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## Sunway Construction upbeat on growth in FY23

CORPORATE NEWS

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PETALING JAYA: [Sunway Construction Group Bhd](#)  (SunCon) expects its precast segment to contribute more to the group's financials in the near future.

In a filing with Bursa Malaysia yesterday, the construction company said it was cautiously optimistic of registering positive growth for the financial year ending 2023, based on its existing order book.

"SunCon's outstanding order book now stands at RM6bil (December 2022: RM5.3bil), with RM1.28bil new orders secured up to March 2023," it said.

For its first quarter ended March 31, 2023, SunCon's net profit dropped to RM27.83mil from RM34.52mil in the previous corresponding period, while revenue dipped to RM522.13mil from RM624.66mil a year earlier.

Basic earnings per share stood at 2.16 sen versus 2.68 sen previously.

SunCon said the lower net profit and revenue were due to lower income from its construction segment.

The construction segment reported a revenue of RM469.1mil and a pre-tax profit of RM36.2mil, compared to a revenue of RM587.8mil and a pre-tax profit of RM46.2mil in the previous corresponding quarter.

SunCon said the higher revenue in the previous corresponding quarter was due to the acceleration of construction progress to achieve project completion in the first half of 2022.

“On top of that, the existing active projects are in the initial stages where the project progress has yet to pick up.

“Pre-tax profit for the previous corresponding quarter was also higher in tandem with a higher revenue.”

Meanwhile, the group’s precast segment reported a revenue of RM53mil and a pre-tax profit of RM1.3mil, compared to a revenue of RM36.9mil and a pre-tax profit of RM1mil a year earlier.

“Turnover for the current quarter was higher due to higher progress from new projects.

“The pre-tax profit tax margin for the current quarter remained relatively the same as compared to the previous corresponding period, due to higher depreciation costs incurred for our integrated construction and prefabrication hub (ICPH) plant,” it said.

“With the ICPH plant starting to operate in January 2023, we foresee that our precast segment will contribute more to the group’s financials in the near future,” it said.

It added that Malaysia was also seeing a surge of new and emerging data centre investments with over 800 megawatt capacity projected to come onstream in phases over the next five years.

“The lower land and energy costs are the key draws for these investments.

“On the international front, SunCon has entered into the definitive engineering, procurement and construction agreement for Song Hau 2 thermal power plant in Vietnam in March 2023.”