

## Strong results for SunCon on higher progress billings




CONSTRUCTION

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PETALING JAYA: Sunway Construction Group Bhd  (SunCon) reported an almost 24% year-on-year (y-o-y) increase in net profit for the first quarter (Q1) ended March 31, 2021.

Higher progress billings under its construction segment and the improved profit margin of its precast segment led to the stronger bottomline of RM20.24mil in the latest quarter.

In comparison, SunCon recorded a net profit of RM16.35mil in the same quarter a year earlier.

Revenue in Q1 of 2021 jumped by 24.43% y-o-y to RM455.2mil.

SunCon said its construction segment posted a higher turnover in Q1 of 2021 mainly due to higher progress billings from the building division, both in the central (TNB campus project in Bangsar and Petronas National Leadership Centre in Bangi) and northern region (Sunway Carnival Mall Extension and the Sunway Medical Centre Seberang Jaya).

“The corresponding quarter of the preceding financial year was affected by two weeks of total stop in activities during the movement control order (MCO) 1.0,” it told Bursa Malaysia.

As for the precast segment, SunCon said it saw a 6.4% y-o-y drop in revenue due to “the schedule of delivery to projects, despite having a healthy outstanding order book”.

“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,” it said.

Earnings per share for the quarter were 1.57 sen. No dividend was declared by the group.

Looking ahead, SunCon said it is cautiously optimistic of sustaining its performance for the financial year 2021.

“The news on the revival of mass infrastructure projects such as mass rapid transit (MRT) 3 bodes well with SunCon as we have prior experience in completing MRT1 and MRT2.

“SunCon will continue to secure more projects overseas and focus on the in-house pipeline projects by its immediate holding company, Sunway Group as well as expanding the sustainable energy segment,” it said.