

## **MGB OPENS FIRST PERMANENT IBS PRECAST CONCRETE PLANT**

*MGB Invests RM40 Million in New Plant to Expand Industrialised Building System Offerings*

**Nilai, 16 March 2019** – MGB Berhad, a subsidiary of LBS Bina Group Berhad, celebrated the opening of its first permanent Industrialised Building System (IBS) precast concrete plant in Nilai, Negeri Sembilan. With an investment of RM40 million and a built-up area spanning 119,017 sq ft, the plant will produce, market, sell and install a range of IBS components from precast concrete panels, concrete wall panels, concrete slabs to column and beam.

The opening of the plant was officiated by Minister of Housing and Local Government, YB Zuraida Kamaruddin.

In May 2018, MGB deployed its first mobile IBS plant at LBS Alam Perdana township with production capacity of 2,000 units of properties per year and has successfully produced and supplied for the pilot project, 673 units of double storey terrace houses, at LBS Alam Perdana township within a relatively short period of time since its commencement of operations.

With IBS, the pilot project were completed within 12 months instead of 18 months, which led to a saving of 33% on construction time. It also successfully reduced dependency on manual labour by 31%, achieving a 49% percent reduction in total on-site labour costs. Combined with this Nilai plant, the company will be able to produce 4,000 unit properties every year.

Speaking to media at the official opening ceremony, MGB Berhad Group Managing Director, Tan Sri Lim Hock San, said, “The RM40 million investment reflects the company’s commitment to expand further into the local IBS market. In view of the government’s continuous promotion and encouragement to propel the adoption of IBS in both public and private projects, IBS market is poised to depict a strong growth in coming years. Additionally, IBS is increasingly being recognised as a reliable method that improves product quality and reduces construction time, on-site labour costs and dependency on manual labour.”

According to recent figures by CIDB, the private sector adoption of the industrialised building system (IBS) currently stands at an estimated 35%, out of its 2020 target of 50%.

Tan Sri Lim said that the permanent plant would put MGB on a firmer footing to capitalise on the expected rising demand for IBS. “We expect demand for IBS components to increase steadily as more and more builders are looking at alternative methods to increase efficiency, quality and productivity amidst a subdued property market. We are confident that demand will increase further when the proposal to make IBS mandatory by 2020 is approved and come into effect” he said.

The manufacturing plant is a joint venture between MGB with Sany Construction Industry Development (M) Sdn Bhd, a subsidiary of China-based Sany Group Co Ltd.

“Leveraging on Sany’s deep expertise in precast concrete design and manufacturing as well as usage of precast concrete machineries, we will be able to deliver excellence through innovation and product quality assurance, making it possible for builders and property players to fast track delivery of their projects without compromising on product quality. At the same time, the new plant will enable us to broaden our product lines to cater to the needs of different housing projects,” Tan Sri Lim explained.

“At the moment, production from the new plant caters mainly to internal projects, mainly Kita@Cybersouth. When the plant is operating at full capacity, we hope to expand our supply to government and external housing projects,” Tan Sri Lim concluded.

## **About MGB Berhad**

MGB Berhad (MGB), is a home-grown company listed on Bursa Malaysia, specialising in providing a comprehensive and an integrated array of construction and development services. Headquartered in Petaling Jaya, Selangor, MGB's projects track record, spans across Klang Valley, Northern Region East Coast and Southern Region, and is supported by its vast experience in Design-Build, Industrialised Building System (IBS) solution, geotechnical specialisation, value engineering, project management and construction services.

Under the leadership of its Group Managing Director, Tan Sri Lim Hock San, and ED & CEO, Datuk Richard Lim, MGB re-strategised its business plan to expand into areas which are complementary to its construction business and began its venture into the property development sector in 2017.

MGB, via its subsidiaries, is ISO 9001: 2015, OHSAS 18001:2007, and ISO 14001: 2015 certified. The Group also attained the Class G7 Certification and 5 Stars rating from CIDB as well as MOSPHA OSH Excellence Award for three consecutive years since 2016.

~End~