

STRIVING TO THE UTMOST

OUR GOVERNANCE

- 103 Corporate Governance Overview Statement
- 116 Audit Committee Report
- 121 Statement on Risk Management and Internal Control
- 128 Statement of Responsibility by Directors

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Matrix Concepts Holdings Berhad (“Matrix” or “the Group”) remains committed to uphold and enhance corporate governance within the organisation.

The Board views the practice of good corporate governance as integral to business and operational sustainability and stakeholder value creation in the short, medium and long-term perspectives.

This Corporate Governance Overview Statement (“CG Overview Statement”) provides an overview of how the Group has continued to refine and 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 Integrated Annual Report 2023.

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

As the highest governance and decision-making body of the Group, Matrix’s Board of Directors are responsible for providing leadership and broad strategic direction.

The Board is also responsible for setting the tone from top for the implementation and practice of good governance across the organisation and the development of an organisational culture where transparency, accountability, good ethics and principles remain the norm for the Group.

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.

The Board is guided by the Company’s Constitution and its Board Charter as well as the supporting Board Committees’ Terms of Reference (“TOR”) towards the effective discharge of its fiduciary duties. The Board Charter and TOR are regularly updated to ensure their relevance in tandem with changes in the internal company environment as well as the external operating environment.

The Statement of Directors’ Responsibility is enclosed on page 128 of this Annual Report.

BOARD CHARTER

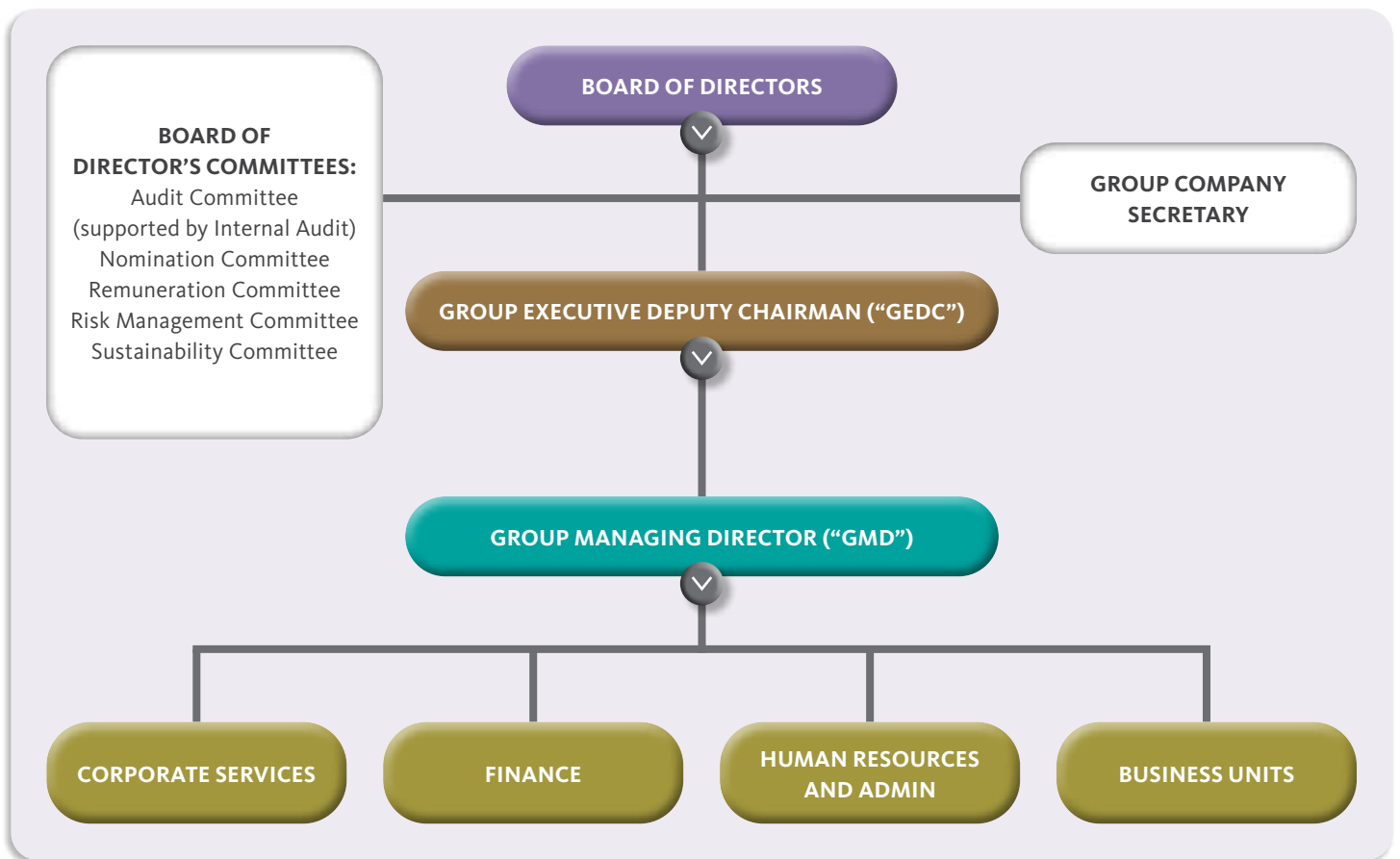
The Matrix Board Charter sets out the following:

- 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.

