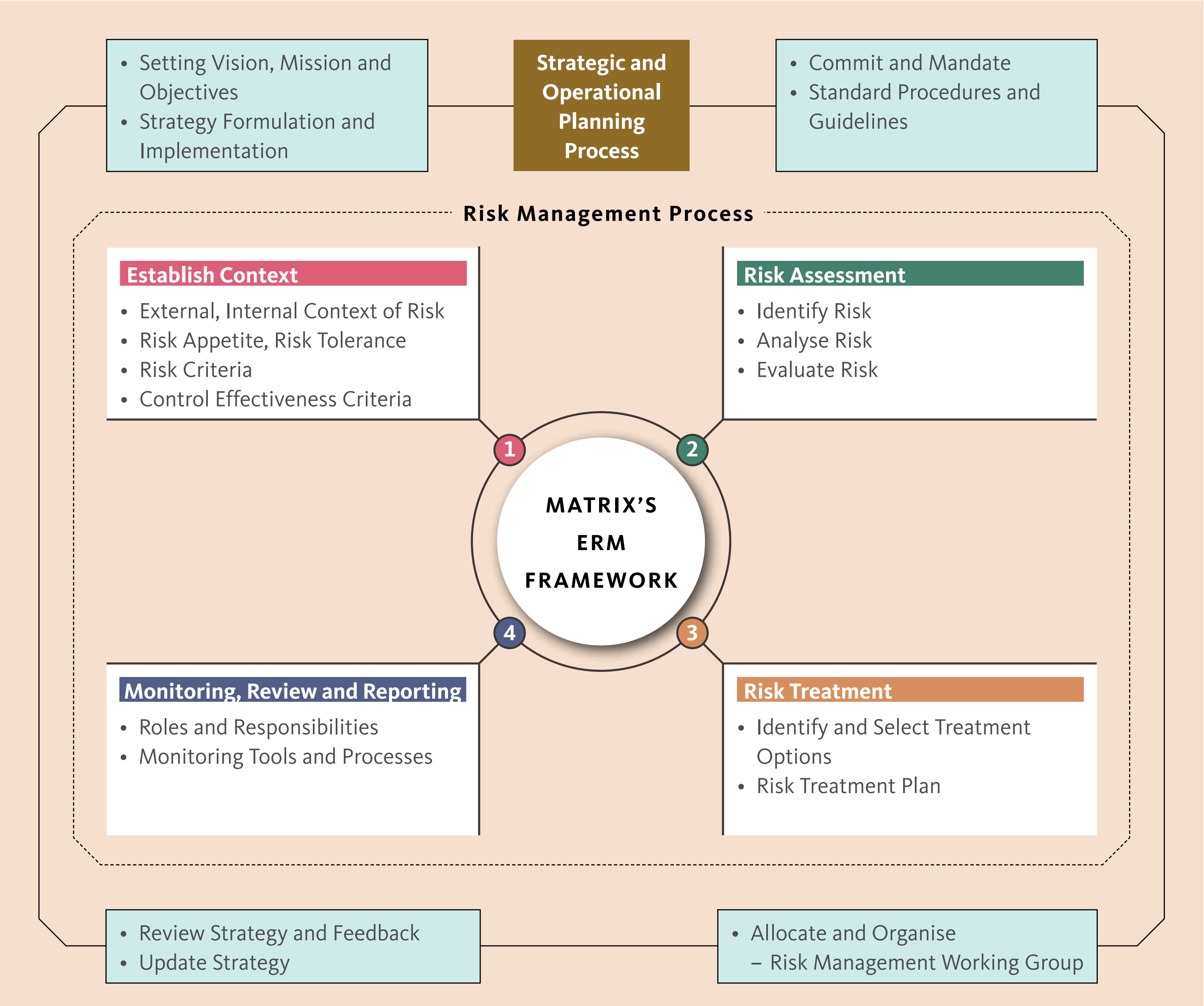
Risk Management Framework

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

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

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

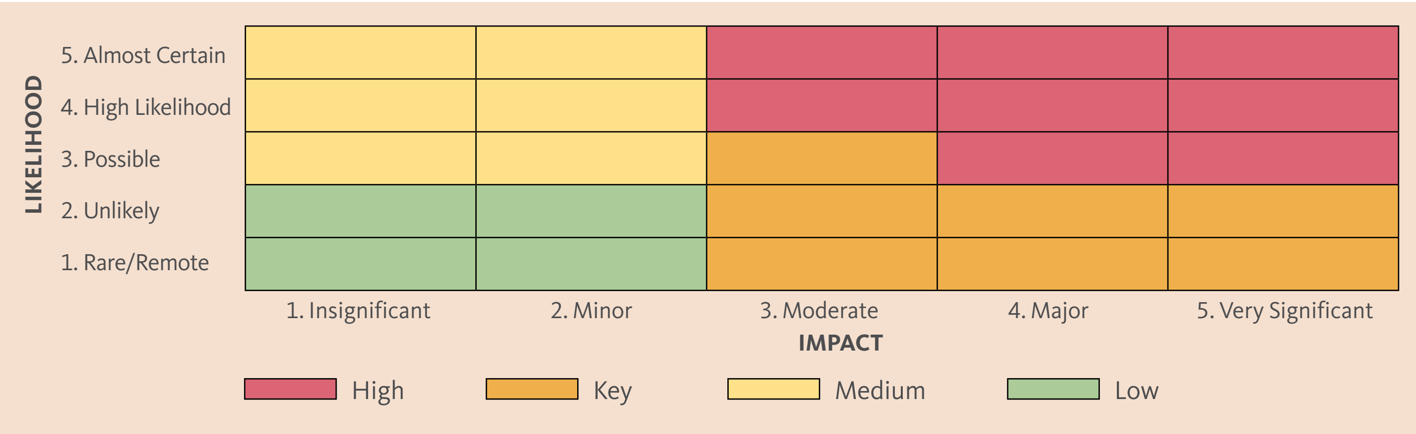
The Company's ERM Framework and processes are summarised in the flow chart as follows:-



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 their 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 realisation 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 and 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:-

- Continuously review the Risk Profile of the Group and action plans to be undertaken to manage the principal risks of the Group; and
- Continuously monitor the action plans derived by the "Risk Owners" to address principal risks of the Group.

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

Organisation Structure

The Board has established an Organisation Structure of the Group, with clear lines of job scope and responsibilities for each department and divisions to administer and actively oversee the daily operations of the Group.

The Organisation Structure plays a vital role in acting out the Board's expectations through active participation in the operations of the business. Management meetings with the heads of all departments 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 2021, 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 assigned at least two (2) executives during each audit assignment, thus providing overall support and back up to the entire internal audit team. The Internal Auditors do not have any relationship with the directors and/or major shareholders of Matrix and they have assured that they are free from any conflict of interest or relationships that could impair their objectivity and independence. The Internal Auditors carries out continuous internal control reviews on the business processes based on the approved Internal Audit Plan and reports to the Audit Committee on a quarterly basis.

All findings including the recommendations for further improvement will be presented independently by the Internal 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 Auditor give reasonable assurance that the structure of internal controls and business processes are appropriate to the Group's operations so as to properly manage the principal risks to an acceptable level throughout the Group's businesses. Internal control weaknesses are identified and duly addressed either immediately or progressively.

External Auditors

The Group employs Messrs. Crowe Malaysia 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:-

Statement on Risk Management and Internal Control

- **Group Core Values**

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

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

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

- Budgets are prepared annually for the Business/Operating units and approved by the Board. The budgets include operational, financial and capital expenditure requirements and performance monitored on a monthly basis and the business objectives and plans are reviewed in the regular management meetings attended by division and business unit heads. The Group Managing Director meet regularly with senior management to consider the Group's financial performance, business initiatives and other management and corporate issues.

- There are regular Board meetings, at least five (5) times conducted annually and Board papers are distributed in advance to all Board members who are entitled to receive and access all necessary and relevant information. Decisions of the Board are only made after the required information is made available and deliberated on by the Board. The Board maintains complete and effective control over the strategies and direction of the Group.

- The Board is supported by a qualified and competent Company Secretary. The Company Secretary plays an advisory role to the Board, particularly on issues relating to compliance with the Main Market Listing Requirements, the Companies Act 2016 and other relevant laws and regulations.

- The Audit Committee reviews the effectiveness of the Group's system of internal controls on behalf of the Board. The Audit Committee comprises Non-Executive members of the Board, who are Independent Directors. The Audit Committee is not restricted in any way in the conduct of its duties and has unrestricted access to the internal and external auditors of the Company and to all employees of the Group. The Audit Committee is also entitled to seek such other third party independent professional advice deemed necessary in the performance of its responsibility.

- Review by the Audit Committee of internal control issues identified by the external and internal auditors and actions taken by Management in respect of the findings arising there from. The Internal Audit function reports directly to the Audit Committee. All findings are communicated to Management and the Audit Committee with recommendations for improvements and are followed up to confirm that all agreed recommendations are implemented. The Internal Audit Plan is structured on risk based approach and is reviewed and approved by the Audit Committee.

- Review of all proposals for material capital and investment opportunities by the management committee and approval for the same by the Board prior to expenditure being committed.

- There are sufficient reports generated in respect of the business and operating units to enable proper review of the operational, financials and regulatory environment. Management Accounts are prepared timely and on a quarterly basis and is reviewed by the Group Managing Director and senior management.

- The professionalism and competency of staff are enhanced through training and development 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 Auditor will highlight any significant audit, accounting and internal controls matters which require attention of the Board and Audit and Risk Management Committee. At least once a year, the Audit and Risk Management Committee shall meet the External Auditor without the Executive Directors and management being present. This year, the Audit Committee met once with the External Auditor and Internal Auditors on 24 February 2021 without the Executive Directors and management being present. This is the first time that the Audit Committee met the Internal Auditors to highlight on any significant issues which require attention.

- Whistleblowing Policy

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

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

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

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

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

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

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

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

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

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

RISKS REVIEW FOR THE FINANCIAL YEAR

A half-yearly review on the adequacy and effectiveness of the risk management and internal control systems have been undertaken for the financial year under review. During the financial year under review, each business unit via its

Statement on Risk Management and Internal Control

respective working groups, comprising personnel at all levels carried out the following areas of work for periodic review:-

- Conducted reviews and updates of risk profiles of principal risks and emerging risks which will potentially derail the achievement of the business objectives and goals.
- Evaluated the adequacy of key processes, systems, and internal controls in relation to the rated principal risks, and established strategic responses, actionable programmes and tasks to manage the aforementioned and/or eliminate performance gaps.
- Ensured internal audit programmes covered identified principal risks. Audit findings throughout the financial period served as key feedback to validate effectiveness of risk management activities and embedded internal controls.
- Reviewed implementation progress of actionable programmes, and evaluated post-implementation effectiveness.
- Reviewed the adequacy of all business resumption and contingency plans, and their readiness for rapid deployment.

The review includes the following:-

- Regular internal audit reports which are tabled quarterly to Board of Directors and the Risk Management Committee.
- Bi-annual risk reviews compiled by the respective units' risk owners and presentation to and discussion with the Risk Management Committee, the Board, Internal Auditors.
- 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 integrated annual report of the Group for the financial year ended 31 March 2021 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 Integrated 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 24 June 2021.

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 2021, and of the results of their operations and cash flows for the year ended on that date.

In preparing the annual audited financial statements, the Directors have applied the appropriate and relevant accounting policies on a consistent basis; made judgments and estimates that are reasonable and prudent; and prepared the annual audited financial statements on a going concern basis.

The Directors are also responsible for taking reasonable steps based on best effort basis to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities.

Financial Statements

Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2021.

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	253,082	222,256
Attributable to:-		
Owners of the Company	262,223	222,256
Non-controlling interests	(9,141)	-
	253,082	222,256

DIVIDENDS

Dividends paid or declared by the Company since 31 March 2020 are as follows:-

	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
	87,594

Directors' Report (Cont'd)

DIVIDENDS (CONT'D)

Subsequent to the end of financial year, the directors, on 25 May 2021 declared a fourth interim single tier dividend of 4.00 sen per ordinary share amounting to RM33,369,294 in respect of the current financial year, payable on 8 July 2021 to shareholders whose names appeared in the record of depositors on 24 June 2021. 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 2022.

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

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) the Company increased its issued and paid-up share capital from RM961,280,292 to RM961,315,013 by way of issuance of 18,084 new ordinary shares from the exercise of Warrants 2015/2020 at the exercise price of RM1.92 per Warrant which amounted to RM34,721.

