

SunCon posts improvement in profit before tax margin

PETALING JAYA: Sunway Construction Group Bhd (SunCon), which has reported a higher profit before tax margin of 8.9% for the financial year of 2019 (FY19), has upped its order book target to RM2bil for 2020.

According to SunCon managing director Chung Soo Kiong, the construction company achieved RM1.8bil in new orders for FY19, surpassing its target of RM1.5bil.

"We are confident of securing our projects in Myanmar and India by the second half of this year," he said in a statement yesterday.

For FY19, SunCon posted a revenue of RM1.77bil and profit before tax of RM157.4mil, compared to a revenue of RM2.26bil and profit before tax of RM182.7mil a year earlier.

The company pointed out that its profit before tax margin for FY19 improved to 8.9% from 8.1% in FY18.

"Its construction segment reported a revenue of RM440.5mil and net profit of RM38mil for the fourth quarter of 2019 (4Q19). Turnover has increased by 20.7% from RM365.1mil in 3Q19 to RM440.5mil due to improvement in new building projects coupled with a significant increase in certification for LRT 3 project in 4Q19.

"Its precast segment has returned to a profitable position having recorded a revenue of RM45.4mil and profit before tax of RM2.5mil for 4Q19 compared to revenue of RM37.5mil and profit before tax of RM0.2mil in 3Q19. There is a turnaround in profitability this current quarter due to commencement of several better yielding projects," the company said.

SunCon has proposed its second interim dividend of 3.5 sen per share, bringing the total dividend for FY19 to seven sen.

It said the total dividend declared for FY19 was more than 70% of the company's full-year profit after tax and minority shares.