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Protasco Targets RM27b Pan-Borneo Highway Jobs

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Executive vice chairman and group MD Datuk Seri Chong Ket Pen said Protasco is very interested in taking part in the Pan Borneo Highway and is keeping itself updated with the latest developments. (Pic by Ismail Che Rus/TMR)

Construction firm Protasco Bhd has set its eyes on the RM27 billion Pan-Borneo Highway, targeting parcels of the mega project's road construction jobs as it unveiled its RM10 billion gross development value (GDV) property township called De Centrum City in Kajang.

Executive vice chairman and group MD Datuk Seri Chong Ket Pen said Protasco is very interested in taking part in the Pan Borneo Highway and is keeping itself updated with the latest developments.

"We are of course aware about the project and will stay updated on its latest developments," he told The Malaysian Reserve.

"We will have to wait and see if we are able to secure any jobs there."

Announced in October last year, the Pan-Borneo Highway targets to link all the main cities in Sabah and Sarawak.

The highway, which stretches 2,239km, is estimated to cost RM27 billion and is due for completion in 2020.

The works on the first phase of Sarawak's Pan Borneo chapter involving a stretch of 773km began this month.

This portion of the work is being undertaken by state-owned Lebuhraya Borneo Utara Sdn Bhd.

Analysts believe Protasco can also expect competition from Sarawak-based and state-linked companies like Cahya Mata Sarawak Bhd, which has a strong presence in the maintenance of roads in Sarawak.

Chong said Protasco — which underwent a leadership tussle late last year — foresees a bright construction industry growth in Malaysia, thanks to the government's sustained spending on civil engineering works.

"Government spending on civil engineering as scheduled in the 11th Malaysia Plan is expected to build momentum of construction contract flows with the private sector dominating 68.4% of construction activities in the first-quarter of 2015.

"This is evident with the turnover of 1.7% achieved by the civil engineering sub-sector driven by construction of the mass rapid transit (MRT) project and roads," he pointed out, adding that Protasco expects to benefit from these positive developments, banking on its long history and expertise in road construction and maintenance.

Chong said Protasco is currently in negotiations with several parties on potential joint-venture property developments beyond the Klang Valley region.

This is in line with the firm's current focus to continue developing on its strong fundamentals — construction and engineering-related sectors.

"As the plan matures, we foresee a positive leap to expand beyond the Klang Valley."

According to Chong, Protasco has a construction orderbook of RM640 million, which is expected to keep the company busy for the next two years.

Nevertheless, he said the contractor is always on the lookout for opportunities to grow as there is room for development in the construction division, amid Protasco's preparedness to double its workforce and machinery to take on more jobs.

"We are bidding for a number of large and medium-scale projects. We have a good success rate of between 20% and 30% of the tenders we bid for. We remain hopeful for the trend to continue in this direction," he added.

The De Centrum City township, a part of its ever expanding property portfolio, will be rolled out in stages over the next 15 years.

In a statement, Protasco noted the 100-acre freehold tract of land where the township is being built is currently the site for De Centrum Sales Gallery and Infrastructure University Kuala Lumpur.

Phase One of the Kajang development will comprise a shopping centre block with 29 retail units, a service apartment block with 320 units, a small office/home office block with 192 units and 54 shoplots, which will be handed over to purchasers around December this year.

The shopping centre called Gallerie @ De Centrum (Phase One) is scheduled to open by February 2016. To date, 70% of the shopping centre has been leased out to tenants.

Within De Centrum City, two towers (A and B) of De Centrum Unipark have been completed while the remaining two blocks (C and D) will be completed by 2017.

When fully completed, De Centrum Unipark will offer a total of 640 condominium units.

Coming up next is a premium residential development conceptualised as Rimbawan Residences @ De Centrum with 504 high-rise condominium units and 13 exclusive villas.