OUR GOVERNANCE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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



FORMAL SCHEDULE OF MATTERS RESERVED FOR THE BOARD

There is a formal schedule of matters reserved for the Board. 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, subject to the limitations imposed by the Company's Constitution and the laws.

Following are the key matters reserved for the Board:

- Review and adopt a strategic plan, as developed by the Management, taking into account the sustainability of the Company's business, with attention given to the environmental, social and governance aspects of the business;
- Oversee the conduct of the Company's business, including monitoring the performance of the Management to determine whether the business is being properly managed;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

In executing its duties, the Board is supported by the Senior Management team who provides the Board with all required information on a timely basis so that the Board is in the best position possible to make informed decisions in the best interests of the Group.

The Senior Management team comprises highly experienced, industry professionals with the necessary competencies and capabilities to undertake their respective roles within the Matrix organisation.

The Senior Management team is responsible for translating broad business and strategic goals set by the Board into operational targets and objectives; and to develop and implement plans towards achieving the set targets and objectives.

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.

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.

OUR GOVERNANCE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD ACTIVITIES AND TASKS IN FY2023

During the financial year, the Board has undertaken the following activities and tasks either directly or through the respective Board Committees or management committees.

The said Board Committees are the Audit Committee (“AC”), Nomination Committee (“NC”), Remuneration Committee (“RC”), Risk Management Committee (“RMC”) and the Sustainability Committee (“SC”).

STRATEGIC FOCUS	ACTIVITIES AND ACCOMPLISHMENTS
Financial and Operational	<ul style="list-style-type: none"> • 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 FY2023 • Review of dividend payout proposals • Review of Group Financial Plan and operational budget FY2024
Strategic Plans and Investments	<ul style="list-style-type: none"> • Review and approval of landbank acquisitions • Review and approve business plan • Review and approval of all corporate proposals including strategic alliances, MOUs and business partnerships • Review of overall business strategy and the setting and adjustment of broad goals and overall strategic direction
Corporate Governance	<ul style="list-style-type: none"> • Ensuring good governance practices in line with the MCCG 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 • Ensuring Board diversity, evaluation and effectiveness
Sustainability	<ul style="list-style-type: none"> • 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

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 apprised 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	<ul style="list-style-type: none"> Mazhairul Bin Jamaludin (Chairman) Dato' Hon Choon Kim Dato' Hajah Kalsom Binti Khalid Chua See Hua Loo See Mun 	<ul style="list-style-type: none"> Reviews issues of accounting policy and presentation for external financial reporting. Monitors the Group's internal audit function. Ensures an objective and professional relationship is maintained always with external auditors.
Nomination Committee	<ul style="list-style-type: none"> Dato' Hajah Kalsom Binti Khalid (Chairperson) Dato' Hon Choon Kim Chua See Hua Loo See Mun 	<ul style="list-style-type: none"> 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. Fit and proper assessment on each new appointment and retiring director.
Remuneration Committee	<ul style="list-style-type: none"> Dato' Hon Choon Kim (Chairman) Dato' Hajah Kalsom Binti Khalid Mazhairul Bin Jamaludin 	<ul style="list-style-type: none"> Evaluates, deliberates and recommends to the Board a remuneration policy for key management who are executive directors that is fairly guided by market norms and industrial practice. Recommends the key executive directors' and senior management's 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	<ul style="list-style-type: none"> Chua See Hua (Chairperson) Ho Kong Soon Dato' Logendran A/L K Narayanasamy Dato' Hajah Kalsom Binti Khalid Mazhairul Bin Jamaludin Loo See Mun 	<ul style="list-style-type: none"> 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 control, internal control and risk management systems. Review and monitor management's responsiveness to the findings and recommendations of the risk officer.
Sustainability Committee	<ul style="list-style-type: none"> Dato' Haji Mohamad Haslah Bin Mohamad Amin (Chairman) Dato' Seri Lee Tian Hock Ho Kong Soon Dato' Logendran A/L K Narayanasamy Mazhairul Bin Jamaludin 	<ul style="list-style-type: none"> Overseeing the implementation of sustainability related policies, measures and actions in achieving the Company's sustainability milestones and goals.

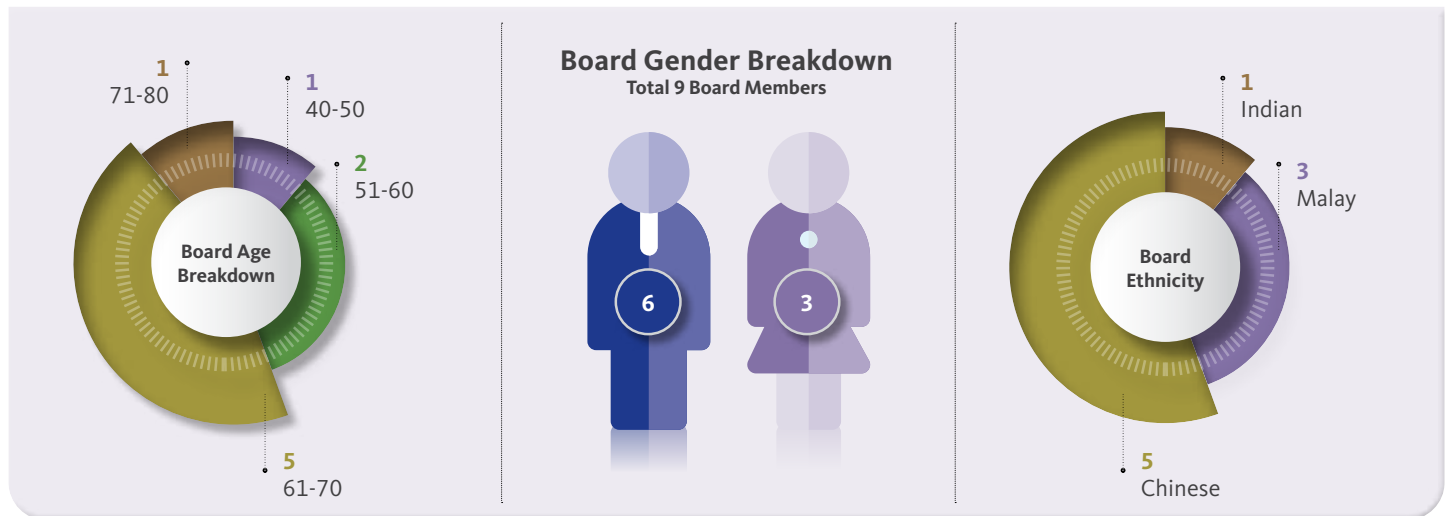
OUR GOVERNANCE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD COMPOSITION

