



EKOVEST BERHAD CORPORATE

MEDIA MONITORING

Thursday, 02 February 2017/ New Straits Times

Long-Term Play.





EKOVEST BERHAD CORPORATE

MEDIA MONITORING

LONG-TERM STRATEGY

EKOVEST TARGETS LISTING OF 2 MORE DIVISIONS ON BURSA

Duke IPO to take place first before that of property unit under initial plan, says Lim

FRANCIS DASS
KUALA LUMPUR
bt@mediaprime.com.my

EKOVEST Bhd has drawn up plans to list its property and infrastructure units on Bursa Malaysia.

Without revealing any timeline, managing director Datuk Seri Lim Keng Cheng said the group ultimately wanted its infrastructure, property and construction arms to be listed entities.

"This is our internal long-term plan," he told NST Business.

Lim said the initial public offering (IPO) for the Duta-Ulu Kelang Expressway (Duke), parked under Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd (Kesturi), would take place first before the property division headed for a listing.

"We are working towards an IPO for Duke. We are waiting for our advisers to tell us what is the best option," he said, adding that the options included a reverse takeover or business trust.

"Ultimately, Duke will be floated." Ekovest divested 40 per cent stake in Kesturi late

We are working towards an IPO for Duke. We are waiting for our advisers to tell us what is the best option.

Datuk Seri Lim Keng Cheng
Ekovest Bhd managing director

last year to the Employees Provident Fund for RM1.13 billion.

The group's Duke project will encompass 10 highways when completed by 2030.

Currently, Phase 1 is operational while Duke Phase 2 is scheduled to be operational in the middle of this year.

Duke Phase 3, known as Setiawangsa-Pantai Expressway, is under construction at a cost of RM3.9 billion and comes with a concession period of 53 years.

Recently, Ekovest announced a contract from the government to further extend the Duke highway plans, known as Duke 2A.

It will soon undertake the construction of 75.2km of roads that would link various expressways at a cost of RM6.32 billion.

The infrastructure division comprising toll concessions, operations of the highway assets and maintenance made up 30 per cent of the group's income, said Lim.

For the property unit, the company's IPO plans could lean towards a real estate investment trust once the group's EkoCheras and EkoTitiwangsa malls affirm its footing.

EkoCheras, a 4.8ha project which started in November 2013, has a gross development value (GDV) of RM2.11 billion is strategically connected to the Sungai Buloh-Kajang Mass Rapid Transit Line.

The 1.1ha EkoTitiwangsa has a GDV of RM610 million and is strategically linked to the company's highway projects.

At present, the property sector contributes 30 per cent to group earnings.

The construction side, which is Ekovest's core business, accounts for 40 per cent of the group's business. It includes the Kuala Lumpur River City project.

At present, Ekovest has a construction order book of RM13 billion, which should last for five years, and tender book of RM10 billion proposals.



The Duta-Ulu Kelang Expressway project will encompass 10 highways when completed by 2030.

PARTNERSHIP

Talks with EPF over more projects

EKOVEST Bhd is in discussions with the Employees Provident Fund (EPF) over more infrastructure and construction projects.

Managing director Datuk Seri Lim Keng Cheng said the group was upbeat on its partnership with EPF.

"EPF sees us as a connector because of the Duta-Ulu Kelang Expressway (Duke) project, which will link roads and highways in the Kuala Lumpur city.

"We want to be market leaders. With Duke, we are the highway connectors and the missing link. With capital coming in, I will propose more highways but I won't overstress my company financially.

"We always have our 'umbrella' ready as we are sensitive to economic fluctuations."

EPF acquired a 40 per cent stake in Ekovest's Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd, the con-

cession holder of Duke, for RM1.13 billion.

"Because our infrastructure division grew so big, we decided that we should divest the 40 per cent to EPF. The relationship with EPF is very good as they trust us," said Lim.

He said Ekovest was set to remain a strong player in the construction sector, backed by a solid track record and confidence brought on by investments from EPF.



EKOVEST BERHAD CORPORATE

MEDIA MONITORING



EkoVest Bhd's listing plan for its property arm may lean towards a real estate investment trust. At present, the property sector contributes 30 per cent to group earnings.



The EkoCheras mall has a gross development value of RM2.11 billion and is connected to the Sungai Buloh-Kajang Mass Rapid Transit Line.

Construction player aims to build sustainable business

EXCERPTS from an interview with EkoVest Bhd managing director Datuk Seri Lim Keng Cheng.

Q: What kind of long-term planning do you have in place at EkoVest?

A: My long-term projection for the company is perpetual. I want the next generation to move up the ranks and we need people who serve EkoVest from the point of view of what the company needs. We want to build a sustainable business, and a sustainable business is not only about securing projects to be sustainable, but your staff and resources are also very important.

Further, your ideology of how the company goes forward. We go forward with job creation and have a technically sound team onboard, and we are financially prepared with sound financial planning.

I always tell my staff that when they submit a tender for a job, they must make sure that their clients are financially sound. You know, the government is rated "AAA", so there is no problem, and big corporates that are rated "triple A" are also not a problem and we will take the job. We will take construction jobs with secure payments.

We lock in material prices, for example steel bars, and we control the design as the owner (of the project) and we control the project.

If a fly-by-night developer gives

me a very good price to build a condominium or any other project, I will not take up the job because I will be worried. The financial figures look good but payments are not coming to my account. These are the ways I plan the company's cash flow.

Q: Could you tell us a bit about your philosophy?

A: We get the umbrella ready before the rain comes. I must have the funding in hand and finances ready before I talk about a project or undertaking projects.

We get the umbrella ready before the rain comes. I must have the funding in hand and finances ready before I talk about a project or undertaking projects.

Q: You have spoken about a risk committee in EkoVest that looks into the company's projects. Could you share more about this committee?

A: Before we go into a project or take up a job, we have a risk committee where all risks that are predictable

(such as currencies, rise of the price of steel bars, workforce, etc) are addressed and possible problems are pre-empted.

You have to plan to take into account worst-case scenarios and still survive.

The problem-solving team in the risk committee comprises engineers, lawyers, etc, and the brainstorming sessions discuss how to deal with problems and come up with ideas and solutions.

There is a Chinese saying that three carpenters are better than a scholar, implying that many heads are better than one.

Datuk Seri Lim Keng Cheng

