RESULTS UPDATE

TP: RM3.83(+39.3%)

Last Traded: RM2.75

Friday, 30 Aug 2013 FBMKLCI: 1,703.78 Sector: Property

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Sunway Berhad

Outperformance Driven by Strong Progress Billings

TA SECURITIES

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Review

- Sunway Berhad's (Sunway) 1H13 core net profit (excluding fair value gain and gain on derivatives) of RM201.1mn beat analysts' expectations. The outperformance can be attributed to stronger-than-expected progress billing from the property development division and higher revenue from trading & services and quarry divisions.
- An interim single tier dividend of 5sen/share was declared for this quarter. Note that Sunway's board has decided to pay dividends on a semi-annual basis with effect from FY2013 onwards. We are mildly positive on this new dividend policy.
- 2Q13 net profit grew 42.7% YoY to RM110.7mn on the back of 12.2% growth in revenue as well as margin improvement (PBT margin grew 2.8ppt YoY). Driven by strong progress billings from the property development division, the group has chalked up net profit growth of >40% YoY for 2 consecutive quarters (1Q13 net profit rose 41%). This has resulted in the cumulative 6-month net profit surged 42% YoY to RM201.1mn.
- QoQ, 2Q13 net profit grew at a faster pace than revenue, thanks to higher EBIT margin (+1.1% QoQ to 13.7%) and lower effective tax rates (-6.2ppt). Note that EBIT margin continued to expand due to favourable product mix and healthy price appreciation for its existing projects.

Impact

 Given the stronger-than-expected 1H13, we raise our FY13-15 earnings by 8-10% after factoring in 1) higher revenue contribution from trading & services and quarry divisions and 2) change in progress billing assumptions in property and construction divisions.

Outlook

- Sunway recorded new sales of RM368mn in 2Q13 (effective sales RM288mn), bringing the YTD new sales to RM606mn (effective sales RM492mn). Although new sales were lower than 1H12's new sales of RM674mn, we deem the sales performance was commendable in view of lack of sizable new launches in 1H13. Key projects which have contributed to improving quarterly sales include Sunway Vivaldi @ Mont Kiara, Sunway Eastwood @ Puchong and Sunway Cassia @ Penang. Unbilled sales remains healthy at RM2.2bn (effective RM1.8bn), which will keep the group busy over the next two years.
- We believe the group is on track to meet both its sales target and our sales assumptions of RM1.1bn and RM1.2bn respectively. Sales will likely to pick up in 2H as new launches are scheduled to come to the market from July-13 onwards. YTD, the group has launched RM680mn worth of new properties and has further lined up RM650mn and SGD950mn worth of launches in Malaysia and Singapore respectively for the remaining of the year see Table 1. Recently, the group has soft-launched the first phase of Lenang Height @ Johor (GDV: RM201mn) and garnered 50% take-up thus far.

Share Information	
Bloomberg Code	SWB MK
Stock Name	Sunway
Stock Code	5211
Listing	Main Market
Share Cap (mn)	1723.5
Market Cap (RMmn)	4739.6
Par Value	1.00
52-wk Hi/Lo (RM)	3.61/1.89
12-mth Avg Daily Vol ('000 shrs)	1140.6
Estimated Free Float (%)	25.0
Beta	1.60
Major Shareholders (%)	

Sungei Way Corp (44.5)

Forecas	st Re	visio

	FY13	FY14
Forecast Revision (%)	10.1	8.8
Net profit (RMm)	401.6	476.6
Consensus	387.3	450.8
TA's / Consensus (%)	103.7	105.7
Previous Rating	Buy (Ma	intained)
Financial Indicators		
	FY13	FY14
Net Debt / Equity (%)	16.9	15.9
FCPS (sen)	14.0	8.7
Price / CFPS (x)	19.6	31.5
ROA (%)	4.3	4.6
NTA/Share (RM)	2.5	2.6
Price/NTA (x)	1.1	1.0

SCORECARD		
	% of FY	
vs TA	55.0	Above
vs Consensus	53.0	Above

Share Performance (%)		
Price Change	Sunway	FBM KLCI
1 mth	(15.9)	(5.1)
3 mth	(18.4)	(4.0)
6 mth	27.1	4.0
12 mth	42.6	3.5



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Elsewhere, retail shops and flexi suites within the Sunway Geo development also registered take up rate of 90% and 75% respectively.

On the construction front, Sunway has secured new jobs worth RM1.3bn – see Table 2. These jobs have boosted its order book to RM3.3bn (excluding in-house works), providing 2-3 years earnings visibility for the group's construction division (at 2.1x our projected FY14 construction revenue). According to management, performance of the construction division were affected by the stop work order imposed on all contractors arising from the accidents occurred at the work site of Kelana Jaya LRT extension project. Meanwhile, the progress of the MRT project was also delayed slightly due to adverse weather conditions which resulted in slower progress billings. However, management assured that the construction progress for both projects still well within the targeted timeline.

