Deal sealed: (from left) PRG property and construction managing director Datuk Alex Wee Cheng Kwan, independent non-executive director Datuk Dr Wong Lai Sum, corporate affairs director Cheah Hannon, Sunsuria sales, marketing and operations senior director Simon Kwan and Koong at the MoU signing ceremony.

Sunsuria on track to achieve RM900mil earnings target

Property developer expects to do better than last year

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SEPANG: Property developer Sunsuria Bhd is on track to achieve its earnings target of RM900mil in its current financial year ending September, based on the group's sales performance so far.

Chief executive officer and executive director Koong Wai Seng said the property market had seen a bit of a pick up this year.

"Our earnings outlook for the remainder of 2017 ... it's not an earnings forecast, but we think we'll do better than last year," he said after a memorandum of understanding (MoU) signing ceremony between Sunsuria and property and construction company PRG Holdings Bhd.

"Our sales target for this year is between RM800mil and RM900mil. Up until now, we are on track to meet our target (and) most of our launches will be in the remaining months."

Koong said the company had seen "a return in buying interest" this year.

"This year has been coming up quite well. We're seeing buying interest coming back compared with last year.

"We're encouraged but we're mindful about the pace. We're seeing more people buying properties below RM500,000," he said.

Sunsuria registered a strong performance in the second quarter of financial year ended March 31, as its net profit saw a six-fold surge to RM18mil on a year-on-year comparison.

This lifted the property developer's earnings for the first half to RM28.6mil.

As at May 17, the group's unbilled sales of RM510mil represented a revenue cover of 2.5 times against its revenue in the last financial year.

Meanwhile, Sunsuria and PRG, via their respective subsidiaries Sunsuria City Sdn Bhd and Premier Electrify Sdn Bhd, have signed an MoU that will see PRG deploying electric vehicle charging stations in Sunsuria City.

PRG corporate affairs director Cheah Hannon said the company also planned to set up charging stations at PRG's existing and ongoing developments.

"It will depend on location and demand for electric vehicles (EVs) in the country," he said, adding that PRG is targeting to set up between 20 and 30 charging stations in Malaysia over the next two years to cater to the growing demand for EVs.

Cheah said the group now had six charging stations at its existing projects. The cost per charging station is around RM12,000.

PRG fully sponsored the first charging station in Sunsuria City.

Last week, PRG announced that it had entered into a RM5bil MoU with the Finance Ministry's wholly owned Syarikat Perumahan Negara Bhd (SPNB) to develop affordable homes.

The MoU was signed with SPNB's unit SPNB Aspirasi Sdn Bhd, and a project management firm Mimbar Nusantara Holdings Sdn Bhd (MNH), for a potential joint venture in the project.

Under this MoU, PRG will undertake construction works and project financing on the projects identified. Meanwhile, MNH will manage the project, including consultation, advising, facilitating and other related and required works.

BToto earnings down on higher prize payouts, expenses

PETALING JAYA: Berjaya Sports Toto Bhd (BToto) has reported a decline in its earnings for the financial year ended April 30, 2017 (FY17) after its unit Sports Toto Malaysia Sdn Bhd incurred bigger prize payouts and higher operating expenses.

The numbers forecast operator said its earnings fell 21.8% to RM241.31mil from RM308.64mil, while its pre-tax profit dropped by 14.7% to RM380.20mil from RM445.66mil previously. Revenue, however, increased to RM5.73bil from RM5.56bil.

BToto said the higher revenue was due to its UK-based H.R. Owen Plc. However, the drop in pre-tax profit was mainly due to the results of Sports Toto and was partly mitigated by the improved results reported by H.R. Owen and the better performance of International Lottery & Totalizator Systems Inc, arising from higher project contract sales.

Sports Toto's revenue dipped 1.7% in FY17, as it made an additional goods and services tax (GST) adjustment of RM15.6mil against its revenue due to a different interpretation on the value of gaming supply. This was subject to a review by the Customs Department.

"Excluding the GST adjustment, the drop in revenue would have been 1.2%," it explained.

