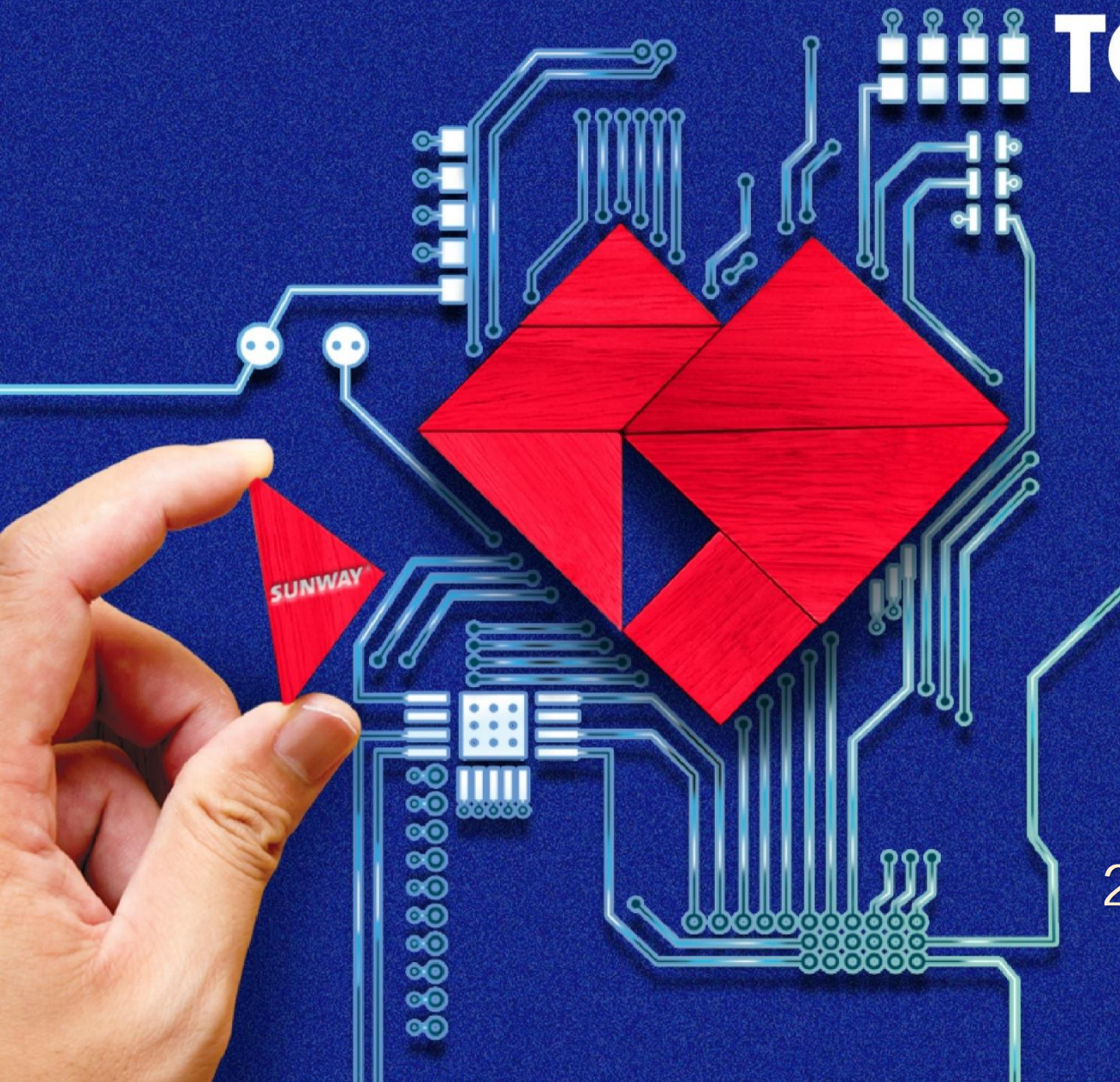


SUNWAY®

TOGETHER
WITH YOU



SUNWAY BERHAD
Q4 2021 RESULTS
BRIEFING PACK
25 FEBRUARY 2022

1) Year on Year

- Revenue increased 15.7%; while PBT decreased by 5%.
- Revenue from Continuing Operations were higher in the current period due to higher contributions from most business segments except property investment segment. The recovery was underpinned by the resumption of most economic activities following the easing of containment measures under the National Recovery Plan (NRP) in the fourth quarter.
- The various phases of lockdown during the year had adversely impacted the financial performance of the Group's hospitality and leisure businesses. However, the reopening of the social and local tourism-related activities in the last quarter of 2021 has helped to reduce the full year losses.
- Two years into the Coronavirus pandemic, it is encouraging to note that its severity has started to wane due to the relatively successful mass vaccination roll-out by the government. As such, the Group is hopeful that the local economy will experience minimum economic lockdowns this year, unlike 2021, to cope with the on-going pandemic. This augurs well for the Group as it will benefit from the more sustainable economic recovery.
- The Group is also looking forward to the reopening of the country's borders as this will further benefit our leisure and hospitality, and healthcare services from the resumption of inbound leisure and medical tourism.