Valuation

In tandem with the change in earnings projections, our SOP-derived target price is nudged up slightly to **RM3.83/share** (from RM3.79/share) – see **Table 3**. We reiterate our **Buy** recommendation on Sunway as we continue to like its 1) clear earnings visibility underpinned by strong unbilled sales and order book; 2) large presence in Iskandar Malaysia should continue draw investors' interest; and 3) construction expertise should benefit from domestic infrastructure boom with various mega infrastructure works in the pipeline.

Table 1: New Property Launches in the pipeline

Launch Date	Project	Type of property	GDV (RM mn)
June 2013	Sunway Geo @ Bandar Sunway	3 Storey Terrace House	106
July 2013	Sunway Cassia @ Penang	Office Suites & Retail Shops	373
July 2013	Sunway Lenang Heights @ Johor	Semi D & Bungalows	201
Sep 2013	Sunway Velocity	Serviced Apartment	200
2H 2013	Novena @ Singapore	Med. Suites, hotel and retail	SGD 915mn
2H 2013	Sembawang @ Singapore	3 Storey Terrace	SGD 35mn
2H 2013	Sunway Geo Residence @ Bandar Sunway	Serviced Apartment	150
Dec 2013	Sunway Iskandar @ Medini	Serviced apartments, office suites and retail	300

Source: Sunway, TA Research

able 2: Order book	
Project	RM'mn
Infrastrucutre	
MRT Package V4	1074
LRT Kelana Jaya Line Extension	305
* BRT Sunway Line	415
Johor	
* Urban Wellness	283
Pinewood Studios	37
BioXcell - Central Facilities Utility	12
* Legoland Water Park	28
Others	
* KLCC NEC	304
* KLCC Package 2	222
Others	251
Foreign	
Singapore - precast	393
Total External Orderbook	3324
Other in-house jobs	
Sunway Velocaity Mall (Substructure)	184
Sunway Velocity Phase 2 (Substructure)	74
Sunway Velocity (Shop offices & Apartment)	77
The Pinnacle (Superstructure)	70
Sunway University New Academic Block	192
Sunway Putra Place	250
Total Orderbook	4171

* denotes external jobs secured in 2013 Source: Sunway, TA Research

Earnings Summary

Lai nings Summary					
YE Dec 31 (RM'mn)	2011	2012	2013F	2014F	2015F
Revenue	3691.7	3876.8	4272.5	4803.1	4849.6
EBITDA	454.0	583.3	589.7	679.1	721.9
EBITDA margin (%)	12.3	15.0	13.8	14.1	14.9
Pretax profit	443.9	546.4	539.3	635.2	689.8
Net profit	369.7	532.3	401.6	476.6	520.1
Net profit -adj	325.6	350.5	401.6	476.6	520.1
EPS (sen)	25.2	27.1	23.3	27.7	30.2
EPS - adj (sen)	18.9	20.3	23.3	27.7	30.2
EPS Growth (Core) (%)	0.8	7.7	14.6	18.7	9.1
PER (x)	13.2	12.2	10.7	9.0	8.2
GDPS (sen)	0.0	4.5	8.0	9.0	10.0
Div Yield (%)	0.0	1.8	3.2	3.6	4.0
_ROE (%)	11.6	10.7	9.9	10.1	10.3

2Q13 Results analysis

YE 31 Dec (RM'mn)		2Q12	1Q13	2Q13	QoQ (%)	YoY (%)	1HFY12	1HFY13	YoY (%)
Revenue		996.1	1021.0	1118.0	9.5	12.2	1810.9	2139.1	18.1
EBIT		104.2	86.1	116.6	35.5	11.9	164.6	202.6	23.1
Gain on derivative		0.2	0.3	(0.1)	nm	nm	0.4	0.2	(56.8)
Finance income		7.0	10.5	8.4	(20.5)	19.7	12.5	18.9	50.8
Finance costs		(29.7)	(22.2)	(21.0)	(5.4)	(29.5)	(53.9)	(43.1)	(19.9)
Associates		101.5	18.7	78.8	321.4	(22.4)	120.4	97.5	(19.0)
VL		10.0	29.2	29.8	2.2	197.1	34.0	59.0	73.4
EI		85.2	(0.3)	59.6	nm	(30.0)	85.0	59.4	(30.1)
РВТ		193.1	122.5	212.5	73.4	10.0	278.0	335.0	20.5
Core PBT		107.9	122.2	152.9	25.1	41.6	193.1	275.1	42.5
Тах		(30.3)	(26.3)	(32.5)	23.2	7.0	(48.8)	(58.8)	20.4
МІ		(8.5)	(5.6)	(9.7)	72.6	14.5	(10.4)	(15.3)	47.0
Net profit		154.3	90.6	170.3	88.1	10.4	218.8	260.9	19.3
Core net profit		77.6	90.3	110.7	22.6	42.7	141.9	201.1	41.7
Reported EPS	(sen)	11.9	7.0	13.2	88.0	10.4	16.9	20.2	19.3
Adj EPS	(sen)	6.0	7.0	8.6	22.5	42.7	11.0	15.6	41.7
DPS	(sen)	0.0	0.0	5.0	nm	nm	0.0	5.0	nm
EBIT margin	(%)	10.5	8.4	10.4	2.0	(0.0)	9.1	9.5	0.4
PBT margin	(%)	10.8	12.0	13.7	1.7	2.8	10.7	12.9	2.2
Net margin	(%)	7.8	8.8	9.9	1.1	2.1	7.8	9.4	1.6
Effective tax rate	(%)	15.7	21.5	15.3	(6.2)	(0.4)	17.6	17.6	(0.0)

