COMPANY UPDAT

FBMKLCI: 1,753.78

Sector: Property

Sunway Berhad

Acquires Prime Land in Kuala Lumpur

THIS REPORT IS STRICTLY FOR INTERNAL CIRCULATION ONLY*

Last Traded: RM3.93, ex-bonus: RM1.68

TP: RM4.15, ex-bonus: RM1.78 (+5.5%).

Hold

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Acquires 4.53 acres Freehold Land in Kuala Lumpur

Sunway has entered into a Sale and Purchase Agreement with LGT S/B, Tan Sri Lim Kok Thay, Puan Sri Datin Seri Lim Kim Hua, Yarraville S/B, Dandenong S/B and Ripponlea S/b (collectively Vendors) for the acquisition of a freehold land along Jalan Belfied, Kuala Lumpur, measuring approximately 4.53 acres for RM165mn (or RM836.18psf). The proposed acquisition is expected to be completed by 2H2017.

Prime Land in Kuala Lumpur

The land is located in the centre of Kuala Lumpur and is only 400 meters from Maharajalela monorail station. It is also close to the upcoming tallest building in Kuala Lumpur, Warisan Merdeka. In terms of accessibility, the land has easy access to and from Federal Highway and the North and South Bound PLUS Expressway via Jalan Syed Putra, Jalan Damansara and Jalan Istana - see Appendix 1 - 3.

Mixed Development Worth RM1.1bn GDV

According to the announcement, the land will be developed into a mixed development, comprising serviced apartments and retail units. To be developed over a span of approximately 5 - 7 years, the proposed development is expected to generate a potential GDV of RM1.1bn. First phase of the development is targeted for launch in 2H2018. We understand that the land comes with an approved plot ratio of 8.81 times. Assuming an efficiency ratio of 75%, the selling price of the service apartments would be around RM850-900psf.

Attractive Pricing

We believe the acquisition price of RM836psf is attractive compared to the implied land cost of RM886psf Sunway paid to acquire 8.45-acre of leasehold lands in Jalan Peel Cheras in Feb-17. In addition, the price tag also appears reasonable, if we compare Sunway's acquisition price of RM836psf, to the price of RM877psf Ibraco paid to acquire a freehold land fronting Jalan Tun Razak and Jalan Loke Yew in Mar-15. Based on the estimated GDV of RM1.1bn, the land cost makes up 15% of the total development value, below the general rule of thumb of 20%.

Positive on the deal

The land will increase the group's outstanding GDV by 2.2% to RM51.6bn (effective GDV: RM33.6bn). We are positive on this land acquisition as it will further expand the group's land bank in the Klang Valley - in line with management's objective to replenish land bank in strategic locations and ready for launch over the near term. We believe the indicative selling price of RM850psf onwards is competitive, given that new residential apartments in the city center are selling above RM950psf.

Impact

Our revision to FY17/18/19 earnings forecasts is in the range of +/-1% after factoring in the purchase of this new land.

Share Information	
Bloomberg Code	SWB MK
Stock Name	Sunway
Stock Code	5211
Listing	Main Market
Share Cap (mn)	2042.5
Market Cap (RMmn)	8027.0
Par Value	1.00
52-wk Hi/Lo (RM)	4.05/2.84
12-mth Avg Daily Vol ('000 shrs)	1647.40
Estimated Free Float (%)	28.9
Beta	0.5
Major Shareholders (%)	

Sungei Way Corp (56.6)

EPF (5.9)

Forecast Revision								
	FY17	FY18						
Forecast Revision (%)	(0.7)	0.1						
Net profit (RMm)	558.5	607.6						
Consensus (RMm)	561.6	599.3						
TA's / Consensus (%)	99.4	101.4						
Previous Rating	Hold (Maintained)							

Financial Indicators									
	FY17	FY18							
Net Debt / Equity (%)	39.8	38.4							
FCPS (sen)	20.3	13.9							
Price / CFPS (x)	8.3	12.1							
ROA (%)	3.0	3.3							
NTA/Share (RM)	1.5	1.5							
Price/NTA (x)	1.1	1.1							

