



**SUNWAY**<sup>®</sup>  
SUNWAY BERHAD

Q4 2016 RESULTS BRIEFING PACK  
27 FEBRUARY 2017

## 1) Full Year Performance

- Revenue up 6.2%, contributed by better performance in property development, property investment, trading and manufacturing, healthcare, building materials and the Group treasury operations.
- PATMI is comparable after adjusting for one-off items and reduction in contribution from the Construction division to 54.4% following its listing in July 2015.

## 2) Steady Dividends For The Year

- Second interim cash dividend of 4 sen per share and share dividend distribution of 1 treasury share for every 100 ordinary shares held (equivalent to 3.14 sen per share).
- Full year dividend of 12.14 sen per share.

## 3) Key Indicators Remain Strong

- 2016 Property Sales: **RM 1.2 billion** (Effective: RM 923 million)  
[2015 Property Sales: RM 1.2 billion (Effective RM 912 million)]
- Property Unbilled Sales : **RM 1.5 billion** (Effective: RM 1.1 billion)
- Construction Outstanding Order Book : **RM 4.8 billion\***  
*\*(including Sunway Kelana Jaya Condominium project secured in 2017)*
- 2016 YTD Order Book Replenishment : **RM 2.7 billion**

# Overview of Key Performance Highlights



RM mil	Q4 FY 2016 Unaudited Oct - Dec 2016	Q4 FY 2015 Audited Oct - Dec 2015	Q3 FY 2016 Unaudited Jul - Sept 2016	YTD 2016 Unaudited Jan - Dec 2016	YTD 2015 Audited Jan - Dec 2015
<b>Revenue</b>	<b>1,363.7</b>	<b>1,395.8</b>	<b>1,137.5</b>	<b>4,725.9</b>	<b>4,448.4</b>
EBIT	296.3	306.7	211.1	918.9	957.0
EBIT Margin	21.7%	22.0%	18.6%	19.4%	21.5%
<b>PBT</b>	<b>270.6</b>	<b>285.0</b>	<b>208.5</b>	<b>859.0</b>	<b>930.4</b>
PBT Margin	19.8%	20.4%	18.3%	18.2%	20.9%
<b>PATMI<sup>1.</sup></b>	<b>185.8</b>	<b>214.7</b>	<b>143.6</b>	<b>585.9</b>	<b>732.4</b>
PATMI Margin	13.6%	15.4%	12.6%	12.4%	16.5%
EPS (sen) <sup>2.</sup>	9.08	12.04	7.02	29.98	41.77

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

(RM mil)	Q4 2016		Q4 2015		Q3 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)
Fair value gain (l. Properties)	(37.4)	(20.5)	(55.6)	(49.9)	-	-	(37.4)	(20.5)	(55.6)	(49.9)
(Gain)/Loss on derivatives	-	-	3.3	3.3	-	-	-	-	1.0	1.0
Fair value of ESOS	(3.5)	(3.5)	12.0	12.0	4.5	4.5	5.7	5.7	24.8	24.8
Gain on disposal to Sunway REIT	-	-	-	-	-	-	-	-	(22.9)	(22.9)
Listing Expenses	-	-	-	-	-	-	-	-	16.1	16.1
	<b>(40.9)</b>	<b>(24.0)</b>	<b>(40.3)</b>	<b>(34.7)</b>	<b>4.5</b>	<b>4.5</b>	<b>(55.4)</b>	<b>(38.5)</b>	<b>(147.4)</b>	<b>(141.7)</b>

