

## Sunway Construction confirms securing RM212.3m MRT2 job

By Sulhi Azman / theedgemarkets.com | March 13, 2017 : 3:14 PM MYT

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KUALA LUMPUR (March 13): Sunway Construction Group Bhd confirms that its subsidiary Sunway Construction Sdn Bhd (SCSB) has bagged a construction job from intercity railway operator Mass Rapid Transit Bhd (MRT) worth RM212.3 million.

In a filing with Bursa Malaysia this afternoon, Sunway Construction said it signed the letter of acceptance with MRT Corp Sdn Bhd to build elevated stations and other associated works at Damansara Damai, Sri Damansara West and Sri Damansara East.

This contract is for the Sungai Buloh-Putrajaya line, otherwise commonly referred to as the MRT2 line.

"The project shall be completed on Sept 30, 2020. The project is expected to contribute positively to the earnings of SunCon Group from the financial year ending Dec 31, 2017 onwards," Sunway Construction said.

Last Friday, MRT Corp announced it had awarded RM2.74 billion worth of construction related jobs to four firms, i.e. SCSB, TRC Synergy Bhd's Trans Resources Corp Sdn Bhd, Gadang Holdings Bhd's Gadang Engineering (M) Sdn Bhd and privately-owned Acre Works Sdn Bhd.

Early this morning, Maybank Investment Bank Bhd said it expects the latest contract win to contribute RM13 million in net profit — equivalent to one sen per share — to Sunway Construction's book in the next few years, assuming an 8% pre-tax margin.

"This contract is a good replenishment to Sunway Construction's orderbook, lifting its outstanding works to RM4.99 billion, of which RM661 million is secured this year," the investment bank's research analysts Wong Chew Hann and Adrian Wong said in a note to clients.

"We keep our earnings forecasts [after] having imputed RM1 billion job wins this year," the two research analysts added. They also maintained a "buy" on the stock with a target price of RM1.90 per share.

At 2.42pm, Sunway Construction shares were trading 1 sen or 0.57% lower at RM1.74, giving it a market capitalisation of RM2.25 billion.