Share Performance (%)								
Price Change	Sunway	FBM KLCI						
1 mth	5.4	(2.2)						
3 mth	19.5	1.3						
6 mth	31.4	4.9						
12 mth	32 3	6.0						

(12-Mth) Share Price relative to the FBM KLCI



Source: Bloomberg



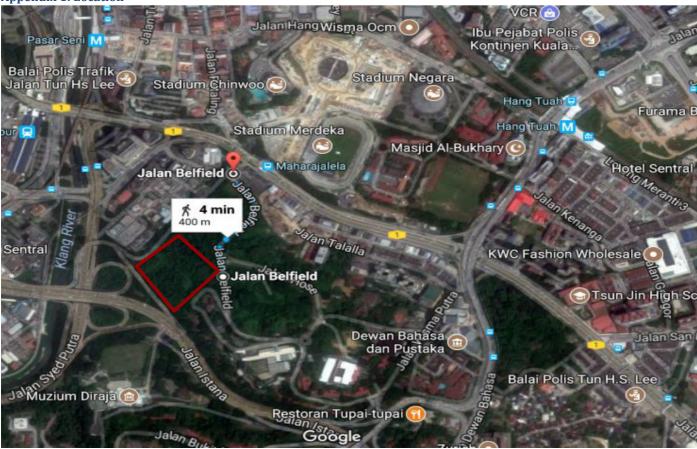
Valuation

We increase the target P/E for the property segment to 14x (from 12x), premised on brighter sales prospect following recent slew of land acquisitions. With that, we raise Sunway's SOP Value to RM4.15/share (ex-bonus TP RM1.78/share) from RM3.95/share previously. Maintain Hold. We believe near-term share price will be supported by the proposed 4-for-3 bonus issue and 3-for-10 bonus warrants, which are expected to be completed by 2HCY17.

SOP Valuation Table (ex-Bonus)

	Amount (RM mn)	Multiple	Stake	Sunway's Share (RM mn)	Per Share (RM)
CY18 Property Earnings	213.2	14	100%	2984.8	0.62
SunCon @ RM2.26 TP	2922.2	1	54%	1589.7	0.33
SunREIT @ RM1.86 TP	5463.9	1	37%	2038.0	0.42
CY18 Healthcare Earnings	60.0	20	100%	1200.0	0.25
CY18 Other Business Earnings	61.6	12	100%	739.4	0.15
SOP Value				8552.0	1.78

