NO. 10 (JOINT RANKING) | Matrix Concepts Holdings Bhd

	2022	2021
Overall	**10**	**9**
Quantitative	7	6
Qualitative	9	10

PATRICK GOH/THE EDGE

Staying ahead of the curve

BY **RACHEL CHEW**
city.country@bizedge.com

Matrix Concepts Holdings Bhd has had a good FY2022 ended March 31, 2022, with record high sales of RM1.34 billion and year-on-year growth of 11.3%. This was mainly driven by the robust demand for affordable premium residential homes in its flagship development project, Bandar Sri Sendayan in Negeri Sembilan.

The renowned township builder from Negeri Sembilan has geared up to launch more products, mainly landed houses priced below RM800,000 in its existing township developments in Negeri Sembilan and Johor.

In August this year, Matrix Concepts continued to expand its foothold in Negeri Sembilan by acquiring a 1,382-acre parcel of freehold land adjacent to Bandar Sri Sendayan for RM460 million. It is also the biggest land deal in Malaysia in terms of size in the past five years.

Aside from business expansion exercises, Matrix Concepts launched the first ever property metaverse platform in Malaysia in September, in its efforts to provide a better experience to its potential buyers as well as keeping the internal team updated with the latest technology for future sustainable growth.

Matrix Concepts group managing director Ho Kong Soon tells *City & Country* the secrets of weathering the storm and the company's business direction.

> "We are always prepared for anything that may come, to stay ahead of and afloat in the market." — Ho

***City & Country*: You have set a rather conservative sales target of RM1.2 billion for FY2023 after achieving a record high of RM1.34 billion in FY2022. Why is this so?**

Ho Kong Soon: We were focused on launching affordable homes in FY2022, which was the tail end of the pandemic and when the market confidence level was not high due to the many uncertainties at the time. However, we could see that the housing demand was still very strong. The key to winning the market is the right product at the right price. We tried to capture the market's demand with our landed products at a fairly affordable price, and it worked well. Our sales picked up quickly and eventually exceeded our FY2022 sales target of RM1.2 billion.

Entering FY2023, we set a rather conservative sales target of RM1.2 billion for a few reasons, one being that we needed to manage market expectations on the performance of the group. We don't want to be overly bullish and set an ambitious target only to disappoint our shareholders later. What's more important to me is the performance consistency, no matter when it occurs, as it demonstrates the company's financial and strategic resilience. The RM1.2 billion target is the number based on our launches in the pipeline and resources.

MOHD IZWAN MOHD NAZAM/THE EDGE

Matrix Concepts chairman Datuk Mohamad Haslah Mohamad Amin (centre) with (from left) *The Edge Malaysia* editor-in-chief Kathy Fong, The Edge Media Group publisher and group CEO Datuk Ho Kay Tat, *The Edge Malaysia* editor emeritus Au Foong Yee and *City & Country* editor E Jacqui Chan

As we are in 3QFY2023 now, I'm happy to share that we have achieved more than we had expected for 3Q in terms of sales. Based on our current data, I believe that the year's RM1.2 billion sales target is achievable, and hopefully we will be able to achieve more than what we did for the last financial year.

Please review the group's performance in the first two quarters of FY2023.

So far, we have launched 18 new phases with easily 2,000 new houses in our existing township developments in Negeri Sembilan and Johor. The total gross development value (GDV) is about RM1.2 billion. The overall take-up has been encouraging, considering that we have revised some products' selling prices due to the rising cost of construction materials and shortage of labour.

However, we always ensure that our products are within the reach of the market. We have also improvised the layout designs for selected products to cater to the different needs of buyers; we find ways to control our overall construction cost without compromising the product's quality; and we continue to upgrade our software and hardware to better prepare ourselves for any internal or external challenges that may come in the future.

We are always prepared for anything that may come, to stay ahead of and afloat in the market. I think it partly explains our rather stable and consistent performance in the past few years. We did not retrench any staff or cut salaries instead we gave out year-end bonuses as usual during the pandemic.

A big part of it goes to our "one step ahead" strategy. A few years before the pandemic, we had already embarked on our digital transformation plan in stages. We continuously improve our digital and technology infrastructure, networks and systems, which helped us have a rather smooth transition from physical to virtual operations when the first national lockdown started on March 18, 2020.

However, I will not say that the pandemic has had no impact on Matrix Concepts at all, but I am glad that we were able to react quickly to the changes and get ourselves back to normal operation soon enough, which helped cut down our losses.

Of course, the overall construction industry is still deeply impacted by the pandemic, and I think the root problem is labour shortage.

What is your biggest challenge in driving the group to achieve better results this fiscal year?

According to government statistics, the overall construction cost has gone up by about 20%. For Matrix Concepts, our cost has gone up about 6% to 7%, slightly lower than the market average, thanks to the fact that we have our own construction arm and our supply chain is quite well established.

The biggest problem for us, and probably for the industry as a whole, is the labour shortage, but there's not much we [the developers] can do about it. For Matrix Concepts, we applied for a few hundred foreign workers directly from the authority. Thankfully, the first batch is arriving next month (November). We expect the labour shortage issue to normalise by January or February next year. However, as some of them are new and unskilled,