

The Star

MD: Existing businesses still offer growth potential

DEEP-SEA fishing activity is seen as a recurring income stream for Oilcorp Bhd to complement earnings from its existing oil and gas (O&G) business, and hotel and resort operations.

But managing director Sunny Ng said the older businesses of the group still offered growth potential.

“We are still pursuing jobs in the O&G business,” he said, adding that the group was mainly concentrating on the Middle East. “We are looking for O&G work or special projects because there is not much competition there.”

Its main subsidiary in the oil and gas division, Oil-Line Engineering & Associates Sdn Bhd, is tendering for over RM1bil worth of jobs in the Middle East. It is currently in the final stages of negotiation for a long-term project in the Middle East worth around RM600mil.

Oil-Line subsidiary OilFab Sdn Bhd owns a fabrication yard with a capacity of 25,000 tonnes in Pulau Indah and has been earmarked to build and repair vessels for the fishing consortium. In addition to that, Oilcorp is also negotiating a contract to build a biodiesel plant.

As for property, the group's sale and leaseback concept has been a success for its Tiara Beach Resort in Port Dickson. Occupancy rate for the 1,000-room resort on Saturdays is above 90%, and in June, turnover was estimated at RM3mil.

The group is embarking on further sale and leaseback arrangements for future projects to boost recurring income. In the portfolio of future property projects is a resort at Genting, Menara Oilcorp and the Grand Tiara Hotel near KL Sentral, and a mixed development on Pulau Indah.