Appendix 1: Location



Source: Sunway



Appendix 2: Location



Source: Sunway





Source: Sunway



Financial Statements

Revenue											
EBITDA 86.53 86.49 85.92 896.7 931.9 Land heelf or dev 1.194.1 1,191.5 1,455.0 1,450 1,0 perceitation (117.3) (137.2) (106.7) (104.2) (101.8) Associate & IV 3,181.2 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.8 3,283.1 3,283.1 3,283.8 3,283.1 3	2015	2016	2017F	2018F	2019F	FYE Dec	2015	2016	2017F	2018F	2019F
Depreciation (1173) (1372) (1067) (1042) (1018) Associate & IV 3,181.2 3,223.1 3,258.9 3,272.7 3, Amortisation (0.9) (0.8) (0.8) (0.7) (0.7) Investment Properties 2,722.3 2,752.9 2,776.9 2,800.9 2,201 2,776.9 2,800.9 2,201 2,776.9 2,800.9 2,201 2,776.9 2,800.9 2,201 2,776.9 2,800.9 2,201 2,776.9 2,800.9 2,201 2,776.9 2,800.9 2,201 2,776.9 2,800.9 2,201 2,201.9 2	4,448.4	4,725.9	5,252.0	5,434.0	5,735.3	PPE	1,372.0	1,906.4	1,859.7	1,815.5	1,773.7
Amortisation (0,9) (0,8) (0,8) (0,8) (0,7)	805.3	864.9	859.2	896.7	931.9	Land held for dev	1,194.1	1,191.5	1,455.0	1,455.0	1,455.0
Finance cost	(117.3)	(137.2)	(106.7)	(104.2)	(101.8)	Associate & JV	3,181.2	3,223.1	3,258.9	3,272.7	3,291.6
Finance cost (2.65 (5.99 (9.65) (95.2) (93.9) (93.9) (17.85e) (17.85e	(0.9)	(0.8)	(0.8)	(0.7)	(0.7)	Investment Properties	2,722.3	2,752.9	2,776.9	2,800.9	2,824.9
Associate & IV 2699 192.0 132.1 120.5 130.8 LT Assets 9,261.3 9,679,9 9,956.4 9,949.2 9,978 El	687.0	726.9	751.7	791.8	829.4	Goodwill	320.1	311.9	311.9	311.9	311.9
Associate & IV	(26.6)	(59.9)	(96.5)	(95.2)	(93.9)	Others	471.6	294.0	294.0	293.2	292.5
PBT 930.4 859.0 804.5 817.1 866.3 Property dev. Cost 978.0 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.6 2,000.5 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.5 2,200.5 1,209.4 1,209.4 1,209.5 2,005.5 2,000.5 2,		192.0				LT Assets	9,261.3	9,679.9	9,956.4	9,949.2	9,949.7
PET 930.4 859.0 864.5 817.1 866.3 Property dev. Cost 978.0 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.4 1,209.6 2,209.8 1,209.6 2,209.8 1,209.6 2,000.5 3,000.5 3,	141.7	0.0	0.0	0.0	0.0		,	•	•	,	•
Tax (130.9) (140.4) (144.8) (147.1) (155.9) Inventories 693.1 661.8 676.3 699.7 MI (67.0) (132.7) (101.2) (62.4) (35.4) (35.6) Trade & other receivables 1,23.3 2,828.4 1,818.1 1,905.6 2,8 Core profit 590.7 547.4 558.5 607.6 675.0 Others 614.2 392.1 48.7 392.1 392.1 48.7 48.7 48.7 48.7 48.7 48.7 48.7 48.7 48.7 49.2 49.2 49.2 49.2 49.2 49.2 49.2 49.2 49.2 49.2 49.2 49.2 49.2 4	930.4	859.0	804.5	817.1		Property dev. Cost	978.0	1.209.4	1.209.4	1.209.4	1,209.4
Mile	(130.9)	(140.4)	(144.8)	(147.1)		. ,		•	•	•	738.5
Net profit 732 585 588 588 588 587 675 Cash & Cash & Cash & Cash equivalent 2,631 0,4059 8,460 3,453 3,4		, ,	, ,	, ,							2,011.3
