

## SunCon 4Q net profit falls, targets RM2b new order book

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KUALA LUMPUR (Feb 20): Sunway Construction Group Bhd (SunCon) announced a net profit of RM31.64 million for the fourth quarter ended Dec 31, 2019 (4QFY19), down 13.3% from RM36.50 million in the year-ago quarter.

This fall comes as revenue contracted 22% on year to RM485.94 million from RM626.02 million, as the majority of the group's existing projects are at their initial stages.

Nevertheless, SunCon explained in an exchange filing today that the profit margin of its construction business for both quarters under comparison, were broadly the same.

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Meanwhile, its precast segment reported a 47.9% higher revenue for the quarter under review, due to present order book. "On the profitability side, precast reversed its situation from loss, as old projects with slimmer margins were completed," the group added.

SunCon proposed a second interim dividend of 3.5 sen per share, payable on April 8. This brings total dividend for the year ended Dec 31, 2019 (FY19) to seven sen per share.

Full year net profit for FY19 stood at RM129.32 million, down 10.5% from RM144.43 million in FY18. Revenue fell 21.6% to RM1.77 billion, from RM2.26 billion.

SunCon said its outstanding order book now stands at RM5.2 billion.

"For 2019, we had achieved RM1.8 billion in new orders, surpassing our target of RM1.5 billion.

"We are targeting new orders of RM2 billion. We are confident of securing our projects in Myanmar and India by the second half of this year," said SunCon group managing director Chung Soo Kiong in a statement.

The group said its plan for geographical diversification is focused on Asean and India, by leveraging on its experience and local knowledge from experienced local partners.

Suncon said it will rely on its in-house pipeline projects by its intermediate holding company, Sunway Group, for sustained growth.

"Barring any unforeseen circumstances, the group will continue to deliver satisfactory performance for the coming year 2020," it said.

Shares of SunCon closed two sen or 1.01% lower today at RM1.96 today, for a market capitalisation of RM2.53 billion.