

SunCon secures two new tenders, targets RM2b order book in 2020

May 21, 2020 @ 7:08pm



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KUALA LUMPUR: Sunway Construction Group Bhd (SunCon) has secured two new tenders, raising its total order book to RM688 million in the first three months of the year.

SunCon said for the first quarter (Q1), the largest project it had secured was a 36.75-kilometre highway project in India worth RM508 million, which was announced on March 25.

It said the two new orders worth RM175 million included the proposed construction of a new campus for Sunway International School project (RM121 million) and the mechanical, electrical and plumbing works for Chan Sow Lin - Klang Valley Mass Rapid Transit (KVMRT) underground station project worth RM54 million.

The projects are expected to be completed in two years and one year respectively.

SunCon said its targeted order book for 2020 was RM2 billion.

SunCon's outstanding order book stood at RM5.4 billion as at March 31 this year.

Group managing director Chung Soo Kiong said that with its strong net cash position and stringent cost control measures, the group was optimistic of overcoming this challenging period.

"SunCon will continue its strategy to expand overseas and focus on its in-house pipeline projects by its intermediate holding company, Sunway Group for its sustained growth," he said.

Meanwhile, SunCon's net profit decreased 47.3 per cent to RM16.35 million from RM31.02 million for Q1 ended March 31, 2020.

Its revenue in the same quarter decreased 16.9 per cent to RM365.83 million from RM440.04 million.

SunCon's construction segment reported a revenue of RM329.6 million and a pre-tax profit of RM20.4 million for the current quarter.

Turnover dropped 19 per cent from RM407 million while pre-tax profit declined 49 per cent from RM 40.0 million in the corresponding quarter in 2019.

This was due to major business disruptions arising from the Covid-19 pandemic and the enforcement of Movement Controlled Order (MCO) since March 18.

SunCon's precast segment reported a revenue of RM36.2 million and PBT of RM800,000 for the current quarter. Both turnover and pre-tax profit increased eecompared to the corresponding quarter in 2019 with improved profitability with current projects.

SunCon said the MCO in Malaysia and Covid-19 Circuit Breaker (CB) in Singapore had impacted the group's operations in both construction and precast segments.

Under Malaysia's conditional MCO, operations have since commenced under strict standard operating procedures and precautionary measures that must be adhered to in the new normal working environment for construction safety.

Chung said the Covid-19 pandemic had brought about unprecedented challenges across the globe, impacting everyday lives and bringing about significant disruptions across every industry.

"SunCon hopes to minimise construction delays due to non-work activity of more than two months during the MCO and conditional MCO period, and recover project progress.

"Precautionary measures will be strictly adhered to prevent the spread of the coronavirus and to ensure the physical safety of our workers at the construction site," he said.