Matrix’s Board comprises a diverse range of individuals who collectively bring a wealth of experience, skills and capabilities to the Group. In compliance with the MCCG 2021, the Board continues to be composed of a majority of independent directors.

The Board continues to also reflect diversity in its composition in terms of ethnic and gender diversity. No alternate directors have been appointed in respect of any of the directors.



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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

DIRECTORS' INDEPENDENCE

The Board presently has a majority of independent directors. Directors' independence is determined based on the MMLR's definition of an Independent Director. The Group's independent, non-executive directors have met the following criteria:

- Presently not an employee of Matrix and is independent of any business relationship or dealings with the Group.
- Continued ability to exercise independent judgement at all times on all matters brought forward for the Board's 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 FY2023, all Board independent directors have been found to meet the criteria for independence as stipulated in the MMLR. No independent director has been engaged in the day-to-day management of the Company, has participated in any business dealings or are involved in any other relationship with the Company (other than in situations permitted by the applicable regulations).

As at the date of this Statement, none of the independent directors has served more than nine (9) 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 of the Group allows the non-conflicted members of the Board to address a conflict or potential conflict situation. However, no such situations were approved by the Board in FY2023.

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Mazhairul Jamaludin is the Senior Independent Non-Executive Director ("SINED"). The SINED's role includes serving as a contact point for shareholders and to also oversee the effective resolution of any whistleblowing reports. The role of the SINED includes acting as an intermediary for other directors when necessary and also act as a sounding board for the Chairman.

BOARD APPOINTMENTS

New Appointments

All new appointments to the Board are made based on the requirements of the Group, in tandem with strengthening the Board skills mix, in response to developments in the external environment and towards injecting fresh impetus and new ideas and strategies to the Board.

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 current and past directors and Senior Management as well as external channels.

Candidates are identified based on any actual or future skills requirements, which may be brought on by changes in technology or the regulatory environment, emerging industry trends and other factors.

The Group employs a non-discrimination stance in the identification of candidates and actual appointments. The process is driven purely on merit i.e. the skills, experience and capabilities of the individual. In the appointment of independent non-executive directors, the candidates' independency must be established. The candidates need to undertake a Fit & Proper assessment prior to appointment.

Directors' Retirement and Re-election

In line with Matrix's Constitution and the MMLR, one-third (1/3) of the Board of Directors, or the number nearest to one third (1/3), shall retire from office each year such that all directors would have retired at least once in every three (3) years at the Annual General Meeting ("AGM").

The retiring directors who are due to retire and eligible to stand for re-election at the 26th AGM, were individually assessed based on their performance, independence, time commitment, fitness and propriety and also taking into considerations the results of the evaluation on the effectiveness of the Board, Board Committees and Directors' self-assessment conducted for the financial year under review, past contributions in discharging their roles and responsibilities, including attendance at the Board or Board Committee meetings and participation in continuing training programmes, skills, knowledge expertise and experience. The results of the evaluation exercise had been used to form the basis of recommending for the re-election of Directors.

OUR GOVERNANCE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Based on the outcome of the evaluation, the NC and the Board were satisfied that the retiring directors, namely, Dato' Seri Lee Tian Hock, Chua See Hua and Loo See Mun ("the Retiring Directors") met the performance criteria required for an effective and committed Board. The Board approved the re-election of the Retiring Directors as aforementioned.

TIME COMMITMENT

All directors are expected to execute their roles with professionalism and commitment, which includes attending the Board meetings including Board Committee meetings and making a meaningful contribution to Board deliberations and discussions.

Any Director, prior to accepting new directorships, must officially notify the Chairman of the Board and clarify the expectation and provide an indication of time commitments for the new appointments.

In assisting Board of Directors with their time commitments, the schedule of meetings is provided to all Directors one year in advance.

