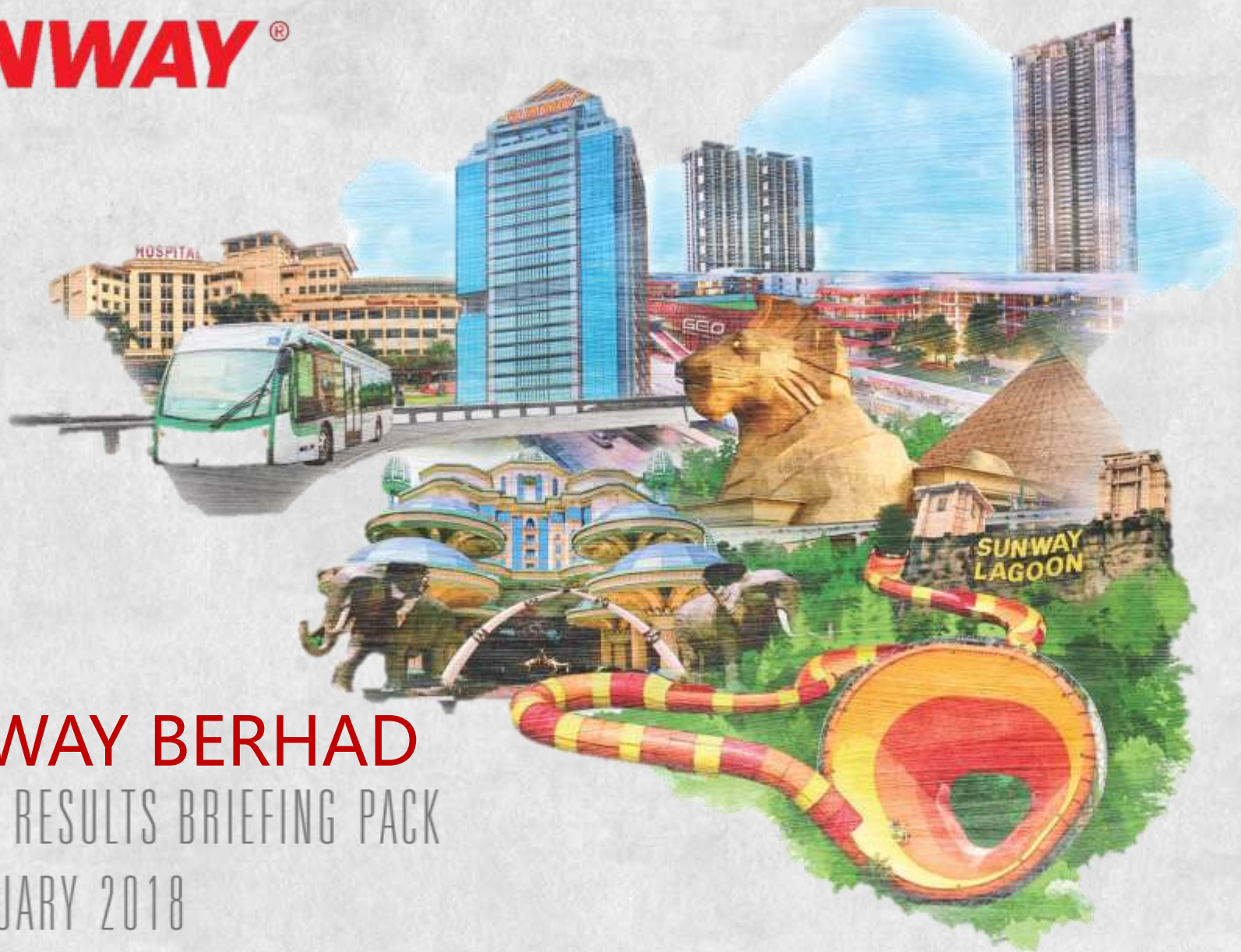


# SUNWAY®



## SUNWAY BERHAD

Q4 2017 RESULTS BRIEFING PACK

28 FEBRUARY 2018

## 1) Full Year Performance

- Revenue up 15.4% due to higher contributions from most business segments, except the property development and quarry segments
- PATMI up 9.1%
- PATMI after adjusting for one-off items and fair value gain from revaluation of investment properties of Sunway Berhad and Sunway REIT is up 3.5%