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	31/12/2016 (Unaudited)	31/12/2015 (Audited)	30/9/2016 (Unaudited)
Non-current Assets	9,679.9	9,261.3	9,582.6
Current Assets	9,151.5	6,739.6	8,415.3
Assets held for sale	-	-	4.5
<b>Total Assets</b>	<b>18,831.4</b>	<b>16,000.9</b>	<b>18,002.4</b>
Current Liabilities	7,583.3	5,564.2	7,054.9
Non-current Liabilities	3,028.9	3,223.4	2,826.2
<b>Total Liabilities</b>	<b>10,612.2</b>	<b>8,787.6</b>	<b>9,881.1</b>
Shareholders' Funds	7,455.7	6,562.7	7,419.7
Non-Controlling Interests	763.5	650.6	701.5
<b>Total Equity</b>	<b>8,219.2</b>	<b>7,213.3</b>	<b>8,121.3</b>
<b>Total Equity &amp; Liabilities</b>	<b>18,831.4</b>	<b>16,000.9</b>	<b>18,002.4</b>
Total Borrowings	7,421.2	5,889.1	7,064.4
Cash and bank balances and short-term investments	4,059.8	2,631.0	3,999.5
<b>Net Gearing Ratio <sup>^</sup></b>	<b>0.41*</b>	<b>0.45</b>	<b>0.38</b>
Share Capital <sup>#</sup>	2,063.1	1,799.8	2,060.4
<b>Net Assets Per Share<sup>**</sup></b>	<b>3.61</b>	<b>3.65</b>	<b>3.60</b>

<sup>^</sup> 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 31 December 2016 would be lower at 0.35 times.

<sup>#</sup> Increase in share capital in 2016 is mainly due to conversion of warrants.

<sup>\*\*</sup>Net assets per share dropped mainly due to increase in share capital.

# Property Development Segmental Review

	<u>Q4 2016</u>	<u>Q4 2015<sup>^</sup></u>	<u>Q3 2016</u>	<u>YTD 2016</u>	<u>YTD 2015<sup>^</sup></u>
<b>Revenue</b> (RM'mil)	<b>412.7</b>	<b>420.0</b>	<b>247.6</b>	<b>1,209.4</b>	<b>1,195.7</b>
<b>Operating Profit</b> (RM'mil)	<b>119.0</b>	<b>96.4</b>	<b>45.3</b>	<b>273.1</b>	<b>207.7</b>
<b>Op. Profit Margin</b>	<b>28.8%</b>	<b>23.0%</b>	<b>18.3%</b>	<b>22.6%</b>	<b>17.4%</b>
<b>EBIT (RM'mil)</b> (incl. share of assc. & JCE)	<b>131.8</b>	<b>116.3</b>	<b>63.5</b>	<b>326.6</b>	<b>263.3</b>
<b>EBIT Margin</b> (incl. share of assc. & JCE)	<b>31.9%</b>	<b>27.7%</b>	<b>25.7%</b>	<b>27.0%</b>	<b>22.0%</b>

<sup>^</sup> Based on audited figures

## Review of Performance

- Yoy, revenue is marginally lower due to lower contributions from the wholly owned Avant Parc @ Sembawang project in Singapore, which commenced revenue recognition in Q3 2015 and was fully sold in Q2 2016.
- Qoq, revenue is higher due to the handover of the Sunway Geo Retail Shops and Flexi Suites Phase 1 in Q4 2016, higher revenue recognition from Sunway Gandaria which commenced recognition in Q4 2016, higher sales from Sunway Velocity, Sunway Rymba Hills, Sunway Nexis and Sunway Eastwood and the sale of Penang land to Sunway REIT.
- Yoy and qoq, operating profit and EBIT are boosted by the handover of Sunway Geo Retail Shops and Flexi Suites Phase 1 in Q4 2016 and sale of the Penang land to Sunway REIT.

# Property Investment Segmental Review

	<u>Q4 2016</u>	<u>Q4 2015<sup>^</sup></u>	<u>Q3 2016</u>	<u>YTD 2016</u>	<u>YTD 2015<sup>^</sup></u>
<b>Revenue</b> (RM'mil)	<b>172.8</b>	<b>182.6</b>	<b>189.9</b>	<b>692.0</b>	<b>638.9</b>
<b>Operating Profit</b> (RM'mil)	<b>51.7</b>	<b>102.1</b>	<b>50.0</b>	<b>162.5</b>	<b>214.6</b>
<b>Op. Profit Margin</b>	<b>29.9%</b>	<b>55.9%</b>	<b>26.4%</b>	<b>23.5%</b>	<b>33.6%</b>
<b>EBIT*</b> (RM'mil) (incl. share of assc. & JCE)	<b>80.1</b>	<b>132.0</b>	<b>78.3</b>	<b>296.9</b>	<b>428.7</b>
<b>EBIT Margin</b> (incl. share of assc. & JCE)	<b>46.3%</b>	<b>72.3%</b>	<b>41.2%</b>	<b>42.9%</b>	<b>67.1%</b>

\*Includes fair value gain of investment properties of Sunway Berhad and share of fair value gain from Sunway REIT.