Core profit 590,7 547,4 558,5 607,6 675,0 Others (57 Assets (67,39),6 614,2 392,1 48,36,2 31,36,2 31,31 31,31 31,31 31,31 31,31 31,31 31,31 31,31 31,31 31,31 31,31 31,31 31,31							-	-			4,326.7
Core EPS (sen) 12.3 11.4 11.6 12.6 14.0 Assets Held for Sale 0.0						•	-	•			392.1
Core EPS (sen) 12.3 11.4 11.6 12.6 14.0 Assets Held for Sale 0.0 0.0 0.0 0.0 DODD Service 13.8 5.2 5.0 5.0 6.0 Total Assets 16,000.9 18,814. 18,486.2 18,509.4 18,70 18,814. 18,486.2 18,509.4 18,809.0 80.5 81.7 86.3 ST Borrowings 3,217.6 4,830.7 473.07 74,700.7 4.700.7	330.7	347.4	550.5	007.0	073.0						8,677.9
DPS (sem) 13.8 5.2 5.0 5.0 6.0 Total Assets 16,000.9 18,81.4 18,436.2 18,509.4 18,	12.2	11 /	11.6	12.6	1/1 0		-	-	-	-	0.0
Cash Flow (RM'mn) 2015 2016 2017F 2018F 2019F 20											18,627.7
PBT	13.0	3.2	5.0	5.0	0.0	Total Assets	10,000.5	10,031.4	10,430.2	10,303.4	10,027.7
PBT	2015	2016	2017F	2018F	2019F	Trade and other payables	2.258.5	2.708.3	2.331.0	2.411.8	2,545.5
Depr & Amort 117.3 137.2 106.7 104.9 102.5 Others 88.1 44.4 44.4 44.4 Change in working assets 131.8 (524.0 594.9 (6.5 101.7) (10.7 5T Liabilities 5,564.2 7,583.3 7,156.0 7,186.8 7, 7 7,7							-	•			4,680.7
Change in working assets (131.8) (524.0) 594.9 (6.5) (10.7) ST Liabilities 5,564.2 7,583.3 7,156.0 7,186.8 7, 7ax Chers 154.6 336.3 (35.7) (13.8) (19.0) LT Borrowings 2,815.2 2,590.5 2,540.5 2,490.5 2,290.5 2,240.5 2,490.5 2,280.7						· ·	-				44.4
Tax (130.9) (140.4) (144.8) (147.1) (155.9) Others 154.6 336.3 (35.7) (13.8) (19.0) LT Borrowings 2,815.2 2,590.5 2,540.5 2,490.5 2,200.6 2,490.5 2,490.5 2,200.6 2,490.5 2,490.5 2,200.6 2,490.5 2,200.6 2,490.5 2,200.6 2,490.6 2,200.6 2,200.6 2,200.9 2,202.9 </td <td></td> <td>7,270.5</td>											7,270.5
Others 154.6 336.3 (35.7) (13.8) (19.0) LT Borrowings 2,815.2 2,590.5 2,540.5 2,490.5 2, CFO CFO 939.6 668.1 1,325.6 754.7 783.2 Others 408.2 438.4 438.		, ,		, ,	. ,	31 Eldollities	3,30 1.2	7,505.5	7,130.0	7,100.0	7,270.3
CFO 939.6 [68.1] 68.1] 1,325.6 [75.7] 783.2 [71.4] Others (best) [17.4] 408.2 [38.4] 438.4 [438.4] 438.4 [438.4] 438.4 [28.8] 438.4 [28.8] 438.4 [28.8] 438.4 [28.8] 438.4 [28.8] 438.4 [28.8] 438.4 [28.8] 438.4 [28.8] 438.4 [28.8] 438.4 [28.8] 438.4 [28.8] 438.4 [28.8] 438.4 [28.8] 438.8 [28.8] 2,978.9 [29.28] 2,928.9 [28.9] 2,028.8 [28.8] 2,978.9 [29.28] 2,928.9 [28.9] 2,031.1 [38.8] 4,813.8 [38.8]		, ,	. ,	, ,	. ,	IT Borrowings	2 815 2	2 590 5	2 540 5	2 490 5	2,440.5
Capex						•	-	-	-	-	438.4
Capex (698.9) (637.0) (323.5) (60.0) (60.0) Froperty Inv (563.3) (156.2) (24.0) (24.0) (24.0) Share Cap 1,799.8 2,063.1 4,813.8 4,813.8 4,813.8 4,013.8 4,813.8 <t< td=""><td>333.0</td><td>000.1</td><td>1,323.0</td><td>754.7</td><td>703.2</td><td></td><td></td><td></td><td></td><td></td><td>2,878.9</td></t<>	333.0	000.1	1,323.0	754.7	703.2						2,878.9
