

CHAIRMAN'S STATEMENTS

To Our Valued Shareholders,

On behalf of the board of directors of matrix concepts holdings berhad (“matrix” or “the group”), i am pleased to present the annual report and audited financial statements for the financial year ended 31 march 2022 (“FY2022”).

ENCOURAGING SIGNS OF A RETURN TO NORMALCY

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

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

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

The residential overhang situation remained ever looming in 2021, rising to 24.7% compared to the increase in 2020 of 20.5%. Various efforts were implemented to aid the residential market, such as the Home Ownership Campaign (HOC) which was further

extended until 31 December 2021, the exemption of real property gains tax (RPGT) and other fiscal incentives provided under the National Budget 2022. A more holistic support was also given by the economic stimulus introduced throughout the year that aimed to restore the livelihoods of Malaysians and revive the business sectors.

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

HARNESSING OUR RESILIENCE AND BUSINESS AGILITY

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

In this approach, we reviewed our operational sustainability and examined ways to drive efficiency further, preparing for the eventual step forward into a post-pandemic era. Such preparedness measures served us well, as we were fast off the starting blocks, responding with business agility to the gradual easing of containment measures. Keeping in mind employee’s and customer’s safety and wellbeing, Matrix had embraced digital solutions to ensure business continuity throughout FY2022. Various initiatives employed included running promotional campaigns via social media platforms as well as nurturing stakeholder relationships with a hybrid



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

Revenue
RM 892.4

FY2021: RM1,127.6 mil

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SHAREHOLDER VALUE CREATION

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

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

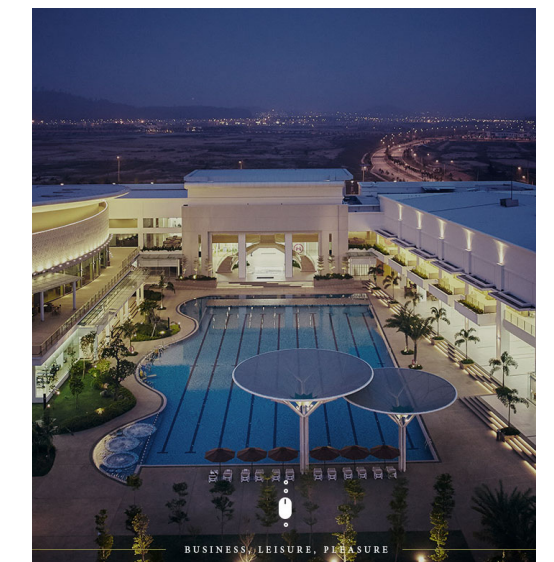
The Group is now into its 3rd year of our enhanced integrated reporting disclosures commitment, adopting the global best practice framework of Integrated Reporting ("IR"). This offers further details on the Group's business model, strengths, strategies, risks and opportunities as well as value creation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

International School and the Top 5 Private School in the country.

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

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

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

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

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

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

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

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

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

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

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