

MRT potential for Eversendai

AIMING to undertake some of the steel jobs dished out in the RM30 billion rail project, Eversendai Corporation Bhd is now talking to the awardees of the Mass Rapid Transit (MRT) Sungai Buloh-Kajang Line.

Founder and chairman Datuk A. K. Nathan said there are immense opportunities for the steel fabricator to tap into as most of the MRT stations and all the depots would be built in steel. "We're positive of the prospects. We see huge opportunities in the structural steel scope."

Nathan said the MRT project would complement Eversendai's target to increase contribution of the Malaysian business to the group's overall turnover.

"Currently, the Malaysian business' contribution is about 6.3%. This year, we expect to hit about 8% of our revenue. We've set a target to at least achieve 12-15% next year.

The MRT project will play a big role if we manage to secure some of the contracts."

Besides the MRT, its subsidiary, Shineversendai Engineering (M) Sdn Bhd, has been appointed the supplier for the iron ore distribution project in Teluk Rubiah in Manjung, Perak, worth RM45.9 million.

The company was also recently appointed as the major sub-subcontractor for steel structure fabrication and erection works for the Tokuyama Malaysia's polycrystalline silicon project in Bintulu worth RM37.1 million.

Apart from bidding for new projects inter-related to Eversendai's core business, the specialist structural steel and power plant contractor has elevated itself to become the main contractor for highrise towers using composite structures in Malaysia. "We're creating new business opportunities for the group by bringing

in innovations by using composite structures for tall buildings. Eversendai has spoken to some local developers who have shown interest to embark on using such innovative construction methodology.

"In general, people have a perception that composite is a combination of steel and concrete, and feel that steel is more expensive than concrete. Actually, it can be comparative, but at large, we see the benefits by using composite structure."

Nathan also said Eversendai has a lot of exposure in executing many international projects of tall structures using composite structures, and "now we're bringing back what we've learned and used from various projects abroad back to the local front."

Nathan also said Eversendai is set to invest about RM30 million to expand its fabrication facility in Rawang.

The company is planning to move its blasting and painting section to a new factory while increasing the present fabrication capacity in the current factory. "It was not part of the plan actually, but given that we're getting more and more business in Malaysia, I think it's appropriate to have extra facilities. By having the new facility, we'll be able to increase the overall business, which will eventually help to bolster turnover and profit."

The equipment and construction for the new factory would cost up to RM15 million, while the balance would be used to buy the land, Nathan said.

Eversendai's profit after-tax rose to RM29.76 million for the first quarter ended March 31, 2012 from RM25.48 million before. Revenue also rose to RM248.96 million from RM207.85 million. — Bernama