Table 3: SOP Valuation

Selangar/Mt Sumway Douth Quay 60% 9.2 1014.8 96.8 Sumway South Quay 60% 3.2 239.3 169.4 Sumway South Quay 60% 3.2 236.2 2.4 Sumway South Quay 60% 3.2 26.2 2.4 Sumway South Quay 60% 1.2 256.2 2.4 Sumway South Quay 60% 1.9 72.0 5.0 Sunway Montana 100% 6.0 16.8 1.6 Sunway Mam Surla 100% 0.7 12.0 0.8 Sunway Mam Surla 100% 1.0 240.0 22.2 Sunway Yelocity 85% 1.5 2430.1 188.9 Sunway Yelocity 85% 1.5 2430.1 188.9 Sunway Yelocity 85% 1.5 2430.1 18.8 Peray 100% 1.0 240.0 22.2 28.8 Sunway South (Lipoh 65% 581.6 681.4 38.6 Peray	SOP Valuation	% Shareholdings	Effective land size (acres)	Effective GDV (RM'mn)	NPV (RM'mn)	
Sunway South Quay 60% 31.2 239.8 109.4 Sunway Notrerez 60% 3.2 2.6.2 2.4 Sunway Cheras 100% 6.0 1.6.8 1.6 Sunway Cheras 60% 1.9 728.7 510.0 31.8 Sunway Cheras 60% 1.9 72.0 5.0 Sunway Montana 100% 0.0 15.9 3.9 Sunway Mam Suria 100% 0.7 12.0 0.8 Sunway Alam Suria 100% 0.7 12.0 0.8 Sunway Montana 100% 0.7 12.0 0.8 Sunway Velocity 80% 2.3 168.0 14.1 Casa Kiari III 80% 2.3 168.0 15.5 Sunway Velocity 80% 8.8 221.6 21.0 Mont Putra, Rawang 100% 3.0 59.0 5.6 Melawati 100% 16.0 14.8 6.6 Sunway City Ipoh 65% 58.6 681.4 38.6 Perag 100% 15.9 171.7 16.3 Sunway City Ipoh 65% 51.6 641.9 5.0 Sunway City Ipoh 05 70.4 745.6	Selangor/KL					
Sunway Monterez 60% 3.2 2.6.2 2.4 Sunway Semenyih 70% 278.7 510.0 31.8 Sunway Cheras 100% 6.0 16.8 1.6 Sunway Duta 60% 1.9 72.0 5.0 Sunway Montana 100% 0.7 12.0 0.8 Sunway Alem Suria 100% 0.7 12.0 0.8 Sunway Tower KL 1 80% 2.3 168.0 15.5 Sunway Tower KL 1 80% 2.3 243.0 18.9 Sunway Tower KL 1 80% 2.0 43.0 4.1 Sg Long 80% 8.8 221.6 21.0 Sunway Grand 100% 1.0 240.0 22.2 Sunway City Ipoh 55 581.6 681.4 38.6 Sunway City Ipoh 50 581.6 681.4 38.6 Sunway City Penang 100% 1.9 186.0 17.6 Sunway City Penang 100% 1.9 70.5<	Sunway Damansara	60%	9.2	1014.8	96.8	
Sumway Semenyih 70% 278.7 510.0 31.8 Sunway Cheras 100% 6.0 16.8 1.6 Sunway Montana 100% 2.0 55.5 3.9 Sunway Montana 100% 2.0 55.5 3.9 Sunway Ama Suria 100% 2.0 55.5 3.9 Sunway Man Suria 100% 2.0 660.1 41.1 Casa Kiara III 80% 2.3 168.0 15.5 Sunway Velocity 85% 15.2 2430.1 188.9 Sunway Tower K1 1 100% 3.0 59.0 5.6 Melawati 30% 8.8 221.6 21.0 Mont Putra, Rawang 80% 8.8 221.6 21.0 Mont Putra, Rawang 100% 15.9 171.7 16.3 Sunway Grand 100% 15.9 171.7 16.3 Sunway Grand 100% 56.1 849.2 80.5 Sunway Grand 100% 56.1 849.	Sunway South Quay	60%	31.2	2393.8	169.4	
Sunway Oteras' 100% 6.0 16.8 1.6 Sunway Nuta 60% 1.9 72.0 5.0 Sunway Alam Suria 100% 0.7 12.0 0.8 Sunway Alam Suria 100% 0.7 12.0 0.8 Sunway Rostria 100% 0.7 12.0 0.8 Sunway Rostria 100% 0.7 12.0 0.8 Sunway Rostria 100% 2.3 168.0 15.5 Sunway Rostria 100% 1.0 240.0 22.2 Bangi 100% 3.0 59.0 5.6 Melawati 100% 3.0 59.0 5.6 Mont Putra, Rawang 100% 8.8 221.6 21.0 Sunway City Ipoh 65% 581.6 681.4 38.6 Perag 100% 15.9 171.7 16.3 Sunway City Penang 100% 5.6 85.1 69.6 Sunway Grand 100% 5.6 75.0 8.5 Sunway City Penang 30% 0.5 672.5 67.5 <td>Sunway Monterez</td> <td>60%</td> <td>3.2</td> <td>26.2</td> <td>2.4</td>	Sunway Monterez	60%	3.2	26.2	2.4	