2) Quarter on Quarter

- The improved financial performance was underpinned by the resumption of most economic activities following the easing of containment measures under the National Recovery Plan (NRP) in the fourth quarter.

3) Key Indicators

- Property Sales : **RM 2.61 billion** (Effective: RM 2.44 billion)
- Property Unbilled Sales : **RM 3.96 billion** (Effective: RM 3.49 billion)
- Construction Outstanding Order Book : **RM 4.75 billion**
- YTD Q4 2021 Order Book Replenishment : **RM 1.47 billion**

4) Significant event in the current quarter

- The healthcare segment is reported separately under Discontinued Operations in accordance with MFRS 5 due to the completion of the initial closing in relation to the partial divestment of Sunway Healthcare Group which resulted in its reclassification as joint ventures in the current quarter.
- A one-off net gain arising from the partial divestment of Sunway Healthcare Group of RM2,286.1 million was recognised in the fourth quarter of 2021.
- Since the initial closing was completed on 23 December 2021, the group has accounted for 100% of the results of Sunway Healthcare Group for the financial year ended 2021. With effect from 1 January 2022, the Group will recognise its share of the profit or loss in Sunway Healthcare Group under the equity method of accounting.
- Further details are disclosed in Note A12 of the Bursa report.

Overview of Key Performance Highlights

The key performance highlights are for Continuing Operations only:

RM'mil	Q4 FY 2021 Unaudited Oct - Dec 2021	Q4 FY 2020 Restated Oct - Dec 2020	Q3 FY 2021 Unaudited Jul - Sep 2021	YTD 2021 Unaudited Jan - Dec 2021	YTD 2020 Restated Jan - Dec 2020
<u>Continuing Operations</u>					
Revenue	1,243.8	1,095.7	856.9	3,714.2	3,208.8
EBIT	253.8	191.3	72.3	410.8	463.5
EBIT Margin	20.4%	17.5%	8.4%	11.1%	14.4%
PBT	256.6	236.2	84.4	465.7	490.1
PBT Margin	20.6%	21.6%	9.8%	12.5%	15.3%
PATMI	154.9	177.1	51.8	294.4	340.3
PATMI Margin	12.5%	16.2%	6.0%	7.9%	10.6%
Basic EPS (sen) *	2.64	3.44	0.88	5.02	6.86

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

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

(RM'mil)	Q4 2021		Q4 2020		Q3 2021		YTD 2021		YTD 2020	
	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI
Fair value loss / (gain) (associate)	23.1	23.1	-	-	-	-	23.1	23.1	16.5	16.5
Fair value loss / (gain) (I. Properties)	(41.3)	(43.1)	47.9	47.2	-	-	(41.3)	(43.1)	47.9	47.2
Fair value gain (Others)	(0.2)	(0.2)	-	-	-	-	(0.2)	(0.2)	-	-
Net gain on partial divestment of Sunway Healthcare Group	-	(2,266.9)	-	-	-	-	-	(2,266.9)	-	-
Reversal of deferred tax liabilities on Pinnacle	-	(9.0)	-	-	-	-	-	(9.0)	-	-

Balance Sheet and Gearing

RM'mil	31/12/2021 # (Unaudited)	31/12/2020 # (Restated)
Non-current Assets	17,084.7	14,055.1
Current Assets	8,002.2	7,038.0
Total Assets	25,086.9	21,093.1
Current Liabilities	6,705.6	7,948.5
Non-current Liabilities	5,257.9	2,834.1
Total Liabilities	11,963.4	10,782.6
Shareholders' Funds	12,034.8	9,513.2
Non-Controlling Interests	1,088.7	797.4
Total Equity	13,123.5	10,310.6
Total Equity & Liabilities	25,086.9	21,093.1
Total Borrowings (including Perpetual Sukuk*)	8,715.5	7,511.8
Cash and bank balances	2,814.0	2,238.4
Net Gearing Ratio[^]	0.45	0.51
Share Capital	5,393.9	5,393.7
Number of Ordinary Shares <i>(includes the ordinary shares that will be issued upon mandatory conversion of ICPS)</i>	5,866.8	5,866.7
Net Assets Per Share	2.05	1.62

In conjunction with the proposed investment, the Group's equity interest in Sunway Healthcare will be diluted by 16.00% (on a fully converted basis). Net assets of Sunway Healthcare Group have been deconsolidated from our Group upon the initial closing, resulting in Sunway Healthcare Group being joint ventures, due to a loss of control as prior written consent of Greenwood is required for any action or decision in respect of the reserved matters under the SHA.