## 2) Steady Dividends For The Year

- Second interim dividend of 3 sen per share (based on enlarged number of shares of Sunway following the bonus issue of shares)
- Full year dividend of 6 sen per share
- For comparison, the full year dividend of 6 sen per share is equivalent to 14 sen per share prior to the bonus issue of ordinary shares, up from 12.14 sen in 2016

## 3) Key Indicators

- 2017 Property Sales : **RM 1.2 billion** (Effective: RM 1.0 billion)  
[2016 Property Sales: RM 1.2 billion (Effective: RM 923 million)]
- Property Unbilled Sales : **RM 976 million** (Effective: RM 861 million)
- Construction Outstanding Order Book : **RM 6.1 billion**
- 2017 YTD Order Book Replenishment : **RM 4.0 billion**

# Overview of Key Performance Highlights



RM mil	Q4 FY 2017	Q4 FY 2016	Q3 FY 2017	YTD 2017	YTD 2016
	Unaudited	Audited	Unaudited	Unaudited	Audited
	Oct - Dec 2017	Oct - Dec 2016	Jul - Sept 2017	Jan - Dec 2017	Jan - Dec 2016
<b>Revenue</b>	<b>1,722.9</b>	<b>1,293.4</b>	<b>1,319.6</b>	<b>5,374.8</b>	<b>4,655.6</b>
EBIT	251.7	284.3	203.0	904.8	907.0
EBIT Margin	14.6%	22.0%	15.4%	16.8%	19.5%
<b>PBT</b>	<b>260.9</b>	<b>270.6</b>	<b>196.7</b>	<b>882.2</b>	<b>859.0</b>
PBT Margin	15.1%	20.9%	14.9%	16.4%	18.5%
<b>PATMI</b>	<b>183.8</b>	<b>185.8</b>	<b>150.9</b>	<b>639.5</b>	<b>585.9</b>
PATMI Margin	10.7%	14.4%	11.4%	11.9%	12.6%
EPS (sen)*	3.82	3.89 <sup>#</sup>	3.16 <sup>#</sup>	13.29	12.85 <sup>#</sup>

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

(RM mil)	Q4 2017		Q4 2016		Q3 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)
Fair value gain (I. Properties)	(14.9)	(16.4)	(37.4)	(20.5)	-	-	(14.9)	(16.4)	(37.4)	(20.5)
(Gain)/Loss on derivatives	-	-	-	-	-	-	-	-	-	-
Fair value of ESOS	-	-	(3.5)	(3.5)	-	-	-	-	5.7	5.7
	<b>(14.9)</b>	<b>(16.4)</b>	<b>(40.9)</b>	<b>(24.0)</b>	-	-	<b>(71.7)</b>	<b>(73.2)</b>	<b>(55.4)</b>	<b>(38.5)</b>

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

# The earnings per ordinary share has been adjusted to reflect the bonus issue of four (4) bonus shares for every three (3) existing Sunway shares held by the entitled shareholders, which was completed on 6 October 2017.