Sumay Duta 60% 1.9 7.2.0 5.0 Sumay Montana 100% 0.7 12.0 0.8 Sumay Alam Suria 100% 1.4.9 660.1 41.1 Casa Kiara III 80% 2.3 168.0 15.5 Sumay Velocity 80% 2.8 160.0 15.5 Sumay Velocity 80% 2.3 168.0 15.2 Sumay Tower K1 100% 1.0 240.0 22.2 Bangi 100% 3.0 59.0 5.6 Melawati 100% 3.0 50.0 5.6 Mont Putra, Rawang 80% 88.8 221.6 21.0 Mont Putra, Rawang 80% 88.8 221.6 21.0 Sumay City Ipoh 50 7.6 7.6 7.6 Sumay City Penang 100% 15.9 17.7 16.3 Sumay City Penang 100% 56.1 849.2 80.5 Sumay City Penang 100% 56.1 849.2 80.5 Sumay City Penang 100% 65.1 849.2 <t< td=""><td>Sunway Semenyih</td><td>70%</td><td>278.7</td><td>510.0</td><td>31.8</td></t<>	Sunway Semenyih	70%	278.7	510.0	31.8	
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Sunway Alam Suria 100% 0.7 12.0 0.8 Sunway Resort City 660.1 41.1 Casa Kiara III 80% 2.3 168.0 15.5 Sunway Velocity 85% 15.2 2430.1 188.9 Sunway Velocity 100% 3.0 29.0 5.6 Bangi 100% 3.0 59.0 5.6 Melawati 3.00 20.0 43.0 4.1 Sg Long 80% 8.8 22.16 2.10.0 Mont Putra, Rawang 100% 163.0 155.0 14.8 Perak 100% 163.0 155.0 14.8 Sunway City Ipoh 65% 581.6 681.4 38.6 Penang 100% 15.9 171.7 16.3 Sunway Grand 100% 11.9 186.0 17.6 Sungai Ara 100% 15.9 171.7 16.3 Sunway Grand 100% 1.9 186.0 17.6 Sungai Ara 100% 1.9 186.0 17.6 Sunway Grand 100% 0.8 75.0 8.0 Sungai Ara 100% 0.8 75.0 8.0 Sunway Singapore 30% <td>Sunway Duta</td> <td>60%</td> <td>1.9</td> <td>72.0</td> <td>5.0</td>	Sunway Duta	60%	1.9	72.0	5.0	
Sunway Resort City 100% 14.9 660.1 41.1 Casa Kiara III 80% 2.3 168.0 15.5 Sunway Voechty 85% 15.2 2430.1 188.9 Sunway Tower KL 1 100% 1.0 240.0 2.2.2 Bangi 100% 3.0 59.0 59.0 59.0 Melawati 100% 2.0 43.0 4.1 Sg Long 80% 88.8 221.6 21.0 Mont Putra, Rawang 100% 163.0 156.0 14.8 Penag 100% 163.0 156.0 14.8 Sunway City Pon 65% 581.6 681.4 38.6 Sunway Grand 100% 15.9 17.1 16.3 Sunway Grand 100% 19.9 186.0 17.6 Sunway Grand 100% 56.1 849.2 80.5 Sunway Grand 100% 56.1 849.2 80.5 Sunway Grand 100% 0.8 75.0 8.5 Sunway Grand 30% 0.5 672.5	Sunway Montana	100%	2.0	55.5	3.9	
Casa Kiara III 80% 2.3 168.0 15.5 Sunway Velocity 85% 15.2 2430.1 188.9 Sunway Tower KL 1 100% 1.0 240.0 22.2 Bangi 100% 2.0 4.1 240.0 22.2 Bangi 100% 2.0 4.3.0 4.1 Sg Long 80% 88.8 221.6 21.0 Mont Putra, Rawang 100% 163.0 163.0 163.0 Perak 100% 15.9 171.7 16.3 Sunway City Ipoh 56.1 840.0 165.0 176.0 Sunway Grand 100% 15.9 171.7 16.3 Sunway Grand 100% 56.1 849.2 80.5 Sunki Mertajam 100% 56.1 849.2 80.5 Syope 100% 56.1 849.2 80.5 Synopa Singapore 100% 0.5 672.5 67.5 Sembawang, Singapore 30% 0.5 672.5 67.5 Sembawang, Singapore 60% 647.4 1080	Sunway Alam Suria	100%	0.7	12.0	0.8	
Sunway Velocity 85% 15.2 2430.1 188.9 Sunway Tower KL 1 100% 1.0 240.0 22.2 Bangi 100% 3.0 59.0 56.0 Melawati 100% 3.0 59.0 56.1 Melawati 100% 2.0 43.0 4.1 Sg Long 80% 88.8 221.6 21.0 Mont Putra, Rawang 100% 163.0 156.0 14.8 Perat 5 58.16 68.1.4 38.6 Sunway City Ipoh 65% 58.16 68.1.4 38.6 Sunway Grand 100% 15.9 171.7 16.3 Sunway Grand 100% 15.9 671.5 67.5 Sunway Grand 100% 0.8 75.0 8.0 Sunway Grand 30% 70.4 745.6 46.5 <	Sunway Resort City	100%	14.9	660.1	41.1	
Sunway Tower KL 1 100% 1.0 240.0 22.2 Bangi 100% 3.0 59.0 5.6 Melawati 100% 2.0 43.0 4.1 Sg tong 80% 88.8 221.6 21.0 Mont Putra, Rawang 100% 163.0 163.0 14.8 Perak 100% 15.9 176.7 16.3 Sunway City Ipoh 65% 581.6 681.4 38.6 Penang 100% 15.9 171.7 16.3 Sungai Ara 100% 16.0 149.2 80.5 Bukit Mertajam 100% 56.1 849.2 80.5 Songai Ara 100% 15.9 171.7 16.3 Novena 30% 0.5 672.5 67.5 Sembawang, Singapore 30% 0.8 75.0 8.0 Joho 100% 1.8 75.0 8.0 Johas 60% 647.4 1080.0 761.5 Sembawang, Singapore 38% 262.6 456.0 321.5 P	Casa Kiara III	80%	2.3	168.0	15.5	
