



SUNWAY[®]
SUNWAY BERHAD

Q3 2016 RESULTS BRIEFING PACK
25 NOVEMBER 2016

1) Year on Year

- Revenue up 19.6%
- PBT up 22.0%
- PATMI up 7.7%

2) Quarter on Quarter

- PBT margin improves to 18.3% from 17.6%
- PATMI up 11.5% after excluding share of fair value gains from Sunway REIT and other one-off items, due to higher contribution from the property development, property investment and Group treasury operations.

3) Key Indicators Remain Strong

- 2016 Property Sales YTD: **RM 864 million** (Effective: RM 689 million)
(2015 Property Sales YTD: RM 734 million (Effective RM 564 million))
- Property Unbilled Sales : **RM 1.8 billion** (Effective: RM 1.3 billion)
- Construction Outstanding Order Book : **RM 4.8 billion**
- 2016 YTD Order Book Replenishment : **RM 2.6 billion**

Overview of Key Performance Highlights



RM mil	Q3 FY 2016	Q3 FY 2015	Q2 FY2016	YTD 2016	YTD 2015
	Jul - Sept 2016	Jul - Sept 2015	Apr - Jun 2016	Jan - Sept 2016	Jan - Sept 2015
Revenue	1,137.5	951.0	1,155.7	3,362.2	3,052.6
EBIT	211.1	155.2	219.3	622.6	650.3
EBIT Margin	18.6%	16.3%	19.0%	18.5%	21.3%
PBT	208.5	171.0	203.8	588.4	645.4
PBT Margin	18.3%	18.0%	17.6%	17.5%	21.1%
PATMI ^{1.}	143.6	133.3	154.4	400.1	517.8
PATMI Margin	12.6%	14.0%	13.4%	11.9%	17.0%
EPS (sen) ^{2.}	7.02	7.54	7.82	20.74	29.54

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

(RM mil)	Q3 2016		Q3 2015		Q2 2016		YTD 2016		YTD 2015	
	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI
Fair value gain (associate)	-	-	-	-	(23.7)	(23.7)	(23.7)	(23.7)	(110.8)	(110.8)
(Gain)/Loss on derivatives	-	-	(4.9)	(4.9)	-	-	-	-	(2.3)	(2.3)
Fair value of ESOS	4.5	4.5	3.9	3.9	2.2	2.2	9.2	9.2	16.7	16.7
Gain on disposal to Sunway REIT	-	-	(0.2)	(0.2)	-	-	-	-	(23.2)	(23.2)
Listing Expenses	-	-	14.9	14.9	-	-	-	-	16.1	16.1
	4.5	4.5	13.7	13.7	(21.5)	(21.5)	(14.5)	(14.5)	(103.3)	(103.3)

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	30/9/2016 (Unaudited)	30/9/2015 (Unaudited)	30/6/2016 (Unaudited)
Non-current Assets	9,582.6	8,031.2	9,470.1
Current Assets	8,415.3	7,546.3	7,643.9
Assets held for sale	4.5	-	4.5
Total Assets	18,002.4	15,577.6	17,118.5
Current Liabilities	7,054.9	5,086.9	6,514.3
Non-current Liabilities	2,826.2	3,010.7	2,720.8
Total Liabilities	9,881.1	8,097.6	9,235.1
Shareholders' Funds	7,419.7	6,865.4	7,193.7
Non-Controlling Interests	701.5	614.5	689.8
Total Equity	8,121.3	7,479.9	7,883.4
Total Equity & Liabilities	18,002.4	15,577.6	17,118.5
Total Borrowings	7,064.4	5,332.9	6,822.8
Cash and bank balances and short-term investments	3,999.5	2,745.7	3,683.9
Net Gearing Ratio [^]	0.38 *	0.35	0.40
Share Capital [#]	2,060.4	1,799.1	2,033.9
Net Assets Per Share^{**}	3.60	3.82	3.54

[^] 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 September 2016 would be lower at 0.34 times.