# Balance Sheet and Gearing

RM mil	31/12/2017 (Unaudited)	31/12/2016 (Audited)	30/9/2017 (Unaudited)
Non-current Assets	10,589.9	9,737.4	9,808.1
Current Assets	9,329.8	9,014.6	10,160.9
Assets held for sale	294.3	-	295.5
<b>Total Assets</b>	<b>20,214.0</b>	<b>18,752.0</b>	<b>20,264.5</b>
Current Liabilities	7,976.0	7,527.2	7,721.3
Non-current Liabilities	3,754.9	2,991.5	3,748.2
<b>Total Liabilities</b>	<b>11,730.9</b>	<b>10,518.7</b>	<b>11,469.6</b>
Shareholders' Funds	7,839.9	7,469.7	7,984.4
Non-Controlling Interests	643.1	763.5	810.6
<b>Total Equity</b>	<b>8,483.1</b>	<b>8,233.2</b>	<b>8,795.0</b>
<b>Total Equity &amp; Liabilities</b>	<b>20,214.0</b>	<b>18,752.0</b>	<b>20,264.5</b>
Total Borrowings	8,259.4	7,413.2	8,213.2
Cash and bank balances and placement in funds	4,445.6	4,080.1	5,229.4
<b>Net Gearing Ratio <sup>^</sup></b>	<b>0.45*</b>	<b>0.40</b>	<b>0.34</b>
Share Capital	5,470.8	2,063.1	2,250.9
Number of Ordinary Shares	4,918.5	4,813.8 <sup>#</sup>	4,942.5 <sup>#</sup>
<b>Net Assets Per Share</b>	<b>1.59</b>	<b>1.55<sup>#</sup></b>	<b>1.62<sup>#</sup></b>

<sup>^</sup> 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 31 December 2017 would be lower at 0.44 times.

<sup>#</sup> On 6 October 2017, the Company issued bonus shares on a basis of four (4) bonus shares for every three (3) existing Sunway shares held. The number of ordinary shares as at 31 December 2016 and 30 September 2017 were therefore adjusted on the same basis for comparative purposes. The Company had 2,063,067 and 2,118,225 ordinary shares as at 31 December 2016 and 30 September 2017, respectively, before adjustment.

# Property Development Segmental Review

	<u>Q4 2017</u>	<u>Q4 2016<sup>^</sup></u>	<u>Q3 2017</u>	<u>YTD 2017</u>	<u>YTD 2016<sup>^</sup></u>
Revenue (RM'mil)	413.0	406.3	162.2	989.7	1,203.0
Operating Profit (RM'mil)	104.8	119.3	20.8	199.3	273.4
Op. Profit Margin	25.4%	29.4%	12.8%	20.1%	22.7%
EBIT (RM'mil) (incl. share of assc. & JCE)	102.8	132.1	35.8	234.2	326.9
EBIT Margin (incl. share of assc. & JCE)	24.9%	32.5%	22.1%	23.7%	27.2%

