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Nehemiah plans overseas expansion

KUALA LUMPUR: Nehemiah Reinforced Soil Sdn Bhd aims to raise revenue contribution from overseas operations to 30 percent over the next three years from about 10 percent currently based on its expansion plan.

Chief executive officer Dr Nehemiah Lee said it was time for the company to focus its resources on expanding into overseas markets such as Australia, India, Hong Kong, Vietnam, Sri Lanka, Bangladesh, Kazakhstan and Pakistan.

"Conservatively, we expect 30 percent turnover in the next three years to come from our infrastructure projects overseas," he told reporters after the opening of the company's International Technical Conference here.

According to Lee, a significant portion of overseas revenue will come from Australia and India.

He said while China may be an attractive market, the company would take a cautious approach by first establishing itself in Hong Kong.

For emerging markets like Vietnam, Lee said with a population of more than three times that of Malaysia and rising disposable income, there was pressure to upgrade from motorcycles to four-wheel vehicles, making it necessary to build flyover and highway interchanges.

"We have made several exploratory trips to Vietnam and in the first quarter next year we hope to set up a representative office there," he said.

For Australia, Lee said the business and engineering community was able to appreciate and pay for good technology.

He said a joint venture company has been incorporated in New South Wales through partnership to explore business opportunities

in Australia, New Zealand and the Pacific islands.

The company concerned is expected to receive approval from the Road Transport Authority of New South Wales by year-end, Lee said.

"Hopefully, with this, we will see some construction projects starting in Australia by second quarter next year," he said.

Currently, Nehemiah has joint ventures or agents appointed in India, Sri Lanka, Singapore, Brunei and Bangladesh, as well as in Sabah and Sarawak.

The Mokhali flyover interchange in Bangladesh was built using Nehemiah Wall, a patent that Lee currently holds in Australia, India, South Korea and Malaysia.

Asked about the company's listing plan, Lee said it would look for the right time to be listed in view of the current market situation.

"Perhaps three to five years from now, I think we are ready, especially (with) more diversified income stream from overseas market," he said.

Nehemiah posted a revenue of RM39 million last year, RM22 million in 2006 and RM19 million in 2005.

Lee did not rule out the impact of the economic slowdown affecting the company's revenue this year.

"This year we expect it (revenue) to be slightly less than RM39 million. The big job we secured recently will come in only by early next year. We will not be having a large turnover like 2007," he said.

The company recently signed an agreement with MMC-Gamuda worth RM57 million for jobs on the double-tracking rail project from Ipoh to Padang Besar which is due for completion by 2011.—Bernama