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SunCon's top line lower due to new projects

by ASILA JALIL

SUNWAY Construction Group Bhd's (SunCon) revenue dropped to RM402.6 million in the third quarter ended Sept 30, 2019 (3Q19), from RM557.3 million recorded in the same quarter last year on lower contribution from its construction business.

The construction segment's revenue dropped to RM365.1 million from RM524.1 million in the corresponding quarter of the preceding financial year.

The group said in a statement yesterday the decline in revenue in 3Q19 is attributed to the majority of existing projects which are still in its initial stages.

Delays in a project due to cost optimisation also resulted in lower revenue.

The group's profit after tax and minority interest dropped to RM33.5 million in the quarter from RM36.4 million in the same period last year.

Its profit before tax also eased to RM35.4 million versus RM48.7 million last year.

SunCon noted in its release yesterday, its precast segment reported a revenue of RM37.5 million and breakeven position in respect to profitability compared to a revenue of RM33.2 million and loss before tax of RM1.9 million in the corresponding quarter of the preceding financial year.

"Revenue recorded for the current quarter was higher by 13% due to present orderbook," it said in a statement.

SunCon yesterday announced the group has exceeded the management target of new orderbook wins of RM1.5 billion, with job wins totalling RM1.73 billion up to Sept 30 this year.

The group's orderbook as at Sept 30 amounted to RM5.6 billion.

SunCon MD Chung Soo Kiong said the orderbook will sustain the group for the next three to four years.

"While waiting for local projects to be reviewed, we will continue to bid for in-house projects from Sunway Bhd and continue to pursue our ambition to expand in the Asean region."

He added that SunCon has a total of RM7.4 billion in active tenders and is also expecting projects to be awarded in both Myanmar and India by the first half of 2020.