

SunCon 4Q net profit falls, targets RM2b order book

BY TAN XUE YING

KUALA LUMPUR: 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 RM36.5 million for the year-ago quarter.

The fall comes as revenue contracted 22% year-on-year to RM485.94 million from RM626.02 million, as the majority of the group's existing projects were at their initial stages. Nevertheless, SunCon explained in an exchange filing yesterday that the profit margin of its construction business remained broadly the same.

Its precast segment reported a 47.9% higher revenue for the quarter, due to the present order book. "On the profitability side, precast

reversed its situation from loss as old projects with slimmer margins were completed," the group said.

SunCon proposed a second interim dividend of 3.5 sen per share, payable on April 8. This brings the total dividend for FY19 to seven sen per share.

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

SunCon said its outstanding order book stands at RM5.2 billion. "For 2019, we achieved RM 1.8 billion in new orders, surpassing our target of RM 1.5 billion.

"We are targeting new orders of RM2 billion. We are confident in 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.