

TSR Capital optimistic of winning more MRT jobs

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KUALA LUMPUR: TSR Capital Bhd's wholly owned construction arm, TSR Bina Sdn Bhd, is optimistic that it would win two mass rapid transit (MRT) packages for the construction of multi-storey car park and maintenance of depots.

"We are very optimistic of being awarded the MRT packages for which we have tendered. Since we are one of the 12 pre-qualified tenders, with so many MRT packages yet to be handed out, chances are high that we will get it," said TSR Capital chief operating officer Datuk Wan Abd Razak Ismail after the company AGM last Friday.

Being a pre-qualified contractor, TSR Capital will continue to bid for more MRT packages when more jobs are open for tender, he added.

To date, MRT Corp has not made any announcement on the two MRT packages.

Earlier this year, TSR Bina bid for six packages relating to multi-storey car park construction and maintenance of depots. The total value of the six packages amount to RM2.2 billion.

Abd Razak is optimistic the group would turn around from its net loss position last year on hope that it would secure some of the tendered MRT packages and with the other construction projects in tow.

His optimism is evident from its 1QFY12 results, where the group

recorded a net profit of RM201,000, up 11% from a year ago. However, revenue was down 46.17% at RM15.14 million from a year ago.

In FY11, TSR Capital incurred a net loss of RM32.59 million while its retained profit evaporated as a result. As at Dec 31, 2011, the group had accumulated losses of RM18.4 million.

TSR Capital is tendering for private finance initiative projects amounting to RM1.6 billion. Declining to comment on the type of projects under negotiation, Abd Razak said the public will be informed in due time.

The group's total secured order book stands at RM371 million.

TSR Capital's foray into property development and property management has begun to play a more crucial role in generating earnings growth.

Its 70-acre (28.3ha) flagship development, PD Waterfront in Port Dickson, Negri Sembilan, is expected to be complete in five to eight years.

Currently, Abd Razak said phase one of the project, a commercial development, has been completed.

"There are 100 units of shoplots. Sixty-four units are for sale while 36 are for rental. The take-up rate has been good. For the units to be sold, only a few bumi units are left. We are aggressively promoting those units now," said group accountant and company secretary Ng Kim Keong.

"In terms of the rental units, 80% have been rented out to well-known franchise outlets such as PapaRich, Pak Hailam and McDonald's," he said.

The second phase of PD Waterfront project comprises three-to four-star hotels and serviced apartments that TSR Capital is set to launch at the end of this year or early next year, according to Abd Razak.

Concurring that Port Dickson has over the years lost its lustre, he insisted creative and innovative products would still be able to take on the market.

"We are getting some of the best consultants and architects to come up with creative products to differentiate ourselves from the rest of the apartments [and resorts] there.

"In PD it's all about how creative you are," said Abd Razak.

He added that TSR Capital negotiated with the Negri Sembilan government for the integration of an island located opposite its PD Waterfront.

"There is an agreement in principle from the state so that PD Waterfront can be integrated with the state property as a recreational complement.

"We have got the letter for that. Once the agreement is signed, it [the project] will be jointly managed with the state government," he said.

He said construction will remain TSR Capital's core business, going forward.