<sup>^</sup> Based on audited figures

## Review of Performance

- Yoy, revenue is lower due to the closure of Sunway Pyramid Hotel (fka Sunway Pyramid Hotel East) for renovation.
- Qoq, revenue is lower due to lower occupancy rates at the Group's hotels in Sunway City compared to the preceding quarter which benefitted from peak demand from the Middle East market.
- Yoy, operating profit and EBIT are lower due to lower fair value gains on the revaluation of investment properties of RM37.4 mil compared to RM55.6 mil in the corresponding quarter. Results were also lower due to the pre-opening expenses incurred for Sunway Velocity Mall which opened in December, provisions made for the termination of Sunway International Vacation Club and the impairment for BRT Park N' Ride facilities, which totalled approximately RM40 mil.
- Qoq, operating profit and EBIT are in line, as the fair value gains from investment properties recorded during the quarter were offset by the foregoing pre-opening expenses and provisions.

# Construction Segmental Review

	<u>Q4 2016</u>	<u>Q4 2015<sup>^</sup></u>	<u>Q3 2016</u>	<u>YTD 2016</u>	<u>YTD 2015<sup>^</sup></u>
Revenue (RM'mil)	334.4	405.9	287.9	1,183.1	1,222.1
Operating Profit (RM'mil)	28.3	26.8	31.3	129.2	159.0
Op. Profit Margin	8.5%	6.6%	10.9%	10.9%	13.0%
EBIT (RM'mil) (incl. share of assc. & JCE)	28.3	26.8	31.3	129.2	157.9
EBIT Margin (incl. share of assc. & JCE)	8.5%	6.6%	10.9%	10.9%	12.9%

<sup>^</sup> Based on audited figures

## Review of Performance

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

# Construction Order Book – RM4.8 billion

	Contract Sum RM'mil	O/S Order Book RM'mil
<b>Infrastructure</b>		
MRT Package V4 (Sec 17 to Semantan)	1,173	16
MRT Package V201 (Sungai Buloh - Persiaran Dagang)	1,213	1,141
MRT Package V201 - Advance Works	53	50
<b>Others</b>		
Putrajaya Parcel F	1,610	1,198
KLCC NEC	304	129
KLCC Package 2 (Piling & Substructure)	222	63
KLCC Package 2A (Substructure)	120	38
Hospital Universiti Kebangsaan Malaysia (MEP Works)	66	66
International School of Kuala Lumpur	268	242
Others	215	39
<b>Internal</b>		
Sunway Velocity Hotel and Offices	101	51
Sunway Medical Centre Phase 3 (Sub & Superstructure)	167	31
Sunway Geo Retail Shops & Flexi Suites Phase 2	244	137
Sunway Iskandar - Emerald Residences	175	118
Sunway Medical Centre 4	398	395
Sunway Velocity Medical Centre	135	134
Sunway Iskandar - 88 units Shoplots	57	55
Sunway Iskandar - Retail Complex	100	84
Sunway Kelana Jaya Condominium*	449	449
Others	902	99
<b>Singapore</b>		
Precast	956	245
	<b>8,925</b>	<b>4,780</b>

62%

32%

5%



MRT Package V4



Sunway Velocity



KLCC North East Car Park,  
Package 2 & 2A

\*Secured in 2017



Projects	Contract Sum (RM mil)
MRT Package V201	1,213
MRT Package V201 - Advance Works	53
International School of Kuala Lumpur	268
Hospital Universiti Kebangsaan Malaysia (MEP Works)	66
Velocity Link Bridge	20
Sunway Velocity Medical Centre	185
Sunway Velocity Hotel and Offices	101
Sunway Medical Centre 4	428
Sunway Iskandar - 88 Units Shoplots	57
Sunway Iskandar - Retail Complex	100
Others	51
Precast	115
<b>Total</b>	<b>2,656</b>

# Thank You

Email : [irsunwayberhad@sunway.com.my](mailto:irsunwayberhad@sunway.com.my)

Website : [www.sunway.com.my](http://www.sunway.com.my)

**Next quarter announcement on 29 May 2017**

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.