

SunCon hopeful of clinching 1st overseas project this year

KUALA LUMPUR: Sunway Construction Group Bhd (SunCon) is positive on the local construction sector's prospect this year in view of the government's revival of the RM44 billion East Coast Rail Link.

SunCon managing director Chung Soo Kiong said the group was hopeful to secure its first overseas project this year while pursuing various tenders for local projects.

"Asean is also an exciting market which we are exploring. In Myanmar, SunCon has teamed up with Capital Construction Ltd, the construction division of Capital Diamond Star Group.

"We have submitted a tender for mixed development project in Mandalay, Myanmar.

"We are also preparing to submit three bids in India's road infrastructure projects by year end or early next year.

"In Singapore, we have ventured into piling," he said in a statement yesterday.

Chung said more projects were expected to be announced in the next 12 months, reflecting Bursa Malaysia's FBM Construction Index, which had gained more than 40 per cent since beginning of this year.

"There are also opportunities within the sustainable energy sector such as in the development of large-scale solar Phase 3," he said.

As at June, the group's outstanding order book stood at RM5.8 billion with RM1.54 billion new orders received to date.

The achievement exceeded the management's target of new order book of RM1.5 billion in the first half.

Meanwhile, its revenue dropped 19.12 per cent to RM440.17 million in the second quarter ended June 30, compared with RM544.21 million a year ago.

SunCon said the lower revenue was due to lower contribution from the construction and precast segments while net

profit fell to RM33.18 million, from RM35.77 million a year ago.

For the first half of the year, its revenue declined 17.76 per cent to RM880.21 million from RM1.07 billion, while net profit fell 10.26 per cent to RM64.20 million from RM71.54 million a year ago.

SunCon has proposed its first interim dividend of 3.5 cent per share for the year ending December 31 and payable on September 26.



Chung Soo Kiong