

SunCon now in talks with potential JV partners in Myanmar, Indonesia, says MD

KUALA LUMPUR (Jan 23): Sunway Construction Group Bhd (SunCon), which has expressed its intention to expand into Asean, said it is now in discussion with potential joint venture partners in Myanmar and Indonesia, according to the group's managing director Chung Soo Kiong.

"Currently, we're looking quite seriously in Myanmar and Indonesia...We need a long-term strategic partner. It will depend on the opportunity and we will have to understand and study our partners and [the respective] country risks," Chung said after the group's corporate presentation briefing today at the Invest Malaysia 2018 event.

He said SunCon will only be looking at specialised buildings — such as hospitals — and infrastructure jobs, in its push into Asean.

Meanwhile, he also said the group is upbeat about the construction industry in 2018, on the back of upcoming railway projects.

"If you ask me personally for 2018, all construction players have very good orderbooks — we are all at the peak," Chung said.

In terms of opportunities, SunCon is bidding for a few upcoming jobs such as the East Coast Rail Link (ECRL) and the Kuala Lumpur-Singapore High Speed Rail (HSR), Chung quipped.

In the mean time, the group needs to focus on how to deliver the jobs presently in its hand. "It is also time for us to be more productive on the operational side," he added.

SunCon's orderbook currently stands at RM6.8 billion, which would last the company for about three years. It is bidding for about RM1.5 billion to RM2 billion worth of jobs this year.

Chung, who is expecting a few more "new orders to be coming in" soon, also noted that a lot of people are expecting SunCon to obtain RM2.5 billion in revenue this year. He however, did not elaborate.

SunCon's revenue came in about RM1.8 billion in the financial year ended Dec 31, 2016 (FY16).

Specifically for the group's precast segment, Chung said SunCon is targeting a revenue of about RM300 million for FY18. As at 9MFY17, its precast segment reported a revenue of RM118.5 million.

At closing today, shares of SunCon fell one sen or 0.4% to RM2.48 for a market capitalisation of RM3.22 billion.