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News

## Sunway Construction Group Records Revenue Of RM455 Million In Q1

By BusinessToday - May 21, 2021



Sunway Construction Group Berhad has registered a revenue increase by 24.4 percent year-on-year (y-o-y) to RM455.2 million in Q1 2021 underpinned by higher revenue from the construction segment and improved blended margin from the Group, boosted by the precast segment.

Profit before tax (PBT) surged by 26.0 percent y-o-y to RM27.2 million, in tandem with the increase in revenue.

For the quarter ended March 31, revenue for the construction segment soared by 27.8 percent y-o-y to RM421.3 million.

PBT increased from RM20.8 million in 1Q 2020 to RM23.6 million in Q1 2021, representing an increase of 13.5 percent y-o-y.

Notwithstanding the higher PBT, PBT margin was softer in the prevailing quarter primarily due to finer construction margin on the back of a highly competitive construction landscape.

The precast segment recorded revenue of RM33.9 million in 1Q 2021, from RM36.2 million in the corresponding quarter in the preceding year.

Despite a healthy outstanding order book, the precast segment's softer revenue during the quarter was attributable to timing of scheduled delivery to the respective projects. PBT margins normalised to 10.6 percent in 1Q 2021.

Sunway Construction also managed to achieve financial close for India's Meensurutti-Chidambaram (MC) highway project on 10 May 2021, which is within the stipulated deadline.

The appointed date for SunCon to commence work will be issued by the National Highways Authority of India (NHAI) in due course.

Sunway Construction Group Managing Director Chung Soo Kiong said, "Despite the disruptions owing to the impact of Covid-19, our first quarter results illustrate our consistent performance with steady growth in revenue. To-date, we have secured RM462 million of new orders."

He further added, "The Government has activated MCO 3.0 in several states from 6 May 2021 which has then turned into nationwide lockdown effective from 12 May 2021. Given our past experience in weathering the operations through MCO 1.0 and MCO 2.0, we continue to prioritise the safety and wellbeing of our employees while optimising our operations to focus on effective project delivery taking into consideration of the anticipated full rollout of the mass vaccination programme. We remain steadfast in growing our order book towards our target of RM2.0 billion new orders in 2021 as we continue to navigate the challenging environment."

“Recent development on the revival of mass infrastructure projects such as MRT<sub>3</sub> bodes well for SunCon in view of our prior track record in MRT<sub>1</sub> and MRT<sub>2</sub>. In addition, we are actively exploring opportunities in overseas, sustainable energy as well as in-house projects by Sunway Group,” he concluded.