[#] Increase in share capital in 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>Q3 2016</u>	<u>Q3 2015</u>	<u>Q2 2016</u>	<u>YTD 2016</u>	<u>YTD 2015</u>
Revenue (RM'mil)	247.6	270.9	315.1	796.7	775.7
Operating Profit (RM'mil)	45.3	34.5	53.1	154.0	111.3
Op. Profit Margin	18.3%	12.7%	16.8%	19.3%	14.3%
EBIT (RM'mil) (incl. share of assc. & JCE)	63.5	38.5	60.7	194.8	147.0
EBIT Margin (incl. share of assc. & JCE)	25.7%	14.2%	19.3%	24.4%	18.9%

Review of Performance

- Yoy and Qoq, revenue is lower due to lower contributions from the Avant Parc @ Sembawang project in Singapore, which commenced revenue recognition in Q3 2015 and was fully sold in Q2 2016.
- Qoq, revenue is also lower due to lower contributions from local projects.
- Yoy, operating profit and EBIT are higher due to higher progress billings from local and Singapore projects.
- Qoq, operating profit is lower due to vacant possession of Sunway Velocity Signature Retail Shops and Offices and higher contribution from Sunway Geo Residences in the preceding quarter.
- Qoq, EBIT is marginally higher due to increased contribution from Singapore projects.

Property Investment Segmental Review



	<u>Q3 2016</u>	<u>Q3 2015</u>	<u>Q2 2016</u>	<u>YTD 2016</u>	<u>YTD 2015</u>
Revenue (RM'mil)	189.9	172.2	160.1	519.2	456.3
Operating Profit (RM'mil)	50.0	39.6	24.4	110.9	112.5
Op. Profit Margin	26.4%	23.0%	15.2%	21.3%	24.7%
EBIT* (RM'mil) (incl. share of assc. & JCE)	78.3	67.0	74.5*	216.8*	296.7*
EBIT Margin (incl. share of assc. & JCE)	41.2%	38.9%	46.5%	41.8%	65.0%

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

Review of Performance

- Yoy, revenue is higher due to better occupancy at Sunway Pinnacle, an increase in the number of visitors to the theme parks following the opening of Nickelodeon Lost Lagoon and other new attractions, and additional contributions from the refurbished Sunway Putra Hotel (completed in end 2015) and newly opened Sunway Clio Hotel (fka Sunway Pyramid Hotel West) (opened in Q1 2016).
- Qoq, revenue is higher due to an increase in the number of visitors to the theme parks and higher hotel occupancy rates. The preceding quarter's performance was impacted by the fasting month.
- Yoy and Qoq, operating profit and EBIT are higher in line with the higher revenue.

Construction Segmental Review

	<u>Q3 2016</u>	<u>Q3 2015</u>	<u>Q2 2016</u>	<u>YTD 2016</u>	<u>YTD 2015</u>
Revenue (RM'mil)	287.9	196.8	249.3	848.7	816.2
Operating Profit (RM'mil)	31.3	23.4	34.0	100.9	132.3
Op. Profit Margin	10.9%	11.9%	13.6%	11.9%	16.2%
EBIT (RM'mil) (incl. share of assc. & JCE)	31.3	23.4	34.0	100.9	131.1
EBIT Margin (incl. share of assc. & JCE)	10.9%	11.9%	13.6%	11.9%	16.1%

Review of Performance

- Yoy and Qoq, revenue is higher due to lower intra-group eliminations.
- Yoy, operating profit and EBIT are higher due to higher progress billings from ongoing local construction projects.
- Qoq, operating profit and EBIT are generally in line.

Construction Order Book – RM4.8 billion

SUNWAY™

Infrastructure

MRT Package V4 (Sec 17 to Semantan)
MRT Package V201 (Sungai Buloh - Persiaran Dagang)
MRT Package V201 - Advance Works

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
Sunway Iskandar - 88 units Shoplots
Sunway Iskandar - Retail Complex
Others

Singapore

Precast



MRT Package V4



Sunway Velocity



KLCC North East Car Park,
Package 2 & 2A

Projects

MRT Package V201

MRT Package V201 - Advance Works

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

Sunway Iskandar - 88 Units Shoplots

Sunway Iskandar - Retail Complex

Others

Precast

Thank You

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Next quarter announcement on 27 February 2017

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