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INTERVIEW: Malaysia's Sunway Construction Aims New Orders Up To MYR2 Bln This Year-MD

By Jason NG

Nikkei Markets

KUALA LUMPUR (Jan 23) -- Malaysian engineering and buildings material firm Sunway Construction Group is eyeing new jobs worth between 1.5 billion ringgit (\$311 million) and 2.0 billion ringgit this year amid infrastructure boom at home, its top official said.

Outstanding orders totalling 6.8 billion ringgit will provide earnings at least over the next three years, Managing Director Chung Soo Kiong told Nikkei Markets. The company is also looking to secure contracts with short construction time such as building factories to boost revenue, he said.

"For the next three years, we will be very busy and our focus is to deliver the jobs," Chung said. Last year, the company secured new orders worth 4.0 billion ringgit, including a work package worth 2.31 billion ringgit under the third line of the Light Rail Transit network in Kuala Lumpur.

Malaysia is embarking on a slew of infrastructure projects, including expansion of the mass rapid transit network and new constructions ranging from airports to expressways. The Southeast Asian nation has also unveiled the East Coast Rail Line at an estimated cost of 55 billion ringgit.

The Kuala Lumpur-Singapore High Speed Rail, meanwhile, is one of the country's most ambitious projects with Japanese, Chinese, Korean and European companies jostling for jobs.

Sunway Construction is a subsidiary of listed property development giant Sunway, from which the company gets about 18% of its orders. Public sector accounted for 62% of its orders while external private clients make up remaining 20%.

"If we get the high-speed rail [project], it will keep us busy for the next four to five years," he said.

Apart from construction and engineering services, Sunway Construction also manufactures precast concrete products. The company may invest another 100 million ringgit to boost precast concrete output if demand from Singapore picks up, Chung said.

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