

## Kerjaya Prospek Group Bhd

Buy. Target price: RM2.67



Source: Bloomberg

**KERJAYA** Prospek announced its fifth job win for FY25 worth RM98 million, awarded by an indirect subsidiary of Eastern & Oriental for the execution and completion of 50 units of 3-storey terrace houses and 26 units of 3-storey semi-detached houses over two phases in EAST's Andaman Island development in Penang. The contract will commence on April 22 and the works are expected to be completed within 24 months.

We understand that this latest job win relates to Senna and Fera phase 3 and 4, with a GDV of RM250 million, based on our estimates. In terms of profitability, we expect the net margin for this project to be between 9-10%. Excluding the latest job win, there is still RM1.1 billion GDV left to be launched in CY25 to meet EAST's property launch target of RM2 billion for Andaman Island. As such, the potential construction value from these launches could amount to RM440 million (assuming construction costs are 40% of total GDV).

We gather that there are more dredging and reclamation works up for grabs for phase 2B and 2C of Andaman Island, in the excess of RM300 million. Between 2026 and 2030, EAST targets to develop RM3.8 billion worth of GDV of properties, which could lead to construction values of RM1.5 billion. We expect demand for residential properties in Penang to remain resilient, with the National Property Information Centre showing that the overhang in residential projects in Penang has been easing between 2022 and 2024.

BUY with RM2.67 TP. – **RHB Research, April 16**