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

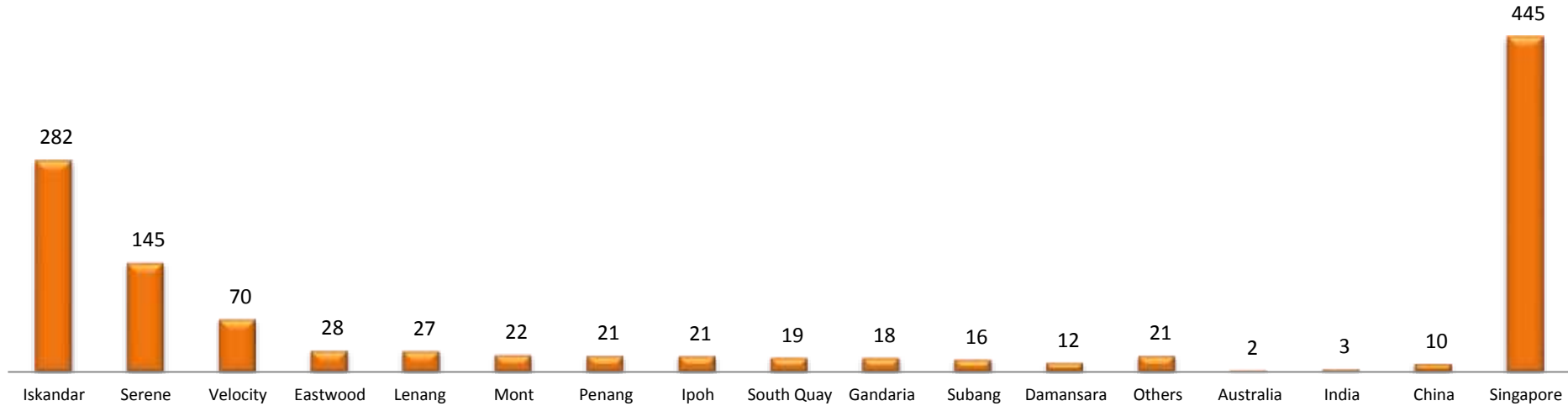
## Review of Performance

- Yoy, operating profit and EBIT are lower despite marginally higher revenue due to lower profit recognition from local development projects. Profit in the corresponding quarter in 2016 was also boosted by the sale of land in Penang to Sunway REIT.
- Qoq, revenue is higher in the current quarter due to the completion of Sunway Velocity V-Residence 2 and Sunway Geo Retail Shops and Flexi Suites Phase 2.
- Qoq, operating profit and EBIT are higher in line with higher revenue due to reasons mentioned above.