At present, no director have held more than five (5) directorships in public listed companies 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 the Board members for the Board meetings and Board Committee meetings held during the financial year:

DIRECTORS	BOARD	AC	RC	NC	RMC	SC
Dato' Haji Mohamad Haslah Bin Mohamad Amin <i>Non-Independent and Non-Executive Chairman</i>	7/7	-	-	-	-	2/2
Dato' Seri Lee Tian Hock <i>Group Executive Deputy Chairman</i>	7/7	-	-	-	-	2/2
Ho Kong Soon <i>Group Managing Director</i>	7/7	-	-	-	2/2	2/2
Mazhairul Bin Jamaludin <i>Senior Independent and Non-Executive Director</i>	7/7	5/5	2/2	-	2/2	2/2
Dato' Hon Choon Kim <i>Independent and Non-Executive Director</i>	7/7	5/5	2/2	1/1	-	-
Dato' Hajah Kalsom Binti Khalid <i>Independent and Non-Executive Director</i>	7/7	5/5	2/2	1/1	2/2	-
Dato' Logendran A/L K Narayanasamy <i>Non-Independent and Non-Executive Director</i>	7/7	-	-	-	1/2	0/2*
Chua See Hua <i>Independent and Non-Executive Director</i>	7/7	5/5	-	1/1	2/2	-
Loo See Mun <i>Independent and Non-Executive Director</i>	7/7	5/5	-	1/1	2/2	-
Total number of meetings held during the Financial Year	7	5	2	1	2	2

* Medical Leave

All Directors have exceeded the MMLR's requirements of 50% Director attendance for Board 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 continue to undergo regular training to refresh their skills and to update themselves with emerging trends and developments.

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 FY2023:

NAME OF DIRECTOR	TOPICS OF TRAINING ATTENDED
Dato' Haji Mohamad Haslah Bin Mohamad Amin	<ul style="list-style-type: none"> ESG Updates – Based on Bursa Malaysia Sustainability Guidelines
Dato' Seri Lee Tian Hock	<ul style="list-style-type: none"> ESG Updates – Based on Bursa Malaysia Sustainability Guidelines CEO and Board succession Planning Management
Ho Kong Soon	<ul style="list-style-type: none"> ESG Updates – Based on Bursa Malaysia Sustainability Guidelines ESG Thematic Mini Conference
Mazhairul Bin Jamaludin	<ul style="list-style-type: none"> Artificial Intelligence (Ai) for Company Directors and Executives Virtual MIA International Accountants Conference 2022 The Nominating and Remuneration Committees ESG Updates – Based on Bursa Malaysia Sustainability Guidelines The Role of Board in Strategy, ESG and Risk Management Usual Oversight
Dato' Hon Choon Kim	<ul style="list-style-type: none"> ESG Updates – Based on Bursa Malaysia Sustainability Guidelines Sustaining Growth Through An Innovation Culture and The Value Driven
Dato' Hajah Kalsom Binti Khalid	<ul style="list-style-type: none"> ESG Updates – Based on Bursa Malaysia Sustainability Guidelines Sustaining Growth Through An Innovation Culture and The Value Driven
Dato' Logendran A/L K Narayanasamy	<ul style="list-style-type: none"> ESG Updates – Based on Bursa Malaysia Sustainability Guidelines CEO and Board Succession Planning Management
Chua See Hua	<ul style="list-style-type: none"> ESG Updates – Based on Bursa Malaysia Sustainability Guidelines
Loo See Mun	<ul style="list-style-type: none"> ESG Updates – Based on Bursa Malaysia Sustainability Guidelines

BOARD ASSESSMENT

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

- Directors' evaluation (self and peer assessment);
- Board and Board Committee evaluation;
- 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. The assessment undertaken by the Board are based on the criteria set for each assessment which are related to the performance of the Board, Committees and individual directors.

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 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.

OUR GOVERNANCE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

The criteria that are used in the assessment of the Board include the adequacy of the Board structure, gender diversity, the efficiency and integrity of the Board's operations and the effectiveness of the Board in the discharge of its duties and responsibilities. A full set of the results plus the 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 FY2023. 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.

The fit and proper assessment was also conducted for the Retiring Directors and the Board concurred that the Retiring Directors are fit for re-election at the forthcoming 26th AGM.

DIRECTORS' REMUNERATION

The remuneration package for executive directors are 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 directors.

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 FY2023.

	COMPANY				SUBSIDIARIES					GROUP
	Fees (RM)	Benefits-in-kind (RM)	Others (RM)	Total (RM)	Fees (RM)	Salaries & Bonus (RM)	Benefits-in-kind (RM)	Others RM	Total (RM)	Total (RM)
Executive Directors										
Dato' Seri Lee Tian Hock	-	-	-	-	-	9,320,000	95,896	1,715,870	11,131,766	11,131,766
Ho Kong Soon	-	-	-	-	-	11,710,000	36,896	2,078,806	13,825,702	13,825,702
TOTAL	-	-	-	-	-	21,030,000	132,792	3,794,676	24,957,468	24,957,468
Non-Executive Directors										
Dato' Haji Mohamad Haslah Bin Mohamad Amin	-	-	-	-	1,495,400	-	36,896	-	1,532,296	1,532,296
Mazhairul Bin Jamaludin	110,000	1,696	18,000	129,696	-	-	-	-	-	129,696
Dato' Logendran A/L K Narayanasamy	-	-	-	-	400,000	-	-	19,815	419,815	419,815
Dato' Hon Choon Kim	66,000	848	15,000	81,848	-	-	-	-	-	81,848
Dato' Hajah Kalsom Binti Khalid	66,000	1,696	17,000	84,696	-	-	-	-	-	84,696
Chua See Hua	66,000	848	14,000	80,848	-	-	-	-	-	80,848
Loo See Mun	66,000	848	14,000	80,848	-	-	-	-	-	80,848
TOTAL	374,000	5,936	78,000	457,936	1,895,400	-	36,896	19,815	1,952,111	2,410,047

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Aggregate remuneration paid out to Senior Management in FY2023 was RM6,790,843 with the breakdown provided herewith in bands*

BANDS (RM)	GROUP**
1,150,000-1,200,000	1
2,100,001-2,150,000	1
3,150,001-3,200,000	1
TOTAL	3

* Excludes remuneration paid to Executive Directors including the GEDC and GMD, which has been disclosed earlier in the Directors' Remuneration table.

