

Suncon 3Q net profit up 11% on construction segment boost

BY WONG EE LIN

KUALA LUMPUR: Sunway Construction Group Bhd (SunCon), the country's largest pure-play construction group, saw its net profit rise 11.1% to RM34.59 million in the third quarter ended Sept 30, 2017 (3QFY17) from RM31.14 million a year ago, on higher contribution from the construction segment.

Earnings per share rose to 2.68 sen in 3QFY17 from 2.41 sen in 3QFY16.

Quarterly revenue increased 28.9% to RM491.36 million from RM381.05 million a year ago, mainly due to contribution from the construction segment which offset the decline from the precast segment.

In a filing with Bursa Malaysia yesterday, SunCon said the construction segment reported a pre-tax profit of RM40.7 million in 3QFY17, up 45.8% from RM27.9 million a year ago.

For the cumulative nine months ended Sept 30, 2017 (9MFY17), SunCon's net profit was up 15.9% to RM106.01 million from RM91.46 million a year ago, while revenue rose 7.5% to RM1.33 billion from RM1.24 billion in 9MFY16.

In a separate statement, SunCon said the group's current outstand-

ing order book amounts to RM6.8 billion, with RM4 billion in new order book wins after including the recent win of Package GS07-08 for the light rail transit Line 3 project worth RM2.18 billion. "Our tender book value is now more than RM15 billion with majority of the jobs tendered under the civil/infrastructure division. In addition, SunCon at present is in discussion with our parent company for several potential projects."

"We are confident about our continued good performance, which will be backed by opportunities in the current infrastructure boom coupled with the existing strong order book and a good track record in delivering projects," said SunCon managing director Chung Soo Kiong.

He pointed to the Construction Industry Development Board, which said the construction sector is expected to grow by 8% to RM170 billion this year, boosted by numerous mega infrastructure projects in the country, compared with a 7.4% growth or RM166 billion in 2016.

On risk aspect, SunCon said the price of steel bar for 3QFY17 has increased by 30% to RM2,600 per tonne from an average of RM2,000 per tonne in 2QFY17.