

Analysts positive on Sunway Construction job win for MRT2 project

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KUCHING: Analysts at the research arm of TA Securities Holdings Bhd (TA Research) are positive on the latest contract win by Sunway Construction Group Bhd (Sunway Construction) for a package of the Mass Rapid Transit Line 2 (MRT2) project.

They gathered that the successful bidder of the package would be the nominated sub-contractor for viaduct works package V201, which was also secured by Sunway Construction.

As sub-contractor for viaduct works package V201, they noted the work allows Sunway Construction to share resources for both works packages (V201 and S201), to save in mobilisation of construction team as well as reducing the hassle in site coordination and interfacing works.

To recap, Sunway Construction told Bursa Malaysia last Friday that the company has been awarded a contract for station works package

S201 for the MRT2 (Sungai Buloh-Serdang-Putrajaya line), with a contract sum of RM212.3 million.

The work packages is for the construction and completion of elevated stations and other associated works at Damansara Damai, Sri Damansara West and Sri Damansara East in the Klang Valley.

Similarly, Sunway Construction in a filing to Bursa Malaysia yesterday said the company has signed the letter of acceptance on March 13 issued by Mass Rapid Transit Corp Sdn Bhd (MRT Corp) earlier for the works package S201.

The company revealed that the project shall be completed on September 30, 2020.

Sunway Construction believed that the revenue from the project is expected to contribute positively to the earnings of the group for the financial year ending December 2017 onwards.

Meanwhile, TA Research noted the latest job win was the fourth works package Sunway Construction has secured from MRT Corp

after the group had secured works package V4 of MRT1 and works packages V201 and advance work between Kampung Muhibbah and Serdang Raya 4 of MRT2.

From January until March 10, the research firm observed that Sunway Construction has secured RM661 million worth of new jobs as compared to the management's target of RM2.0 billion for financial year 2017 (FY17) ending December 2017.

Earlier in January, it recalled that the construction firm has secured a building job from its parent company, Sunway Bhd for a property development project at Kelana Jaya, Selangor.

As such, the research firm estimated that the group's outstanding order book currently stood at RM4.5 billion.

In the meantime, TA Research made no change to its earnings forecasts for Sunway Construction as the latest job win for a package of the MRT2 project is within its FY17 order book replenishment assumption of RM2.0 billion.