BToto said, hence, pre-tax profit was lower by 19.9% mainly due to the GST adjustment, a higher prize payout and higher operating expenses incurred.

Philippine Gaming Management Corp (PGMC) saw its revenue rising 1.3% due to higher lease rental income earned, resulting from the higher sales reported by Philippine Charity Sweepstakes Office (PCSO). However, its pre-tax profit fell 7.3% mainly due to higher operating expenses.

H.R. Owen posted improved revenue and pre-tax profit, mainly boosted by a higher sales volume of new cars, certain new models available for sale, as well as contributions from additional outlets.

"The improved performance of H.R. Owen was partly offset by the unfavourable foreign exchange effect in the conversion into ringgit in the current year.

"Its revenue rose to RM2.35bil from RM2.17bil and pre-tax profit increased to RM15.9mil from RM10mil," it said.

Scientex earnings up in Q3

PETALING JAYA: Packaging materials manufacturer and property developer Scientex Bhd posted 8.6% increase in net profit to RM66.5mil and 17% gain in revenue to RM636.2mil in the third quarter ended April 30, 2017 (Q3 17).

The improved performance was mainly attributed to stronger exports in the group's manufacturing segment and higher progress billings for ongoing property development projects.

Cumulatively, revenue for the nine months amounted to RM1.8bil, increasing 7.1% from RM1.6bil previously.

However, the group posted a marginal decline in net profit to RM183.7mil from RM186.7mil a year ago, in line with its market penetration strategy.

Scientex has declared an interim dividend of 6 sen per share in respect of financial year 2017, with ex-date on July 5 and payable on July 21. The estimated payout would stand at RM29mil or 15.8% of nine-month 2017 net profit.

The group has a dividend policy to distribute at least 30% of net profit to shareholders.

Managing director Lim Peng Jin said in a statement Scientex's consumer packaging division reported growth from export markets, especially for cast-polypropylene and biaxially-oriented polypropylene films.

Meanwhile, the group's ongoing expansion at its consumer packaging plant in Ipoh to double up annual capacity to 24,000 tonnes is expected to complete by August.

The increased capacity, particularly for form-fill-seal bags, hygiene bags and label films, would allow for additional growth in its consumer packaging division.

"Additionally, our new stretch film plant in Arizona, United States, is seeing good progress in factory renovations.

"We have also acquired five stretch film rewinders that are set to commence in October 2017, and two cast film production lines to be installed in December 2017 and early 2018 respectively," Lim said.

He said the group's property development segment continued to achieve commendable sales, with average take-up rate above 75% across ongoing projects as at Q3 17.

"As a recognised leader in affordable development, we will continue to focus on bringing reasonably priced and quality houses to the masses, and look forward to consistently growing our property division," Lim added.

About 70% of its Q3 17 revenue was derived from the manufacturing segment with RM442.8mil, which rose 15.7% from RM382.8mil previously.

The boost was led by exports of industrial and consumer packaging.

PetDag confident of better performance

KUALA LUMPUR: Petronas Dagangan Bhd (PetDag) is confident of a good performance this year despite the prevailing economic uncertainties.

This is due to a number of business strategies it has put in place, said managing director and chief executive officer Datuk Mohd Ibrahimnuddin Mohd Yunus.

He said as the domestic marketing arm of Petroliam Nasional Bhd, PetDag had also planned good inventory management and cost optimisation, coupled with attractive promotional campaigns in every two months.

"For the first quarter ended March 31, 2017, our pre-tax profit increased to RM335.60mil from RM295.64mil in the same period a year ago.

"Moving forward, we see the second quarter as still very challenging, with fluctuating oil prices. However, we remain positive, especially for the retail section," he said after a breaking fast event.

PetDag's revenue rose by 36.2% to RM6.86bil versus RM4.91bil previously.

Ibrahimnuddin said the company would hold many promotions, including the Fuel Frenzy and Coffee Break campaigns, which it hoped would generate enough interest among customers to visit its retail stations. — Bernama