

Sunway Construction posts higher revenue of RM627.24mil



CONSTRUCTION

Wednesday, 24 Feb 2021



SunCon said its outstanding order book now stands at RM5.1bil, with RM2.3bil new orders secured up to December 2020.

PETALING JAYA: Sunway Construction Group Bhd's (SunCon) net profit for its fourth quarter ended Dec 31, 2020, stood at RM30.20mil compared with RM31.64mil in the previous corresponding period, while revenue rose to RM627.24mil from RM485.94mil a year earlier.

In a filing with Bursa Malaysia yesterday, SunCon said its revenue increase was due to the construction segment, while the group's blended margin for the current quarter declined due to the construction segment.

"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."

On its precast segment, SunCon said revenue recorded for the current quarter was lower by 7%, as the division was still affected by the Circuit Breaker and movement restriction in the foreign workers' dormitories at the early stage of the quarter.

"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."

For its financial year ended Dec 31, 2020, SunCon's net profit stood at RM72.79mil compared with RM129.32mil in the previous corresponding period, while revenue was at RM1.55bil compared with RM1.77bil a year earlier.

SunCon said its outstanding order book now stands at RM5.1bil, with RM2.3bil new orders secured up to December 2020.

"To date, we have secured new orders of RM366mil for the financial year ending 2021," said the company.

SunCon declared a second interim single tier dividend of 2.75 sen per ordinary share for the financial year ended Dec 31, 2020, to be paid on April 7.

Commenting on its prospects going forward, SunCon said the state of emergency and movement control order (MCO) 2.0 may have dampened the construction sector's road to recovery.

"But there are positive catalysts backed by the allocation of the RM15bil on large infrastructure projects at [Budget 2021](#) and the reaffirmation of large infrastructure projects such as the Mass Rapid Transit 3 in Klang Valley." SunCon will continue to expand overseas and focus on its in-house pipeline projects by its intermediate holding company, Sunway Group for its sustained growth."

Separately, SunCon noted that the Singapore Housing and Development Board (HDB) plans to offer about 17,000 build-to-order (BTO) flats in 2021.

Singapore HDB flats comprised more than 90% of our precast segment sales and our prospects are largely dependent on these launches.

SunCon said it is cautiously optimistic about 2021, considering the anticipated vaccine rollout in Malaysia and MCO 2.0.

"In addition, with the group's strong cash reserve and stringent cost control measures, we are optimistic of overcoming the new norm by being extra vigilant and adhering to standard operating procedures to minimise the impact of Covid-19 to our operations."