

SunCon bags RM781.3m contract in Bangsar from TNB

With the new contract, its outstanding orderbook to date amounts to RM6b

by FARA AISYAH

SUNWAY Construction Group Bhd's (SunCon) subsidiary, Sunway Construction Sdn Bhd, has secured a RM781.3 million construction contract from Tenaga Nasional Bhd (TNB) to build TNB HQ Campus Development (Phase II) in Jalan Bangsar, Kuala Lumpur.

With the new contract, SunCon's outstanding orderbook to date amounts to RM6 billion.

The construction group said in a statement that the project shall be completed within 26 months from the date of commencement, which will be determined by both parties.



We will continue to improve our operational efficiency to further improve our margins, Chung says

The project is also expected to contribute positively to the earnings of the SunCon group for the financial year ending

Dec 31, 2019 onwards.

For the third quarter ended Sept 30, 2018 (3Q18), SunCon's net profit increased 798% year-

on-year (YoY) to RM36.41 million on higher revenue.

The company posted a revenue of RM557.32 million for the three months, an increase of 13.42% YoY from the RM491.36 million recorded in 3Q17, with the growth contributed by both its construction and precast segments.

However, its margin was slightly lower in 3Q18 due to the precast segment.

The construction segment reported a revenue of RM524.1 million and a profit before tax of RM48.8 million in 3Q18 due to higher contribution from its civil division.

The precast segment posted a revenue of RM33.2 million and a loss before tax of RM1.9 million in 3Q18.

The division's higher revenue during the three months was due to better progress from the existing sales order, while the loss was due to

current projects which yield low margins due to higher steel bar prices/content, coupled with stiff competition on pricing.

"We are still actively seeking both external and in-house jobs, and we are confident of achieving our targeted new orders of RM1.5 billion for the year.

"In addition, we will continue our effort to explore opportunities in Myanmar and India, and hope to clinch our new contracts soon.

"We remain focused on delivering our orderbook in hand and will continue to improve our operational efficiency to further improve our margins," MD Chung Soo Kiong said in a media release in November.

SunCon closed seven sen or 4.4% higher at RM1.66 yesterday, with a market capitalisation of RM2.15 billion.