

## SunCon's job replenishment on a positive trend



KUALA LUMPUR: Sunway Construction Bhd's job replenishment has been positive so far this year with the latest two contracts bringing the tally to RM867.7mil.

According to MIDF research, the new orderbook meets about 58% of its replenishment assumption.

In a research note, it said SunCon's net cash position offers support to win and operate new projects while its healthy financial position and large order backlog should bode well for its future value accretion.

The research house noted that the new orderbook is also largely made up of an external project, namely TNB's campus worth RM781mil.

It said it does not rule out the possibility of potential new jobs coming from the ParentCo during the year.

MIDF maintained its neutral call with an unchanged target price of RM1.18 as the value of the new jobs fall within its estimates.

"The share price has rallied by +30.8% since the beginning of this year. We believe this is reflective of the group's strong fundamentals.

"However, judging by the recent share price performance, we believe that this have been priced in by investors," it said.

To recap, SunCon's subsidiaries Sunway Geotechnics and Sunway Construction have accepted letters of award for piling works.

The first contract valued at RM47.6mil was issued by S N Akmida Holdings to SUnGeo for the bored pile works for the viaduct and station for the Light Rail Line 3, where the track extends to Johan Setia from Bandar Utama.

The second contract valued at about RM38.8mil was issued by Putrajaya Development to Sunway Construction for the proposed construction and completion of eathworks, piling and associated works for the proposed Transit Oriented Development in Putrajaya.