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

(b) there were no issues of debentures by the Company except as disclosed in Note 23 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARE

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

WARRANTS

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

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

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

WARRANTS (CONT'D)

The salient features of the Warrants are as follows:-

Terms	Details
Form	The Warrants will be issued in registered form and constituted by the Deed Poll.
Board lot	For the purposes of trading on Bursa Securities, a board lot of Warrants will be in one hundred (100) units, or such denomination as determined by Bursa Securities.
Listing	Approval has been obtained from Bursa Securities on 12 May 2015 for the admission of the Warrants to the Official List of Bursa Securities, and for the listing of and quotation for the Bonus Shares and the Warrants and new Company's Shares arising from the exercise of the Warrants.
Expiry date	Five (5) years from the date of issuance of the Warrants.
Exercise period	The Warrants may be exercised at any time within the period commencing the date of issue of the Warrants and will be expiring on 20 July 2020. Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid.
Exercise price	RM1.92 payable in full upon exercise of each Warrant.
Exercise rights	Each Warrant carries the entitlement, at any time during the Exercise Period, to subscribe for one (1) new ordinary share in the Company at the Exercise Price.
Participating rights	The Warrant holders are not entitled to vote in any general meetings of the Company or participation in any form of distribution other than on winding-up, compromise or arrangement of Company and/or in any offer of further securities in the Company until and unless the Warrant holder becomes a shareholder of Company by exercising his/her Warrants into new Company's Shares or unless otherwise resolved by Company in a general meeting.
Ranking of new Company's shares	The new Company's shares to be issued arising from the exercise of the Warrants shall, upon allotment and issue, rank pari passu in all respects with the existing Company's shares, save and except that the new Company's shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions, that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such new Company's shares.
Governing law	Laws and regulations of Malaysia.

The movements in the Warrants are as follows:-

	Entitlement For Ordinary Shares			
	At 1.4.2020	**Converted**	**Lapsed**	**At 31.3.2021**
Number of unconverted Warrants	52,530,501	(18,084)	(52,512,417)	-

Directors' Report (Cont'd)

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 45 to the financial statements. At the date of this report, there does not exist:-

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

DIRECTORS

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

DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN
DATO' LEE TIAN HOCK
HO KONG SOON
REZAL ZAIN BIN ABDUL RASHID
DATO' (IR) BATUMALAI A/L RAMASAMY
DATO' HON CHOON KIM
DATO' HAJAH KALSOM BINTI KHALID
DATO' LOGENDRAN A/L K NARAYANASAMY
CHUA SEE HUA (APPOINTED ON 18.11.2020)
DATO' FIRDAUS MUHAMMAD ROM BIN HARUN (RETIRED ON 30.9.2020)

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
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
DATO' DR THAVANAISON A/L ARUMUGAM
EDWIN TAN BEOW AIK
FONG FEE JUNE
HIROSHI KATO
KELVIN LEE CHIN CHUAN
KRISNARAGA SYARFUAN
LEE TIAN ONN
LEE JON WEE
LEONG JEE VAN
LIM CHEW HENG
MASAYUKI KAWANO
MURTADHA BIN MOKHTAR
NG JUN LIP
SUHAIMI BIN ALI
TAN SAY KUAN

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 (Cont'd):-

TEOH SIEW YIEN
TUAN HAJI MUSTAZA BIN MUSA
TUNG AH QUI
YB DATO' DR. RAZALI BIN AB. MALIK
YB DATO' MOHD KHIDIR BIN MAJID
YEW AH TEE
CHIA KHING FUAT (APPOINTED ON 15.09.2020)
DATO' HAJI OSMAN BIN SALLEH (APPOINTED ON 25.11.2020)

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares			
The Company	**At 1.4.2020**	**Bought**	**Sold**	**At 31.3.2021**
Direct Interests				
Dato' Haji Mohamad Haslah Bin Mohamad Amin	2,151,037	-	(475,300)	1,675,737
Dato' Lee Tian Hock	125,985,399	-	(10,000,000)	115,985,399
Ho Kong Soon	3,284,811	-	-	3,284,811
Rezal Zain Bin Abdul Rashid	954,687	-	-	954,687
Dato' (Ir) Batumalai A/L Ramasamy	427,415	-	(214,900)	212,515
Dato' Hon Choon Kim	462,500	-	-	462,500
Dato' Logendran A/L K Narayanasamy	1,543,437	-	-	1,543,437
Dato' Hajah Kalsom Binti Khalid	201,300	-	-	201,300
Indirect Interests				
Dato' Lee Tian Hock(i)	167,283,739	-	-	167,283,739
Ho Kong Soon(ii)	26,162,043	-	-	26,162,043
Dato' (Ir) Batumalai A/L Ramasamy(iii)	18,375	-	-	18,375
Dato' Hon Choon Kim(iv)	8,750	-	-	8,750

DIRECTORS' INTERESTS (CONT'D)

(i) Deemed interested by virtue of his direct shareholdings in Shining Term Sdn. Bhd., Ambang Kuasa Sdn. Bhd., Magnitude Point Sdn. Bhd. and Yakin Teladan Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 ("the Act") and the shareholdings of his spouse pursuant to Section 59 (11)(c) of the Act.

(ii) Deemed interested by virtue of his direct shareholdings in Supreme Interest Sdn. Bhd. pursuant to Section 8 of the Act and the shareholdings of his spouse pursuant to Section 59(11)(c) of the Act.

(iii) Deemed interested of shares held by spouse and child respectively pursuant to Section 59(11)(c) of the Act.

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

	Number of Warrants			
The Company	**At 1.4.2020**	**Sold**	**Lapsed**	**At 31.3.2021**
Direct Interests				
Dato' Haji Mohamad Haslah Bin Mohamad Amin	165,625	-	(165,625)	-
Ho Kong Soon	803,215	-	(803,215)	-
Rezal Zain Bin Abdul Rashid	87,499	(17,000)	(70,499)	-
Dato' (Ir) Batumalai A/L Ramasamy	100,000	-	(100,000)	-
Dato' Logendran A/L K Narayanasamy	86,562	-	(86,562)	-

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

The other director holding office at the end of the financial year had no interest in shares, options over unissued shares or debentures of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements or the fixed salary of a full-time employee of the Company or related corporations) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 41 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 40 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 46 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 2 JULY 2021

Dato' Lee Tian Hock

Ho Kong Soon

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Dato' Lee Tian Hock and Ho Kong Soon, being two of the directors of Matrix Concepts Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 154 to 244 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 2021 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 2 JULY 2021

Dato' Lee Tian Hock

Ho Kong Soon

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Tan Say Kuan, MIA Membership Number: 20012, being the officer primarily responsible for the financial management of Matrix Concepts Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 154 to 244 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 2 July 2021

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 2021 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 154 to 244.

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 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Key Audit Matters (Cont'd)

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. Judgement is required to assess the performance obligations and revenue recognition. Judgements impacting the revenue recognition are as follow:- • interpreting of contract terms and conditions; • assessing and identifying the performance obligations; • assessing the computation of revenue recognition.	To address this risk, our audit procedures involved the following: • reviewing the contract terms and identifying performance obligations stipulated in the contracts; • evaluating whether the performance obligations are satisfied at point in time or over time; • evaluating the reasonableness of percentage of completion using the input method; • assessing the revenue recognised are in accordance with MFRS 15 "Revenue with Contract Customers".

Reasonableness of attributable profits arising from property development projects
Refer to Note 4.1(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 by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period. This requires the use of estimates, namely on project development revenue and cost. Significant judgement is required in determining the completeness and accuracy of the estimates. Substantial changes to project development revenue and cost estimates in the future can have a significant effect on the Group's results.	To address this risk, our audit procedures 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 project development revenue and cost. • Reviewing the reasonableness of the estimated project development revenue by comparing the selling prices of units sold. • Reviewing the reasonableness of the estimated project development cost by reviewing the contract works awarded, assessing the basis of estimation for contract works not awarded and comparing to the actual costs incurred up to the end of the reporting period.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

Independent Auditors' Report (Cont'd)

To the Members of Matrix Concepts Holdings Berhad
(Incorporated in Malaysia)
Registration No : 199601042262 (414615-U)

Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd)

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.

- 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.

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 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Tan Lin Chun
02839/10/2021 J
Chartered Accountant

Melaka

2 July 2021

Statements of Financial Position

At 31 March 2021

		The Group		The Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	5	**-**	-	**284,979**	270,229
Investment in joint venture	6	**133,232**	118,687	**-**	-
Property, plant and equipment	7	**239,982**	248,680	**-**	-
Investment properties	8	**132**	152	**-**	-
Right-of-use assets	9	**3,620**	3,032	**-**	-
Goodwill	10	*****	*	**-**	-
Inventories	11	**685,108**	661,836	**-**	-
Other receivables, deposits and prepayments	12	**34,156**	34,880	**-**	-
Amount owing by subsidiaries	13	**-**	-	**487,364**	541,697
Deferred tax assets	14	**37,805**	36,394	**-**	-
		1,134,035	1,103,661	**772,343**	811,926
CURRENT ASSETS					
Inventories	11	**618,019**	624,102	**-**	-
Trade receivables and contract assets	15	**543,097**	446,533	**-**	-
Other receivables, deposits and prepayments	12	**77,505**	86,498	**2**	2
Amount owing by subsidiaries	13	**-**	-	**517,461**	312,432
Short-term investments	17	**8,154**	35,078	**8,154**	35,078
Fixed deposits with licensed banks	18	**58,513**	60,138	**34,794**	37,886
Cash and bank balances	19	**170,840**	220,895	**19,925**	48,614
Current tax assets		**-**	-	**508**	-
		1,476,128	1,473,244	**580,844**	434,012
TOTAL ASSETS		**2,610,163**	2,576,905	**1,353,187**	1,245,938

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

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	20	**961,315**	961,280	**961,315**	961,280
Retained profits		**845,486**	670,857	**148,105**	13,443
Other reserves	21	**934**	(27,007)	**-**	-
Equity attributable to owners of the Company		**1,807,735**	1,605,130	**1,109,420**	974,723
Non-controlling interests		**(11,243)**	(2,102)	**-**	-
TOTAL EQUITY		**1,796,492**	1,603,028	**1,109,420**	974,723
NON-CURRENT LIABILITIES					
Long-term borrowings	22	**185,686**	239,420	**110,000**	150,000
Lease liabilities	24	**2,388**	1,682	**-**	-
Deferred tax liabilities	14	**222**	349	**-**	-
Other payables, deposits, accruals and provision	28	**21,175**	17,582	**-**	-
		209,471	259,033	**110,000**	150,000
CURRENT LIABILITIES					
Trade payables and contract liabilities	27	**165,596**	169,139	**-**	-
Other payables, deposits, accruals and provision	28	**290,407**	315,389	**26,099**	27,207
Amount owing to subsidiaries	13	**-**	-	**17,668**	3,829
Lease liabilities	24	**1,105**	1,152	**-**	-
Bank overdrafts	29	**42**	43,220	**-**	-
Short-term borrowings	30	**139,791**	144,920	**90,000**	90,000
Current tax liabilities		**7,259**	41,024	**-**	179
		604,200	714,844	**133,767**	121,215
TOTAL LIABILITIES		**813,671**	973,877	**243,767**	271,215
TOTAL EQUITY AND LIABILITIES		**2,610,163**	2,576,905	**1,353,187**	1,245,938

* - 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 2021

		The Group		The Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
REVENUE	31	**1,127,599**	1,283,406	**200,025**	-
COST OF SALES	32	**(562,354)**	(715,314)	**-**	-
GROSS PROFIT		**565,245**	568,092	**200,025**	-
OTHER INCOME		**39,520**	10,045	**42,354**	51,517
		604,765	578,137	**242,379**	51,517
SELLING AND MARKETING EXPENSES		**(84,973)**	(101,544)	**-**	-
ADMINISTRATIVE EXPENSES		**(157,906)**	(136,712)	**(2,135)**	(6,379)
FINANCE COSTS		**(26,244)**	(2,145)	**(14,062)**	(13,714)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	33	**-**	-	**-**	-
SHARE OF RESULTS OF JOINT VENTURE		**5,166**	(126)	**-**	-
PROFIT BEFORE TAXATION	34	**340,808**	337,610	**226,182**	31,424
INCOME TAX EXPENSE	35	**(87,726)**	(103,157)	**(3,926)**	(5,511)
PROFIT AFTER TAXATION		**253,082**	234,453	**222,256**	25,913
OTHER COMPREHENSIVE INCOME					
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS					
- FOREIGN CURRENCY TRANSLATION DIFFERENCES	36	**27,941**	(20,465)	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**281,023**	213,988	**222,256**	25,913
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		**262,223**	237,386	**222,256**	25,913
Non-controlling interests		**(9,141)**	(2,933)	**-**	-
		253,082	234,453	**222,256**	25,913
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		**290,164**	216,921	**222,256**	25,913
Non-controlling interests		**(9,141)**	(2,933)	**-**	-
		281,023	213,988	**222,256**	25,913
EARNINGS PER SHARE (SEN)					
Basic	37	**31.4**	29.5		
Diluted	37	**N/A**	29.5		

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

Statements of Changes in Equity

For the Financial Year Ended 31 March 2021

The Group	Note	Share Capital RM'000	Non-Distributable: Translation Reserves RM'000	Distributable: Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance at 1.4.2019		800,220	(6,542)	533,437	1,327,115	831	1,327,946
Profit after taxation for the financial year		-	-	237,386	237,386	(2,933)	234,453
Other comprehensive income for the financial year							
- Foreign currency translation differences	36	-	(20,465)	-	(20,465)	-	(20,465)
Total comprehensive income for the financial year		-	(20,465)	237,386	216,921	(2,933)	213,988
Contribution by and distribution to owners of the Company:-							
- Share of net assets arising from the acquisition of a subsidiary		-	-	-	-	*	*
- Private placement	20	139,163	-	-	139,163	-	139,163
- Dividends	38	-	-	(99,966)	(99,966)	-	(99,966)
- Warrant exercised	20	21,897	-	-	21,897	-	21,897
Total transactions with owners		161,060	-	(99,966)	61,094	*	61,094
Balance at 31.3.2020		961,280	(27,007)	670,857	1,605,130	(2,102)	1,603,028

* - Less than RM1,000

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

Statements of Changes in Equity (Cont'd)

For the Financial Year Ended 31 March 2021

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	38	-	-	(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.

