

SunCon's 1Q net profit up 23.8% to RM20.2m

by LYDIA NATHAN

SUNWAY Construction Group Bhd's (SunCon) earnings rose by 23.8% year-on-year (YoY) to RM20.2 million for its first quarter ended March 31, 2021 (1Q21), on higher construction revenue.

Revenue for the quarter climbed 24.4% YoY to RM455.2 million, helped by improved blended margin from the precast segment, the engineering construction company said in an exchange filing yesterday.

"Higher turnover in the current quarter was mainly contributed by higher progress billings from building division, both in the central and northern region, despite the effects of Movement Control Order (MCO) 2.0 that was enforced from Jan 13 to March 4, 2021," SunCon wrote.

The company said contributing projects in the central region include the Tenaga Nasional Bhd's campus project in Bangsar, Kuala Lumpur, and Petrolia Nasional

Bhd's National Leadership Centre in Bangi, Selangor.

Revenue at its construction segment surged 27.8% YoY to RM421.3 million in the 1Q.

Its precast segment recorded RM33.9 million in revenue for the period compared to RM36.2 million in the corresponding quarter last year.

"Despite lower turnover, the precast segment registered a higher profit margin due to recognition of higher-yielding projects, bringing us back to normalised margin range," the group said.

SunCon managed to achieve financial close for India's Meensurutti-Chidambaram highway project on May 10, 2021, within the stipulated deadline.

SunCon MD Chung Soo Kiong said the company's 1Q21 results illustrated consistent revenue growth, despite disruptions from the Covid-19 pandemic.

"To date, we have secured RM462 million

of new orders, while our orderbook now stands at RM5 billion. 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 the anticipated full roll-out of the mass vaccination programme," Chung said in a statement yesterday.

He said the company remains steadfast to growing its orderbook to the target of RM2 billion new orders in 2021 through the challenging environment.

"Recent developments on the revival of mass infrastructure projects such as Mass Rapid Transit Line 3 (MRT3) bode well for SunCon in view of our prior track record in MRT1 and MRT2.

"We are actively exploring opportunities overseas, sustainable energy, as well as in-house projects by Sunway Group," Chung said.