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<https://www.nst.com.my/business/2020/11/642642/suncons-q3-net-profit-eases-revenue-rises>

SunCon's Q3 net profit eases, revenue rises

By Azania Shahila Aman - November 19, 2020 @ 8:48pm



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KUALA LUMPUR: Sunway Construction Group Bhd's (SunCon) net profit fell 28.19 per cent to RM24.04 million in the third quarter (Q3) ended September 2020 from RM33.48 million net profit a year ago.

SunCon's revenue increased 4.2 per cent to RM419.4 million in Q3 compared to revenue of RM402.6 million in the corresponding quarter last year.

"The group's revenue increased due to the construction segment and the group's blended margin for the current quarter declined slightly due to the construction segment," it said.

The construction segment reported RM403.4 million revenue and a pre-tax profit of RM34.8 million compared to RM137.2 million revenue and RM5.8 million pre-tax profit in the preceding quarter.

Both revenue and profit saw an increase this 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, SunCon said.

Its precast segment reported a revenue of RM16.0 million with a pre-tax profit of RM1.2 million compared to revenue of RM3.0 million with pre-tax loss of RM3.5 million in the preceding quarter.

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

SunCon group managing director Chung Soo Kiong said as of September 30, all of its jobs were given the green light to commence work by the Singaporean government.

"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," said Chung.

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

Chung said SunCon was 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."

He said with its strong cash reserve and stringent cost control measures, SunCon was confident of remaining resilient to steer through the challenging period.