The Company	Note	Share Capital RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
Balance at 1.4.2019		800,220	87,496	887,716
Profit after taxation/Total comprehensive income for the financial year		-	25,913	25,913
Contribution by and distribution to owners of the Company:-				
- Dividends	38	-	(99,966)	(99,966)
- Private placement	20	139,163	-	139,163
- Warrant exercised	20	21,897	-	21,897
Total transactions with owners		161,060	(99,966)	61,094
Balance at 31.3.2020/1.4.2020		**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	38	**-**	**(87,594)**	**(87,594)**
- Warrant exercised	20	**35**	**-**	**35**
Total transactions with owners		**35**	**(87,594)**	**(87,559)**
Balance at 31.3.2021		**961,315**	**148,105**	**1,109,420**

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

Statements of Cash Flows

For the Financial Year Ended 31 March 2021

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	**340,808**	337,610	**226,182**	31,424
Adjustments for:-				
Bad debts written off	**140**	6	**-**	-
Depreciation of property, plant and equipment	**10,904**	10,425	**-**	-
Depreciation of right-of-use assets	**1,399**	1,225	**-**	-
Depreciation of investment properties	**4**	4	**-**	-
Deposit written off	**1,443**	-	**-**	-
Property, plant and equipment written off	**1**	41	**-**	-
Impairment loss on deposit	**7,000**	-	**-**	-
Impairment loss on trade receivables	**-**	8	**-**	-
Impairment loss on other receivables	**-**	2	**-**	-
Impairment loss on property, plant and equipment	**-**	2,878	**-**	-
Interest expense on lease liabilities	**190**	172	**-**	-
Interest expenses	**34,755**	7,747	**14,062**	13,714
Interest income	**(4,635)**	(6,804)	**(42,354)**	(46,073)
Gain on disposal of investment property	**(11)**	(68)	**-**	-
Gain on disposal of property, plant and equipment	**(7)**	(2)	**-**	-
Gain on disposal of a subsidiary	**-**	-	**-**	(5,444)
Reversal of impairment loss on trade receivables	**-**	(10)	**-**	-
Reversal of property development costs written off	**(997)**	-	**-**	-
Share of (profit)/loss of joint venture	**(5,166)**	126	**-**	-
Operating profit/(loss) before working capital changes	**385,828**	353,360	**197,890**	(6,379)
Increase in inventories	**(20,407)**	(142,391)	**-**	-
Increase in receivables and contract assets	**(107,277)**	(142,871)	*****	-
(Decrease)/Increase in payables and contract liabilities	**(30,601)**	100,454	**(1,108)**	(404)
CASH FROM/(FOR) OPERATIONS	**227,543**	168,552	**196,782**	(6,783)
Interest received	**4,635**	2,587	**42,354**	46,073
Income tax paid	**(123,055)**	(100,102)	**(4,613)**	(6,319)
Income tax refunded	**26**	2,575	**-**	814
Interest paid	**(17,971)**	(21,232)	**(14,062)**	(13,714)
NET CASH FROM OPERATING ACTIVITIES	**91,178**	52,380	**220,461**	20,071

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

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
CASH FLOWS FOR INVESTING ACTIVITIES					
Advances to related companies		**-**	-	**(165,046)**	(3,594)
Capital reduction in investment in subsidiary		**-**	-	**-**	3,100
Investment in subsidiary companies		**-**	-	**(400)**	(29,600)
Investment in joint ventures		**-**	(118,800)	**-**	-
(Placements)/Withdrawals of pledged deposits with licensed banks		**(1,529)**	(2,230)	**(62)**	1,021
(Placements)/Withdrawals of deposits with licensed banks with maturity date more than 3 months		**(18,940)**	19,288	**(18,940)**	19,288
Proceeds from disposal of investment property		**27**	155	**-**	-
Proceeds from disposal of property, plant and equipment		**217**	26	**-**	-
Proceeds from disposal of subsidiary		**-**	-	**-**	5,444
Purchase of property, plant and equipment		**(2,281)**	(6,957)	**-**	-
NET CASH FOR INVESTING ACTIVITIES		**(22,506)**	(108,518)	**(184,448)**	(4,341)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Dividends paid		**(87,594)**	(97,524)	**(87,594)**	(97,524)
Increase in investment of non-controlling interest in a subsidiary		**-**	*	**-**	-
Advances from non-controlling interest shareholders	39(b)	**4,757**	17,200	**-**	-
Drawdown of term loans	39(b)	**26,302**	78,640	**-**	-
Drawdown of Sukuk Wakalah	39(b)	**-**	50,000	**-**	50,000
Drawdown of revolving credits	39(b)	**10,000**	-	**-**	-
Proceeds from issuance of ordinary shares		**35**	161,060	**35**	161,060
Advances from/(Repayment to) fellow subsidiaries	39(b)	**-**	-	**13,839**	(3,977)
Repayment of lease liabilities	39(b)	**(1,337)**	(1,216)	**-**	-
Repayment of revolving credits	39(b)	**(10,000)**	-	**-**	-
Repayment of term loans	39(b)	**(46,691)**	(29,637)	**-**	-
Repayment of Sukuk Wakalah	39(b)	**(40,000)**	(40,000)	**(40,000)**	(40,000)
NET CASH (FOR)/FROM FINANCING ACTIVITIES		**(144,528)**	138,523	**(113,720)**	69,559

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

Statements of Cash Flows (Cont'd)

For the Financial Year Ended 31 March 2021

		The Group		The Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(75,856)**	82,385	**(77,707)**	85,289
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		**19,961**	(21,190)	**-**	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**241,462**	180,267	**112,401**	27,112
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	39(d)	**185,567**	241,462	**34,694**	112,401

* - 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 2021

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 2 July 2021.

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 3: Definition of a Business
Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
Amendment to MFRS 16: Covid-19-Related Rent Concessions
Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to MFRS 101 and MFRS 108: Definition of Material
IFRIC Agenda Decision on MFRS 123 "Borrowing Costs"
Amendments to References to the Conceptual Framework in MFRS Standards

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

3. BASIS OF PREPARATION (CONT'D)

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

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

IFRIC Agenda Decision on MFRS 123 "Borrowing Costs"

In March 2019, the IFRS Interpretations Committee (IFRIC) published an agenda decision confirming, receivables, contract assets and inventories for which revenue is recognised over time are non-qualifying assets. On 20 March 2019, the MASB decided that an entity shall apply the change in accounting policy as a result of the IFRIC Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

The Group has complied with the requirement of the IFRIC Agenda Decision on borrowing costs and has reflected the impact for the financial year ended 31 March 2021. The early adoption does not have any significant impact to the financial position of the Group that required retrospective adjustments.

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 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
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 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 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

The outbreak of the COVID-19 has brought unprecedented challenges and added economic uncertainties in Malaysia and markets in which the Group operates. While the Group has considered the potential financial impact of the COVID-19 pandemic in the preparation of these financial statements, the full financial impact to the Group remains uncertain. Accordingly, there is a possibility that factors not currently anticipated by the directors could occur in the future and therefore affect the recognition and measurement of the Group's assets and liabilities at the reporting date.

Key Sources of Estimation Uncertainty

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

(a) Depreciation of Property, Plant and Equipment

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

(b) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 11 to the financial statements.

(c) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the 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 Group uses the simplified approach to estimate a lifetime expected credit loss allowance for non-trade financial assets. The Group develops the expected loss rates based on the historical credit losses experienced, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of non-trade financial assets. The carrying amounts of other receivables as at the reporting date are disclosed in Note 12 to the financial statements.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(e) Revenue and Profit Recognition of Property Development Activities

The Group recognises property development revenue as and when the control of the asset is transferred to a customer and it is probable that the Group will collect the consideration to which it will be entitled. The control of the asset may transfer over time or at a point in time depending on the terms of the contract with the customer and the application laws governing the contract.

The Group recognises property development revenue and costs by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period. This is measured based on the Group's efforts or budgeted inputs to the satisfaction of the performance obligation. Significant judgement is required in determining the completeness and accuracy of the budgets and the extent of the costs incurred. Substantial changes in property development cost estimates in the future can have a significant effect on the Group's results. In making the judgement, the Group evaluates and relies on past experience and works of specialists.

(f) Revenue Recognition for Construction Contracts

The Group recognises construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists.

(g) Income Taxes

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

(h) Deferred Tax Assets

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

(i) Provision for Affordable Housing

Provision for affordable housing is recognised for anticipated losses to be incurred for the development of low cost housing under the requirements of the local Government attributable to a premium housing project. The Group is of the view that the expected costs should be accrued progressively as and when the premium housing is constructed. 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. This provision is capitalised in the form of common costs for development of premium housing.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(i) Provision for Affordable Housing (Cont'd)

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 provision based on past experience.

Critical Judgements Made in Applying Accounting Policies

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

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

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

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

(b) Lease Terms

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

(c) Contingent Liabilities

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, the directors are of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Group and the Company are remote.

4.2 BASIS OF CONSOLIDATION

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

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

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

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

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

(a) Business Combinations

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

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

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

(b) Non-Controlling Interests

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

(c) Changes In Ownership Interests In Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(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.

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

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.

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.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Equity Instruments (Cont'd)

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.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(d) Derecognition (Cont'd)

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

(e) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Group and the Company designates performance bond granted in favour of third parties for contract work undertaken by the Group and corporate guarantees given to financial institutions for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 Insurance Contracts. The Group and the Company recognises these performance bonds and corporate guarantees as liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

4.6 INVESTMENTS IN SUBSIDIARIES

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

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

4.7 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment, are stated at cost less accumulated depreciation and any impairment losses.

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.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 INVESTMENT PROPERTIES (CONT'D)

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.

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.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 INVENTORIES (CONT'D)

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

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

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

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

(b) Properties Under Development for Sale

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.

(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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 DEFERRED EXPENDITURE

Incremental Costs of Obtaining A Contract

The Group recognises incremental costs of obtaining contracts with customers as an asset when the Group expects to recover these costs. When the amortisation period of the asset is one year or less, such costs are recognised as an expense immediately when incurred.

The deferred expenditure are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

An impairment loss is recognised in the profit or loss when the carrying amount of the deferred expenditure exceeds the expected revenue less expected cost that will be incurred. Any impairment loss recovered shall be reversed to the extent of the carrying amount of the deferred expenditure does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

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.

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).

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 IMPAIRMENT (CONT'D)

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

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.

4.15 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 EMPLOYEE BENEFITS (CONT'D)

(b) Defined Contribution Plans

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

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.

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.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.23 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Company has an enforceable right to payment for performance completed to date.

