

SUNWAY®



SUNWAY BERHAD

Q2 2017 RESULTS BRIEFING PACK

29 AUGUST 2017

1) Year on Year

- Revenue improved 7.4%.
- PATMI improved 27.6%.
- PATMI margin improved to 15.9% from 13.4%.
- Interim dividend of 7 sen per share *(If the entitlement date for the proposed bonus issue is prior to the entitlement date for the interim dividend, the dividend of 7 sen per share will be adjusted accordingly to 3 sen per share based on the enlarged number of shares of the Company following the proposed bonus issue of shares.)*

2) Quarter on Quarter

- Revenue improved 13.7%.
- PATMI up 82.5% due to share of fair value gains from Sunway REIT of RM56.8 million and better overall operational performance.

3) Key Indicators

- Property Sales : **RM 376 million** (Effective: RM 339 million)
- Property Unbilled Sales : **RM 1.2 billion** (Effective: RM 908 million)
- Construction Outstanding Order Book : **RM 4.3 billion**
- YTD Order Book Replenishment : **RM 991 million**

Overview of Key Performance Highlights

RM mil	Q2 FY 2017 Apr - Jun 2017	Q2 FY 2016 Apr - Jun 2016	Q1 FY 2017 Jan - Mar 2017	YTD 2017 Jan - Jun 2017	YTD 2016 Jan - Jun 2016
Revenue	1,241.0	1,155.7	1,091.3	2,332.3	2,224.7
EBIT	290.2	219.3	159.9	450.0	411.5
EBIT Margin	23.4%	19.0%	14.6%	19.3%	18.5%
PBT	271.4	203.8	153.1	424.6	379.9
PBT Margin	21.9%	17.6%	14.0%	18.2%	17.1%
PATMI	196.9	154.4	107.9	304.9	256.5
PATMI Margin	15.9%	13.4%	9.9%	13.1%	11.5%
EPS (sen)*	9.62	7.82	5.33	14.97	13.64

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

(RM mil)	Q2 2017		Q2 2016		Q1 2017		YTD 2017		YTD 2016	
	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI
Fair value gain (associate)	(56.8)	(56.8)	(23.7)	(23.7)	-	-	(56.8)	(56.8)	(23.7)	(23.7)
Fair value of ESOS	-	-	2.2	2.2	-	-	-	-	4.6	4.6
	(56.8)	(56.8)	(21.5)	(21.5)	-	-	(56.8)	(56.8)	(19.1)	(19.1)

* Based on weighted average number of shares on respective dates.

Balance Sheet and Gearing

RM mil	30/6/2017 (Unaudited)	30/6/2016 (Unaudited)	31/3/2017 (Unaudited)
Non-current Assets	9,893.9	9,470.1	9,831.1
Current Assets	9,859.6	7,643.9	8,886.3
Assets held for sale	-	4.5	-
Total Assets	19,753.5	17,118.5	18,717.4
Current Liabilities	7,702.1	6,514.3	6,854.1
Non-current Liabilities	3,498.6	2,720.8	3,468.4
Total Liabilities	11,200.7	9,235.1	10,322.5
Shareholders' Funds	7,739.6	7,193.7	7,614.9
Non-Controlling Interests	813.2	689.8	779.9
Total Equity	8,552.8	7,883.4	8,394.9
Total Equity & Liabilities	19,753.5	17,118.5	18,717.4
Total Borrowings	8,379.4	6,822.8	7,620.7
Cash and bank balances and placement in funds	4,891.6	3,683.9	4,050.3
Net Gearing Ratio [^]	0.41*	0.40	0.43
Share Capital	2,114.9	2,033.9	2,075.9
Number of Ordinary Shares	2,078.3	2,033.9	2,067.0
Net Assets Per Share	3.72	3.54	3.68

[^] Net Gearing = (Total Borrowings – Cash and bank balances and placement in funds) / 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 2017 would be lower at 0.38 times.

Property Development Segmental Review

	<u>Q2 2017</u>	<u>Q2 2016</u>	<u>Q1 2017</u>	<u>YTD 2017</u>	<u>YTD 2016</u>
Revenue (RM'mil)	271.1	315.1	143.3	414.4	549.1
Operating Profit (RM'mil)	65.8	53.1	7.9	73.7	108.7
Op. Profit Margin	24.3%	16.8%	5.5%	17.8%	19.8%
EBIT (RM'mil) (incl. share of assc. & JCE)	75.1	60.7	20.5	95.6	131.3
EBIT Margin (incl. share of assc. & JCE)	27.7%	19.3%	14.3%	23.1%	23.9%

Review of Performance

- Yoy, revenue is lower due to lower sales and progress billings from local development projects. Also, no sales was recorded from the Group's wholly owned Avant Parc project in Singapore in the current quarter, as the project was fully sold in Q2 2016. Revenue in Q2 2016 was further boosted due to vacant possession of Sunway Velocity Signature Retail Shops and Offices during the quarter.
- Yoy, operating profit and EBIT are higher due to higher profit recognition from both local and overseas projects, and vacant possession of Sunway Geo Residences in Sunway South Quay in the current quarter.
- Qoq, revenue, operating profit and EBIT are higher mainly due to higher sales, vacant possession of Sunway Geo Residences in Sunway South Quay in the current quarter, and higher progress billings from local projects such as Sunway Velocity.

