

Sustainability the core focus for Matrix Concepts

Developer sees overseas contribution growing

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JAKARTA: Matrix Concepts Holdings Bhd expects contribution from abroad to grow as the group launched its first property investment in Indonesia.

But the core of its property development remained in Seremban, from where the company expect to generate 70% of its revenue.

Another 10% is projected to come from projects in Kuala Lumpur, while developments in Kluang, Johor to contribute around 5% and 7%.

Founder and group executive deputy chairman Datuk Lee Tian Hock (*pic*) said the group is open to opportunities such as its latest equity investment in Menara Syariah Twin Towers in Jakarta.

The project is the Seremban-based property developer's second overseas market after Australia.

"We'll try to sell off one tower and hold the second to see if we should do the same or keep it for recurring income," Lee said.

The Menara Syariah Twin Towers is being developed by PT Fin Centerindo Satu, a joint-venture (JV) company between Matrix Concepts and Indonesia's Agung Sedayu Group, Salim Group and PT Fin Centerindo Dua.

Matrix Concepts and PT Fin Centerindo Dua own 30% equity each, while Agung Sedayu Group and Salim Group jointly own 40%.

Spanning 29 storeys for each tower, the 1.4ha project recently had its groundbreaking ceremony and is expected to be completed end-2021.

Retail comprises less than 2% of its one million sq ft gross floor area to be sold.

Aside from Menara Syariah Twin Towers, there is also an additional 2.2ha plot of land to be further developed into office towers related to the finance industry.

Lee said: "We're very confident in this pro-



ject. It has the support from the Indonesian President Joko Widodo and other government officials spanning investment, maritime and infrastructure. We believe that financial institutions, both local and international, will be interested in coming here."

In addition, Matrix Concepts chairman Datuk Mohamad Haslah Mohamad Amin noted that the JV project is the first time a Malaysian company has participated in an Indonesian project of such magnitude, with strong support from the local government.

Its maiden equity investment in Indonesia also has further potential for development, as there is a strong push by Jokowi in amending laws for Islamic finance and facilitating necessary infrastructure and framework, in preparation to realise the 2025 vision for Indonesia to become a leader of Islamic finance in the region.

Mohamad Haslah pointed out that it is a learning process to test the waters - similar to what the developer has done in Australia with its Melbourne low-rise M.Carnegie boutique

apartment project - that will build on the strong relationship with local partners and may well pave the way for its future expansion into the country.

He explained: "This iconic project is a learning process for us. We want to be present in Indonesia and Agung Sedayu Group is our mentor in navigating the different business environment in terms of the land laws and regulations here."

"Hopefully, this project enables us to learn and do a project on our own (in Indonesia), with the help of a strong local partner."

Back home, the group is expanding its landbank outside of Negri Sembilan.

"We have acquired a few pieces of land in Kuala Lumpur as part of our land bank, including 5.7 acres in Cheras and 5.2 acres in Damansara Perdana," Lee said.

The group reportedly has around RM1.3bil worth of new properties, consisting of affordable and premium range products, to be launched next year.

While Matrix Concepts will continue to diversify locally and internationally, any investment made will be done with an eye on maintaining its responsibility to its shareholders.

He said: "Our investment strategy is simple. In going public, we must be responsible to our shareholders. We have a policy of distributing at least 40% of our profit to dividends. We expand cautiously, because if we invest too much, it will be too much stress on the company."

"Initially (when expanding overseas), we're looking at investment-based in high growth locations to ensure sustainability via diversification."

The Seremban-based property developer has been consistently paying out quarterly net dividend payments to shareholders since it listed in mid-2013, charting continuous growth throughout the years. It recently hit the RM1bil mark with its revenue for its financial year ended March 2019.