(a) Property Development Activities

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

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

(b) Sale of Goods

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

(c) Rendering of Services

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

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.24 OTHER OPERATING INCOME

(a) Interest Income

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

(b) Dividend Income

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

(c) Rental Income

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

4.25 JOINT ARRANGEMENT

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

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

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 2021. 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.25 JOINT ARRANGEMENT (CONT'D)

Joint Ventures (Cont'd)

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	
	2021 RM'000	**2020 RM'000**
Unquoted shares, at cost	**293,379**	278,629
Accumulated impairment losses	**(8,400)**	(8,400)
	284,979	270,229
Unquoted shares, at cost:		
At 1 April	**278,629**	252,129
Addition during the year	**14,750**	29,600
Disposal during the year	**-**	*
Capital reduction during the year	**-**	(3,100)
At 31 March	**293,379**	278,629
Accumulated impairment losses:		
At 1 April/31 March	**8,400**	8,400

* - Less than RM1,000.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2021 %	2020 %	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
Matrix Concepts (Southern) Sdn. Bhd.	Malaysia	**100**	100	Property development
MCHB Natro' Green Sdn. Bhd.	Malaysia	**100**	100	Property development
BSS Development Sdn. Bhd.	Malaysia	**100**	100	Property development
Matrix Properties Sdn. Bhd.	Malaysia	**100**	100	Property investment and investment holding
Matrix Concepts (Damansara) Sdn. Bhd.	Malaysia	**100**	100	Property development
Matrix IBS Sdn. Bhd.	Malaysia	**80**	80	Manufacturing prefabricated building materials by using the technology of industrialised building system
Matrix Realty Management Sdn. Bhd.	Malaysia	**100**	100	Property management services
Matrix Healthcare Sdn. Bhd.	Malaysia	**100**	100	Provision of healthcare services and investment holding
MCHB Development (NS) Sdn. Bhd.	Malaysia	**100**	-	Property development

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Name of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2021 %	2020 %	Principal Activities
Subsidiaries of the Company				
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
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

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

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 2021 %	2020 %	Principal Activities
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 Concepts (Australia) Pty Ltd @	Australia	**-**	100	Property development
Matrix 333 St Kilda (Australia) Pty Ltd @	Australia	**100**	100	Property development
Matrix Greenvale (Australia) Pty Ltd @	Australia	**100**	100	Property development
Matrix Property Management (Australia) Pty Ltd @	Australia	**100**	100	Management of defect works and rental guarantees for completed group property development

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

During the 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; and

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

In the previous financial year:-

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

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

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

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

6. INVESTMENT IN JOINT VENTURE

	The Group	
	2021 RM'000	**2020 RM'000**
Unquoted shares, at cost	**118,800**	118,800
Share of post acquisition profits/(losses)	**5,040**	(126)
Effect of movement in exchange rate	**9,392**	13
	133,232	118,687

The details of the joint venture are as follows:-

Name of Joint Venture	Principal Place of Business	Percentage of Ownership 2021 %	Percentage of Ownership 2020 %	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.*

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

7. PROPERTY, PLANT AND EQUIPMENT

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

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

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
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**

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

Certain freehold land and buildings of the Group amounted to RM134,544,000 (2020 – RM137,524,000) 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.

8. INVESTMENT PROPERTIES

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

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
2021			
Houses	**200**	**(68)**	**132**

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

The estimated fair value of the Group's investment properties as at the end of the reporting period approximates RM266,000 (2020 – RM526,000).

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

9. RIGHT-OF-USE ASSETS

The Group	At 1.4.2020 RM'000	Additions (Note 39(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**

The Group	At 1.4.2019 RM'000	Additions (Note 39(a)) RM'000	Depreciation Charges RM'000	At 31.3.2020 RM'000
2020				
Carrying Amount				
Buildings	2,839	363	(937)	2,265
Motor vehicles	1,055	-	(288)	767
Total	3,894	363	(1,225)	3,032

	The Group 2021 RM'000	The Group 2020 RM'000
Analysed by:-		
Cost	**6,840**	5,121
Accumulated depreciation	**(3,220)**	(2,089)
	3,620	3,032

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 5 years (2020 – 1 year to 3 years), with an option to renew the lease after that date.

(ii) Motor vehicles

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

10. GOODWILL

	The Group	
	2021 RM'000	2020 RM'000
Goodwill arising from consolidation	**18**	18
Accumulated impairment losses	**(18)**	(18)
At 31 March	*****	*

* - Less than RM1,000

11. INVENTORIES

		The Group	
	Note	2021 RM'000	2020 RM'000
<u>Non-current</u>			
Properties held for future development	11(a)	**685,108**	661,836

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

11. INVENTORIES (CONT'D)

	Note	The Group 2021 RM'000	2020 RM'000
Current			
Properties under development for sale	11(b)	**465,050**	549,341
Completed properties held for sale	11(c)	**148,889**	72,673
Operating supplies and materials	11(d)	**4,080**	2,088
		618,019	624,102
Recognised in profit or loss:-			
Inventories of property development		**55,267**	69,806
Cost of property development recognised during the current financial year		**471,501**	610,221

(i) Included in the development costs are interests on borrowings capitalised during the financial year of RM Nil (2020 – RM13,767,000).

(ii) Certain development properties amounted to RM227,422,000 (2020 – RM241,325,000) 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 2021 RM'000	2020 RM'000
Land, at cost		
At beginning of the year	**462,104**	278,974
Costs incurred during the year	**95,120**	242,793
Transferred to properties under development for sale (Note 11(b))	**(38,258)**	(59,663)
At the end of the year	**518,966**	462,104
Development costs		
At beginning of the year	**199,732**	175,154
Costs incurred during the year	**43,764**	64,742
Transferred to properties under development for sale (Note 11(b))	**(77,328)**	(40,164)
Reversal of development costs	**(26)**	-
At the end of the year	**166,142**	199,732
Cumulative cost / Carrying amount	**685,108**	661,836

11. INVENTORIES (CONT'D)

(b) Properties under development for sale

	The Group	
	2021 RM'000	2020 RM'000
Land, at cost		
At beginning of the year	**449,370**	426,070
Costs incurred during the year	**1,546**	16,303
Transferred from properties held for future development (Note 11(a))	**38,258**	59,663
Reversal of completed projects	**(71,425)**	(53,373)
Reversal of land cost	**(70)**	-
Reclassification from development costs	**-**	7,543
Effect of movement in exchange rate	**14,206**	(6,836)
At the end of the year	**431,885**	449,370
Development costs		
At beginning of the year	**283,153**	279,921
Costs incurred during the year	**385,011**	521,726
Transferred from properties held for future development (Note 11(a))	**77,328**	40,164
Reversal of completed projects	**(590,016)**	(550,817)
Reclassification to land costs	**-**	(7,543)
Effect of movement in exchange rate	**2,414**	(298)
At the end of the year	**157,890**	283,153
Cumulative costs	**589,775**	732,523
Cumulative cost recognised in profit or loss		
At beginning of the year	**(183,182)**	(139,369)
Recognised during the year	**(471,501)**	(610,221)
Unsold units transferred to completed properties held for sale (Note 11(c))	**(131,483)**	(37,782)
Reversal of completed projects	**661,441**	604,190
At the end of the year	**(124,725)**	(183,182)
Carrying amount	**465,050**	549,341

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

11. INVENTORIES (CONT'D)

(c) Completed properties held for sale

	The Group	
	2021 RM'000	2020 RM'000
At beginning of the year	**72,673**	104,697
Unsold units transferred from properties under development for sale (Note 11(b))	**131,483**	37,782
Disposals during the year	**(55,267)**	(69,806)
Cumulative cost / Carrying amount	**148,889**	72,673

(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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current				
Other receivables (Note (a))	**11,318**	10,792	**-**	-
Prepayment (Note (b))	**22,838**	24,088	**-**	-
	34,156	34,880	**-**	-
Current				
Other receivables:-				
Third parties	**4,470**	12,866	**-**	-
Goods and services tax recoverable	**55**	378	**-**	-
	4,525	13,244	**-**	-
Deposits	**6,251**	5,992	**2**	2
Deposits paid for land acquisition	**31,188**	24,819	**-**	-
Deposits paid for land development right	**17,812**	13,863	**-**	-
Prepayment	**3,166**	3,828	**-**	-
Deferred expenditure (Note (d))	**21,563**	24,754	**-**	-
	84,505	86,500	**2**	2
Less: Allowance for impairment losses (Note (c))	**(7,000)**	(2)	**-**	-
	77,505	86,498	**2**	2

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

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

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

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
(c) Allowance for impairment losses:				
At the beginning of the year	**2**	-	**-**	-
Addition during the year:-				
- other receivables	**-**	2	**-**	-
- deposits	**7,000**	-	**-**	-
Written off during the year	**(2)**	-	**-**	-
At the end of the year	**7,000**	2	**-**	-

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
(d) Deferred expenditure:				
Incremental costs of obtaining a contract				
At the beginning of the year	**24,754**	34,023	**-**	-
Add: Incurred during the financial year	**74,984**	82,793	**-**	-
	99,738	116,816	**-**	-
Less: Cost recognised in profit or loss during the financial year	**(78,175)**	(92,062)	**-**	-
At the end of the year	**21,563**	24,754	**-**	-

Deferred expenditure relating to sales agent commission, contract coordinator costs and legal costs incurred to secure sales of property units are recognised in the profit or loss in proportion to the income recognised for the respective financial years.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

13. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	2021 RM'000	2020 RM'000
Amount owing by:		
Non-current		
- Subsidiaries (Non-trade)	**487,364**	541,697
Current		
- Subsidiaries (Non-trade)	**565,101**	360,072
Less: Impairment losses	**(47,640)**	(47,640)
	517,461	312,432
Impairment losses:-		
At 1 April/31 March	**47,640**	47,640
Amount owing to:		
Current		
- Subsidiaries (Non-trade)	**(17,668)**	(3,829)

The non-trade balances represent payments made on behalf which bear an interest of 4% to 5% per annum (2020 – 4% to 5% per annum). The amounts owing are to be paid over a period of time and are to be settled in cash.

14. DEFERRED TAX (ASSETS)/LIABILITIES

	At 1.4.2020 RM'000	Recognised in Profit or Loss (Note 35) RM'000	At 31.3.2021 RM'000
The Group			
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)

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

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

	At 1.4.2019 RM'000	Recognised in Profit or Loss (Note 35) RM'000	At 31.3.2020 RM'000
The Group			
2020			
Deferred Tax Liabilities			
Property, plant and equipment	968	(325)	643
Right-of-use assets	13	1,121	1,134
	981	796	1,777
Deferred Tax Assets			
Lease liabilities	-	(1,056)	(1,056)
Deferred income	(47)	(23)	(70)
Property development costs	(8,602)	2,216	(6,386)
Unused business losses	(497)	497	-
Unabsorbed capital allowances	(32)	32	-
Unrealised profits	(17,505)	(1,486)	(18,991)
Provision	-	(11,319)	(11,319)
	(26,683)	(11,139)	(37,822)
	(25,702)	(10,343)	(36,045)

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	
	2021 RM'000	**2020 RM'000**
Deferred tax assets	**(37,805)**	(36,394)
Deferred tax liabilities	**222**	349
	(37,583)	(36,045)

15. TRADE RECEIVABLES AND CONTRACT ASSETS

	The Group	
	2021 RM'000	**2020 RM'000**
Trade receivables	**229,506**	167,670
Contract assets in relation to property development (Note 16)	**313,591**	279,269
	543,097	446,939
Less: Allowance for impairment losses	**-**	(406)
	543,097	446,533
Allowance for impairment losses:		
At the beginning of the year	**406**	408
Addition during the year (Note 33)	**-**	8
Reversal during the year (Note 33)	**-**	(10)
Written off during the year	**(406)**	-
At the end of the year	**-**	406

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

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

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

16. CONTRACT ASSETS/(LIABILITIES)

The contract assets and contract liabilities as at 31 March 2021 and 31 March 2020 were not impacted by significant changes in contract terms.

	The Group	
	2021 RM'000	2020 RM'000
Net carrying amount of contract assets/(liabilities) is analysed as follows:-		
At 1 April		
- contract assets	**279,269**	195,561
- contract liabilities	**(89,338)**	(83,240)
Property development and construction revenue recognised on performance obligation during the financial year	**1,096,567**	1,243,989
Less: Billings during the financial year	**(1,045,870)**	(1,166,379)
At 31 March	**240,628**	189,931
At 31 March		
- contract assets (Note 15)	**313,591**	279,269
- contract liabilities (Note 27)	**(72,963)**	(89,338)
	240,628	189,931

(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.

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:-

	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**

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

17. SHORT-TERM INVESTMENTS

	The Group/The Company			
	2021		2020	
	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 39(d))	**8,154**	**8,154**	35,078	35,078

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.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

18. FIXED DEPOSITS WITH LICENSED BANKS

(a) The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 0.96% to 3.80% (2020 – 1.25% to 3.80%) per annum and 0.96% to 1.80% (2020 – 1.25% to 3.35%) per annum respectively. The fixed deposits have maturity periods ranging from 28 to 365 (2020 – 30 to 365) days and 30 to 365 (2020 – 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 RM25,841,000 (2020 – RM24,312,000) and RM2,122,000 (2020 – RM2,060,000) 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.

