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SunCon posts stellar quarterly showing

CORPORATE NEWS

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KUALA LUMPUR: Sunway Construction Group Bhd  (SunCon) more than doubled its revenue and net profit in its first quarter (1Q25), driven by strong momentum in data centre (DC) and infrastructure projects, and expects sustained growth for the full year.

Backed by a RM6.6bil order book and an active tender pipeline, SunCon remains confident, especially in the advanced technology facilities segment.

The group has completed one DC project and is managing five ongoing projects for major multinational clients.

“While recent reports have highlighted that several global technology firms are scaling back or deferring certain DC investments across various regions, including Asean, we are pleased to report that progress at our project sites remains robust,” it noted in a recent filing.

“Likewise, our DC tender pipeline remains healthy, with several new bids released in recent weeks.”

Furthermore, it said “recent indications from the US administration to potentially revoke or revise earlier AI chip export restrictions are expected to improve market sentiment and support continued infrastructure investments”.

Still, the group said it is not overly reliant on DCs, with ongoing bids in public and private sectors – including the Penang Light Rail Transit (LRT), Penang International Airport expansion, and industrial facilities – along with a steady pipeline of in-house jobs from parent [Sunway Bhd](#) .

In Singapore, where over 90% of its precast sales are tied to Housing Development Board (HDB) projects, SunCon said demand remains solid. It said the HDB is targeting over 50,000 build-to-order (BTO) flat launches from 2025 to 2027.

Beyond HDB developments, SunCon said its precast division has also secured two DC jobs and is expanding into industrial builds.

“Barring unforeseen circumstances, including material price fluctuations, the group is optimistic of registering positive growth for financial year 2025 based on our existing order book,” SunCon said.

For 1Q25, SunCon’s revenue more than doubled to RM1.4bil from RM604.8mil a year earlier.

Net profit also surged, rising over two-fold to RM75.72mil from RM32.4mil in 1Q24, translating to an earnings per share of 5.87 sen versus 2.51 sen previously.

SunCon said the earnings growth was driven mainly by the construction segment’s accelerated execution of DC projects.

It said the precast segment saw revenue and profits moderate, reflecting prior year peak deliveries and ongoing project transitions.

SunCon has declared a first interim single-tier dividend of five sen per share, payable on June 25.

Meanwhile, in a separate filing, SunCon said its wholly-owned subsidiary Sunway Construction Sdn Bhd (SCSB) had entered into a sales and purchase agreement with Sunway Enterprise (1988) Sdn Bhd – an indirect wholly-owned subsidiary of Sunway Bhd – to dispose of construction machinery and equipment for RM8.68mil.

SunCon said the proposed disposal is part of a strategic initiative to refocus on high-value project delivery and core construction competencies.

SunCon said the disposal is expected to result in a gain of about RM1.3mil, with net proceeds to be used for the group’s general working capital.

Separately, SunCon also announced that its subsidiary, SCSB, had accepted a letter of award from K2 Strategic Infrastructure Malaysia Sdn Bhd for the final stage of a DC development project in Johor.

The Stage 3 general contractor package, valued at RM260mil, brings the total contract sum for the project to RM392.7mil.