Bangi 100% 3.0 59.0 5.6 Melawati 100% 2.0 43.0 4.1 Sq Long 80% 88.8 22.6 21.0 Mont Putra, Rawang 100% 163.0 156.0 14.8 Perak 5 581.6 681.4 38.6 Sunway City Ipoh 65% 581.6 681.4 38.6 Penag 100% 15.9 171.7 16.3 Sunway City Ipoh 100% 15.9 174.6 36.6 Sunway Grand 100% 15.9 171.7 16.3 Sunway Grand 100% 56.1 849.2 80.5 Sukit Mertajam 100% 42.3 694.1 65.8 Syore 100% 0.8 75.0 80.5 Sukit Lenang 30% 0.5 672.5 67.5 Medini 38% 262.6 456.0 321.5 Pendas 65% 2.4 43.4 3.0 Ti	Sunway Velocity	85%	15.2	2430.1	188.9	
Melawati 100% 2.0 43.0 4.1 Sg Long 80% 88.8 221.6 21.0 Mont Putra, Rawang 100% 163.0 156.0 14.8 Perak 581.6 681.4 38.6 Sunway City Ipoh 65% 581.6 681.4 38.6 Penang 100% 15.9 171.7 16.3 Sunway City Penang 100% 15.9 171.7 16.3 Sungai Ara 100% 15.9 171.7 16.3 Sungai Ara 100% 42.3 694.1 65.8 S'por 100% 42.3 694.1 65.8 S'por 30% 0.5 672.5 67.5 Novena 30% 0.5 672.5 67.5 Sembawang, Singapore 30% 0.5 672.5 67.5 Johor 38% 262.6 456.0 321.5 Pendas 60% 74.4 10.80.0 37.5 China 38% 262.6 456.0 321.5 Pendas 60%	Sunway Tower KL 1	100%	1.0	240.0	22.2	
Sg Long 80% 88.8 221.6 21.0 Mont Putra, Rawang 163.0 163.0 156.0 148 Perak - - - - Sunway City Ipoh 65% 581.6 681.4 38.6 Penag - - - - Sunway City Penang 100% 15.9 171.7 16.3 Sunway Grand 100% 56.1 849.2 80.5 Syoe 100% 56.1 849.2 80.5 Syoe 100% 0.5 67.5 67.5 Sembawang, Singapore 100% 0.8 70.4 74.5 67.5 Johor 100% 64% 70.4 745.6 45.5 Medini 60% 647.4 1080.0 761.5 Sunway Guanghao 65% 2.4 43.4 3.0	Bangi	100%	3.0	59.0	5.6	
Mont Putra, Rawang 100% 163.0 156.0 14.8 Perak	Melawati	100%	2.0	43.0	4.1	
Perak Sunway City Ipoh 65% 58.6 681.4 38.6 Penang 100% 15.9 171.7 16.3 Sunway City Penang 100% 15.9 171.7 16.3 Sunway Grand 100% 15.9 171.7 16.3 Sunway Grand 100% 56.1 849.2 80.5 Sungai Ara 100% 42.3 694.1 65.8 Sungai Ara 100% 42.3 694.1 65.8 Sungai Ara 100% 42.3 694.1 65.8 Sunway Grand Bukit Mertajam 100% 0.8 67.5 67.5 Sombawang, Singapore 30% 0.5 672.5 67.5 Sombawang, Singapore 30% 70.4 745.6 45.0 Jukit Lenang 80% 70.4 745.6 456.0 321.5 Pendas 60% 647.4 1080.0 761.5 Sunway Guanghao 65% 2.4 43.4 3.0 Tainjin Eco City	Sg Long	80%	88.8	221.6	21.0	
Sunway City Ipoh 65% 581.6 681.4 38.6 Penang 100% 15.9 171.7 16.3 Sunway Grand 100% 15.9 171.7 16.3 Sunway Grand 100% 56.1 849.2 80.5 Bukit Mertajam 100% 56.1 849.2 80.5 Bukit Mertajam 30% 0.5 672.5 67.5 Sembawang, Singapore 100% 100% 10.8 70.4 Johor 100% 0.8 75.0 8.0 Johar 100% 70.4 745.6 46.5 Medini 262.6 456.0 321.5 6.6 Pendas 66% 2.4 43.4 3.0 Tianjin Eco City 10.9 351.2 20.5 Sunway OPUS Grand India 50% 11.9 351.2 20.5 Sunway MAK Signature Residence 45%	Mont Putra, Rawang	100%	163.0	156.0	14.8	
Penang 100% 15.9 171.7 16.3 Sunway City Penang 100% 15.9 171.7 16.3 Sunway Grand 100% 15.9 171.7 16.3 Sunway Grand 100% 15.9 171.7 16.3 Sungai Ara 100% 56.1 849.2 80.5 Bukit Mertajam 100% 42.3 694.1 65.8 S'pore 100% 0.5 672.5 67.5 Novena 30% 0.5 672.5 67.5 Sembawang, Singapore 100% 0.8 75.0 8.0 Johor 100% 0.8 75.0 8.0 Bukit Lenang 80% 70.4 745.6 46.5 Medini 38% 262.6 456.0 321.5 Pendas 60% 54.4 108.0 76.1 Sunway Guanghao 65% 2.4 43.4 3.0 Tainjin Eco City 10 50% 11.9 351.2 20.5<	Perak					