19. CASH AND BANK BALANCES

Included in the cash and bank balances of the Group is an amount of RM115,761,000 (2020 – RM138,256,000) 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			
	2021	2020	2021	2020
	Number of shares ('000)		RM'000	RM'000
Issued and Fully Paid-Up				
Ordinary shares:-				
At 1 April	**834,214**	752,809	**961,280**	800,220
New shares issued:				
- Private placement	**-**	70,000	**-**	139,163
- Warrant conversion	**18**	11,405	**35**	21,897
At 31 March	**834,232**	834,214	**961,315**	961,280

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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-distributable:-				
Translation reserves	**934**	(27,007)	**-**	-

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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Sukuk Wakalah (Note 23)	**110,000**	150,000	**110,000**	150,000
Term loans (Note 25)	**65,671**	79,405	**-**	-
Revolving credits (Note 26)	**10,015**	10,015	**-**	-
	185,686	239,420	**110,000**	150,000

23. SUKUK WAKALAH

The Company had established an Islamic Commercial Papers ("ICP") and Islamic Medium Term Note ("IMTN") programme with a combined limit of RM250 million in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah Programme") (collectively, the ICP and the IMTN shall be referred to as "Sukuk Wakalah"). The Sukuk Wakalah Programme is for tenures of 7 years commencing from 15 August 2017 to 14 August 2024.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

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	Periodic distribution rate (per annum)	Maturity date
		RM'000	%	
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		

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

Date of issuance	Tenure (months)	Nominal Value	Periodic distribution rate (per annum)	Maturity date
		RM'000	%	
IMTN				
15 August 2017	60	60,000	6.50	15 August 2022
19 November 2018	24	20,000	6.71	19 November 2020
19 November 2018	36	20,000	6.72	19 November 2021
19 November 2018	48	20,000	6.78	18 November 2022
19 November 2018	60	20,000	6.85	17 November 2023
6 March 2020	36	50,000	5.50	6 March 2023
ICP				
14 February 2020	3	50,000	4.33	14 May 2020
		240,000		

23. SUKUK WAKALAH (CONT'D)

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

	The Group/The Company	
	2021 RM'000	**2020 RM'000**
Current liabilities (Note 30)	**90,000**	90,000
Non-current liabilities (Note 22)	**110,000**	150,000
	200,000	240,000

(b) The Sukuk Wakalah are secured by first legal assignment and charge of the Finance Service Reserve Account ("FSRA") and monies standing to the credit of the FSRA, including Permitted Investment (as defined in *(Permitted investments, if applicable)*).

24. LEASE LIABILITIES

	The Group	
	2021 RM'000	**2020 RM'000**
At 1 April	**2,834**	3,687
Changes due to lease modification (Note 9)	**288**	-
Addition of lease liabilities	**1,708**	363
Interest expense recognised in profit or loss	**190**	172
Repayment of principal	**(1,337)**	(1,216)
Repayment of interest expense	**(190)**	(172)
At 31 March	**3,493**	2,834
Analysed by:-		
Current liabilities	**1,105**	1,152
Non-current liabilities	**2,388**	1,682
	3,493	2,834

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 (2020 – 5) years and bear effective interest rates ranging from 3.96% to 4.75% (2020 – 3.96% to 4.75%).

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

25. TERM LOANS (SECURED)

	The Group	
	2021 RM'000	2020 RM'000
Current liabilities (Note 30)	**39,791**	44,920
Non-current liabilities (Note 22)	**65,671**	79,405
	105,462	124,325

(a) The term loans are repayable over 12 to 84 (2020 – 12 to 24) monthly instalments from the date of drawdown and are secured in the same manner as the bank overdrafts as disclosed in Note 29 to the financial statements.

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

	The Group Effective Interest Rate	
	2021 %	2020 %
Floating rate term loans	**3.94 – 5.85**	5.25 – 6.60

26. REVOLVING CREDITS

	The Group	
	2021 RM'000	2020 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	
	2021 %	2020 %
Floating rate revolving credits	**4.13 – 4.50**	5.25 – 5.35

27. TRADE PAYABLES AND CONTRACT LIABILITIES

	The Group	
	2021 RM'000	2020 RM'000
Trade payables	**73,074**	68,597
Retention sum	**6,512**	3,805
Contract liabilities in relation to property development (Note 16)	**72,963**	89,338
Accruals	**8,729**	7,399
Provision	**4,318**	-
	165,596	169,139

The normal trade credit terms granted to the Group range from 30 days to 60 days (2020 – 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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-Current				
Non-controlling interest shareholders	**21,175**	17,582	**-**	-
Current				
Other payables	**42,583**	47,222	**-**	-
Advances from customers	**1,106**	622	**-**	-
Non-controlling interest shareholders	**2,076**	-	**-**	-
Goods and services tax payables	**1**	6	**-**	-
Sales and services tax payables	**-**	4	**-**	-
Tourism tax payable	**-**	1	**-**	-
Withholding tax payable	**595**	-	**-**	-
Deposits	**10,908**	8,445	**-**	-
Accruals	**146,133**	157,309	**1,072**	2,180
Provision	**60,113**	73,778	**-**	-
Dividend payables	**25,027**	25,027	**25,027**	25,027
Deferred income	**1,865**	2,975	**-**	-
	290,407	315,389	**26,099**	27,207

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

28. OTHER PAYABLES, DEPOSITS, ACCRUALS AND PROVISION (CONT'D)

The amount owing to non-controlling interest shareholders is unsecured and bears an interest between 4% to 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	
	2021 %	2020 %	2021 %	2020 %
Bank overdrafts	**6.20**	6.78	**-**	-

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.

30. SHORT-TERM BORROWINGS

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Sukuk Wakalah (Note 23)	**90,000**	90,000	**90,000**	90,000
Term loans (Note 25)	**39,791**	44,920	**-**	-
Revolving credits (Note 26)	**10,000**	10,000	**-**	-
	139,791	144,920	**90,000**	90,000

31. REVENUE

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Contract with customers:-				
- Property development and construction revenue	**990,162**	1,086,680	**-**	-
- Sales of completed properties	**106,405**	157,309	**-**	-
- Revenue from hospitality segment	**16,265**	17,066	**-**	-
- Revenue from education segment	**12,335**	19,741	**-**	-
Dividend income	**-**	-	**200,025**	-
Others	**2,432**	2,610	**-**	-
	1,127,599	1,283,406	**200,025**	-

The disaggregation of revenue from contracts with customers is presented under 'Operating Segments' in Note 42.2 to financial statements.

32. COST OF SALES

Included in cost of sales are the following:-

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cost of inventories recognised:-				
- property development costs	**471,501**	610,221	**-**	-
- completed properties	**55,267**	69,806	**-**	-
Cost of construction	**10,115**	-	**-**	-
Cost of services	**24,675**	34,290	**-**	-
Others	**796**	997	**-**	-
	562,354	715,314	**-**	-

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

33. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Impairment losses:-				
- trade receivables	**-**	8	**-**	-
- other receivables	**-**	2	**-**	-
Reversal of impairment losses:-				
- trade receivables	**-**	(10)	**-**	-
	-	-	**-**	-

34. PROFIT BEFORE TAXATION

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit before taxation is arrived at after charging/ (crediting):-				
Auditors' remuneration				
- audit fees:				
- current year:				
- Crowe Malaysia PLT	**557**	611	**70**	70
- other auditors	**104**	91	**-**	-
- (over)/under provision in prior year				
- Crowe Malaysia PLT	**(25)**	-	**-**	-
- other auditors	**26**	29	**-**	-
- non-audit fees:				
- Crowe Malaysia PLT	**8**	8	**8**	8
Bad debts written off	**140**	6	**-**	-
Depreciation:				
- property, plant and equipment (Note 7)	**10,904**	10,425	**-**	-
- investment properties (Note 8)	**4**	4	**-**	-
- right-of-use assets (Note 9)	**1,399**	1,225	**-**	-

34. PROFIT BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Profit before taxation is arrived at after charging/ (crediting) (Cont'd):-				
Directors' remuneration (Note 40)	**32,169**	29,366	**572**	504
Property, plant and equipment written off	**1**	41	**-**	-
Deposit written off	**1,443**	-	**-**	-
Impairment loss:				
- deposit	**7,000**	-	**-**	-
- property, plant and equipment	**-**	2,878	**-**	-
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- bank overdraft	**374**	1,739	**6**	159
- non-controlling interest shareholders	**912**	382	**-**	-
- finance charges	**9**	15	**-**	-
- inter-company	**-**	-	**2,100**	425
- term loan	**10,596**	1,697	**-**	-
- revolving credit	**4,651**	424	**-**	-
- imputed interest	**11,847**	-	**-**	-
- Sukuk interest	**6,366**	3,490	**11,956**	13,130
	34,755	7,747	**14,062**	13,714
Interest expense on lease liabilities (Note 24)	**190**	172	**-**	-
Lease expense:				
- short-term leases	**14,145**	15,738	**-**	-
- low-value assets	**232**	236	**-**	-
Loss on foreign exchange – realised	**16**	426	**4**	414
Staff costs (including other key management personnel as disclosed in Note 40):				
- short-term employee benefits	**52,234**	51,437	**-**	-
- long-term employee benefits	**679**	-	**-**	-
- defined contribution benefits	**6,480**	6,652	**-**	-
- others	**3,893**	2,996	**-**	-
	63,286	61,085	**-**	-

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

34. PROFIT BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit before taxation is arrived at after charging/ (crediting) (Cont'd):-				
Gain on foreign exchange – realised	**(2)**	(7)	**-**	-
Gain on disposal of property, plant and equipment	**(7)**	(2)	**-**	-
Gain on disposal of investment properties	**(11)**	(68)	**-**	-
Gain on disposal of a subsidiary	**-**	-	**-**	(5,444)
Reversal of project costs	**(29,071)**	-	**-**	-
Reversal of property development costs written off	**(997)**	-	**-**	-
Interest income of financial assets that are not at fair value through profit or loss:				
- fixed deposits with licensed banks	**(1,448)**	(2,208)	**(600)**	(1,442)
- imputed interest	**(601)**	(737)	**-**	-
- inter-company	**-**	-	**(41,164)**	(43,898)
- late payment interest charged	**(359)**	(422)	**-**	-
- bank interest	**(2,227)**	(3,437)	**(590)**	(733)
	(4,635)	(6,804)	**(42,354)**	(46,073)
Lease income:				
- property, plant and equipment	**(2,157)**	(1,574)	**-**	-

35. INCOME TAX EXPENSE

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current tax expenses	**93,259**	109,842	**4,053**	5,416
(Over)/Under provision in the previous financial year	**(3,995)**	3,658	**(127)**	95
	89,264	113,500	**3,926**	5,511
Deferred tax expenses (Note 14):-				
- Origination and reversal of temporary differences	**(1,554)**	(18,357)	**-**	-
- (Over)/Under provision of deferred tax liabilities in the previous financial year	**(48)**	33	**-**	-
- Over provision of deferred tax assets in the previous financial year	**64**	7,981	**-**	-
	(1,538)	(10,343)	**-**	-
	87,726	103,157	**3,926**	5,511

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	
	2021 RM'000	2020 RM'000
Unused tax losses	**23,567**	8,033
Unabsorbed capital allowances	**7,246**	5,059
Unabsorbed industrial building allowances	**34,713**	29,350
	65,526	42,442

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

	The Group	
	2021 RM'000	2020 RM'000
Unused tax losses	**23,567**	8,033
Unabsorbed capital allowances	**2,181**	936
Unabsorbed industrial building allowances	**735**	237
Others	**85,709**	57,359
	112,192	66,565

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

35. INCOME TAX EXPENSE (CONT'D)

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

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit before taxation	**340,808**	337,610	**226,182**	31,424
Tax at the applicable corporate tax rate of 24% (2020 - 24%)	**81,794**	81,026	**54,284**	7,542
Tax effects of:-				
Non-deductible expenses	**2,628**	4,605	**55**	1,372
Non-taxable income	**(2,324)**	(3,564)	**(50,286)**	(3,498)
Share of results in joint venture	**(1,240)**	-	**-**	-
Deferred tax assets not recognised during the financial year	**10,928**	9,378	**-**	-
Effects of differential in tax rates of subsidiaries	**(81)**	40	**-**	-
(Over)/Under provision of Malaysian Income Tax in the previous financial year	**(3,995)**	3,658	**(127)**	95
(Over)/Under provision of deferred tax liabilities in the previous financial year	**(48)**	33	**-**	-
Over provision of deferred tax assets in the previous financial year	**64**	7,981	**-**	-
Income tax expense for the financial year	**87,726**	103,157	**3,926**	5,511

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020 - 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	
	2021 RM'000	2020 RM'000
Items that will be reclassified subsequently to profit or loss		
Foreign currency translation:		
- changes during the financial year	**27,941**	(20,465)

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	
	2021	**2020**
Profit attributable to owners of the Company (RM'000)	**262,223**	237,386
Weighted average number of ordinary shares in issue ('000)	**834,227**	804,770
Basic earnings per share (Sen)	**31.4**	29.5

In the previous financial year, the effects of potential ordinary shares arising from the conversion of warrants were anti-dilutive and accordingly, it has been ignored in the calculation of dilutive earnings per share. As a result, the diluted earnings per ordinary share is the same as basic earnings per share. The warrants have expired on 20 July 2020.