** Remuneration of Senior Management is paid at Group level only.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT AUDIT COMMITTEE

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

The roles and responsibilities of the AC is provided for in its TOR, which can be viewed at www.mchb.com.my. In executing its roles, 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 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.

Having assessed the performance of the AC during the financial year, the Board is satisfied that the AC has effectively discharged its duties. Please refer to the Audit Committee Report on page 116 for detailed information on the scope of works undertaken by the Group's AC in FY2023.

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 Auditors' reports to the AC and conducts its audit based on an AC approved audit plan. The External Auditors 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 Auditors 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 on 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 re-appointment for the following financial year, subject to shareholders approval at the forthcoming AGM.

OUR GOVERNANCE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

In the course of performing its duties, the External Auditors has met with the Board on one occasion 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 Auditors and affiliates:

FEES	FY2023 (RM)	FY2022 (RM)
Audit Fees	714,000	665,000
Non-Audit Fees	202,000	199,000

INTERNAL AUDIT FUNCTION

Matrix’s internal audit function (“IAF”) is supported by Wensen Asia Consulting (M) Sdn Bhd, an independent external firm that provides additional resources to augment the Company’s IAF, providing an additional check and balance mechanism to strengthen the integrity of Matrix’s internal audit processes.

The IAF executes its work scope based on a defined audit plan that is approved by the AC. The IAF provides independent, regular and systematic reviews of the internal control, risk management and governance processes within the Group. The Head of the IAF reports to the Audit Committee towards ensuring the independence of the internal audit process.

In FY2023, the IAF, as per the approved audit plan carried out all audit assignments with findings reported to the AC. Total costs incurred for the internal audit function for FY2023 was RM540,835.

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 2023.

RISK MANAGEMENT & INTERNAL RISK CONTROL FRAMEWORK

The Board maintains oversight on risk via its RMC. Group risks, be it financial, operational, external or strategic risks are identified and mitigated by a robust internal risk management framework. The framework is designed to identify, evaluate, control, monitor and report the principal risks encountered by the Group on a regular basis.

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 its impacts and linkages to material topics and business strategy have been provided in the Strategy section of this Integrated Annual Report 2023.

Further details on the key features of the risk management framework and the RMC are given in the Statement on Risk Management and Internal Control of this Integrated Annual Report 2023.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 considered and where relevant, incorporated into the Group's overall approach to value creation.

Full details of stakeholder engagement efforts such as community engagement and more are provided in our standalone Sustainability Report 2023 available for view at <https://www.mchb.com.my/sustainability>.

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.

The Group conducts materiality assessment survey with its stakeholders to gauge their perspectives and expectations with insights derived from this exercise used to guide sustainability and business and/or operational strategies.

Information on the Group's main stakeholders, their interests and concerns and as well as the Group's strategic efforts to engage these stakeholders are provided in the Sustainability Report section of this Integrated Annual Report 2023.

Stakeholders engaged in FY2023 include shareholders, the investor community, the media, homebuyers and the community at large throughout the financial year. We continue to enhance and improve our stakeholder engagement efforts.

Pertaining to Investor Relations, the Board addresses the engagement for timely and accurate disclosure on corporate announcements, circulars to shareholders and financial results. This includes the Integrated Annual Report that provides a detailed account of Matrix's performance for the financial year as well as its business plans and strategies going forward.

The Integrated Annual Report is customarily sent to shareholders 30 days prior to the AGM in fulfilment of the MCCG. The Notice of AGM and Proxy Form is also sent at least 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.

Through its website www.mchb.com.my and its announcements on Bursa Malaysia's website, the Group shares mandatory public announcements as well as publishes its quarterly and annual results.

The quarterly financial results are announced via Bursa LINK immediately after the Board's approval. This is important in ensuring equal and fair access to information by the investing public. However, any information that may be regarded as undisclosed material information about the Group will not be given to any single shareholder or shareholder group.

The 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:

Ms. Carmen Loo
 Tel: 606-764 2688 / Email: carmen@mchb.com.my

CONDUCT OF GENERAL MEETINGS

The Board encourages shareholders to attend and actively participate in the Group's annual general meeting ("AGM"). Even though Malaysia has embraced endemic status, Matrix continues to maintain its shareholders engagements through fully virtual meeting for its 26th AGM.

The virtual session enabled remote participation and electronic voting for shareholders. It also enabled avenues for attendees to ask questions regarding resolutions put forward for voting as well as the Group'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. Matrix 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 Matrix's website within 30 days from the meeting date.

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

AUDIT COMMITTEE REPORT

The Board of Directors of Matrix Concepts Holdings Berhad (“Matrix” or “the Company”) is pleased to present the report on the Audit Committee (the “Committee”) for the financial year ended 31 March 2023 (“FY2023”).

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 TOR of the Audit Committee of the Company and to assist the Board in reviewing the adequacy and integrity of the Group’s financial administration and reporting as well as internal control.

