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# Matrix expects FY19 performance to at least match FY18's

Affordable housing will drive group's growth in FY19



Lee: I'm confident we can have a sales growth of over 10% going forward.  
Photo by Patrick Goh

STORIES BY WONG EE LIN

KUALA LUMPUR: Seremban-based property developer, Matrix Concepts Holdings Bhd, ended financial year 2018 (FY18) on a high note and expects to at least match that performance this financial year ending March 31, 2019 (FY19) while also targeting sales of RM1.2 billion.

Net profit for FY18 rose by 14.3% year-on-year (y-o-y) to RM211.83 million, while revenue grew 4.8% y-o-y to RM812.29 million.

The group has already achieved RM1.14 billion in sales for the cumulative nine months ended Dec 31, 2018 (9MFY19).

"I'm confident we can have a sales growth of over 10% going forward. We have always been prudent in making sure that our

margin is maintained at some 20%," its executive deputy chairman Datuk Lee Tian Hock told *The Edge Financial Daily* in an interview.

He sees affordable housing driving the group's earnings and sales growth in FY19.

Lee said the group has set aside 70% of its new launches for affordable homes over the next two years, and is confident they will be well-received.

He is also unfazed by the influx of affordable housing — variously defined as priced below RM500,000 to below RM200,000 by different authorities and consultancies — by public and private entities in the country, noting that Matrix's affordable housing products are competitively-priced.

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## Indonesian JV to kick off in two months

KUALA LUMPUR: It has been nearly a year since Matrix Concepts Holdings Bhd announced its plan to jointly develop an Islamic financial district in Pantai Indah Kapuk 2 (PIK 2), Jakarta, Indonesia with an Indonesian consortium comprising PT Bangun Kosambi Sukses (BKS) and PT Nikko Sekuritas Indonesia (NSI).

BKS is jointly-owned by the Agung Sedayu and Indonesian conglomerate Salim Group, which developed PIK 2 Sedayu Indo City in Indonesia, while NSI is an investment banking firm in Indonesia.

The three parties have set up a joint venture (JV) company, Fin Centerindo Satu (FCS) with a capital of US\$100 million (RM409 million). BKS will hold a 40% equity interest and Matrix Concepts and NSI 30% stake each.

Matrix Concepts executive deputy chairman Datuk Lee Tian Hock, said this will be the property developer's maiden venture into Indonesia and he is hopeful the project will be kicked off in the next two months.

He said the earnings contribution to the group will, however, only be seen after the next two years.

The project will be developed on 3.6 hectares in West Kosambi

Village, Tangerang, he said.

"It is an integrated mixed development comprising commercial towers with office and retail components, which has a gross development value worth US\$500 million and will be developed over eight years.

"The project is mooted by the Indonesian government in its quest to set up an Islamic financial district in view of its large Muslim population. Indonesia is the highest populated country in Asean. And only 15% of the population owns a home," he said.

Lee said demand for housing there will grow on the back of the rising income level of its people and is hopeful to capitalise on it now that the Malaysian market is becoming saturated.

He said this first venture in Indonesia will give Matrix Concepts more insight into the property market condition there, which will enable it to tap into future opportunities.

Last Tuesday, Matrix Concepts proposed to raise up to RM147 million via a private placement to third-party investors to be identified later to fund its Indonesian financial district development JV, which the exercise could be implemented in multiple tranches within a six-month period.

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