Sunway City Penang 100% 15.9 171.7 16.3 Sunway Grand 100% 11.9 186.0 17.6 Sungai Ara 100% 56.1 849.2 80.5 Bukit Mertajam 100% 65.1 849.2 80.5 S'pore 100% 6.5 672.5 67.5 Novena 30% 0.5 672.5 67.5 Sembawang, Singapore 100% 0.8 7.0 8.0 Johor 100% 0.8 7.0 8.0 Johang 80% 70.4 745.6 46.5 Medini 38% 262.6 456.0 321.5 Pendas 60% 647.4 1080.0 76.15 China 38% 262.6 456.0 321.5 Sunway Guanghao 65% 2.4 43.4 3.0 Tianjin Eco City 60% 54.5 3206.3 122.2 Sunway OPUS Grand India 50% 11.9 351.2 20.5 Sunway MAK Signature Residence 60% 8.4 108.7 6.7 <	Sunway City Ipoh	65%	581.6	681.4	38.6	
Sunway Grand 100% 11.9 186.0 17.6 Sungai Ara 100% 56.1 849.2 80.5 Bukit Mertajam 100% 42.3 694.1 65.8 S'pore 30% 0.5 672.5 67.5 Sembawang, Singapore 100% 0.8 75.0 8.0 Johor 0.8 75.0 8.0 Bukit Lenang 80% 70.4 745.6 46.5 Medini 38% 262.6 4560.0 321.5 Pendas 60% 647.4 1080.0.0 761.5 Sunway Guanghao 75.0 3206.3 122.2 India 50% 2.4 43.4 3.0 Sunway OPUS Grand India 50% 11.9 351.2 20.5 Sunway OPUS Grand India 50% 11.9 351.2 20.5 Sunway MAK Signature Residence 60% 8.4 108.7 6.7 Mustariai 50% 11.9 351.2 20.5 5.7 Sunway OPUS Grand India 50% 12.8 170.1 10.5	Penang					
Sungai Ara 100% 56.1 849.2 80.5 Bukit Mertajam 100% 42.3 694.1 65.8 S'pore	Sunway City Penang	100%	15.9	171.7	16.3	
Buki Mertajam 100% 42.3 694.1 65.8 S'pore 30% 0.5 672.5 67.5 Novena 30% 0.8 75.0 8.0 Johor 100% 0.8 75.0 8.0 Bukit Lenang 80% 70.4 745.6 46.5 Medini 38% 262.6 4560.0 321.5 Pendas 38% 262.6 4560.0 321.5 Pendas 60% 54.5 3206.3 122.2 China 60% 54.5 3206.3 122.2 Sunway Guanghao 65% 2.4 43.4 3.0 Tianjin Eco City 60% 54.5 3206.3 122.2 India 50% 11.9 351.2 20.5 Sunway OPUS Grand India 50% 11.9 351.2 20.5 Sunway MAK Signature Residence 60% 8.4 108.7 6.7 Australia 7 7 7 7 7 Wonderland Business Park (Sydney) 45% 21.8 170.1 10.5	Sunway Grand	100%	11.9	186.0	17.6	
S'pore 30% 0.5 672.5 67.5 Novena 30% 0.8 75.0 8.0 Johor 100% 0.8 75.0 8.0 Bukit Lenang 80% 70.4 745.6 46.5 Medini 38% 262.6 4560.0 321.5 Pendas 60% 647.4 10800.0 761.5 China 5 2.4 43.4 3.0 Tianjin Eco City 65% 2.4 43.4 3.0 Tianjin Eco City 65% 2.4 43.4 3.0 Sunway OPUS Grand India 50% 11.9 351.2 20.5 Sunway MAK Signature Residence 60% 8.4 108.7 6.7 Australia 100 45% 21.8 170.1 10.5 Total 2411.5 31394.3 2211.5 Current unbilled sales 1800 243.0	Sungai Ara	100%	56.1	849.2	80.5	
Novena30%0.5672.567.5Sembawang, Singapore100%0.875.08.0Johor </td <td>Bukit Mertajam</td> <td>100%</td> <td>42.3</td> <td>694.1</td> <td>65.8</td>	Bukit Mertajam	100%	42.3	694.1	65.8	
Sembawang, Singapore 100% 0.8 75.0 8.0 Johor 80% 70.4 745.6 46.5 Bukit Lenang 38% 262.6 4560.0 321.5 Pendas 38% 262.6 4560.0 321.5 Pendas 60% 647.4 10800.0 761.5 China 50% 2.4 43.4 3.0 Sunway Guanghao 65% 2.4 43.4 3.0 Tianjin Eco City 60% 54.5 3206.3 122.2 India 50% 11.9 351.2 20.5 Sunway OPUS Grand India 50% 11.9 351.2 20.5 Sunway MAK Signature Residence 60% 8.4 108.7 6.7 Australia 45% 21.8 170.1 10.5 Yonderland Business Park (Sydney) 45% 21.8 1394.3 2211.5 Current unbilled sales 1800 243.0 243.0	S'pore					