Property Inv Property Margins (%) P	(698.9)	(637.0)	(323.5)	(60.0)	(60.0)	ET LIABITICIES	3,223.4	3,020.3	2,376.3	2,320.3	2,070.3
Disposal A56.8 CFI (805.4) (793.2) (347.5) (84.0)		, ,	, ,		. ,	Shara Can	1 700 8	2 063 1	/ Q12 Q	/ Q13 Q	4,813.8
CFI (805.4) (793.2) (347.5) (84.0) (84.0) Shareholder's Funds 6,562.7 7,455.7 7,436.6 7,466.5 7,486.5 20.1 1,200.1		(130.2)	(24.0)	(24.0)	(24.0)	·	-	-	-	-	2,701.9
Net Addition/Rpmt 1,763.8 1,259.5 (100.0) (100.0) (100.0) MII 650.6 763.5 864.7 927.1 Dividend Paid (665.9) (250.5) (577.7) (577.7) (625.8) 16,000.9 18,831.4 18,436.2 18,509.4 18,000.9 18,831.4 18,436.2 18,509.4 18,000.9 18,831.4 18,436.2 18,509.4 18,000.9 18,831.4 18,436.2 18,509.4 18,000.9 18,831.4 18,436.2 18,509.4 18,000.9 18,831.4 18,436.2 18,509.4 18,000.9 18,831.4 18,436.2 18,509.4 18,000.9 18,831.4 18,436.2 18,509.4 18,000.9 18,831.4 18,436.2 18,509.4 18,000.9 18,000.9 18,831.4 18,436.2 18,509.4 18,000.9 18,000.9 18,831.4 18,436.2 18,509.4 18,000.9 18,000.9 18,000.9 18,000.9 18,000.9 18,000.9 18,000.9 18,000.9 18,000.9 18,000.9 18,000.9 18,000.9 18,000.9 18,000.9 18,000.9		(702.2)	(247 E)	(010)	(01 N)		-	•			7,515.7
Dividend Paid Closs Clos	(603.4)	(795.2)	(347.3)	(64.0)	(04.0)	Stidietiolaet's Failus	0,302.7	7,433.7	7,430.0	7,400.5	7,313.7
Others 0.0 0.0 0.0 0.0 0.0 0.0 1,097.9 1,097.9 1,009.1 (677.7) (677.7) (725.8) Ratios 2015 2016 2017F 2018F 2018F <th< td=""><td>1,763.8</td><td>1,259.5</td><td>(100.0)</td><td>(100.0)</td><td>(100.0)</td><td>MI</td><td>650.6</td><td>763.5</td><td>864.7</td><td>927.1</td><td>962.5</td></th<>	1,763.8	1,259.5	(100.0)	(100.0)	(100.0)	MI	650.6	763.5	864.7	927.1	962.5
Others 0.0 0.0 0.0 0.0 0.0 0.0 Liabilities + Equities 16,000.9 18,831.4 18,436.2 18,509.4 18,609.4	(665.9)	(250.5)	(577.7)	(577.7)	(625.8)						
CFF 1,097.9 1,099.1 (677.7) (725.8) Ratios 2015 2016 2017F 2018F Change in cash 1,232.0 883.9 300.5 (7.0) (26.6) EPS Growth (%) (0.2) (7.3) 2.0 8.8 FCF/share 7.5 (6.1) 20.3 13.9 14.5 PER (x) 13.7 14.8 14.5 13.3 GDPS (sen) 13.8 5.2 5.0 <td></td> <td>0.0</td> <td>0.0</td> <td>0.0</td> <td></td> <td>Liabilities + Equities</td> <td>16,000.9</td> <td>18,831.4</td> <td>18,436.2</td> <td>18,509.4</td> <td>18,627.7</td>		0.0	0.0	0.0		Liabilities + Equities	16,000.9	18,831.4	18,436.2	18,509.4	18,627.7
Change in cash 1,232.0 883.9 300.5 (7.0) (26.6) EPS Growth (%) (0.2) (7.3) 2.0 8.8		1,009.1		(677.7)		•	•	•	•	•	•
FCF/share 7.5 (6.1) 20.3 13.9 14.5 PER (x) 13.7 14.8 14.5 13.3 GDPS (sen) 13.8 5.2 5.0 5.0 5.0 Div Yield (%) 8.2 3.1 3.0 3.0 Div Yield (%) 8.2 3.1 3.0 3.0 Net Debt (RMm) 3,401.9 3,361.4 2,960.9 2,867.9 2, Assumptions (RM mn) 2015 2016 2017 2018F 2019F Net gearing (x) 0.5 0.5 0.5 0.4 0.4 New Property Sales 1,209.0 1,052.5 1,191.7 1,571.4 1,994.7 ROE (%) 9.5 7.8 7.5 8.2 Property Margins (%) 23.4 24.7 24.1 23.4 22.7 ROA (%) 4.1 3.1 3.0 3.3 Orderbook Replenishment 2,800.0 2,600.0 2,000.0 2,000.0 2,000.0 NTA/share (RM) 3.5 3.5 1.5 1.5						Ratios	2015	2016	2017F	2018F	2019F
