

SunCon's earnings, revenue ease in 2020

By Azanis Shahila Aman - February 23, 2021 @ 8:05pm



Sunway Construction Group Bhd's (SunCon) net profit fell 43.7 per cent to RM72.79 million for the year ended December 31, 2020 (FY20) from RM 129.32 million in 2019. Pix courtesy of SunCon web.

KUALA LUMPUR: Sunway Construction Group Bhd's (SunCon) net profit fell 43.7 per cent to RM72.79 million for the year ended December 31, 2020 (FY20) from RM 129.32 million in 2019.

Revenue decreased 12.4 per cent to RM1.55 billion in FY20 from RM1.77 billion in 2019, due to the fall in its construction and precast segment.

For the fourth quarter (Q4), SunCon's net profit fell to RM30.2 million from RM31.64 million previously.

However, the group's revenue increased 29.1 per cent to RM627.2 million in Q4 from RM485.9 million a year ago.

Its construction segment reported RM585.0 million revenue compared to RM440.5 million in the corresponding quarter of 2019.

"Higher turnover in the current quarter was mainly contributed by the final settlement for our Uttar Pradesh project in India through a conciliatory process and building division in the northern region from the ramping up of progress for both the Sunway Carnival Mall Extension and the Sunway Medical Centre Seberang Jaya projects," it said.

SunCon group managing director Chung Soo Kiong said the group would continue to expand its foothold in the overseas market and focus on its in-house pipeline projects for sustained growth.

At the same time, Chung said the group was actively expanding into the sustainable energy sector with a focus on solar projects and district cooling systems.

"To-date, we have secured RM366 million new orders out of which RM252 million from in-house developments and RM114 million secured from our precast division," he said.

Meanwhile, Chung said the recent movement control order (MCO2.0) had inevitably caused a slight disruption to SunCon's operations at the initial stage as it had voluntarily minimised site activities.

He said upon the implementation of the enhanced standard operating procedure (SOPs), the group's operations were subsequently ramped up to the current level of 80 per cent of capacity.

"The state of emergency and MCO2.0 may delay the recovery of the construction sector in the interim period.

"We remain positive on the prospect of the construction sector underpinned by pump-priming allocation of RM15 billion unveiled during the recent 2021 Budget and reaffirmation of large infrastructure projects such as Mass Rapid Transit 3 in the Klang Valley," he added.