

## Sunway Construction records revenue of RM419.4 million and profit before tax of RM36 million

By **Poovenraj** - November 20, 2020

# **SUNWAY**® **CONSTRUCTION**

Sunway Construction Group Berhad has reported a revenue of RM419.4 million and profit before tax of RM36.0 million for the current quarter ended 30 Sept 2020, in comparison to revenue of RM140.2 million and profit before tax of RM2.3 million for the quarter ended 30 June 2020.

The leap in the sequential financial performance reflects that operations have normalised to pre-pandemic level.

Construction segment reported revenue of RM403.4 million and profit before tax of RM34.8 million compared to revenue of RM137.2 million and profit before tax of RM5.8 million in the immediate preceding quarter.

Both revenue and profit saw an increase this current quarter compared to immediate preceding quarter as the immediate preceding quarter saw 2.5 months of non-activity period from the Movement Control Order (MCO) and Recovery Movement Control Order (RMCO) imposed by the Government of Malaysia.

Precast segment reported revenue of RM16 million with profit before tax of RM1.2 million compared to revenue of RM3 million with loss before tax of RM3.5 million in the immediate preceding quarter.

There was significant improvement in current quarter result compared to immediate preceding quarter as more projects were allowed to commence operations in Singapore following the lifting of circuit breaker measures during this current quarter.

As of 30 September 2020, all of our jobs were given the green light to commence work by the Singapore government (June 2020: 19 percent). Profit for the quarter was further bolstered due to a one-off mark to market effect of our interest rate swap in the preceding quarter. During the current quarter, we saw recognition of higher yielding margin projects.

The Group has also recently announced the award of two new projects for its 2<sup>nd</sup> India HAM project and solar rooftop project with total combined contract value of RM 333 million. With these new awards, Sunway Construction's new order book expanded to RM2.3 billion and has exceeded its the RM2 billion target new orders for 2020.

Moving forward, the Group will continue to expand overseas and take on in-house pipeline projects by Sunway Group for a sustained growth.

Sunway Construction Group Managing Director Chung Soo Kiong said, "We are also actively exploring the renewable energy sector with a focus on solar projects and district cooling systems.

To date, all our sites in Malaysia as well as Singapore are back to normal. We will continue to practice stringent precautionary measures in compliance with the guidelines by the Ministry of Health. Apart from that, we will also cautiously monitor our operational expenditure to boost our profit margins. With the Group's strong cash reserve and stringent cost control measures, we are confident that the Group will remain resilient to steer through the challenging period."

He added, "The recent tabling of Malaysia's Budget 2021 has seen positive news to the construction sector with RM15 billion allocated to fund several large infrastructure development projects and the reaffirmation of some prominent projects such as the High-Speed Rail (HSR), Rapid Transit System (RTS) and well as Mass Rapid Transit 3 (MRT3). This bodes well for SunCon and we will definitely look forward to participating in some of these projects."