

▶ SUNWAY CONSTRUCTION GROUP BHD				
FYE DEC	FY14	FY15	FY16F	FY17F
REVENUE (RM mil)	1,662.2	1,854.1	1,940.0	1,874.5
PRETAX PROFIT (RM mil)	151.1	256.2	172.2	226.8
FD EPS (sen)	10.1	18.1	11.7	14.8
PER (x)	18.9	8.8	13.1	10.3

## Sunway Construction clinches new viaduct guideways, Medina projects

### ► Recommendation: Neutral

TARGET Price: RM1.74  
by MIDF Research (Sept 27)

### Investment Highlights

- SCGB has accepted work packages amounting to RM208m.
- Orderbook expanded to RM5b.
- Positive impact on earnings but within our replenishment assumptions.
- Maintain TP of RM1.74 per share.

### Awarded Various Work Packages

Sunway Construction Sdn Bhd, a subsidiary of Sunway Construction Group Bhd (SCGB), has accepted:

1) Letter of Instruction issued by the MMC-Gamuda KVMRT (PDP SSP) Sdn Bhd

for the construction of viaduct guideways and associated works between Kampung Muhibbah-Serdang Raya and Sungai Buloh-Persiaran Dagang worth RM52.5m.

2) In-house projects from Sunway Iskandar Sdn Bhd for the construction of 88 units of office shops, management office, mosque, garbage storage, two Tenaga Nasional Bhd substations and relevant facilities in plot F24 Medini Iskandar, Johor, for the sum of RM56.5m.

Secondly, an earthworks and main building construction of Plot F19 and F20 in Medini Iskandar worth RM100m.

### Scope

The job scope includes civil, structural and sub-structure construction and engineering.

### Duration

- 12 months for viaduct guideways construction.
- 20 months for mixed development construction in plot F24, Medini Iskandar.
- 13 months for plots F19 and F20, Medini Iskandar.

### Orderbook

With these new contracts, SCGB's orderbook expanded to RM5b on the back of 36 months total construction backlog.

### Impact on Earnings

The impact is positive and falls within our job replenishment assumptions hence we make no changes to our earnings forecasts at this juncture.

### Recommendation

We maintain our 'Neutral' recommendation with an SOP-based target price of RM1.74 per share.