38. DIVIDENDS

	The Group/The Company	
	2021 RM'000	**2020 RM'000**
In respect of the financial year ended 31 March 2019:-		
- 4th interim single tier dividend of 3.00 sen per ordinary share, paid on 10 July 2019	**-**	23,604
- Special single tier dividend of 0.25 sen per ordinary share, paid on 10 July 2019	**-**	1,967
In respect of the financial year ended 31 March 2020:-		
- 1st interim single tier dividend of 3.00 sen per ordinary share, paid on 9 October 2019	**-**	24,684
- 2nd interim single tier dividend of 3.00 sen per ordinary share, paid on 8 January 2020	**-**	24,684
- 3rd interim single tier dividend of 3.00 sen per ordinary share, paid on 15 April 2020	**-**	25,027
- 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**	-
	87,594	99,966

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

38. DIVIDENDS (CONT'D)

Subsequent to the end of financial year, the directors, on 25 May 2021 declared a fourth interim single tier dividend of 4.00 sen per ordinary share amounting to RM33,369,294 in respect of the current financial year, payable on 8 July 2021 to shareholders whose names appeared in the record of depositors on 24 June 2021.

39. CASH FLOW INFORMATION

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

	The Group	
	2021 RM'000	2020 RM'000
Cost of right-of-use assets purchased (Note 9)	**1,708**	363
Amount financed through lease liabilities (Note (b) below)	**(1,708)**	(363)
Cash disbursed for purchase of right-of-use assets	**-**	-

39. CASH FLOW INFORMATION (CONT'D)

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

	Term Loans RM'000	Sukuk Wakalah RM'000	Lease Liabilities RM'000	Revolving Credits RM'000	Non-Controlling Interest Shareholders RM'000	Others RM'000	Total RM'000
The Group							
2021							
At 1 April	124,325	240,000	2,834	20,015	17,582	-	404,756
Changes in Financing Cash Flows							
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
Non-cash Changes							
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

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

39. CASH FLOW INFORMATION (CONT'D)

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

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

39. CASH FLOW INFORMATION (CONT'D)

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

	Loan From Related Companies RM'000	Sukuk Wakalah RM'000	Others RM'000	Total RM'000
The Company				
2021				
At 1 April	**3,829**	**240,000**	**-**	**243,829**
Changes in Financing Cash Flows				
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)**
Non-cash Changes				
Finance charges recognised in profit or loss	**2,100**	**11,956**	**6**	**14,062**
At 31 March	**17,668**	**200,000**	**-**	**217,668**
2020				
At 1 April	7,806	230,000	-	237,806
Changes in Financing Cash Flows				
Net repayment to subsidiaries	(3,977)	-	-	(3,977)
Proceeds from drawdown	-	50,000	-	50,000
Repayment of borrowing principal	-	(40,000)	-	(40,000)
Repayment of borrowing interests	(425)	(13,130)	(159)	(13,714)
Non-cash Changes				
Finance charges recognised in profit or loss	425	13,130	159	13,714
At 31 March	3,829	240,000	-	243,829

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

39. CASH FLOW INFORMATION (CONT'D)

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

	The Group	
	2021 RM'000	2020 RM'000
Payment of short-term leases	**14,145**	15,738
Payment of low-value assets	**232**	236
Interest paid on lease liabilities	**190**	172
Payment of lease liabilities	**1,337**	1,216
	15,904	17,362

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

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Fixed deposits with licensed banks (Note 18)	**58,513**	60,138	**34,794**	37,886
Cash and bank balances (Note 19)	**170,840**	220,895	**19,925**	48,614
Bank overdrafts (Note 29)	**(42)**	(43,220)	**-**	-
Short-term investments (Note 17)	**8,154**	35,078	**8,154**	35,078
	237,465	272,891	**62,873**	121,578
Less: Fixed deposits pledged to licensed banks (Note 18(b))	**(25,841)**	(24,312)	**(2,122)**	(2,060)
Fixed deposits with maturity of more than 3 months	**(26,057)**	(7,117)	**(26,057)**	(7,117)
	185,567	241,462	**34,694**	112,401

40. 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.

40. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

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

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
(a) Directors				
Directors of the Company				
Executive Directors				
Short-term employee benefits:				
- salaries, bonuses and other benefits	**19,384**	18,453	**-**	-
Defined contribution benefits	**2,978**	2,768	**-**	-
Long-term employee benefits	**473**	-	**-**	-
	22,835	21,221	**-**	-
Non-executive Directors				
Short-term employee benefits:				
- fees	**2,287**	2,273	**412**	424
- other benefits	**160**	109	**160**	80
	2,447	2,382	**572**	504
	25,282	23,603	**572**	504
Directors of the subsidiaries				
Executive Directors				
Short-term employee benefits:				
- fees	**1,606**	1,462	**-**	-
- salaries, bonuses and other benefits	**4,526**	3,755	**-**	-
	6,132	5,217	**-**	-
Defined contribution benefits	**658**	546	**-**	-
Long-term employee benefits	**97**	-	**-**	-
	6,887	5,763	**-**	-
Total directors' remuneration (Note 34)	**32,169**	29,366	**572**	504

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM170,000 and RM Nil (2020 – RM170,000 and RM Nil) respectively.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

40. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensation during the financial year are as follows (Cont'd):-

(b) Other Key Management Personnel

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Short-term employee benefits	**3,998**	3,307	**-**	-
Defined contribution benefits	**609**	484	**-**	-
Long-term employee benefits	**98**	-	**-**	-
Total compensation for other key management personnel (Note 34)	**4,705**	3,791	**-**	-

41. 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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Subsidiaries				
Dividend income	**-**	-	**(200,025)**	-
Interest income	**-**	-	**(41,164)**	(43,898)
Interest expenses	**-**	-	**2,100**	425
Person connected to directors of the Company and of certain subsidiary companies				
Sales of development properties	**(2,432)**	(11,398)	**-**	-
Rental paid	**43**	81	**-**	-
Purchase of marketing materials	**325**	-	**-**	-

41. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Party Transactions and Balances (Cont'd)

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 (Cont'd):-

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Corporations connected to directors of the Company and of certain subsidiary companies				
Consultancy services	**2,068**	-	**-**	-
Lead architect and architectural consultancy services	**-**	58	**-**	-
Purchases of building materials and sub-contract charges	**43,607**	52,024	**-**	-
Purchase of food supplies	**167**	315	**-**	-
Purchase of land	**10,738**	-	**-**	-
Rental paid	**240**	235	**-**	-

42. 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

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

42. OPERATING SEGMENTS (CONT'D)

42.1 BUSINESS SEGMENTS

	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
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)

42. OPERATING SEGMENTS (CONT'D)

42.1 BUSINESS SEGMENTS (CONT'D)

	Property Development and Construction RM'000	Education RM'000	Hospitality RM'000	Others RM'000	Group RM'000
2020					
Revenue					
External revenue	1,243,989	19,741	17,066	2,610	1,283,406
Inter-segment revenue	460,990	843	305	-	462,138
	1,704,979	20,584	17,371	2,610	1,745,544
Consolidation adjustments					(462,138)
Consolidated revenue					1,283,406
Results					
Segment results	346,930	(936)	4,181	158	350,333
Interest income					6,804
					357,137
Share of results of joint venture					(126)
Depreciation					(11,654)
Finance costs					(7,747)
Profit before taxation					337,610
Income tax expense					(103,157)
Consolidated profit after taxation					234,453
Segment results includes the followings:-					
Bad debts written off	-	-	6	-	6
Property, plant and equipment written off	41	-	-	-	41
Impairment loss:					
- trade receivables	-	8	-	-	8
- other receivables	-	2	-	-	2
- property, plant and equipment	2,878	-	-	-	2,878
Reversal of impairment loss on trade receivables	-	(10)	-	-	(10)
Rental income	(1,494)	(80)	-	-	(1,574)
Gain on disposal of property, plant and equipment	(2)	-	-	-	(2)
Gain on disposal of investment property	(68)	-	-	-	(68)

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

42. OPERATING SEGMENTS (CONT'D)

42.1 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**
2020					
Assets					
Segment assets	2,276,512	144,165	83,063	36,771	2,540,511
Unallocated assets	36,386	-	-	8	36,394
Consolidated total assets					2,576,905
Liabilities					
Segment liabilities	900,830	12,362	7,166	12,146	932,504
Unallocated liabilities	40,591	412	321	49	41,373
Consolidated total liabilities					973,877
Other Segment Items					
Additions to non-current assets other than financial instruments:					
- Property, plant and equipment	6,386	73	498	-	6,957
- Right-of-use assets	63	223	77	-	363

42. OPERATING SEGMENTS (CONT'D)

42.2 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
2021					
Primary Geographical Markets					
Malaysia	**1,096,567**	**12,335**	**16,265**	**2,432**	**1,127,599**
Timing of Revenue Recognition					
At a point of 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**

	Property Development and Construction RM'000	Education RM'000	Hospitality RM'000	Others RM'000	Group RM'000
2020					
Primary Geographical Markets					
Malaysia	1,243,989	19,741	17,066	2,610	1,283,406
Timing of Revenue Recognition					
At a point of time	157,309	-	5,697	-	163,006
Over time	1,086,680	19,741	11,369	2,610	1,120,400
	1,243,989	19,741	17,066	2,610	1,283,406

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

42. OPERATING SEGMENTS (CONT'D)

42.3 MAJOR CUSTOMERS

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

43. CAPITAL COMMITMENTS

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Purchase of land held for property development	**124,122**	119,426	**-**	-
Acquisition of development right	**74,355**	78,439	**-**	-
	198,477	197,865	**-**	-

44. 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.

44.1 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.

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest Rate Risk Sensitivity Analysis

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

	The Group		The Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Effects on Profit After Taxation				
Increase of 77 basis points (2020: 65 basis points)	**-402**	-303	**+3,232**	+3,172
Decrease of 77 basis points (2020: 65 basis points)	**+402**	+303	**-3,232**	-3,172

(iii) Price Risk

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

Price Risk Sensitivity Analysis

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

(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.

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group considers any receivables having significant balances, more than 90 days overdue and vacant possession delivered are deemed credit impaired.

The expected loss rates are based on the historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Trade Receivables and Contract Assets (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for both trade receivables and contract assets are summarised below:

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

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Trade Receivables and Contract Assets (Cont'd)

Property Development Segment

The management is of the opinion that the recoverability of the amount owed by the purchasers is duly recoverable, due to the following reasons:-

(i) The transfer of the property to the purchaser is subject to the full payment of the outstanding amount;

(ii) Most of the purchasers have end financing arrangements, and payments are slow because of the credit processes of the end financiers; and

(iii) In the event the sale is terminated for non-payment, the Group will be able to recover the property.

Other Segments

Other segments are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial and hence, it is not provided for.