Property Investment Segmental Review

	<u>Q2 2017</u>	<u>Q2 2016</u>	<u>Q1 2017</u>	<u>YTD 2017</u>	<u>YTD 2016</u>
Revenue (RM'mil)	207.4	160.1	186.9	394.3	329.3
Operating Profit (RM'mil)	43.0	24.4	44.1	87.1	60.8
Op. Profit Margin	20.7%	15.2%	23.6%	22.1%	18.5%
EBIT (RM'mil) (incl. share of assc. & JCE)	128.0*	74.5*	74.2	202.2*	138.5*
EBIT Margin (incl. share of assc. & JCE)	61.7%	46.5%	39.7%	51.3%	42.1%

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

Review of Performance

- Yoy, revenue is higher due to additional revenue from the new Sunway Velocity Mall, which was opened in December 2016, higher visitorship to the Group's theme parks, and higher revenue from Sunway Pyramid Hotel which was re-opened progressively in 2017 following a refurbishment exercise in 2016.
- Yoy, operating profit is higher in line with the higher revenue.
- Yoy, EBIT is also boosted by the share of higher fair value gains from revaluation of Sunway REIT properties of RM56.8 million in the current quarter compared to RM23.7 million in Q2 2016.
- Qoq, revenue is higher due to better occupancy and higher visitorship to the Group's portfolio of investment properties, and higher revenue from Sunway Pyramid Hotel which had more rooms re-opened in the current quarter.
- Qoq, EBIT is higher due to share of fair value gains from Sunway REIT of RM56.8 million recorded during the quarter.

Construction Segmental Review

	<u>Q2 2017</u>	<u>Q2 2016</u>	<u>Q1 2017</u>	<u>YTD 2017</u>	<u>YTD 2016</u>
Revenue (RM'mil)	310.9	249.3	316.8	627.7	560.8
Operating Profit (RM'mil)	40.8	34.0	34.7	75.5	69.6
Op. Profit Margin	13.1%	13.6%	11.0%	12.0%	12.4%
EBIT (RM'mil) (incl. share of assc. & JCE)	41.3	34.0	34.7	76.0	69.6
EBIT Margin (incl. share of assc. & JCE)	13.3%	13.6%	11.0%	12.1%	12.4%

Review of Performance

- Yoy, revenue is higher due to stronger progress billings and lower intra-group eliminations.
- Yoy, operating profit and EBIT are higher in line with the higher revenue.
- Qoq, although revenue is largely in line with the preceding quarter, operating profit and EBIT are higher due to lower intra-group profit elimination.

Construction Order Book – RM4.3 billion

SUNWAY™

Infrastructure/Piling

MRT Package V201 & S201 (Sungai Buloh - Persiaran Dagang)

MRT Package V201 - Advance Works

SUKE & DASH - Bore Piling

BBCC - Bore Piling

Mega Capital - Bore Piling

Building

Putrajaya Parcel F

KLCC (NEC, Package 2 and Package 2A)

Hospital Universiti Kebangsaan Malaysia (MEP Works)

International School of Kuala Lumpur

Gas District Cooling Plant 1 Putrajaya

Others

Internal

Sunway Velocity Hotel and Offices

Sunway Velocity Medical Centre

Sunway Medical Centre 4

Sunway Iskandar - Citrine Svc Apt

Sunway Geo Retail Shops & Flexi Suites Phase 2

Sunway Iskandar - Emerald Residences

Sunway Iskandar - 88 units Shoplots

Sunway Iskandar - Retail Complex

Sunway Serene - Serviced Residences

Others

Singapore

Precast



Putrajaya Parcel F



Sunway Velocity



KLCC North East Car Park,
Package 2 & 2A

Projects

Sunway Serene (52-Storey)

MRT Station Works S201

Gas District Cooling Plant 1 Putrajaya

SUKE (Cheras - Ulu Kelang) – Bore Piling

DASH (Puncak Perdana - Kota Damansara) – Bore Piling

BBCC – Bore Piling

Mega Capital – Bore Piling

CP3 Walkway

Precast

Thank You

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Next quarter announcement on 27 November 2017

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