

OSK keeps its 'buy' call on Gamuda

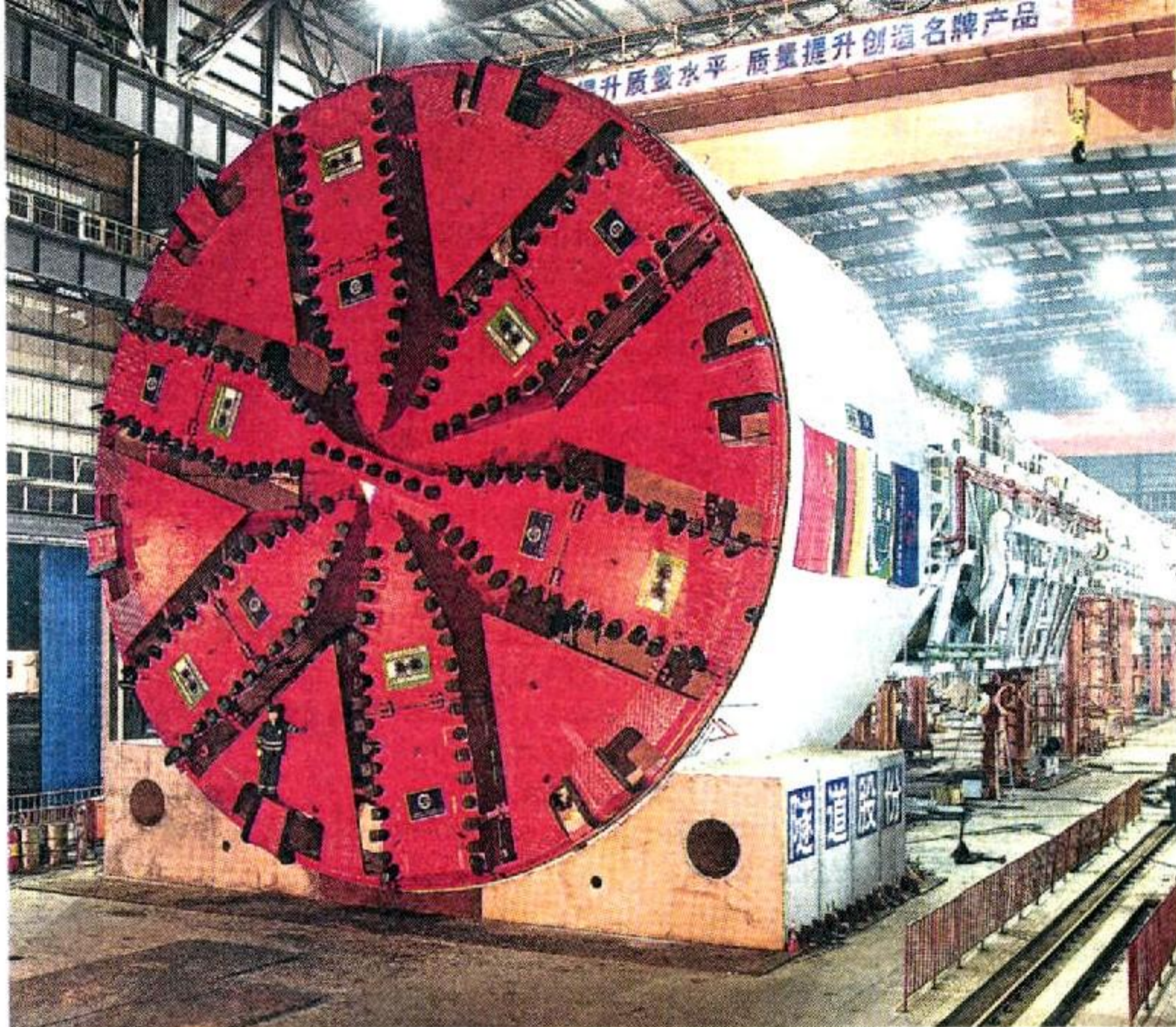
KUALA LUMPUR: OSK Research Sdn Bhd has maintained a "buy" call on Gamuda Bhd with fair value unchanged at RM4.57.

MMC-Gamuda Klang Valley Mass Rapid Transit (KVMRT) joint venture bought tunnel boring machines recently to ensure the timely completion of the entire Sungai Buloh-Kajang (SBK) line by mid-2017.

"All in, we are fairly positive on yet another milestone completed for the SBK line to ensure the timely completion of the entire line by mid-2017, in which MMC-Gamuda would then be entitled to its six per cent management fee," OSK said.

The MMC-Gamuda KVMRT joint venture is buying six tunnel boring machines from Herrenknecht AG for RM360 million for the MY Rapid Transit (MRT) project.

The world's largest maker of tunnelling machines had previously supplied boring machines for the Stormwater Management and Road



*The MMC-Gamuda Klang Valley Mass Rapid Transit joint venture recently bought tunnel boring machines from **Herrenknecht AG** for RM360 million. The company has supplied such machines worldwide, including in China.*

Tunnel (SMART) project.

OSK said the announcement came within its expectations, following the official award of the RM8.3 billion underground portion of the SBK line last Friday.

To recap, the underground package comprises the design and construction of tunnels, seven underground stations and other associated works for an approximate length of 9.5km traversing Semantan North

Portal and Maluri South Portal.

It will take up to 15 months to design and build the tunnel boring machines, which is expected to cost RM60 million each.

OSK expects the first batch of delivery by mid-2013.

"From our checks with the management, a total of 10 tunnel boring machines will be deployed, with four more likely to be decided over the next few weeks."