A MEMBERS OF THE AUDIT COMMITTEE

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

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

B SUMMARY ON KEY SCOPE OF RESPONSIBILITIES

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

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

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

AUDIT COMMITTEE REPORT

The salient matters that the Committee considered during the FY2023 are as described below:-

1. Financial Statements and Reporting

The Committee monitored the financial reporting processes for the Group, which include reviewing reports from, and discussing these with, management and 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 the 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 FY2023.

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 FY2023. 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, 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 FY2023 was RM540,835 (FY2022: RM526,857).

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 on 22 May 2023.

AUDIT COMMITTEE REPORT

5. Other matters reviewed by the Committee

The Committee also reviewed the following matters:-

- (i) the Group's compliance with the relevant provision set out under the Malaysian Code on Corporate Governance 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 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 may raise questions of management integrity.
3. The Committee also reviewed the Group's quarterly financial results and year end financial statements, prior to the approval by the Board of Directors focusing particularly on:-
 - i) any changes in the implementation of major accounting policy.
 - ii) significant and unusual events.
 - iii) compliance with accounting standards and other legal requirements.
 - iv) Solvency Assessment by management in relation to the declaration of dividends.
4. Reviewed the quarterly unaudited financial results and make necessary recommendations to the Board prior to release to the relevant authorities and public on:-
 - i) compliance with existing and new accounting standards, policies and practices.
 - ii) highlight any significant adjustment or unusual events.
 - iii) compliance with Listing Requirements of Bursa Malaysia Securities Berhad, Companies Act 2016 and other regulatory requirements.
5. Make enquiry if there are any recurrent related party transactions and to review and to ensure the recurrent related party transactions, if any, are on ordinary commercial terms and are not favourable to the related party than is generally available to the public, and that the transactions are not detrimental to the minority shareholders.

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:-

Group Support Services

- Company Vehicle Management
- Human Resources and Payroll Management
- Procurement to Payment Management

Manufacturing

- Procurement Management

Property Development

- Sales Administration Management

Construction

- Project Construction and Site Asset Management (NS)
- Project Construction and Site Asset Management (Johor)

Healthcare

- Cash and Treasury

Hospitality

- Membership and Marketing Management
- Maintenance and Building Facilities
- Revenue and Collection Management

Education

- Human Resources and Payroll 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 FY2023. The attendance record of each member is as tabulated below:-

MEMBERS	TOTAL NUMBER OF MEETINGS	NUMBER OF MEETINGS ATTENDED
Mazhairul Bin Jamaludin	5	5
Dato' Hon Choon Kim	5	5
Dato' Hajah Kalsom Binti Khalid	5	5
Chua See Hua	5	5
Loo See Mun	5	5

F. REVIEW AND PERFORMANCE EVALUATION OF THE EXTERNAL AUDITORS

As required by its TOR, 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 the approved accounting principles generally accepted in Malaysia and on the representations of the External Auditors included in its reports on the Company's financial statements and internal control over financial reporting.

OUR GOVERNANCE

AUDIT COMMITTEE REPORT

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

The audit engagement partner is required to rotate at least every seven (7) years as per the External Auditors policy, which is in accordance with the By-Laws (on professional ethics, conduct and practice) of the Malaysian Institute of Accountants (MIA). The Committee always consider the audit partner's independence in relation to the audit and was assured by the External Auditors that they have complied with professional requirements in relation to their independence.

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

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

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

Certain types of non-audit are of sufficiently low risk and does not require 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 FY2023 is set out in the Note 33 of the Audited Financial Statements.

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

The Committee is satisfied that the quantum of the non-audit relative to the audit fees (being 30% of the total audit fees on a group basis payable to the External Auditors and affiliates) and the Committee concluded that the auditors' independence from the Group was not compromised.

(iv) External Audit fees

The Committee was satisfied that the level of audit fees payable in respect of the external audit services provided for FY2023: RM714,000 (FY2022: RM665,000) 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 26 August 2022.

G RECOMMENDATION FOR APPOINTMENT

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

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

RESPONSIBILITIES OF THE BOARD

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

The Board has established an on-going process to continuously review the adequacy, integrity and effectiveness of the Group’s system of internal control 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 2023 and is subject to review by the Board.

In view of the limitations inherent in any system of internal control and risk management, it should be appreciated that an effective system of internal control 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 misstatements, frauds 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 control 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, roles, directions 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 system 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 control:-