GDPS (sen) 13.8 5.2 5.0 5.	1,232.0	883.9	300.5	(7.0)	(26.6)	EPS Growth (%)	(0.2)	(7.3)	2.0	8.8	11.1
Div Yield (%) 8.2 3.1 3.0 3.0 Net Debt (RMm) 3,401.9 3,361.4 2,960.9 2,867.9 2, Assumptions (RM mn) 2015 2016 2017 2018 2019 New Property Sales 1,209.0 1,052.5 1,191.7 1,571.4 1,994.7 Property Margins (%) 23.4 24.7 24.1 23.4 22.7 Orderbook Replenishment 2,800.0 2,600.0 2,000.0 2,000.0 2,000.0 Div Yield (%) 8.2 3.1 3.0 3.0 Net Debt (RMm) 3,401.9 3,361.4 2,960.9 2,867.9 2, Net gearing (x) 0.5 0.5 0.4 0.4 ROE (%) 9.5 7.8 7.5 8.2 ROA (%) 4.1 3.1 3.0 3.0 Orderbook Replenishment 2,800.0 2,600.0 2,000.0 2,000.0 2,000.0 NTA/share (RM) 3.5 3.5 1.5 1.5 ROA (%) 3.0 3.0 NTA/share (RM) 3.5 3.5 3.5 3.5 ROA (%) 3.0 3.0 ROA (%)	7.5	(6.1)	20.3	13.9	14.5	PER (x)	13.7	14.8	14.5	13.3	12.0
Div Yield (%) 8.2 3.1 3.0 3.0 Net Debt (RMm) 3,401.9 3,361.4 2,960.9 2,867.9 2, Assumptions (RM mn) 2015 2016 2017 2018 2019 New Property Sales 1,209.0 1,052.5 1,191.7 1,571.4 1,994.7 Property Margins (%) 23.4 24.7 24.1 23.4 22.7 Orderbook Replenishment 2,800.0 2,600.0 2,000.0 2,000.0 2,000.0 Div Yield (%) 8.2 3.1 3.0 3.0 Net Debt (RMm) 3,401.9 3,361.4 2,960.9 2,867.9 2, Net gearing (x) 0.5 0.5 0.4 0.4 ROE (%) 9.5 7.8 7.5 8.2 ROA (%) 4.1 3.1 3.0 3.0 Orderbook Replenishment 2,800.0 2,600.0 2,000.0 2,000.0 2,000.0 NTA/share (RM) 3.5 3.5 1.5 1.5 ROA (%) 3.0 3.0 NTA/share (RM) 3.5 3.5 3.5 3.5 ROA (%) 3.0 3.0 ROA (%)						GDPS (sen)	13.8	5.2	5.0	5.0	6.0
Assumptions (RM mn) 2015 2016 2017 2018F 2019F Net gearing (x) 0.5 0.5 0.5 0.4 0.4 New Property Sales 1,209.0 1,052.5 1,191.7 1,571.4 1,994.7 ROE (%) 9.5 7.8 7.5 8.2 Property Margins (%) 23.4 24.7 24.1 23.4 22.7 ROA (%) 4.1 3.1 3.0 3.3 Orderbook Replenishment 2,800.0 2,600.0 2,000.0 2,000.0 2,000.0 NTA/share (RM) 3.5 3.5 1.5 1.5						` '	8.2	3.1	3.0	3.0	3.6
New Property Sales 1,209.0 1,052.5 1,191.7 1,571.4 1,994.7 ROE (%) 9.5 7.8 7.5 8.2 Property Margins (%) 23.4 24.7 24.1 23.4 22.7 ROA (%) 4.1 3.1 3.0 3.3 Orderbook Replenishment 2,800.0 2,600.0 2,000.0 2,000.0 2,000.0 NTA/share (RM) 3.5 3.5 1.5 1.5						` '					2,794.5
New Property Sales 1,209.0 1,052.5 1,191.7 1,571.4 1,994.7 ROE (%) 9.5 7.8 7.5 8.2 Property Margins (%) 23.4 24.7 24.1 23.4 22.7 ROA (%) 4.1 3.1 3.0 3.3 Orderbook Replenishment 2,800.0 2,600.0 2,000.0 2,000.0 2,000.0 NTA/share (RM) 3.5 3.5 1.5 1.5	2015	2016	2017F	2018F	2019F	, ,	-	•			0.4
Property Margins (%) 23.4 24.7 24.1 23.4 22.7 ROA (%) 4.1 3.1 3.0 3.3 Orderbook Replenishment 2,800.0 2,600.0 2,000.0 2,000.0 2,000.0 NTA/share (RM) 3.5 3.5 1.5 1.5	1,209.0	1,052.5	1,191.7	1,571.4	1,994.7		9.5	7.8	7.5	8.2	9.0