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

* Perpetual Sukuk treated as financial liability as it does not meet the definition of equity in accordance with MFRS 132 *Financial Instruments: Presentation*.

@ If Perpetual Sukuk was treated as equity, the net gearing would have been 0.40.

Property Development Segmental Review

	<u>Q4 2021</u>	<u>Q4 2020^</u>	<u>Q3 2021</u>	<u>YTD 2021</u>	<u>YTD 2020^</u>
Revenue (RM'mil)	182.6	183.9	197.1	624.2	494.6
Operating Profit (RM'mil)	49.6	49.5	43.0	121.3	99.7
OP Margin	27.2%	26.9%	21.8%	19.4%	20.1%
EBIT (RM'mil) (incl. share of associates & JCE)	67.2	223.6	45.6	158.3	290.0
EBIT Margin (incl. share of associates & JCE)	36.8%	121.6%	23.1%	25.4%	58.6%

^ Based on restated figures

Review of 4th Quarter Performance

- Yoy, revenue for the current period was higher due to higher contribution from the completion and handover of a local development project and higher sales and progress billings from other on-going local development projects.
- Yoy, it should be noted that EBIT in the corresponding quarter of the previous financial year accounted for the recognition of the balance of the development profits for one of the Group's Singapore and China property development projects which amounted to RM182.5 million and a gain on land disposal of RM7.7 million.
- Qoq, revenue was marginally lower, however, operating profit and EBIT are higher mainly due to higher progressive profit recognitions from local development projects and handover of a local development project.

Due to the adoption of MFRS 15, the development profit on two of the Group's Singapore property development projects will only be recognised upon completion and handover of the projects. The accumulated progressive profit of these projects not recognised as at the end of the current quarter amounted to RM51.7 million, of which RM11.7 million was recorded in the current quarter.

Property Investment Segmental Review

	<u>Q4 2021</u>	<u>Q4 2020^</u>	<u>Q3 2021</u>	<u>YTD 2021</u>	<u>YTD 2020^</u>
Revenue (RM'mil)	133.4	42.2	58.0	312.3	330.1
Operating Profit/(Loss) (RM'mil)	62.1	-49.0	-14.0	24.5	27.4
OP Margin	46.6%	-116.1%	-24.2%	7.9%	8.3%
EBIT (RM'mil) (incl. share of associates & JCE)	54.2	-60.0	0.4	60.3	63.8
EBIT Margin (incl. share of associates & JCE)	40.6%	-142.0%	0.7%	19.3%	19.3%

* Includes fair value loss of investment properties of Sunway REIT

^ Based on restated figures

Review of 4th Quarter Performance

- Yoy, the performance of the segment improved significantly in the current quarter due to the reopening of the social and local tourism-related activities in Phase 4 of the COVID-19 National Recovery Plan.
- Yoy, the EBIT recorded a fair value gain on revaluation on investment properties of RM41.3 million and share of fair value loss from the revaluation of Sunway REIT properties of RM23.1 million, compared to a fair value loss on revaluation on investment properties of RM47.9 million in the corresponding quarter of the previous financial year.
- Qoq, revenue in the current quarter improved significantly as the theme parks and hospitality businesses were allowed to operate in the current quarter.
- Qoq, operating profit and EBIT were higher in line with the improved revenue. Further, operating profit in the current quarter also recorded a fair value gain on revaluation on investment properties of RM41.3 million, offset by share of fair value loss from the revaluation of Sunway REIT properties of RM23.1 million.

