

Kerjaya Prospek nabs fourth win in FY25 with RM291 mln building contract

KUCHING: Kerjaya Prospek Group Bhd (KPG) has nabbed its fourth win in 2025 with a RM291.4 million building contract from Persada Mentari Sdn Bhd, an indirect subsidiary of its related-party, Eastern & Oriental Bhd (E&O).

In a Bursa Malaysia filing on April 7, the construction player announced that the contract entailed the construction of a 50-storey service apartment at Pulau Andaman, Penang which will comprise of 516 units with carpark and facility floors.

The construction of this development is slated to begin on June 23, 2025 and is expected to be completed within 38 months.

With this win, the group's cumulative year to date (YTD) new contracts has now reached RM610.2 million or 38 per cent of its management's replenishment target of RM1.6 billion.

Additionally, it has brought its current outstanding order book to a cumulative total of RM4.3 billion which is expected to keep the group busy for the next three years.

Overall, analysts welcomed the development as it reinforces expectations of a strong pipeline of upcoming awards for Kerjaya Prospek.

According to the research arm of RHB Investment Bank Bhd (RHB Research), this latest job win relates to E&O's Maris project which has a gross development value (GDV) of RM700 million.

The Maris project is E&O's fifth property development project on Andaman Island and excluding Maris, the research arm notes that there is still circa RM1.3 billion left to be launched in 2025 to meet E&O's property launch target of circa RM2 billion for Andaman Island this year.

"As such, the potential construction value from these launches could amount to circa RM520 million if we assume construction costs are 40 per cent of total GDV," said the analyst.

Besides this there are also still more dredging and reclamation works up for grabs for Phases 2B and 2C of

Andaman Island which could be in the excess of RM300 million.

And in the medium to longer-term, the analyst opines that E&O's target to develop circa RM3.8 billion worth of properties may lead to a construction value of circa RM1.5 billion.

Besides this, the research arm of Kenanga Investment Bank Bhd (Kenanga Research) also notes that Kerjaya Prospek alongside its joint venture (JV) partner, Samsung, is tendering for at least three data centre jobs worth RM3 billion, while its 55 per cent owned Rivanis development in Butterworth is expected to sustain its construction and property earnings for the next seven years.

With a strong earnings visibility and tenderbook of RM2 billion, higher than average margin due to its innovative formwork construction method, and strong execution record, Kenanga Research guides that they believe Kerjaya Prospek's long-term prospects are intact.