

## Sunway Construction reports net profit of RM2.19 million for second quarter

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LaCosta condominium, Sunway South Quay, one of Sunway's projects. – Sunway website pix

**PETALING JAYA:** Sunway Construction Group Bhd (SunCon) net profit tumbled 93.4% to RM2.19 million in the second quarter ended June 30, compared with RM33.19 million reported in the same quarter of the previous year, due to the impact of the movement control order (MCO) to its construction and precast businesses.

Meanwhile, revenue for the period fell 68.2% to RM140.18 million from RM440.18 million reported previously.

According to the group's Bursa Malaysia filing, its construction segment saw a lower profit before tax (pbt) of RM5.8 million, an 85.9% decline for Q2'20 from a pbt of RM41.2 million registered in 2Q19. However, its precast segment saw a loss before tax of RM3.5 million compared with no profit recorded previously.

For the six-month period, its net profit shrank 71.1% to RM18.54 million, from RM64.20 million in the corresponding period of the previous year.

The period saw the group's revenue decline by 42.5% to RM506.01 million from RM880.21 million.

SunCon noted that the construction sector in Malaysia and Singapore saw a contraction of -44.5% and -59.3% respectively, while gross domestic product (GDP) for the two countries saw negative growth of 17.1% and 42.9% respectively for the second quarter of the year.

The group will continue to expand overseas and focus on its in-house pipeline projects by its intermediate holding company, Sunway Group for its sustained growth.

Moving forward, it hopes to minimise construction delays due to non-work activity of more than 2.5 months during the MCO and conditional MCO period, and recover project progress.

"Precautionary measures will be strictly adhered to, to prevent the spread of the coronavirus and to ensure the physical safety of our workers at the construction site. In addition to the group's strong cash reserve and stringent cost control measures, we are optimistic of overcoming this difficult period," it said.

The group said its outstanding order book stands at RM5.4 billion with RM725 million in new orders secured up to June 2020.

In a separate filing, SunCon said it has accepted two letters of award from Sunway South Quay Sdn Bhd and Sunway Belfield Sdn Bhd for the proposed construction of commercial mixed development with carparks and amenities in Sunway South Quay for a contract sum of RM463.2 million, and the proposed development of three blocks of serviced apartments with carparks and amenities in Jalan Belfield for a total contract sum of RM402.9 million respectively.

The projects are expected to contribute positively to the earnings of SunCon Group for FY20 ending Dec 31 onwards.