

Sunway Q2 profits up 30pc on higher REIT valuations

By **NST Business** - August 29, 2017 @ 10:25pm

KUALA LUMPUR: Sunway Bhd posted a net profit of RM233.3 million in the second quarter ended June 2017, a jump of 29.7 per cent from the same quarter last year, due to better performance from most business segments.

Profits were also boosted by the share of higher fair value gains from the annual revaluation exercise done on Sunway REIT properties of RM56.8 million in the current quarter, compared to RM23.7 million, previously.

It declares an interim dividend of seven sen per share which is higher than the interim dividend of five sen declared last year.

Chief financial officer Chong Chang Choong, said the conglomerate is confident that it will continue to deliver a satisfactory performance for the rest of 2017 underpinned by the unbilled property sales of RM1.2 billion and outstanding construction order book of RM4.3 billion as at June 30, 2017.

For the quarter, the property development segment recorded a higher pre-tax profit of RM75.2 million, up 24.1 per cent from RM60.6 million a year ago due to higher profit recognition from both the local and overseas projects.

It has acquired a total of five strategically-located land parcels this year with a total GDV of about RM5.5 billion.

Sunway said all the land plots will be of transit-oriented developments as they are in close to MRT, LRT, BRT and/or monorail stations.

The group's total landbank currently stands at 3,330 acres, with a total of GDV of RM54 billion.

The construction segment recorded a higher pre-tax profit of RM42.3 million in the current quarter, 22.8 per cent higher than RM34.5 million last year, with revenue up 24.7 per cent to RM310.9 million from RM249.3 million.

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