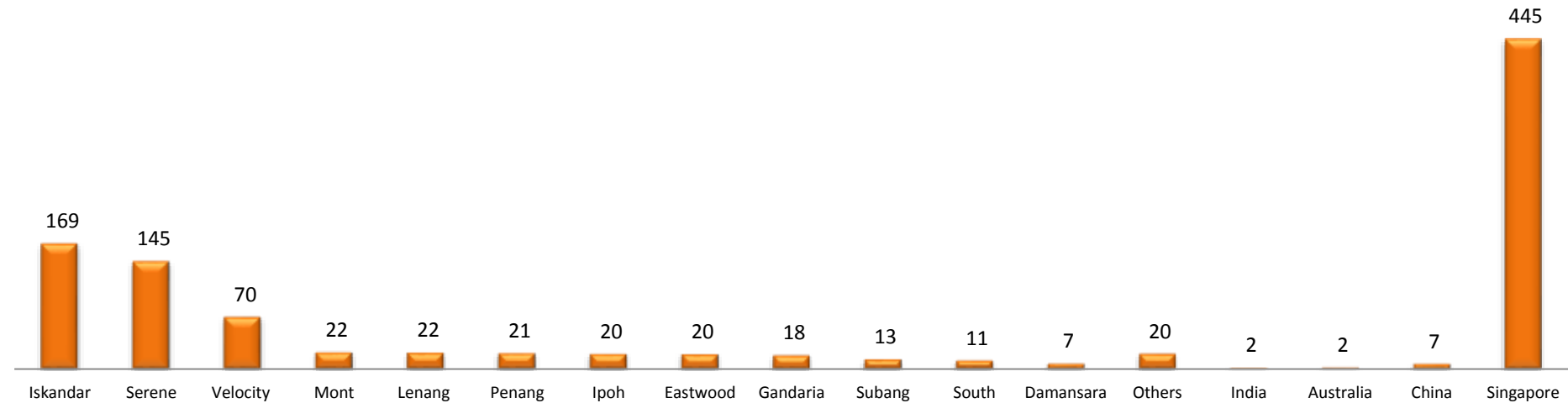
# Sales as at 31 December 2017



## Sales as at Dec 2017 is RM1.2 billion



## Effective Sales as at Dec 2017 is RM1.0 billion

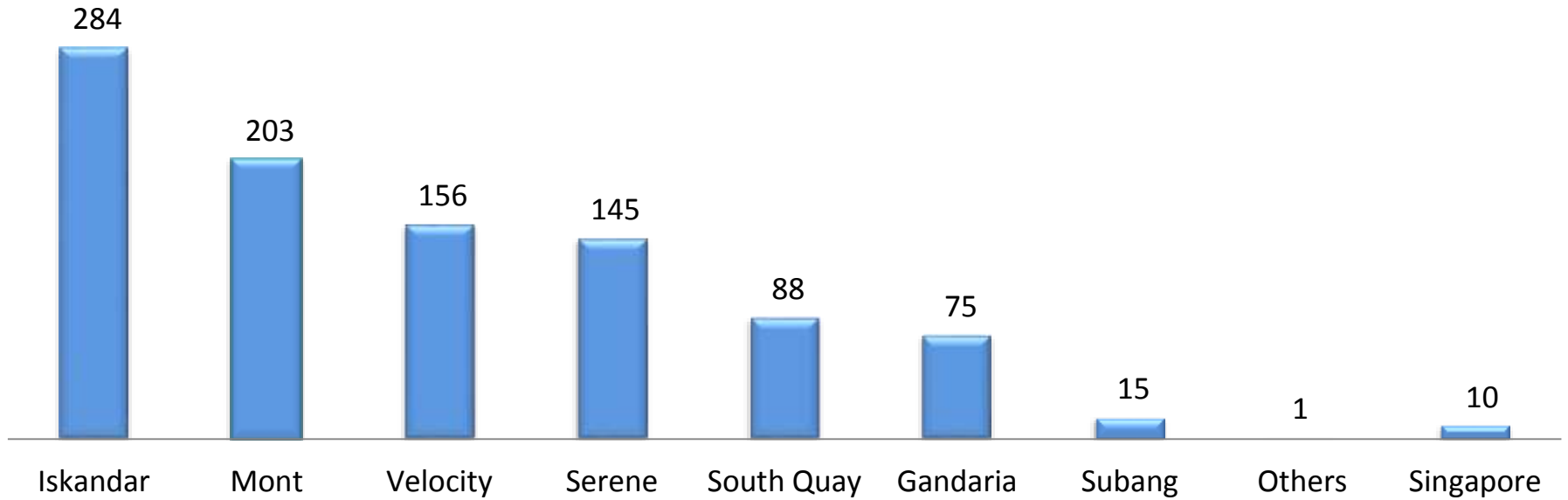


\* Effective sales for Sunway South Quay ("SSQ") above is still computed at 60%. Following the completion of the acquisition of 20% of share capital each from Kuwait Finance House (Malaysia) Berhad and Employees Provident Fund Board on 15 December 2017, Sunway's stake in SSQ will be increased from 60% to 100%.

