

DATE: 5 February 2024

PUBLICATION: Business Time - News Straits Times

WEBSITE: <https://www.thestar.com.my/business/business-news/2024/02/02/trc-synergy-bags-rm358mil-contract>

HLIB research upgrades TRC Synergy to a "Buy" after Subang airport job win



By Azanis Shahila Aman - February 5, 2024 @ 9:51am



TRC Synergy Bhd's RM358 million Subang airport job win has allayed Hong Leong Investment Bank Bhd research's near-term concerns on its rapidly depleting orderbook.

KUALA LUMPUR: TRC Synergy Bhd's RM358 million Subang airport job win has allayed Hong Leong Investment Bank Bhd research's near-term concerns on its rapidly depleting orderbook.

The project could lift its unbilled orderbook by 71 per cent to RM861.8 million.

TRC announced on Friday, that its wholly-owned subsidiary, Trans Resources Corp Sdn Bhd had accepted the letter of award from Impeccable Vintage Properties Sdn Bhd, a wholly-owned subsidiary of Khazanah Nasional Bhd worth RM358 million.

The contract is for the building refurbishment and infrastructure works at Subang Engineering Complex A, Sultan Abdul Aziz Shah Airport.

"With the contract win, our near term concerns have diminished and we thus upgrade the stock to a B with a higher target price of RM0.60 (from RM0.38)," it added.

HLIB research said with infrastructure projects expected to materialise in 2024, TRC could be a beneficiary of this healthier environment.

"Projects we believe TRC will participate in are MRT3, remaining KUTS packages, road projects in East Malaysia and airport jobs," it said.

HLIB said the Subang airport job builds on its track record of airport projects like airfield rehabilitation works in Brunei, Brunei Airport modernisation and Kota Bahru Airport upgrade.

"We note that Penang Airport is also slated for expansion sometime in the second half of calendar year 2024 (2HCY24)," the firm said.