Risk Management Framework

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

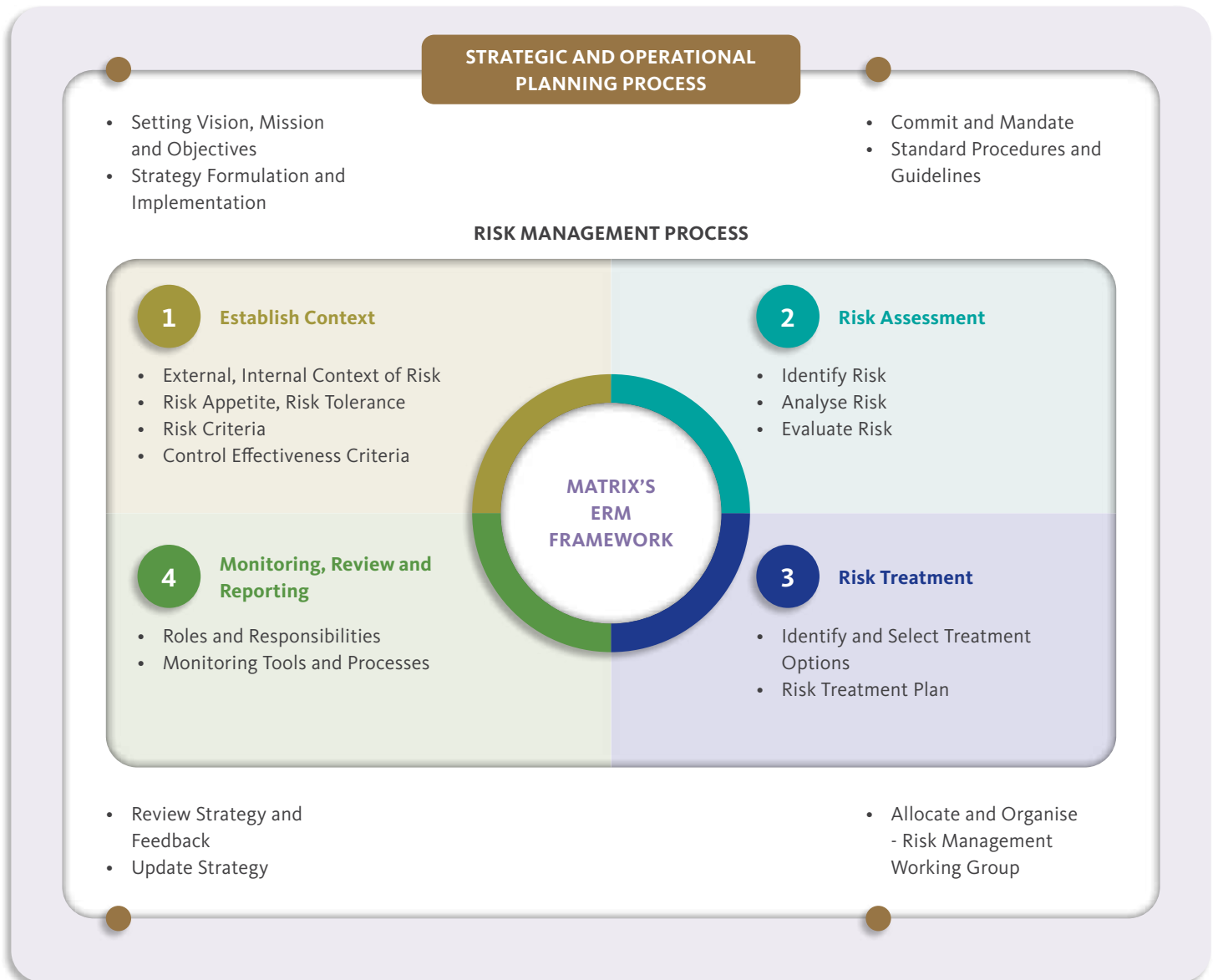
OUR GOVERNANCE

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

They are responsible for identifying business risks, implementing appropriate systems of internal control 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 Statement on Risk Management and Internal Control: Guidelines for Listed Issuers and Bursa Malaysia's Corporate Governance Guide and also Risk Management – Principles and Guidelines.

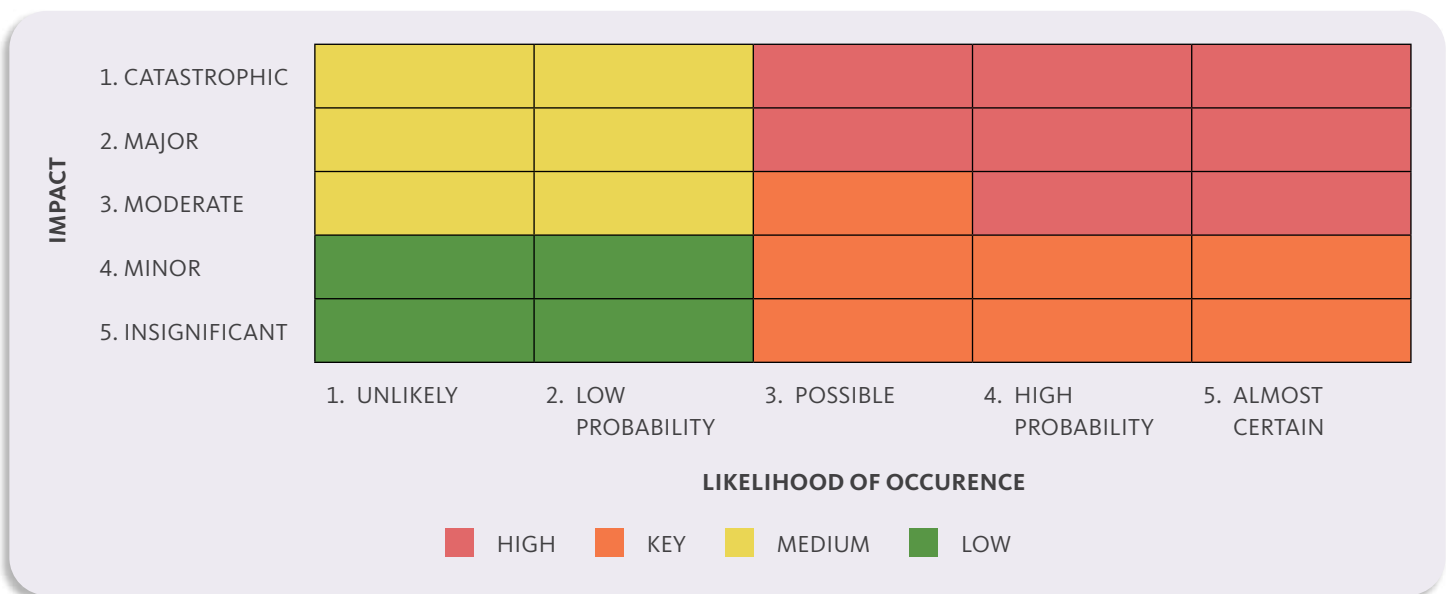
The Company's ERM Framework and processes are summarised in the flow chart as follows:-



