

► **PUNCAK NIAGA HOLDINGS BHD**

	2009	2010F	2011F	2012F
NET PROFIT (RM mil)	142.3	154.2	167.2	185.4
EPS (sen)	34.6	37.5	40.7	45.1
P/E (x)	8.3	7.7	7.1	6.4
DIV YIELD (%)	3.5	3.5	3.5	3.5

Puncak Niaga enters JV with Indian firm for pipeline job

► **Recommendation:**

Hold

Target Price: RM2.61

By ECMLibra Investment Research (Aug 17)

News

PUNCAK Niaga Holdings Bhd has entered into an agreement with P&C Constructions (P) Ltd, an Indian company, to form an unincorporated joint venture in the name of PNHB-P&C Joint Venture (PPJV) to jointly participate in an international competitive tender for a pipeline conveyance system project in Mangalore, India.

Comments

The promoter of the pipeline conveyance system project is

Mangalore Special Economic Zone Ltd, set up in 2006 for the development of the Mangalore Special Economic Zone (MSEZ) to boost the economic growth in the area.

Spanning a proposed 3,985 acres of land in the south western state of Karnataka, the MSEZ is a specifically delineated duty-free enclave.

For the purposes of the tender, Puncak Niaga will be the lead partner with a 70% shareholding in PPJV, with the remaining 30% held by P&C.

Preliminary talks are ongoing with P&C regarding the details of the tender, which opened on Monday.

The project is given a time span of 13 months for com-

pletion, and we understand the project value is to be in the region of RM200 million to RM300 million.

As the timeline for water infrastructure in the MSEZ is slated for completion by December 2011, we expect results of the tender to be made known by November 2010.

The project is in line with the group's efforts to expand its presence in India.

Maintain 'Hold'

As the project is still in its preliminary stage, we make no changes to our estimates pending the outcome of the tender.

We maintain our 'Hold' call and target price of RM2.61 based on 1xNTA.