Orderbook Replenishment 2,800.0 2,600.0 2,000.0 2,000.0 2,000.0 NTA/share (RM) 3.5 3.5 1.5 1.5	23.4	24.7	24.1	23.4	22.7		4.1	3.1	3.0	3.3	3.6
						` '				1.5	1.5
Construction margins (%) 9.2 10.1 9.9 9.9 9.9 P/NTA (x) 0.5 0.5 1.1 1.1		-			-						1.1
ction margins (%)		4,448.4 805.3 (117.3) (0.9) 687.0 (26.6) 269.9 141.7 930.4 (130.9) (67.0) 732.4 590.7 12.3 13.8 2015 930.4 117.3 (131.8) (130.9) 154.6 939.6 (698.9) (563.3) 456.8 (805.4) 1,763.8 (665.9) 0.0 1,097.9 1,232.0 7.5 2015	4,448.4 4,725.9 805.3 864.9 (117.3) (137.2) (0.9) (0.8) 687.0 726.9 (26.6) (59.9) 269.9 192.0 141.7 0.0 930.4 859.0 (130.9) (140.4) (67.0) (132.7) 732.4 585.9 590.7 547.4 12.3 11.4 13.8 5.2 2015 2016 930.4 859.0 117.3 137.2 (131.8) (524.0) (130.9) (140.4) 154.6 336.3 939.6 668.1 (698.9) (637.0) (563.3) (156.2) 456.8 (805.4) (793.2) 1,763.8 1,259.5 (665.9) (250.5) 0.0 0,079.9 1,009.1 1,232.0 883.9 7.5 (6.1)	4,448.4 4,725.9 5,252.0 805.3 864.9 859.2 (117.3) (137.2) (106.7) (0.9) (0.8) (0.8) 687.0 726.9 751.7 (26.6) (59.9) (96.5) 269.9 192.0 132.1 141.7 0.0 0.0 930.4 859.0 804.5 (130.9) (140.4) (144.8) (67.0) (132.7) (101.2) 732.4 585.9 558.5 590.7 547.4 558.5 12.3 11.4 11.6 13.8 5.2 5.0 2015 2016 2017F 930.4 859.0 804.5 117.3 137.2 106.7 (131.8) (524.0) 594.9 (130.9) (140.4) (144.8) 154.6 336.3 (35.7) 939.6 668.1 1,325.6 (698.9) (637.0) (323.5)	4,448.4 4,725.9 5,252.0 5,434.0 805.3 864.9 859.2 896.7 (117.3) (137.2) (106.7) (104.2) (0.9) (0.8) (0.8) (0.7) 687.0 726.9 751.7 791.8 (26.6) (59.9) (96.5) (95.2) 269.9 192.0 132.1 120.5 141.7 0.0 0.0 0.0 930.4 859.0 804.5 817.1 (130.9) (140.4) (144.8) (147.1) (67.0) (132.7) (101.2) (62.4) 732.4 585.9 558.5 607.6 590.7 547.4 558.5 607.6 12.3 11.4 11.6 12.6 13.8 5.2 5.0 5.0 2015 2016 2017F 2018F 930.4 859.0 804.5 817.1 117.3 137.2 106.7 104.9 (131.8) <td>4,448.4 4,725.9 5,252.0 5,434.0 5,735.3 805.3 864.9 859.2 896.7 931.9 (117.3) (137.2) (106.7) (104.2) (101.8) (0.9) (0.8) (0.8) (0.7) (0.7) 687.0 726.9 751.7 791.8 829.4 (26.6) (59.9) (96.5) (95.2) (93.9) 269.9 192.0 132.1 120.5 130.8 141.7 0.0 0.0 0.0 0.0 930.4 859.0 804.5 817.1 866.3 (130.9) (140.4) (144.8) (147.1) (155.9) (67.0) (132.7) (101.2) (62.4) (35.4) 732.4 585.9 558.5 607.6 675.0 590.7 547.4 558.5 607.6 675.0 12.3 11.4 11.6 12.6 14.0 13.8 5.2 5.0 5.0 5.0</td> <td> 4,448.4</td> <td>2015 2016 2017 2018F 2019F FYE Dec 2015 4,448.4 4,725,9 5,252.0 5,434.0 5,735.3 PPE 1,372.0 805.3 864.9 859.2 896.7 793.9 Land held for dev 1,194.1 (117.3) 1(37.2) (106.7) (104.2) (101.8) Associate & IV 3,191.2 (687.0 726.9 751.7 791.8 829.4 Goodwill 320.1 (26.6) (59.9) (96.5) (95.2) (93.9) Others 471.6 269.9 192.0 132.1 120.5 