

Bina Puri bags RM864m Pakistan highway contract

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KUALA LUMPUR: Bina Puri Holdings Bhd has secured its much-awaited Pakistan highway concession contract.

The project, worth 24.93 billion rupees (RM864 million), is for the construction of the Karachi-Hyderabad Motorway (M-9) in Pakistan, after which it will hold the concession for 28 years.

In a statement yesterday, Bina Puri said its wholly-owned subsidiary, Bina Puri Pakistan (Pvt) Ltd signed a concession agreement with the National Highway Authority (NHA) of Pakistan on Monday for the construction of the 136km motorway. The conversion of the existing four-lane Karachi-Hyderabad superhighway into a six-lane motorway (M-9) will be on a build-operate-transfer (BOT) basis.

"This is also another achievement for Bina Puri to participate in its second BOT expressway project after the first one in Malaysia — the KL-Kuala Selangor Expressway Bhd (Latar Expressway)," Bina Puri group managing director Tan Sri Tee Hock Seng said in the statement.

"For the Karachi-Hyderabad Superhighway, we are working with our financiers towards achieving the financial close, which is six months from the signing of the concession agreement today," he said.

The project involves upgrading



Tee (second from left) presenting a memento to NHA chairman Syed Muhammad Ali Gardezi after the concession agreement signing on Jan 16. Also present were (from left) Bina Puri executive director Matthew Tee and Pakistan Federal Minister for Communications Dr Arbab Alamgir Khan.

the existing four-lane Karachi-Hyderabad superhighway into a six-lane motorway with the construction cost of 18.26 billion rupees with a construction period of over 30 months. The concession period will be for 28 years.

Bina Puri said it has a current unbuilt book order of RM2.31 billion.

In Pakistan, Bina Puri has par-

ticipated in construction for the Defence Housing Authority (DHA) in Lahore last year with a contract value of RM185 million.

In 2010, it completed the construction of the Nippon Paint factory at Lahore for a contract sum of RM16.5 million.

In an earlier interview, Bina Puri executive director Matthew Tee told *The Edge Financial Daily*

that the project will likely yield an internal rate of return of at least 20%. While that is high by Malaysian standards, he said it was also due to the high cost of brooding in Pakistan, with interest rates hovering between 14% and 15% per year.