Other Receivables

Other receivables are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial and hence, it is not provided for.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Amount Owing By Subsidiaries

The Company considers loans and advances to subsidiaries have low credit risks. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for amount owing by subsidiaries are summarised below:-

The Company	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
2021			
Low credit risk	1,004,825	-	1,004,825
Credit impaired	47,640	(47,640)	-
	1,052,465	(47,640)	1,004,825
2020			
Low credit risk	854,129	-	854,129
Credit impaired	47,640	(47,640)	-
	901,769	(47,640)	854,129

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 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
2021						
Non-derivative Financial Liabilities						
Lease liabilities	5.00	3,493	3,664	1,197	2,467	-
Trade payables	-	88,315	88,315	88,315	-	-
Amount owing to non-controlling interest shareholders	4.70	23,251	30,869	3,071	8,175	19,623
Other payables, deposits and accruals	-	224,651	224,651	224,651	-	-
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

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 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
2020						
Non-derivative Financial Liabilities						
Lease liabilities	5.00	2,834	3,065	1,274	1,791	-
Trade payables	-	79,801	79,801	79,801	-	-
Amount owing to non-controlling interest shareholders	4.66	17,582	23,198	818	8,085	14,295
Other payables, deposits and accruals	-	238,003	238,003	238,003	-	-
Term loans	2.23	124,325	141,810	48,000	80,128	13,682
Sukuk Wakalah	5.93	240,000	273,600	96,473	177,127	-
Revolving credits	5.30	20,015	22,113	10,600	11,513	-
Bank overdrafts	6.78	43,220	43,220	43,220	-	-
		765,780	824,810	518,189	278,644	27,977

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 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
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**
		243,767	**271,274**	**140,124**	**131,150**
2020					
Non-derivative Financial Liabilities					
Other payables, deposits and accruals	-	27,207	27,207	27,207	-
Amounts owing to subsidiaries	5.00	3,829	3,829	3,829	-
Sukuk Wakalah	5.93	240,000	273,600	96,473	177,127
		271,036	304,636	127,509	177,127

44. FINANCIAL INSTRUMENTS (CONT'D)

44.2 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	
	2021 RM'000	2020 RM'000
Term loans (Note 25)	**105,462**	124,325
Bank overdrafts (Note 29)	**42**	43,220
Sukuk Wakalah (Note 23)	**200,000**	240,000
Revolving credits (Note 26)	**20,015**	20,015
	325,519	427,560
Less: Short-term investments (Note 17)	**8,154**	35,078
Less: Fixed deposits with licensed banks (Note 18)	**58,513**	60,138
Less: Cash and bank balances (Note 19)	**170,840**	220,895
	237,507	316,111
Net debt	**88,012**	111,449
Total equity	**1,796,492**	1,603,028
Debt-to-equity ratio (times)	**0.05**	0.07

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

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

44. FINANCIAL INSTRUMENTS (CONT'D)

44.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Financial Assets				
Mandatorily at Fair Value Through Profit or Loss				
Short-term investments (Note 17)	**8,154**	35,078	**8,154**	35,078
Amortised cost				
Trade receivables (Note 15)	**229,506**	167,264	**-**	-
Other receivables and deposits (Note 12)	**22,039**	29,648	**2**	2
Amount owing by subsidiaries (Note 13)	**-**	-	**1,004,825**	854,129
Fixed deposits with licensed banks (Note 18)	**58,513**	60,138	**34,794**	37,886
Cash and bank balances (Note 19)	**170,840**	220,895	**19,925**	48,614
	480,898	477,945	**1,059,546**	940,631
Financial Liabilities				
Amortised cost				
Lease liabilities (Note 24)	**3,493**	2,834	**-**	-
Term loans (Note 25)	**105,462**	124,325	**-**	-
Trade payables (Note 27)	**88,315**	79,801	**-**	-
Other payables, deposits and accruals (Note 28)	**247,902**	255,585	**26,099**	27,207
Amount owing to subsidiaries (Note 13)	**-**	-	**17,668**	3,829
Bank overdrafts (Note 29)	**42**	43,220	**-**	-
Sukuk Wakalah (Note 23)	**200,000**	240,000	**200,000**	240,000
Revolving credits (Note 26)	**20,015**	20,015	**-**	-
	665,229	765,780	**243,767**	271,036

44. FINANCIAL INSTRUMENTS (CONT'D)

44.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Financial Assets				
Fair Value Through Profit or Loss				
Net gains recognised in profit or loss	**273**	409	**273**	409
Amortised cost				
Net (losses)/gains recognised in profit or loss	**(7,625)**	6,389	**42,081**	45,664
Financial Liabilities				
Amortised cost				
Net losses recognised in profit or loss	**(23,098)**	(7,919)	**(14,062)**	(13,714)

44.5 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.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

44. FINANCIAL INSTRUMENTS (CONT'D)

44.5 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:-

	Fair Value of Financial Instruments not Carried at Fair Value				
The Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total Fair Value RM'000	Carrying Amount RM'000
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
2020					
Financial assets					
Short-term investments	-	35,078	-	35,078	35,078
Other receivable (non-current)	-	10,792	-	10,792	10,792
Financial liabilities					
Amount owing to non-controlling interest shareholders (non-current)	-	17,582	-	17,582	17,582
Sukuk Wakalah	-	236,865	-	236,865	240,000
Term loans	-	124,325	-	124,325	124,325
Revolving credits	-	20,015	-	20,015	20,015

44. FINANCIAL INSTRUMENTS (CONT'D)

44.5 FAIR VALUE INFORMATION (CONT'D)

As the Group does not have any financial instruments carried at fair value, the following table sets out only the fair value profile of financial instruments that are not carried at fair value at the end of the reporting period (Cont'd):-

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

(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.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 March 2021

44. FINANCIAL INSTRUMENTS (CONT'D)

44.5 FAIR VALUE INFORMATION (CONT'D)

(a) The fair values, which are for disclosure purposes, have been determined using the following basis (Cont'd):-

(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	
	2021 %	**2020 %**
Sukuk Wakalah	**3.12 – 6.85**	4.33 – 6.85

45. CONTINGENT LIABILITIES

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:-

	The Company	
	2021 RM'000	**2020 RM'000**
Corporate guarantee given to licensed banks and third parties for credit facilities granted to subsidiaries	**208,666**	272,360

46. 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 category 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.

Additional Information

For the Financial Year Ended 31 March 2021

Utilisation of Proceeds

There were no new proceeds raised during the financial year ended 31 March 2021.

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 2021 as shown below:-

	The Group RM	The Company RM
Audit Fees	661,000	70,000
Non-Audit Fees *	197,000	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 2021.

List of Properties

PROPERTIES OWNED BY OUR GROUP

No.	Location	Tenure	Land (Acres)	Usage	Net book value as at 31 March 2021 (RM'000)	Date of acquisition
1.	Lot 12652-12654, Bandar Sri Sendayan, Seremban, Negeri Sembilan	Freehold / Perpetuity	26.1	School and clubhouse	178,608	5 July 2013

DEVELOPMENT PROPERTIES

No.	Location	Tenure	Land (Acres)	Usage	Net book value as at 31 March 2021 (RM'000)	Date of acquisition
1.	Bandar Sri Sendayan	Freehold / Perpetuity			130,271	11 August 2011
(i)	Lot No. PT 10992-11011, 11016-11029, 13138-13503, 13941-14150 and 12667, Bandar Sri Sendayan, Seremban, Negeri Sembilan		64.0	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, 12678, 12682, 12685 and 12690, Bandar Sri Sendayan, Seremban, Negeri Sembilan		49.7	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		

No.	Location	Tenure	Land (Acres)	Usage	Net book value as at 31 March 2021 (RM'000)	Date of acquisition
2.	PT 159 Section 46, Town of Kuala Lumpur, District of Kuala Lumpur	Freehold	1.1	On-going residential and commercial development	65,288	24 December 2013
3.	PT37936-39868, Mukim of Labu, Seremban, Negeri Sembilan	Freehold	237.0	Future mixed residential and commercial development	88,461	10 April 2014
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	108,282	13 February 2015
5.	HS(D) 297055, PT8790, Mukim Pekan Kinrara, Daerah Petaling, Negeri Selangor	Leasehold	5.8	Future residential development	99,297	4 January 2016
6.	650 and 660 Somerton Road, Greenvale 3059 Victoria Australia	Freehold	9.67	On-going residential development	45,061	12 November 2018
7.	333 St Kilda Road, St Kilda 3182 Victoria Australia	Freehold	0.63	Existing budget hotel for future commercial and residential development	60,817	7 December 2018
8.	Lot 2828-2831 and 2833 -2861, Mukim Jimah, Daerah Port Dickson, Negeri Sembilan	Freehold	202.8	Future residential development	126,023	Between 14 June 2017 and 14 February 2020
9.	H.S(D) 267031 PT48041, Mukim Sungai Buloh, Daerah Petaling Jaya, Negeri Selangor	Leasehold	5.6	Future residential development	60,137	28 February 2020
10.	PT5352,5358-5359, 5363-5367, 5369-5375, 5405-5409, 5415, 26307, 73455 and 73459, Mukim of Labu, Seremban, Negeri Sembilan	Freehold	126.9	Future mixed residential and commercial development	56,624	Between 13 August 2015 and 12 August 2020
11.	172 parcels of vacant agriculture land held under separate titles situated in Bandar Sri Sendayan, Negeri Sembilan	Freehold	340.5	Future mixed residential and commercial development	163,482	Between 21 December 2019 and 31 March 2021

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 41 - Related Party Disclosures in the Audited Financial Statements for the financial year ended 31 March 2021, the disclosure of the breakdown of the aggregate value of RRPTs incurred during FY2021 are as below:-

No.	Related Parties	Relationship with Matrix Group	Type of RRPT	Actual Aggregate Value as at 31 March 2021 (RM)
1.	Y&Y Mix Sdn Bhd	Datin Yong Chou Lian, who is a substantial shareholder of Y&Y Mix Sdn Bhd, is a shareholder of the Company and the spouse of Dato' Lee Tian Hock. Yong Moi Noi, who is a director of Y&Y Mix Sdn Bhd, is the sister-in-law of Dato' Lee Tian Hock. Yong Ghee Kiat, Yong Ing Kiat, Yong Ah Chek and Yong Hwah Kiat who are substantial shareholders of Y&Y Mix Sdn Bhd, are the brothers-in-law to Dato' Lee Tian Hock.	Supply ready mix concrete to Matrix Excelcon Sdn Bhd and Matrix IBS Sdn Bhd	25,492,525.60
2.	T&T Cahaya Murni Sdn Bhd	Tung Kwi Hoiu and Tung Kew Tiong, who are substantial shareholders and directors of T&T Cahaya Murni Sdn Bhd, are the brothers of Tung Ah Qui, a director of Matrix Excelbuilder Sdn Bhd, Matrix Excelcon Sdn Bhd and Matrix Exceltrading Sdn Bhd.	Supply of cements, ceiling, steel bar, steel mesh ceramic tiles, reinforced concrete piles, plywood to Matrix Excelcon Sdn Bhd	16,113,799.17
3.	Takrif Maksimum Sdn Bhd	Dato' Lee Tian Hock, who is a substantial shareholder and director of Takrif Maksimum Sdn Bhd, is a substantial shareholder of the Company and its Group Executive Deputy Chairman. Datin Yong Chou Lian, who is a substantial shareholder and director of Takrif Maksimum Sdn Bhd, is the spouse of Dato' Lee Tian Hock.	Rental of retail space to BSS Development Sdn Bhd to be utilised as its sales gallery and supply of diesel to Matrix Excelcon Sdn Bhd and Matrix Country Club Sdn Bhd	276,843.79
4.	Reka Homes, RekaLight Sdn Bhd and Reka International Industries (M) Sdn Bhd (collectively, "**Reka Group**")	Dato' Logendran A/L K Narayanasamy who is a director and substantial shareholder of Reka Group, is also the Non-Independent Non-Executive Director of MCHB and the director of several subsidiary companies of MCHB.	Supply and deliver light fittings and accessories, fittings for buildings fixture and furniture	216,122.00
5.	Yong Moi Noi	Yong Moi Noi is the sister-in-law of Dato' Lee Tian Hock.	Agency services for the sourcing and purchase of sales, marketing materials or collaterals, corporate gift and decoration items	324,707.10
6.	Lee Geok Hoon and Cheong Yong Chieh	Lee Geok Hoon and Cheong Yong Chieh are the sister and brother-in-law of Dato' Lee Tian Hock.	Rental of retail space to Matrix Excelcon Sdn Bhd for the purpose of operating as an office	43,200.00

No.	Related Parties	Relationship with Matrix Group	Type of RRPT	Actual Aggregate Value as at 31 March 2021 (RM)
7.	Ratusan Aman Jati Sdn Bhd	Tan Seng Heng and Low Kim Fong are the directors and shareholders of Ratusan Aman Jati Sdn Bhd. They are also the brother and sister-in-law of Mr Lee Tian Onn, who in turn is the brother of Dato' Lee Tian Hock.	Rental of retail space to Matrix Concepts Sdn Bhd for the purpose of operating as an office	180,000.00
8.	Pasar Mini G.V.	Tan Ah Bah, Tan Mei Yoong, Tan Mei Chien and Tan Mei Siang are the partners of Pasar Mini G.V. They are the brother-in-law and nieces of Datin Yong Chou Lian. Datin Yong Chou Lian is the spouse of Dato' Lee Tian Hock.	Supply of food / groceries to d'Tempat Country Club	153,515.33
9.	T&T Cahaya Murni Sdn Bhd	Tung Kwi Hoiu and Tung Kew Tiong, who are substantial shareholders and directors of T&T Cahaya Murni Sdn Bhd, are the brothers of Tung Ah Qui, a director of Matrix Excelbuilder Sdn Bhd, Matrix Excelcon Sdn Bhd and Matrix Exceltrading Sdn Bhd.	Supply of steel bar and steel mesh to Matrix IBS Sdn Bhd	1,567,174.04
10.	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	2,068,413.84
11.	Sunmix Concrete Product Sdn Bhd	Yong Ing Kiat and Soo Li Ping, who are substantial shareholders and directors of Sunmix Concrete Product Sdn Bhd, are the brother and sister-in-law of Dato' Lee Tian Hock.	Provision of transport services to Matrix Excelcon Sdn Bhd	NIL
12.	Pasar Mini G.V.	Tan Ah Bah, Tan Mei Yoong, Tan Mei Chien and Tan Mei Siang are the partners of Pasar Mini G.V. They are the brother-in-law and nieces of Datin Yong Chou Lian. Datin Yong Chou Lian is the spouse of Dato' Lee Tian Hock.	Supply of food / groceries to d'Sora Boutique Business Hotel	13,101.51
13.	Datin Yong Chou Lian	Datin Yong Chou Lian is the spouse of Dato' Lee Tian Hock.	Rental of a 2-storey terrace house for the provision of accommodation for expatriates employee of Matrix Educare Sdn Bhd	NIL

