



SUNWAY[®]
SUNWAY BERHAD

Q2 2016 RESULTS BRIEFING PACK
29 AUGUST 2016

1) Year on Year

- Revenue up 11.0%
- PATMI is comparable to the performance of the previous year, despite a reduction in contribution from the Construction division to 54.4% following the listing of Sunway Construction Group Berhad in July 2015, after excluding fair value gains.
- Interim dividend of 5 sen per share.

2) Quarter on Quarter

- Revenue up 8.1%
- PATMI up 51.2% due to share of fair value gains from Sunway REIT and better overall operational performance.

3) Key Indicators Remain Strong

- 2016 Property Sales YTD: **RM 613 million** (Effective: RM 510 million)
(2015 Property Sales YTD: RM 478 million (Effective RM 353 million))
- Property Unbilled Sales : **RM 2.0 billion** (Effective: RM 1.5 billion)
- Construction Outstanding Order Book : **RM 4.9 billion**
- 2016 YTD Order Book Replenishment : **RM 2.4 billion**
(2015 YTD Order Book Replenishment : RM 520 million)

Overview of Key Performance Highlights



RM mil	Q2 FY 2016	Q2 FY 2015	Q1 FY 2016	YTD 2016	YTD 2015
	Apr - Jun 2016	Apr - Jun 2015	Jan - Mar 2016	Jan - Jun 2016	Jan - Jun 2015
Revenue	1,155.7	1,041.5	1,069.0	2,224.7	2,101.5
EBIT	219.3	290.2	192.2	411.5	495.1
EBIT Margin	19.0%	27.9%	18.0%	18.5%	23.6%
PBT	203.8	280.9	176.1	379.9	474.4
PBT Margin	17.6%	27.0%	16.5%	17.1%	22.6%
PATMI ^{1.}	154.4	237.9	102.1	256.5	384.4
PATMI Margin	13.4%	22.8%	9.6%	11.5%	18.3%
EPS (sen) ^{2.}	7.82	13.54	5.71	13.64	22.03

The following items were included in the calculation of the profit of the Group:

(RM mil)	Q2 2016		Q2 2015		Q1 2016		YTD 2016		YTD 2015	
	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI
Fair value gain (associate)	(23.7)	(23.7)	(110.8)	(110.8)	-	-	(23.7)	(23.7)	(110.8)	(110.8)
(Gain)/Loss on derivatives	-	-	(0.5)	(0.5)	-	-	-	-	2.7	2.7
Fair value of ESOS	2.2	2.2	8.9	8.9	2.4	2.4	4.6	4.6	12.8	12.8
Gain on disposal to Sunway REIT	-	-	0.0	0.0	-	-	-	-	(22.9)	(22.9)
Listing Expenses	-	-	1.2	1.2	-	-	-	-	1.2	1.2
	(21.5)	(21.5)	(101.2)	(101.2)	2.4	2.4	(19.1)	(19.1)	(117.0)	(117.0)

1. The effective shareholding of the Construction division was reduced to 54.4% from 100% following the listing of Sunway Construction Group Berhad in July 2015.

2. Based on weighted average share capital on respective dates.

Balance Sheet and Gearing

RM mil	30/6/2016 (Unaudited)	30/6/2015 (Unaudited)	31/3/2016 (Unaudited)
Non-current Assets	9,470.1	7,557.0	9,165.2
Current Assets	7,643.9	6,231.2	6,905.7
Assets held for sale	4.5	-	-
Total Assets	17,118.5	13,788.2	16,070.8
Current Liabilities	6,514.3	4,744.9	6,695.4
Non-current Liabilities	2,720.8	2,347.3	1,652.0
Total Liabilities	9,235.1	7,092.2	8,347.4
Shareholders' Funds	7,193.7	6,268.4	7,033.5
Non-Controlling Interests	689.8	427.7	689.9
Total Equity	7,883.4	6,696.0	7,723.4
Total Equity & Liabilities	17,118.5	13,788.2	16,070.8
Total Borrowings	6,822.8	4,384.3	5,822.3
Cash and bank balances and short-term investments	3,683.9	2,163.4	2,986.5
Net Gearing Ratio [^]	0.40	0.33	0.37
Share Capital [#]	2,033.9	1,764.3	1,983.5
Net Assets Per Share ^{**}	3.54	3.55	3.55

[^] Net Gearing = (Total Borrowings – Cash and bank balances and short term investments) / Total Equity

* The Group's borrowings in foreign currencies are always hedged using cross currency swaps. However, the translated borrowing amount in Ringgit is required to be marked-to-market at the prevailing exchange rate during the loan tenure. If based on the hedged borrowing amount, the net gearing as at 30 June 2016 would be lower at 0.37 times.

[#] Increase in share capital in Q2 2016 is mainly due to conversion of warrants

^{**}Net assets per share dropped mainly due to increase in share capital.

