

Company Name : Mitrajaya Holdings Berhad
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Mitrajaya on track to secure RM1b worth of jobs

BY SYAHIRAH SYED JAAFAR

KUALA LUMPUR: Mitrajaya Holdings Bhd said it is on track to secure its target order book replenishment of RM1 billion this year, and possibly even more. It has secured RM700 million so far.

"We are not too far away. We believe this is achievable over the next few months. To achieve the RM1 billion [target] is not a problem; maybe we can achieve more," managing director Tan Eng Piow told reporters after the group's annual general meeting yesterday.

The property developer's current outstanding order book stands at RM1.73 billion. Its capital expenditure (capex) allocation for the current financial year ending Dec 31, 2017 (FY17) is RM20 million.

Previously, the group's capex allocation was higher at RM77.5 million (FY16) and RM55.3 million (FY15).

Tan said the group had spent quite a fair bit of money on capex (in the past two years) mainly to support the increase in projects.

"Moving forward, this requirement will not be as much as [in] the past two years. We will still make some purchases, but not as much. This will help to improve our gearing," said Tan, adding that the group's current gearing ratio is 0.33.

Mitrajaya currently has a tender book of RM3 billion, comprising RM2.7 billion worth of building projects and RM300 million worth of infrastructure projects.

Upcoming property projects in the pipeline include a commercial development in Pengerang, Johor, with a gross development value (GDV) of RM24 million, as well as a residential development in Bukit Beruntung, Selangor, with

a GDV of RM20 million. Both are scheduled to be launched by the end of this year.

Tan added that the group is currently finalising a project in Kuching, but he could not reveal further details as the project is still being tendered.

The group's current land bank size in Malaysia is 254 acres (102.79ha).

In South Africa, where the group is involved in property development, it has 215 acres which are intended to be developed as an Eco Park Residential Estate. The expected GDV is 1.6 billion rand (RM530 million).

Mitrajaya's current unbilled sales stand at RM205 million for the group's ongoing projects — Wangsa 9 Residency in Wangsa Maju and the Puchong Prima affordable housing project.

Moving forward, the group sees the construction segment to continue being the main revenue driver of the group. The segment currently contributes 80% of its earnings. Property contributes 14% and the South Africa development contributes the remaining 6%.

For the first quarter of FY17, the group's net profit increased 56% to RM28.74 million from RM18.46 million a year earlier. Revenue rose 49% to RM291.43 million from RM195.49 million, mainly due to recognition of a compensation sum received from the compulsory acquisition of its land in Pengerang, Johor.

"Overall, we are hoping that we would still be able to maintain our total profit or achieve higher than what we have done in the past years," said Tan. "We [are] also look[ing] at how we can enhance the margin further via value engineering (design improvement and reduction in construction costs)."