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LRT3 jobs worth RM4bil dished out

SunCon and Gabungan AQRS win big

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PETALING JAYA: A slew of contracts for the Light Rail Transit Line 3 (LRT3) was awarded to three listed companies totalling RM4.15bil in value.

The awards will beef up the order books of these companies and boost the construction sector as a whole.

Earlier this year Prasarana Malaysia Bhd, the project owner of LRT3, awarded close to RM1.8bil worth of jobs related to LRT3.

Of yesterday's awards, the largest package was secured by construction giant Sunway Construction Group Bhd (SunCon) for RM2.308bil, followed by Gabungan AQRS Bhd, a mid-cap construction player, which bagged a RM1.205bil package. WCT Holdings Bhd was the third recipient, which was awarded a contract of RM640mil.

The awards are for the construction of guideways, stations, iconic bridges and parks and ancillary buildings, among others.

SunCon's award was for works for Package GS07-08 from Bandar Utama to Johan Setia in Klang.

"The project is for a period of 36 months

and is expected to be completed by the fourth quarter of 2020. The project is expected to contribute positively to the earnings of SunCon from the financial year ending Dec 31, 2017 (FY17) onwards," the company said in a filing with Bursa Malaysia.

SunCon added that the contract was its fourth elevated rail project and its largest single project in 36 years.

Group managing director Chung Soo Kiong said: "The award brings our order book replenishment to RM3.75bil for the year. Our total outstanding order book now stands at RM6.5bil, the highest ever since our inception, with a high visibility for future earnings."

Gabungan AQRS, meanwhile, said that its unit Gabungan Strategik Sdn Bhd was awarded Package GS04 involving the construction and completion of guideways, stations, park and ride, ancillary buildings and other associated works.

"The project is for a period of 38 months and is expected to contribute positively to group earnings for FY17 onwards.

"Upon the award of the project, Gabungan AQRS' outstanding order book as at to-date amounts to RM2.6bil," the company said.

Notably, the award is the largest won by Gabungan AQRS since its new chief executive officer Datuk Azizan Jaafar took over the helm in April 2016. The win also indicates that the company is one of the fastest-growing locally listed construction companies.

WCT's win for works valued at RM640mil (excluding GST) comes after the construction group had earlier secured another two packages under LRT3 totalling just over RM1bil.

Last month, TRC Synergy Bhd secured a RM760.55mil depot package from Prasarana for the construction and completion of the Johan Setia depot (Phase 2).

The LRT3 is a double-track rail alignment of 37km with 26 stations covering the areas of Bandar Utama, Shah Alam and Klang before ending at Johan Setia. The rail link envisages to connect two million people between Bandar Utama and Klang by 2020 and is developed in line with the Greater Kuala Lumpur/Klang Valley Land Public Transport Masterplan. The project is touted to cost RM9bil, but some reckon that the value could rise to RM12bil based on contract awards.

Shares of SunCon closed four sen up at RM2.30, while both Gabungan AQRS and WCT ended one sen higher at RM1.71 and RM1.75.