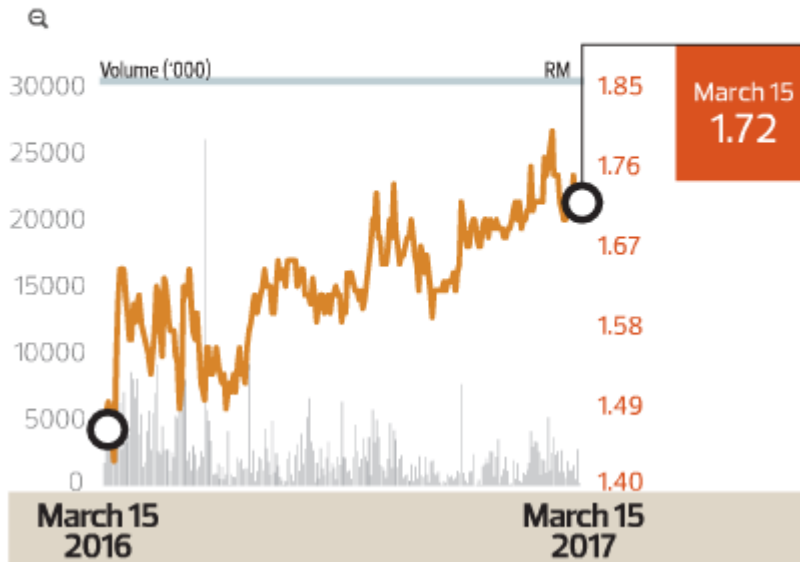


## Sunway Construction Group Bhd

Target price: **RM1.90 BUY**



**MAYBANK IB RESEARCH (MARCH 13):** Of the RM2.73 billion worth of contracts recently awarded for the Klang Valley MRT2 project, package S201 went to Sunway Construction. The contract, valued at RM212.3 million, is for the construction of elevated stations at Damansara Damai, Sri Damansara West and Sri Damansara East went to Sunway Construction.

This is Sunway Construction's third package clinched for the Klang Valley MRT2 project — a further replenishment of Sunway Group's order book, lifting its outstanding works to RM4.99 billion (RM661 million worth was secured this year).

Assuming an 8% pre-tax margin, we estimate the latest win will contribute RM13 million to the company's net profit (one sen EPS), to be recognised over the next few years. We keep our earnings forecasts, having imputed RM1 billion job wins this year.

A full year of Klang Valley MRT2 works will support the company's earnings growth this year. Sunway Construction is still eyeing jobs from the Klang Valley LRT3, Tun Razak Exchange, Gemas-Johor Baru double-track rail and Kuala Lumpur-Klang bus rapid transit. Restoration of its shariah status is another share price catalyst.