

More property-related jobs for Kerjaya Prospek, says RHB Research

July 10, 2024



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KUALA LUMPUR: RHB Investment Bank Bhd (RHB Research) said Kerjaya Prospek Group Berhad (KPG) still has plenty of opportunities amid upcoming property launches in Seri Tanjung Pinang Phase 2 (SPT 2).

The research firm said the company consistently secured new jobs in the year-to-day financial year of 2024 (FY24), despite the absence of new contracts from its industrial segment.

Therefore, any upcoming job win in the industrial segment will be a rerating catalyst.

RHB Research estimated that at least 30 percent of KPG's orderbook, which now stands at around RM4.1 billion, comes from the Seri Tanjung Pinang Phase 2 (STP2) project.

The developer will launch a service apartment called The Lume, whose gross development value (GDV) is RM689 million.

"Prospects are further backed by strong demand seen for STP2's existing projects, such as Senna and Fera, which have more than 90 per cent take-up rates since their launches in January," it said in a research note today.

According to RHB Research, KPG also has another job in Penang, which is a RM1.3 billion project in the Batu Kawan area awarded by Aspen Group Holdings.

It added that other opportunities could stem from Eastern & Oriental's Elmina West development, with an estimated baseline GDV of RM1.5 billion over 54.6 hectares of freehold land, where KPG secured a RM25 million job to undertake earthworks in the third quarter of last year.

"We view this development as important for Eastern and Oriental to mitigate single-location risk, and we gathered from management that it is looking to expedite this development project in the second half of this year, as the acquisition of the land in Elmina West was completed in 2015," it said.

RHB Research maintained its 'buy' call on KPG with a higher target price of RM2.45 from RM2.15 previously.