

# Construction boon for TRC Synergy

Projects to buoy its earnings over next two years

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**KUALA LUMPUR** TRC Synergy led several construction projects in July 2007 earnings over the next two years.

A current order book totals RM1.6B, of which RM1.05B is the contracted portion, which should boost the company's earnings for three years.

Interim director Darul Abdul Aziz Mohamed said the management was on track to achieve its new financial target of increasing order book by RM400m to RM500m a year.

"Previously, it had targeted RM300m to RM350m new orders early, but it was revised upwards following the arrival of the domestic construction sector," he said.

This was reflected in the first nine months to Sept 06 where net profit stood over RM2.5m to RM2.7m

compared with RM1.7m in the previous corresponding period.

Revenue also surged 75% to RM2,000,000 from RM1,120,000 previously. Earnings per share improved to 14.95 sen from 7.28 sen a year ago.

Chief financial officer Yehk Boon King said the company's projects were mostly secured as selected and regulated tenders, hence providing better margins than other tenders.

So far, completed projects valued over RM1.05B, he added.

DBS Investment Bank, in a recent statement, TRC would achieve net profit of RM7.5m for the financial year ending Dec 31, (FY07) and RM10m in FY08. The forecasts are five and eight times higher respectively than FY06's net profit of RM1.2m.



• TURN TO B3 Darul Abdul Aziz Mohamed

## TRC buys forward to buffer rising material prices

• FROM B3

To buffer rising prices of its materials, TRC would buy forward certain building materials as well, include Polypropylene Cement in its plans, Aziz said.

Also, given that project margins were better, the company had set new margins to about 10 percent, he added.

TRC's competitive advantage is its ability to manage industrialised, challenged jobs like the substation base for Singapore Gas and various extension of Kuala Terengganu gas park besides construction, the company is also involved in project development, provision and is not get businesses.

TRC had 27 sites in Seremban, 2006, and another 80 sites in 10 Klang, Seremban, which were target of its residential properties was given development value a Suburban to RM100m to be launched May 2008 said.

## TRC eyes US\$3bil oil refinery deal

**KUALA LUMPUR:** TRC Synergy Bhd hopes to secure part of a construction deal, worth US\$3bil, for an oil refinery in Brunei.

While the company would not be involved in the entire construction, it was interested in setting up farm tanks, said chief financial officer Yeoh Sook Keng.

TRC recently bought a 26% stake in Brunei-based oil and gas company PetroBru (B) Sdn Bhd, which has been given the green light by the Brunei Government to conduct a feasibility study on the viability to build and operate a crude oil storage and refinery in Pulau Muara Besar.

It was anticipated to sign a memorandum of understanding with the Brunei Government soon, Yeoh said in an interview.

Pulau Muara Besar is earmarked as Brunei's new deep-water hub for regional markets. The refinery will have an initial capacity of 200,000 barrels a day with maximum capacity of 500,000 barrels per day.

The storage, on the other hand, would have a capacity of 2 million cu m with initial space of one million, he added.

Executive director Datarak Abdul Aziz Mohamad said TRC would also benefit from the spillover activities from the refinery, like infrastructure and property development.

"Brunei is an oil-producing country without a refinery yet. It is ideal as a refinery location given its strategic location near to China, Vietnam and the Middle East," he said.

The project would only start con-

tributing revenue 2 years later when construction works commence.

He explained that the feasibility study would take six to eight months, followed by the engineering, procurement and construction work, which would take 12 months.

The refinery would contribute revenue in five years time when it commences production, he added.

"Construction will still be our main earnings contributor in the next two to three years but we can't rely on it. By then, PetroBru will see work in full swing," he said.

TRC does not intend to raise its stake in the holding company. It might, however, set up a joint-venture company with PetroBru to secure the construction portion of the project, Aziz added.