

Local equities

COMPILED BY INTAN FARHANA ZAINUL



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RHB RESEARCH (OCT 28): We recently visited the city of Elmina, including Elmina Business Park (EBP), courtesy of Sime Darby Property Bhd (KL:SIMEPROP). With more than RM10 billion worth of remaining gross domestic value (GDV) at Elmina, we envisage ample potential opportunities for contractors to participate in residential, commercial or industrial jobs. Contractors with exposure in Elmina include Kumpulan Kitacon Bhd (KL:KITACON), TSR Capital Bhd (KL:TSRCAP), TCS Group Holdings Bhd (KL:TCS) and Gamuda Bhd (KL:GAMUDA). Kitacon is a contractor that has a solid track record in Elmina, with at least RM300 million worth of jobs awarded to the group under this township. Other contractors such as TCS have had jobs at Elmina, albeit on a smaller scale. The remaining land bank of more than 1,000 acres at Elmina West and Kota Elmina should continue providing bright job prospects for contractors focused on township development.

Eastern & Oriental Bhd's (KL:E&O) land at Elmina West (66 acres) could likely see the first launch of 360 stratified landed terrace houses in FY25, followed by more than 110 shophouses in FY26. Recall, Kerjaya Prospek Group Bhd (KL:KERJAYA) secured a RM25 million job in 3Q23 to undertake earthworks for said development at Elmina West. We envisage Kerjaya clinching further jobs there.

Key downside risk: Longer-than-expected rollouts of projects at Elmina

COMPANY NAME	RATING	TARGET (RM)	% UPSIDE (DOWNSIDE)	PER (TIMES) DEC 2025F	P/B (TIMES) DEC 2025F	*ROAE (%) DEC 2025F	YIELD (%) DEC 2025F
Econpile Holdings	Buy	0.60	46.0	52.1	1.5	3.0	-
Gabungan AQRS	Buy	0.53	67.8	4.4	0.3	7.1	3.2
Gamuda	Buy	10.52	23.7	18.7	1.9	10.7	2.4
IJM Corp	Buy	4.39	45.9	20.3	1.0	4.9	2.7
Kerjaya Prospek Group	Buy	2.57	22.0	14.5	2.2	15.6	4.7
KKB Engineering	Buy	1.95	25.0	13.9	1.0	7.6	3.6
Malaysian Resources Corp	Buy	0.86	46.7	29.9	0.6	1.9	1.7
MGB	Buy	1.20	50.4	7.4	0.7	10.2	2.7
Pintaras Jaya	Buy	1.85	25.0	23.6	0.6	2.7	2.1
Sunway Construction	Buy	5.50	20.3	23.8	6.0	26.5	2.5

* ROAE – Return on Average Equity

Elmina's EBP 1 (536 acres) was launched in 2019 with lots for industrial buildings and ready-built factories already fully sold. EBP 2 (906 acres) under the Signature Collection (26.2 acres) twin factory offering has seen a 100% take-up rate upon its launch in September. This reflects growing demand for well-planned industrial spaces in the Klang Valley.

We think future launches at EBP 2 may attract contractors with industrial building capabilities.

Pearl Computing Malaysia Sdn Bhd's data centre (DC) at EBP (estimated capacity of 80MW) — being constructed by

Gamuda for RM1.7 billion — has reached a 2%-4% completion rate and is set for completion in 3Q26. While we do not view other upcoming DCs in EBP that soon, the ongoing construction of said DC may likely continue benefiting mechanical, electrical and plumbing (MEP) contractors. The MEP fit-out works portion of the DC is valued at RM929 million. Of late, AWC Bhd (KL:AWC) and LFE Corporation Bhd (KL:LFECORP) have been awarded subcontracts related to MEP works for the DC being built by Gamuda.