

SunCon Q4 net profit up to RM37mil

PETALING JAYA: Sunway Construction Group Bhd (SunCon) saw its net profit jumping 26.6% to RM36.57mil in the fourth quarter to end-December compared with RM28.89mil a year earlier, despite a lower revenue recorded during the period.

In a filing with Bursa Malaysia, the company said the improvement in its profit margin in the quarter was due to the finalisation of an account of a project.

Revenue for the quarter fell 16.3% to RM626.01mil versus RM748.17mil previously.

Cumulatively, for the financial year ended Dec 31, 2018 (FY18), SunCon posted a 9.4% boost in net profit to RM144.69mil from RM132.3mil a year earlier, on the back of a higher revenue growth of 8.7% to RM2.26bil.

The firm has proposed a second-interim dividend of 3.5 sen per share for FY18, bringing total dividends to seven sen per share for the full year.

For this year, SunCon said it was targeting to secure RM1.5bil in jobs and has to date bagged a RM781mil order to build the Tenaga Nasional Bhd Campus in Bangsar, Kuala Lumpur.

“With this new award, our outstanding order book now stands at RM6bil. This provides good earnings visibility for the group for the next two years,” said SunCon group managing director Chung Soo Kiong in a statement.

“We will actively seek both external and in-house jobs and we hope to achieve our targeted new orders of RM1.5bil for FY19,” he added.

The group said it had secured a RM1.6bil new order book last year.

Shares in SunCon closed two sen lower to RM1.73 yesterday.

On the company’s work at the light rail transit three project, SunCon said work was progressing although at a slower pace, as certain work could not proceed due to the ongoing review to redesign the six stations in its alignment.

“We do not know the impact of this cost review on our contract yet, but we expect to get clarity from our client soon,” it said.

“As for our KVMRT V201 project from Sungai Buloh to Persiaran Dagang, our client MMC-Gamuda has confirmed that the above-ground works would continue, and hence, this project would progress as planned albeit with some reduction in the scope relating to the stations,” it added.

The group said that the anticipated slowdown in the local construction growth would be mitigated by its proposed expansion in the Asean region, coupled with in-house projects by its holding company, Sunway Bhd.