

SunCon records lower net profit in Q1 2020

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KUALA LUMPUR, May 21-- Sunway Construction Group Bhd (SunCon) recorded a lower net profit of RM16.35 million in the first quarter ended March 31, 2020 (Q1 2020) from RM31.02 million registered in the same quarter last year.

Revenue fell to RM365.83 million in Q1 2020 from RM440.03 million previously.

Group managing director Chung Soo Kiong said the construction segment revenue decreased by 19 per cent to RM329.6 million during Q1 2020, while profit before tax dipped by 49 per cent to RM20.4 million.

The lower performance was due to major business disruptions arising from the COVID-19 pandemic and the enforcement of the Movement Control Order (MCO) since March 18, 2020, he said.

He said operations had since commenced under strict standard operating procedures and precautionary measures that must be adhered to in the new normal working environment for construction safety.

"SunCon hopes to minimise construction delays due to non-work activity of more than two months during the MCO and CMCO (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 in a statement today.

Chung said SunCon had secured two new tenders during the quarter under review, recording a total order book of RM688 million.

The two new orders worth RM175 million include the proposed construction of a new campus for Sunway International School project valued at 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," Chung added.

SunCon has targeted an order book of RM2 billion for 2020 and the current outstanding order book stood at RM5.4 billion as at March 31, 2020.

Chung said with strong net cash position and stringent cost control measures, the Group is optimistic of overcoming this challenging period.

He added that SunCon would 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.

-- BERNAMA

