

GUH bids for RM1.6bil water jobs

It expects contribution from water treatment segment to increase this year

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GEORGE TOWN: GUH Holdings Bhd is tendering for about RM1.6bil worth of water and waste water treatment plant projects this year.

Group managing director Datuk Kenneth H'ng told *StarBiz* the tenders were for about 10 projects located in the central and northern regions.

"We expect to secure some of the projects this year. The water treatment segment contributed 12.5% to the net profit last year.

"The company can expect the contribution to increase this year with more projects secured. The unbilled sales to-date for the water business is RM74mil," he said.

On its property development business, H'ng said the group would launch about RM140mil worth of landed properties in Seremban.

"The project comprises more than 100 units of landed properties to be priced between RM500,000 and RM1.2mil," he said.

In Seremban, the group still has 150 acre of undeveloped land bank.

For its upcoming project on a 46-acre land in Simpang Ampat, the group is now revamping its plan for the land to increase the gross development value (GDV) from RM238mil previously.

"According to the plan submitted, we had development plans for 19.6 acre out of the

46.2 acre.

"We are now looking at developing the remaining 20 acre with commercial components and affordable housing projects to increase the value of the GDV.

"With the revision, the project may take about eight to 10 years to complete," he added.

H'ng said the water and property business segments should generate about 40% of the group's revenue this year.

In 2014, the water and property development business generated 22% of the group's revenue and 55% of net profit.

On the printed-circuit board (PCB) segment, H'ng said GUH expects a flat growth in the sales of PCB in its operation in Malaysia and a moderate growth in China with more intensified competition.

"For the second half 2015, we have secured orders with an approximate value of RM30mil per month for our facilities in Malaysia and China.

"In the same period a year ago, the orders locked in were around RM20mil per month," he noted.

According to a Research and Markets report, the value of PCB touched US\$59.6bil in 2014, rising 3.7% against 2013, the fastest growth rate since 2011.

"Looking forward to 2015, a collapse in prices of commodities, especially in that of copper, will significantly reduce raw materials costs of PCB companies, thus further driv-



PCB orders: A technician working in PCB production floor at GUH's plant in Suzhou, China. For the second half 2015, the company has secured orders with an approximate value of RM30mil per month for its facilities in Malaysia and China.

ing their profit margins," the report added.

The Dallas-based global research firm, Lucintel, projects the PCBs market to grow with a compounded annual growth rate of 4% over 2015-2020.

"The major drivers of the PCBs market are

growing demand for 3C applications (communication, computer/peripheral, and consumer electronics), advancement in PCB technologies, and increased demand of aerospace and defense products," the Lucintel report says.