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 realization of its performance objectives and long term- goals.
Operational	The Company attempts to minimise the impact of unforeseen disruption on its operating activities.
Financial	The Company has a conservative and sound framework of financial policies and procedures to prevent risks that could have a significant impact on the financial results and material misstatements in its financial statements reporting. Eg: gearing ratios.
Compliance & Governance	The Company applies a zero tolerance policy.

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

The following are the 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.

OUR GOVERNANCE

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 division 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 control 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 the Management to address and resolve areas with control weaknesses.

Internal Audit

During the financial year ended 31 March 2023, 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 the Management on a quarterly basis. The independent monitoring, review and reporting arrangements undertaken by the Internal Auditors give reasonable assurance that the structure of internal controls and business processes are appropriate to the Group’s operations so as to properly manage the principal risks to an acceptable level throughout the Group’s businesses. Internal control weaknesses are identified and duly addressed either immediately or progressively.

External Auditors

The Group employs Messrs. Crowe Malaysia PLT as its External Auditors.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

OTHER KEY INTERNAL CONTROL MECHANISMS

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

- Group Core Values**

Matrix's values set the tone and helps nurture a conducive culture of accountability, transparency, integrity, which begins at the top and is cascaded across the organisation. This provides a shared belief system that governs corporate conduct and helps to develop an environment that supports good corporate governance.
- Clearly defined terms of references, authorities and responsibilities of the various committees which include the Audit Committee, Risk Management Committee, Nomination Committee, Remuneration Committee and Sustainability Committee.
 - Well defined organisational structure with clear lines for the segregation of duties, accountability and the delegation of responsibilities to Senior Management and the respective division Heads including appropriate authority limits to ensure accountability and approval responsibility.
 - Budgets are prepared annually for the Business/Operating units and approved by the Board. The budgets include operational, financial and capital expenditure requirements and performance monitored on a monthly basis and the business objectives and plans are reviewed in regular management meetings attended by division and business unit Heads. The Group Managing Director meets regularly with Senior Management to consider the Group's financial performance, business initiatives and other management and corporate issues.
 - There are regular Board meetings, at least five (5) times conducted annually and Board papers are distributed in advance to all Board members who are entitled to receive and access all necessary and relevant information. Decisions of the Board are only made after the required information is made available and deliberated on by the Board. The Board maintains complete and effective control over the strategies and directions of the Group.
- The Board is supported by a qualified and competent Group Company Secretary. The Group Company Secretary plays an advisory role to the Board, particularly on issues relating to compliance with the Main Market Listing Requirements, the Companies Act 2016 and other relevant laws and regulations.
 - The Audit Committee reviews the effectiveness of the Group's system of internal control on behalf of the Board. The Audit Committee comprises entirely 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 trainings and development programmes. A performance management system is in place with established key performance indicators to measure and review staff performance on an annual basis.

OUR GOVERNANCE

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- In the course of conducting annual statutory audit, the External Auditors will highlight any significant audit, accounting and internal control matters which require attention of the Board, the Audit Committee and Risk Management Committee. At least once a year, the Audit and Risk Management Committee shall meet the External Auditors without the Executive Directors and management being present. This year, the Audit Committee had communicated and met with the Internal Auditors on 28 February 2023 and External Auditors on 22 May 2023 without the Executive Directors and management being present. On 28 February 2023, the Audit Committee met with the Internal Auditors to highlight on certain internal audit issues which are required for 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. There were no reports on this during the FY2023.

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

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

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

- a) Management within the organisation responsible for the development and maintenance of the risk management and internal control framework;
- b) Assessments of major business units and functional controls by respective management to complement the above input in providing a holistic view on the effectiveness of the Group's risk and control framework; and

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

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

The Board has 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 control 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 control 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 system have been undertaken for the financial year under review. During the financial year under review, each business unit via its respective working groups, comprising personnel at all levels carried out the following areas of work for periodic review:-

- Conducted reviews and updates of risk profiles of principal risks and emerging risks which will potentially derail the achievement of the business objectives and goals.
- Evaluated the adequacy of key processes, systems, and internal controls in relation to the rated principal risks, and established strategic responses, actionable programmes and tasks to manage the aforementioned and/or eliminate performance gaps.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- 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, which are then presented and discussed with the Risk Management Committee, the Board and 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 this Integrated Annual Report 2023 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 control 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 risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon. AAPG 3 also does not require the External Auditors to consider whether the processes described to deal with material internal control aspects of any significant matters disclosed in the Annual Report will, in fact, mitigate the risks identified or remedy the potential problems.

CONCLUSION

The Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system. The Board has received assurance from the Group Managing Director and Chief Financial Officer that the Group's risk management and internal control system, 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 21 June 2023.

STATEMENT OF RESPONSIBILITY BY DIRECTORS

In respect of 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 2023, 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.