

Gabungan AQRS Going for Possible M&As

Gabungan AQRS Bhd is in talks with two or three parties for a possible merger and acquisition exercise to set up a mechanical and engineering (M&E) division by mid-year. Chief Executive Officer, Alvin Ng, told reporters that margins for M&E works were higher, where they contribute some 15% to 30% (RM50 million – RM60 million) to its construction turnover. Currently, it outsources its M&E works to sub-contractors and reckoned that by having an in-house M&E Division; it would be able to manage its margins more efficiently. It was tying up with the Sabah Economic Development Corp through the subscription of a 49% stake in the latter's subsidiary for RM3.5 million. Ng said the deal was yet to be firmed up and announcement would be in due time. Gabungan AQRS has a construction order book of RM1.2 billion which will last until 2016 and a property development order book of RM1.44 billion. Its tender book was between RM800 million and RM1 billion. Construction is still its forte with the segment contributing 88% to its revenue for the third quarter ended 30 September 2012 and 83% to its gross profit.

(Sourced from The Star, 7 February 2013)