

Gamuda bidding for RM4b more in projects

by **ALFEAN HARDY**

GAMUDA Bhd, which is already in the mix for up to RM18 billion worth of local mega projects, is actively bidding for up to RM4 billion worth of additional projects both locally and internationally, according to HwangDBS Vickers Research.

The engineering, property and infrastructure firm is still actively bidding for three mega projects, the new RM2 billion LCCT (low cost carrier terminal), the estimated up to RM10 billion LRT (light rail transit) extension and between RM6 billion and RM7 billion portions of the Pahang-Selangor Raw Water Transfer project.

In a research note yesterday, HwangDBS Research said, after speaking to Gamuda's management, the only contract that the research house expected the firm to have a fair chance of winning

was the LCCT project.

"We understand that Gamuda is only keen on the runway portion of the LCCT, which has yet to be pre-qualified (and) is not tendering for the other portions where pre-qualifications have already been concluded," it said.

"As for the LRT extensions, the Ampang line will likely be awarded first as the Kelana Jaya line is facing more pressing land acquisitions and alignment issues," it added.

As the timing of the mega projects remained rather fluid, HwangDBS Research said Gamuda was actively bidding for other contracts both locally and overseas. "There are four Middle East contracts that Gamuda is eyeing with a combined value of up to RM3 billion," it said.

"All are via open tender apart from one in Qatar, which is on a restricted tender (and) is also the largest at

RM1 billion. We like Gamuda's chances in clinching this contract as it has recently completed the Durkhan highway in Qatar (and) it may also be competitive in terms of cost structure with ready machinery to be deployed," it added.

HwangDBS Research said it understood that Gamuda had also already pre-qualified for two infrastructure projects worth up to RM1 billion.

"The tender process is ongoing and results may be known as early as end-2009 or early 2010," it added.

Aside from its infrastructure business, HwangDBS Research expects "Gamuda's fourth quarter would be its last kitchen sink quarter and earnings thereafter be on the cusp of an upswing".

"All projects including the slower moving Horizon Hills and Jade Hills contributed to the strong growth.