Johor 80% 70.4 745.6 46.5 Bukit Lenang 80% 70.4 745.6 46.5 Medini 38% 262.6 4560.0 321.5 Pendas 60% 647.4 10800.0 761.5 China 10800.0 761.5 761.5 761.5 Sunway Guanghao 65% 2.4 43.4 3.0 Tianjin Eco City 60% 54.5 3206.3 122.2 India 10800.0 76.7 10800.0 761.5 Sunway Guanghao 50% 11.9 351.2 20.5 Sunway MAK Signature Residence 60% 8.4 108.7 6.7 Australia 108 10.5 10.5 10.5 Vonderland Business Park (Sydney) 45% 21.8 170.1 10.5 Total 2411.5 31394.3 2211.5 Current unbilled sales 1800 243.0	Novena	30%	0.5	672.5	67.5	
Bukit Lenang 80% 70.4 745.6 46.5 Medini 38% 262.6 4560.0 321.5 Pendas 60% 647.4 10800.0 761.5 China 80% 70.4 43.4 3.0 Sunway Guanghao 65% 2.4 43.4 3.0 Tianjin Eco City 60% 54.5 3206.3 122.2 India 80% 70.4 10.8.7 20.5 Sunway OPUS Grand India 50% 11.9 351.2 20.5 Sunway MAK Signature Residence 60% 8.4 108.7 6.7 Australia 80% 70.1 10.5 10.5 Yonderland Business Park (Sydney) 45% 21.8 170.1 10.5 Current unbilled sales 1800 243.0	Sembawang, Singapore	100%	0.8	75.0	8.0	
Medini 38% 262.6 4560.0 321.5 Pendas 60% 647.4 10800.0 761.5 China	Johor					
Pendas 60% 647.4 10800.0 761.5 China 50% 2.4 43.4 3.0 Sunway Guanghao 65% 2.4 43.4 3.0 Tianjin Eco City 60% 54.5 3206.3 122.2 India 50% 11.9 351.2 20.5 Sunway OPUS Grand India 50% 11.9 351.2 20.5 Sunway MAK Signature Residence 60% 8.4 108.7 6.7 Australia 0 45% 21.8 170.1 10.5 Vonderland Business Park (Sydney) 45% 21.8 170.1 10.5 Current unbilled sales 1800 243.0	Bukit Lenang	80%	70.4	745.6	46.5	
China 65% 2.4 43.4 3.0 Sunway Guanghao 60% 54.5 3206.3 122.2 India 50% 11.9 351.2 20.5 Sunway OPUS Grand India 50% 11.9 351.2 20.5 Sunway MAK Signature Residence 60% 8.4 108.7 6.7 Australia 70 45% 21.8 170.1 10.5 Total 2411.5 31394.3 2211.5 Current unbilled sales 1800 243.0	Medini	38%	262.6	4560.0	321.5	
Sunway Guanghao 65% 2.4 43.4 3.0 Tianjin Eco City 60% 54.5 3206.3 122.2 India	Pendas	60%	647.4	10800.0	761.5	
Tianjin Eco City 60% 54.5 3206.3 122.2 India 50% 11.9 351.2 20.5 Sunway OPUS Grand India 50% 11.9 351.2 20.5 Sunway MAK Signature Residence 60% 8.4 108.7 6.7 Australia 200 45% 21.8 170.1 10.5 Total 2411.5 31394.3 2211.5 Current unbilled sales 1800 243.0	China					
India 50% 11.9 351.2 20.5 Sunway OPUS Grand India 50% 11.9 351.2 20.5 Sunway MAK Signature Residence 60% 8.4 108.7 6.7 Australia 100 10.5 10.5 10.5 Yonderland Business Park (Sydney) 45% 21.8 170.1 10.5 Total 2411.5 31394.3 2211.5 Current unbilled sales 1800 243.0	Sunway Guanghao	65%	2.4			
Sunway OPUS Grand India 50% 11.9 351.2 20.5 Sunway MAK Signature Residence 60% 8.4 108.7 6.7 Australia 45% 21.8 170.1 10.5 Total 2411.5 31394.3 2211.5 Current unbilled sales 1800 243.0	Tianjin Eco City	60%	54.5	3206.3	122.2	
Sunway MAK Signature Residence60%8.4108.76.7Australia45%21.8170.110.5Wonderland Business Park (Sydney)45%2411.531394.32211.5Total2411.531394.32213.5Current unbilled sales1800243.0	India					
Australia Wonderland Business Park (Sydney) 45% 21.8 170.1 10.5 Total 2411.5 31394.3 2211.5 Current unbilled sales 1800 243.0	Sunway OPUS Grand India	50%	11.9	351.2	20.5	
Wonderland Business Park (Sydney) 45% 21.8 170.1 10.5 Total 2411.5 31394.3 2211.5 Current unbilled sales 1800 243.0	, ,	60%	8.4	108.7	6.7	
Total 2411.5 31394.3 2211.5 Current unbilled sales 1800 243.0	Australia					
Current unbilled sales 1800 243.0	Wonderland Business Park (Sydney)	45%	21.8	170.1	10.5	
	Total		2411.5	31394.3	2211.5	
Sub-total 2560.9				1800	243.0 2560.9	