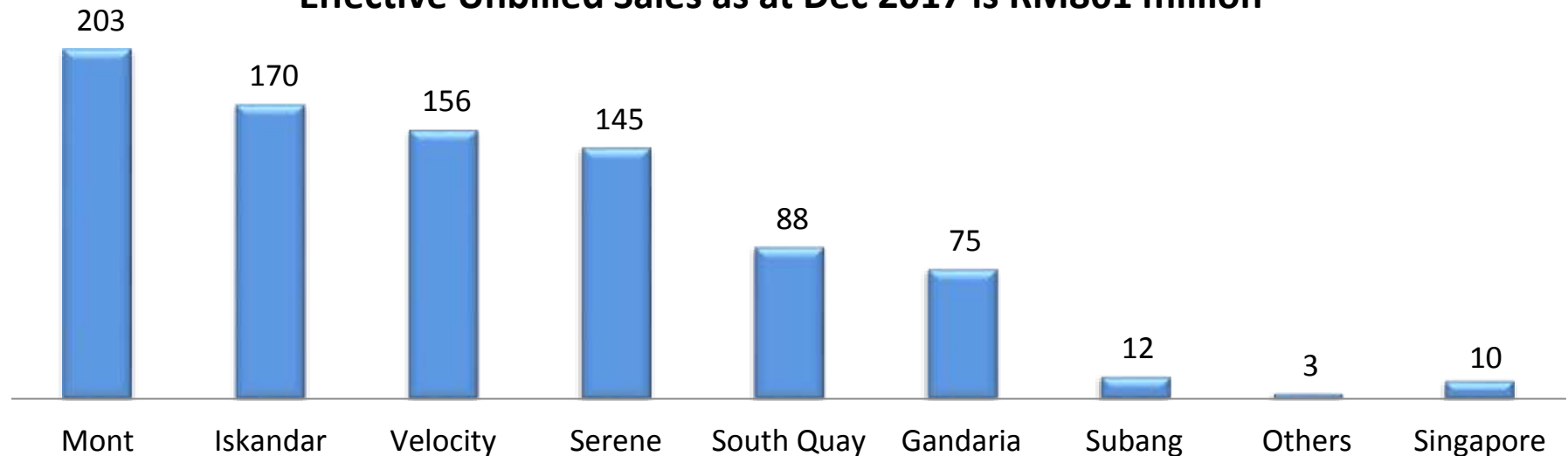
# Unbilled Sales as at 31 December 2017



Unbilled Sales as at Dec 2017 is RM976 million



Effective Unbilled Sales as at Dec 2017 is RM861 million



# Property Investment Segmental Review



	<u>Q4 2017</u>	<u>Q4 2016<sup>^</sup></u>	<u>Q3 2017</u>	<u>YTD 2017</u>	<u>YTD 2016<sup>^</sup></u>
Revenue (RM'mil)	245.7	172.9	225.4	865.4	692.1
Operating Profit (RM'mil)	60.6	51.6	60.8	208.5	162.4
Op. Profit Margin	24.7%	29.8%	26.9%	24.1%	23.5%
EBIT* (RM'mil) (incl. share of assc. & JCE)	91.7	79.8	94.8	388.7	296.6
EBIT Margin (incl. share of assc. & JCE)	37.3%	46.1%	42.1%	44.9%	42.9%

\*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 higher due to additional revenue from the new Sunway Velocity Mall, which opened in December 2016 and from Sunway Pyramid Hotel which was fully re-opened in 2017 following a refurbishment exercise in 2016.
- Yoy, operating profit and EBIT are higher despite lower fair value gains from revaluation of investment properties of RM14.9 million compared to RM37.4 million in the corresponding quarter due to higher contribution from the other operations.
- Qoq, revenue is higher due to higher visitorship to the Group's theme parks during the year end holidays.
- Qoq, operating profit and EBIT are flat despite fair value gains from revaluation of investment properties of RM14.9 million in the current quarter as the gains were offset by impairment for the BRT Park N'Ride facilities.



# Construction Segmental Review

	<u>Q4 2017</u>	<u>Q4 2016<sup>^</sup></u>	<u>Q3 2017</u>	<u>YTD 2017</u>	<u>YTD 2016<sup>^</sup></u>
Revenue (RM'mil)	583.3	288.7	416.6	1,627.7	1,137.4
Operating Profit (RM'mil)	52.7	24.0	37.8	166.0	124.9
Op. Profit Margin	9.0%	8.3%	9.1%	10.2%	11.0%
EBIT (RM'mil) (incl. share of assc. & JCE)	52.7	24.0	37.9	166.6	124.9
EBIT Margin (incl. share of assc. & JCE)	9.0%	8.3%	9.1%	10.2%	11.0%

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

## Review of Performance

- Yoy and qoq, revenue is higher due to higher progress billings from local construction projects such as Parcel F in Putrajaya and the KVMRT packages V201 from Sg Buloh to Persiaran Dagang and V4 from Seksyen 16 to Semantan Portal.
- Yoy, revenue is also higher due to lower intra-group eliminations.
- Yoy and qoq, operating profit and EBIT are higher in line with the higher revenue.

# Construction Order Book – RM6.1 billion

**SUNWAY™**

## Infrastructure/Piling

LRT 3: Package GS07-08

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

BBCC - Bore Piling

MRT Package V201 - Advance Works

SUKE & DASH - 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

PPA1M Project Kota Bharu

Shah Alam Warehouse

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



ISKL



KLCC North East Car Park,  
Package 2 & 2A

## Projects

LRT 3: Package GS07-08

PPA1M Project Kota Bharu

Sunway Serene (52-Storey)

MRT Station Works S201

Gas District Cooling Plant 1 Putrajaya

BBCC – Piling Work

Shah Alam Warehouse

SUKE & DASH

Mega Capital – Piling Work

CP3 Walkway

Precast

# Thank You

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**Next quarter announcement on 21 May 2018**

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