Construction Segmental Review

	<u>Q4 2021</u>	<u>Q4 2020^</u>	<u>Q3 2021</u>	<u>YTD 2021</u>	<u>YTD 2020^</u>
Revenue (RM'mil)	379.6	424.6	192.7	1,111.7	990.2
Operating Profit (RM'mil)	83.3	36.1	16.1	131.4	93.9
OP Margin	22.0%	8.5%	8.3%	11.8%	9.5%
EBIT (RM'mil) (incl. share of associates & JCE)	88.8	36.1	18.9	139.6	94.2
EBIT Margin (incl. share of associates & JCE)	23.4%	8.5%	9.8%	12.6%	9.5%

^ Based on restated figures

Review of 4th Quarter Performance

- Yoy, revenue was lower mainly due to lower progress billings from local construction projects and higher intra-group eliminations.
- Yoy, operating profit and EBIT were higher due to higher profit contribution from some local projects which were nearing completion.
- Qoq, revenue was higher lower mainly due to higher progress billings from local construction projects attributed to full resumption of construction activities compared to suspension of construction activities for a period of four weeks in the preceding quarter.
- Qoq, operating profit and EBIT were higher in line with the higher revenue.

Construction Order Book – RM4.75 billion

SUNWAY™

As at 31 December 2021 (RM mil)	Contract Sum	O/S Orderbook
Building		
Putrajaya Parcel F	1,610	11
TNB HQ Campus (PH 2)	781	294
PETRONAS Leadership Centre	305	49
IOI Mall (MEP)	68	13
Oxley Tower (MEP)	68	52
Infrastructure/Piling		
LRT 3 : Package GS07-08	1,295	196
Sentul West Station (MEP)	57	9
Chan Sow Lin KVMRT (MEP)	54	9
Jalan Tambun upgrading works	14	14
Bangsar Rising - Piling	5	5
India		
Thorapalli - Jittandahalli Highway	508	508
Meensurutti - Chidambaran Highway	315	310
Sustainable Energy		
Solar - External	414	398
Solar - Internal	5	1
Singapore		
Precast	629	456
Internal		
Sunway Medical Centre 4	612	329
Sunway Serene	413	86
Sunway Belfield	403	361
Sunway Velocity TWO (Plot A)	352	115
Sunway South Quay CP2	756	618
Sunway Carnival Mall extension	286	42
Sunway Velocity TWO (Plot B)	253	225
Sunway Medical Centre Damansara	240	231
Sunway Medical Centre Seberang Jaya	196	77
Sunway Medical Centre Ipoh	150	149
Sunway International School	140	88
Sunway Velocity 3C4	100	37
Sunway Resort renovation	81	29
Sunway Big Box Office	51	37
Butterworth-Kulim Expressway	4	2
Drainage works	1	1
	10,164	4,751

14%



TNB HQ Campus

17%



PETRONAS Leadership Centre

8%

10%



SMC Seberang Jaya

51%

Projects	Contract Sum (RM mil)
Sunway South Quay CP2 Superstructure	293
Sunway Medical Centre Damansara	240
Sunway Medical Centre Ipoh	150
Sunway Medical Centre Seberang Jaya (Variation Order)	16
Sunway International School (Variation Order)	19
Big Box Office	51
Jalan Tambun upgrading works	14
Bangsar Rising - Piling	5
Solar Photovoltaic System	387
Drainage work	1
Precast	298
Total	1,474

	<u>Q4 2021</u>	<u>Q4 2020^</u>	<u>Q3 2021</u>	<u>YTD 2021</u>	<u>YTD 2020^</u>
Profit from Discontinued Operations, net of tax (RM'mil)	2,319.8	22.5	29.3	2,390.6	17.4

^ Based on restated figures

Review of 4th Quarter Performance

- The financial performance of the healthcare segment is reported under Discontinued Operations in the current quarter.
- Yoy, a one-off net gain arising from the partial divestment of Sunway Healthcare Group of RM2,286.1 million was recognised in the current quarter. Excluding the one-off net gain, the operating net profit was higher mainly due to sustained improvement in hospital activities with higher number of admissions and outpatient treatments at both Sunway Medical Centre ("SMC") and Sunway Medical Centre Velocity ("SMCV"). As a result, the profit of SMC continued to rebound strongly, while SMCV achieved its maiden operating profit of RM0.5 million in the current quarter, compared to the loss of RM3.9 million in the previous corresponding quarter.
- Qoq, excluding the one-off net gain as mentioned above, the current quarter net profit was higher at RM33.7 million compared to RM29.3 million in the preceding quarter. The operating performance of SMC and SMCV continued to improve due to sustained recovery in hospital activities in the current quarter.

Thank You

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Next quarter announcement on 26 May 2022

This presentation may contain certain forward looking statements due to a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions; interest rate trends; cost of capital and capital availability including availability of financing in the amounts and the terms necessary to support future business; availability of real estate properties; competition from other companies; changes in operating expenses including employee wages, benefits and training, property expenses, government and public policy changes. You are cautioned not to place undue reliance on these forward looking statements which are based on Management's current view of future events. Past performance is not necessarily indicative of its future performance.