

THE STAR - 19 APRIL 2016

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# More contract wins to come for SunCon, said Affin Hwang



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KUALA LUMPUR : Sunway Construction Group Bhd (SunCon) may see further major contracts in its pipeline as the firm has already submitted tenders worth RM18bil for highway and building projects, said Affin Hwang Capital Research.

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In a note today, the research house said SunCon is currently bidding for civil work packages for both the Sungai Besi-Ulu Kelang Elevated Expressway (SUKE) and the Damansara-Shah Alam Highway (DASH) projects.

"We gather that the indicative value is over RM1bil for one of the packages. Few contractors can execute the work due to the complexity of the high elevated highway section, and thus we see less competition," it explained.

Additionally, Affin Hwang has revised its new contract wins assumption for SunCon to RM3bil from RM2bil for this year as the implementation of major public infrastructure projects continue to accelerate.

Elsewhere, SunCon and its joint venture partner KTS will also bid for the upcoming Pan-Borneo Highway package in Sibul worth about RM1.7bil. KTS owns a quarry in Sibul, improving the joint venture's competitiveness for the upcoming tender, it added.

SunCon's current outstanding orderbook has grown to RM4.8bil following the award of the RM1.2bil Klang Valley MRT Line 2 viaduct gateway package on March 29. It has so far secured a total of RM1.36bil in new contracts for this year.

Affin Hwang currently has a 'buy' call on SunCon, its top pick in the construction sector, with a price target of RM1.98.

As at 11:00AM today, the company's shares were last traded at RM1.57, or a two sen rise from Monday's close.