130.8 LT Assets 9,261.3 141.7 0.0 0.0 0.0 0.0 930.4 859.0 804.5 817.1 866.3 Property dev. Cost 978.0 (130.9) (140.4) (144.48) (147.1) (155.9) Inventories 693.1 (67.0) (132.7) (101.2) (62.4) (35.4) Trade & other receivables 1,823.3</td> <td> </td> <td> </td> <td> </td>	4,448.4 4,725.9 5,252.0 5,434.0 5,735.3 805.3 864.9 859.2 896.7 931.9 (117.3) (137.2) (106.7) (104.2) (101.8) (0.9) (0.8) (0.8) (0.7) (0.7) 687.0 726.9 751.7 791.8 829.4 (26.6) (59.9) (96.5) (95.2) (93.9) 269.9 192.0 132.1 120.5 130.8 141.7 0.0 0.0 0.0 0.0 930.4 859.0 804.5 817.1 866.3 (130.9) (140.4) (144.8) (147.1) (155.9) (67.0) (132.7) (101.2) (62.4) (35.4) 732.4 585.9 558.5 607.6 675.0 590.7 547.4 558.5 607.6 675.0 12.3 11.4 11.6 12.6 14.0 13.8 5.2 5.0 5.0 5.0	4,448.4	2015 2016 2017 2018F 2019F FYE Dec 2015 4,448.4 4,725,9 5,252.0 5,434.0 5,735.3 PPE 1,372.0 805.3 864.9 859.2 896.7 793.9 Land held for dev 1,194.1 (117.3) 1(37.2) (106.7) (104.2) (101.8) Associate & IV 3,191.2 (687.0 726.9 751.7 791.8 829.4 Goodwill 320.1 (26.6) (59.9) (96.5) (95.2) (93.9) Others 471.6 269.9 192.0 132.1 120.5 130.8 LT Assets 9,261.3 141.7 0.0 0.0 0.0 0.0 930.4 859.0 804.5 817.1 866.3 Property dev. Cost 978.0 (130.9) (140.4) (144.48) (147.1) (155.9) Inventories 693.1 (67.0) (132.7) (101.2) (62.4) (35.4) Trade & other receivables 1,823.3			

Stock Recommendation Guideline

Note: EPS and DPS adjusted for 4 for 3 bonus issue proposed in FY17

BUY: Total return within the next 12 months exceeds required rate of return by 5%-point.

HOLD: Total return within the next 12 months exceeds required rate of return by between 0-5%-point.

SELL : Total return is lower than the required rate of return.

Not Rated: The company is not under coverage. The report is for information only.

Total Return is defined as expected share price appreciation plus gross dividend over the next 12 months. Gross dividend is excluded from total return if dividend discount model valuation is used to avoid double counting.

Required Rate of Return of 7% is defined as the yield for one-year Malaysian government treasury plus assumed equity risk premium.

Disclaimer

The information in this report has been obtained from sources believed to be reliable. Its accuracy or completeness is not guaranteed and opinions are subject to change without notice. This report is for information only and not to be construed as a solicitation for contracts. We accept no liability for any direct or indirect loss arising from the use of this document. We, our associates, directors, employees may have an interest in the securities and/or companies mentioned herein.

for TA SECURITIES HOLDINGS BERHAD(14948-M)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Kaladher Govindan - Head of Research