Analysis of Shareholdings

As At 30 June 2021

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	861	37,509	0.00
100 To 1,000 shares	2,096	1,342,905	0.16
1,001 To 10,000 shares	5,924	26,114,189	3.13
10,001 To 100,000 shares	2,220	63,494,348	7.61
100,001 To Less Than 5% of issued shares	372	528,464,055	63.35
5% and above of issued shares	3	214,779,350	25.75
Total	**11,476**	**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:-

		No. of Shares			
Name of Substantial Shareholder		**Direct**	**%**	**Indirect**	**%**
1.	Dato' Lee Tian Hock	115,985,399	13.90	(i) 167,283,739	20.05
2.	Shining Term Sdn Bhd	105,734,357	12.67	-	-
3.	Datin Yong Chou Lian	2,678,820	0.32	(ii) 111,954,844	13.42
4.	Employees Provident Fund Board	83,568,707	10.02	-	-

Notes:

(i) Deemed interested by virtue of his direct shareholdings in Shining Term Sdn Bhd, Ambang Kuasa Sdn Bhd, Magnitude Point Sdn Bhd and Yakin Teladan Sdn Bhd pursuant to Section 8 of the Act and the shareholdings of his spouse, Datin Yong Chou Lian pursuant to Section 59(11)(c) of the Act.

a)	Shining Term Sdn Bhd	105,734,357
b)	Ambang Kuasa Sdn Bhd	32,699,185
c)	Magnitude Point Sdn Bhd	19,950,890
d)	Yakin Teladan Sdn Bhd	6,220,487
e)	Datin Yong Chou Lian	2,678,820
Total		**167,283,739**

(ii) Deemed interested by virtue of her direct shareholdings in Shining Term Sdn Bhd and Yakin Teladan Sdn Bhd pursuant to Section 8 of the Act.

a)	Shining Term Sdn Bhd	105,734,357
b)	Yakin Teladan Sdn Bhd	6,220,487
Total		**111,954,844**

DIRECTOR'S SHAREHOLDINGS

		No. of Shares			
Name of Director		Direct	%	Indirect	%
1.	Dato' Haji Mohamad Haslah Bin Mohamad Amin	1,675,737	0.20	-	-
2.	Dato' Lee Tian Hock	115,985,399	13.90	(i) 167,283,739	20.05
3.	Ho Kong Soon	3,284,811	0.39	(ii) 26,162,043	3.14
4.	Rezal Zain Bin Abdul Rashid	954,687	0.11	-	-
5.	Dato' (Ir.) Batumalai A/L Ramasamy	212,515	0.03	(iii) 18,375	0.002
6.	Dato' Hon Choon Kim	262,500	0.03	(iv) 208,750	0.025
7.	Dato' Hajah Kalsom Binti Khalid	201,300	0.02	-	-
8.	Dato' Logendran A/L K Narayanasamy	1,543,437	0.19	-	-
9.	Chua See Hua	-	-	-	-

Notes:

(i) Deemed interested by virtue of his direct shareholdings in Shining Term Sdn Bhd, Ambang Kuasa Sdn Bhd, Magnitude Point Sdn Bhd and Yakin Teladan Sdn Bhd pursuant to Section 8 of the Act and the shareholdings of his spouse, Datin Yong Chou Lian pursuant to Section 59(11)(c) of the Act.

a) Shining Term Sdn Bhd	105,734,357
b) Ambang Kuasa Sdn Bhd	32,699,185
c) Magnitude Point Sdn Bhd	19,950,890
d) Yakin Teladan Sdn Bhd	6,220,487
e) Datin Yong Chou Lian	2,678,820
Total	**167,283,739**

(ii) Deemed interested by virtue of his direct shareholdings in Supreme Interest Sdn Bhd pursuant to Section 8 of the Act and the shareholdings of his spouse, Alice Tan Khiam Chow pursuant to Section 59(11)(c) of the Act.

a) Supreme Interest Sdn Bhd	25,855,793
b) Alice Tan Khiam Chow	306,250
Total	**26,162,043**

(iii) Deemed interested of shares held by spouse and child respectively pursuant to Section 59(11)(c) of the Act.

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

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

a) Datin Lee Siow Kian @ Lee Siew Kian	8,750
b) Hon Woei Chia	200,000
Total	**208,750**

Top Thirty (30) Largest Shareholders

As At 30 June 2021

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 Lee Tian Hock*	73,593,675	8.82
3.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board*	66,185,675	7.93
4.	Ambang Kuasa Sdn. Bhd.	32,699,185	3.92
5.	Maybank Securities Nominees (Asing) Sdn. Bhd. *Maybank Kim Eng Securities Pte Ltd for Asia Core Properties Inc Pte Ltd*	31,844,300	3.82
6.	Shining Term Sdn. Bhd.	30,734,357	3.68
7.	Lee Tian Hock	26,391,724	3.16
8.	Supreme Interest Sdn. Bhd.	25,855,793	3.10
9.	Maybank Securities Nominees (Asing) Sdn. Bhd. *Maybank Kim Eng Securities Pte Ltd for PT Fin Centerindo Dua*	23,774,900	2.85
10.	Magnitude Point Sdn. Bhd.	19,950,890	2.39
11.	Lembaga Tabung Haji	18,148,625	2.18
12.	RHB Nominees (Tempatan) Sdn. Bhd. *RHB Asset Management Sdn. Bhd. for 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.*	11,889,145	1.43
15.	Amanahraya Trustees Berhad *Amanah Saham Bumiputera 3 - Didik*	11,057,487	1.33
16.	Permodalan Nasional Berhad	10,294,100	1.23
17.	Citigroup Nominees (Asing) Sdn. Bhd. *Exempt AN for Bank of Singapore Limited (Foreign)*	9,150,000	1.10
18.	Cartaban Nominees (Tempatan) Sdn. Bhd. *PBTB for Takafulink Dana Ekuiti*	8,653,450	1.04
19.	Fine Approach Sdn. Bhd.	8,300,000	0.99
20.	Citigroup Nominees (Asing) Sdn. Bhd. *Exempt AN for Citibank New York (Norges Bank 14)*	7,075,221	0.85
21.	Public Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Lee Tian Hock (E-SRB/PDN)*	6,250,000	0.75
22.	Yakin Teladan Sdn. Bhd.	6,220,487	0.75
23.	Kumpulan Wang Persaraan (Diperbadankan)	6,161,683	0.74
24.	Meridian Effect Sdn. Bhd.	5,990,850	0.72
25.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board (AsianIslamic)*	5,082,216	0.61
26.	Cartaban Nominees (Tempatan) Sdn. Bhd. *PAMB for Prulink Dana Unggul*	4,601,191	0.55
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)*	4,326,677	0.52
29.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad *Deutsche Trustees Malaysia Berhad for Eastspring Investments Dana Al-Ilham*	4,095,853	0.49
30.	Citigroup Nominees (Asing) Sdn. Bhd. *CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc*	3,907,037	0.47
	Total	**570,184,064**	**68.36**

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Fourth Annual General Meeting ("24th 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 **Thursday, 19 August 2021** 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 2021 and the Directors' and Auditors' reports thereon.

2. TO APPROVE the payment of Directors' Fees of RM412,000 for the financial year ended 31 March 2021 (2020: RM424,000). **Ordinary Resolution 1**

3. TO APPROVE the payment of Directors' Benefits of up to RM973,663 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) Dato' Haji Mohamad Haslah Bin Mohamad Amin *(Clause 103)* **Ordinary Resolution 3**
   b) Dato' Hon Choon Kim *(Clause 103)* **Ordinary Resolution 4**
   c) Dato' Hajah Kalsom Binti Khalid *(Clause 103)* **Ordinary Resolution 5**
   d) Ms. Chua See Hua *(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

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 30 September 2020 pursuant to paragraph 10.09 of the Main Market Listing Requirements of 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 22 July 2021, 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 24th 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. 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
22 July 2021

Notes:-

(i) In view of the COVID-19 pandemic and as part of the Company's measures to curb the spread of COVID-19, the 24th 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 24th 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 24th 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 11 August 2021 shall be entitled to attend, speak and vote at the 24th AGM.

(vii) All the resolutions as set out in the notice of 24th AGM will be put to vote by poll via online voting facilities.

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 24th AGM until the next annual general meeting of the Company to be held in the year 2022.

   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 24th 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	430,000.00
b)	Allocation of ERP for executive directors for the financial year ended 31 March 2021	543,663.00
		973,663.00

   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-Third Annual General Meeting held on 30 September 2020 and unless revoked or varied at a general meeting, shall expire at the Twenty-Fifth Annual General Meeting of the Company.

   The Company continues to consider opportunities to broaden its earnings potential. If any of the expansion/diversification proposals involves the issue of new shares, the Directors, under certain circumstance when the opportunity arises, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the total number of issued shares of the Company.

   In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares when the needs may arise during the financial year, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to any amount not exceeding in total, 10% of the total number of issued shares of the Company for the time being, for such purpose.

5. **Recurrent Related Party Transactions**

   The proposed Ordinary Resolution 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 22 July 2021 accompanying the Company's Integrated Annual Report 2021.

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 24th AGM of Matrix Concepts Holdings Berhad are as follows:-

   a) Dato' Haji Mohamad Haslah Bin Mohamad Amin

   b) Dato' Hon Choon Kim

   c) Dato' Hajah Kalsom Binti Khalid

   d) Ms. Chua See Hua

2. The profiles of the Directors who are standing for re-election are set out on page 49, 54, 55 and 57 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 251 of this Integrated Annual Report.

4. **<u>Authority to issue shares pursuant to Section 75 of the Companies Act 2016</u>**

   The shareholders had at the Twenty Third Annual General Meeting held on 30 September 2020, 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 24th AGM. Details of the said authority are further explained in the Explanatory Notes attached with the Notice of 24th AGM on page 255 of this Integrated Annual Report. The Board of Directors intends to seek a renewal of the said authority.

MATRIX

Proxy Form

MATRIX CONCEPTS HOLDINGS BERHAD
Registration No. 199601042262 (414615-U)
(Incorporated in Malaysia)

No. of Shares	CDS Account No.

(Before completing this form please refer to the notes below)

I/We ____
(Full name in Block Letters)

NRIC /Passport No./Company No. ____

of ____
(Full address)

____

being a member/members of Matrix Concepts Holdings Berhad ("Matrix" or "the Company") hereby appoint the following person(s):-

Name of Proxy	NRIC No.	No. of shares represented	Contact	
			Mobile No.	Email
1.				
2.				

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to attend and vote for me/us and on my/our behalf at the Twenty-Fourth Annual General Meeting ("24th 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 Thursday, 19 August 2021 at 10.00 a.m. and at any adjournment thereof.

Ordinary Businesses				
Item	**Agenda**			
1.	To receive the Audited Financial Statements for the financial year ended 31 March 2021 together with the Reports of the Directors and the Auditors thereon			
		Ordinary Resolution	**For**	**Against**
2.	To approve the payment of Directors' Fees	1		
3.	To approve the payment of Directors' Benefits	2		
4.	a) To re-elect Dato' Haji Mohamad Haslah Bin Mohamad Amin as Director of the Company	3		
	b) To re-elect Dato' Hon Choon Kim as Director of the Company	4		
	c) To re-elect Dato' Hajah Kalsom Binti Khalid as Director of the Company	5		
	d) To re-elect Ms. Chua See Hua 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		

(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 ______________________ 2021

____
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 11 August 2021 shall be entitled to attend, speak and vote at the 24th AGM.

(vi) The 24th 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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NURTURING ENVIRONMENTS ENRICHING LIVES

WWW.MCHB.COM.MY

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This integrated annual report is entirely printed on environmental friendly paper.