	Balance of		
	Effective	works	
Construction	stake (%)	(RM'mn)	NPV
Pinewood Studios	100.00	122.00	7.20
Kelana Line - Package B	100.00	336.00	19.15
Bio-Xcell - Central facilities utility	100.00	24.00	1.36
UiTM campus expansion & KLCC link bridge	100.00	57.00	3.31
3-star Hotel & Office tower@ Precinct 1	100.00	6.00	0.39
Singapore - Precast	100.00	466.00	13.51
KVMRT - V4 Section 17	100.00	1117.00	39.10
Legoland Water Park	100.00	41.00	2.42
BRT Sunway Line	100.00	452.00	-55.00
KLCC NEC	100.00	304.00	13.38
KLCC Package 2	100.00	222.00	9.77
Urban Wellness	100.00	283.00	11.32
Other	100.00	268.00	8.31
Sub-total			74.21

	Effective stake (%)	Book value (RM'mn)	Est. fair value (RM'mn)	Difference (RM'mn)
Invesment in Sunway REIT (less 20% holding company discount)	34.30	1048.08	1514.71	373.3
Total surplus				3008.4
Total NTA				3972.2
Total revised enterprised value				6980.6
Conversion of warrants @ RM2.50				724.3
SOP valuation (RM mn)				7704.9
Fully Diluted Share Base (mn shares)				2013.2
Fair Value (RM/Share)				3.83



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for TA Securities Holdings $Berhad{\scriptstyle (14948\mbox{-}M)}$

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Kaladher Govindan - Head of Research