Property Development Segmental Review

	<u>Q2 2016</u>	<u>Q2 2015</u>	<u>Q1 2016</u>	<u>YTD 2016</u>	<u>YTD 2015</u>
Revenue (RM'mil)	315.1	324.2	234.1	549.1	504.9
Operating Profit (RM'mil)	53.1	36.7	55.7	108.7	76.8
Op. Profit Margin	16.8%	11.3%	23.8%	19.8%	15.2%
EBIT (RM'mil) (incl. share of assc. & JCE)	60.7	53.3	70.5	131.3	108.5
EBIT Margin (incl. share of assc. & JCE)	19.3%	16.5%	30.1%	23.9%	21.5%

Review of Performance

- Yoy, revenue is in line.
- Yoy, operating profit and EBIT are higher due to vacant possession of Sunway Velocity Signature Retail Shops and Offices and higher contribution from Sunway Geo Residences.
- Qoq, revenue is higher due to stronger billings from Sunway Velocity, Sunway Geo Residences and sale of completed Sunway Vivaldi units.
- Qoq, EBIT is lower due to reduced contribution from overseas projects.

Property Investment Segmental Review

	<u>Q2 2016</u>	<u>Q2 2015</u>	<u>Q1 2016</u>	<u>YTD 2016</u>	<u>YTD 2015</u>
Revenue (RM'mil)	160.1	144.8	169.2	329.3	284.1
Operating Profit (RM'mil)	24.4	28.5	36.4	60.8	72.9**
Op. Profit Margin	15.2%	19.7%	21.5%	18.5%	25.7%
EBIT* (RM'mil) (incl. share of assc. & JCE)	74.5*	161.3*	64.0	138.5*	229.7*
EBIT Margin (incl. share of assc. & JCE)	46.5%	111.4%	37.8%	42.1%	80.8%

*Includes fair value gain of investment properties of Sunway REIT.

**Includes gain on disposal of properties to Sunway REIT of RM22.9 mil.

Review of Performance

- Yoy, revenue is higher due to higher rental contribution from Sunway University New Academic Block and better occupancy at Sunway Pinnacle. Revenue in the current quarter was further boosted by the opening of Nickelodeon Lost Lagoon and Sunway Pyramid Hotel West in Q1 2016 and the completion of Sunway Putra Hotel's refurbishment at the end of 2015.
- Yoy, EBIT is lower due to lower share of fair value gains of Sunway REIT properties of RM23.7 million in the current quarter compared to RM110.8 million recognised in the corresponding quarter last year.
- Qoq, revenue and operating profit is lower due to lower visitorship to the theme parks and Sunway Resort Hotel during the month of Ramadhan and the closure of Sunway Pyramid Hotel East for refurbishment in April.
- Qoq, EBIT is higher due to share of fair value gain from Sunway REIT recognised during the quarter.

Construction Segmental Review

	<u>Q2 2016</u>	<u>Q2 2015</u>	<u>Q1 2016</u>	<u>YTD 2016</u>	<u>YTD 2015</u>
Revenue (RM'mil)	249.3	244.1	311.4	560.8	619.4
Operating Profit (RM'mil)	34.0	56.0	35.6	69.6	108.9
Op. Profit Margin	13.6%	22.9%	11.4%	12.4%	17.6%
EBIT (RM'mil) (incl. share of assc. & JCE)	34.0	55.9	35.6	69.6	107.7
EBIT Margin (incl. share of assc. & JCE)	13.6%	22.9%	11.4%	12.4%	17.4%

Review of Performance

- Yoy, revenue is in line.
- Yoy, operating profit and EBIT are lower due to lower profit recognition from ongoing projects and the upfront planning and preliminary costs incurred in the Klang Valley MRT Package V201, which will commence work in 2H2016.
- Qoq, revenue is lower due to higher intra-group elimination i.e. more progress on internal jobs in the current quarter.
- Qoq, operating profit and EBIT are lower in line with the lower revenue.

Construction Order Book – RM4.9 billion

SUNWAY™

Infrastructure

MRT Package V4 (Sec 17 to Semantan)

MRT Package V201 (Sungai Buloh - Persiaran Dagang)

Johor

Coastal Highway Southern Link

Others

Putrajaya Parcel F

KLCC NEC

KLCC Package 2 (Piling & Substructure)

KLCC Package 2A (Substructure)

Hospital Universiti Kebangsaan Malaysia (MEP Works)

International School of Kuala Lumpur

Others

Internal

Sunway Velocity 2 Mall

Sunway Velocity Hotel and Offices

Sunway Geo Retail Shops & Flexi Suites

Sunway Medical Centre Phase 3 (Sub & Superstructure)

Sunway Iskandar - Citrine Svc Apt (Sub & Superstructure)

Sunway Geo Retail Shops & Flexi Suites Phase 2

Sunway Lenang Phase 1A

Sunway Iskandar - Emerald Residences

Sunway Medical Centre 4

Sunway Velocity Medical Centre

Others

Singapore

Precast



MRT Package V4



Sunway Velocity



KLCC North East Car Park,
Package 2 & 2A

Projects

MRT Package V201

International School of Kuala Lumpur

Hospital Universiti Kebangsaan Malaysia (MEP Works)

Velocity Link Bridge

Sunway Velocity Medical Centre

Sunway Velocity Hotel and Offices

Sunway Medical Centre 4

Precast

Thank You

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Next quarter announcement on 25 November 2016

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