

TRC Synergy, UEM Group in final race for LRT extension job

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KUALA LUMPUR: TRC Synergy Bhd and UEM Builders Intria Bina Sdn Bhd are believed to be at the last mile of the race to win the contract for the extension of the light rail transit (LRT) near Kelana Jaya.

Sources familiar with the matter said Syarikat Prasarana Negara Bhd, which is in charge of the country's strategic planning of public transport, had recommended TRC Synergy to the Ministry of Finance to be the main contractor for the 9.2km LRT extension project.

If all goes well, TRC could bag the job as early as next month, a source said. Construction on the extension is slated to commence end of this year.

Nonetheless, UEM Builders Intria Bina Sdn Bhd's joint venture (JV) is said to be lobbying hard to wrest the job from TRC's clutches.

"They (UEM Builders Intria Bina) are lobbying very hard, but it looks like TRC is the front runner. However you cannot write off UEM (Builders Intria). They are a well-connected company," the source said.

UEM Builders is wholly owned by UEM Group, in which government investment arm Khazanah Nasional Bhd, is the sole shareholder.

The cost of the civil works for the extension is estimated to be from RM900 million to slightly more than RM1 billion.

It is not known what was TRC's bid, and its officials could not be reached for comments over the weekend.

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The share price of TRC has rallied since late last month from the low of RM1.05 on Sept 29 to eight-month high of RM1.38 yesterday.

According to the company's annual report for FY2009, TRC is controlled by its executive chairman Datuk Seri Sufri Mohd Zin who has 40.93% equity interest in the company.

Other substantial shareholders include pilgrim fund Lembaga Tabung Haji which has 9.85% equity interest, Leong Kam Heng who has 8.51% shareholding and Khoo Tew Choon with a 7.11% stake.

According to its website, TRC had undertaken the railway turnkey project for West Port at Pulau Indah back in 1999, and built a few bridges in Putrajaya and was involved in the Kuala Terengganu and Labuan Airports among others, but the job at hand is likely to be its largest.

Earlier in the year, TRC bagged a US\$9.36 million job in Cambodia to build 49 bungalows.

For its six months of FY2010 ended June, TRC posted lower net profit of RM10.56 million versus RM21.6 million. Revenue fell 40% to RM205.8 million from RM343.2 million in the previous corresponding period. Earning per share shrunk to 5.57 sen from 11.40 sen previously.

As at end June this year TRC had cash and bank balances amounting to RM155.72 million and shareholders funds of RM297.43 million.

Other than TRC and UEM Builders Intria, the other bidders for the job are Sunway Construction Sdn Bhd, Fajarbaru Builder Sdn Bhd-Signatium Construction Sdn Bhd JV, WCT Sinohydro JV, IJM Construction Sdn Bhd, Ranhill-CCCC JV, Muhibah Engineering Sdn Bhd, Gamuda Bhd, MMC Zelan JV, MRCB Engineering Sdn Bhd, Bina Puri Holdings Bhd-Tim Sekata JV, Zabima-Leighton JV, Mudajaya Corp Bhd, MTD Capital Bhd Persys JV, Loh & Loh Construction Sdn Bhd and Ahmad Zaki Sdn Bhd.

An additional 15 companies had been pre-qualified as nominated sub-contractors for the fabrication and delivery of the segmental box girder. Other than TRC and Gamuda, and UEM Builders partnering Projek Penyelenggaraan Lebuhraya Bhd (Propel) as opposed to Intria Bina, the list of 15 sub-contractors are similar to the bid for the main contractor's job.