

SUNWAY[®]

CONSTRUCTION



Sunway Construction Group Berhad

Q4 2020 Results Review Pack

23 February 2021

4Q 2020 HIGHLIGHTS

“ SunCon closed the year with RM2.3billion in new orders recorded. In addition, we have signed the concession agreement for both our India HAM projects in December 2020 which signals the anticipated commencement of both projects in May 2021 after the process of financial close. These 2 projects will start contributing in 2nd half of FYE 2021 and will have peak progress in FYE 2022. On COVID-19, we have tested all our project teams including Foreign Workers and the teams are abiding by our SOP and directive from KKM (“Kementerian Kesihatan Malaysia”) and MKN (“Majlis Keselamatan Negara”).

4Q 2020 vs 4Q 2019

- 1) Turnover increased by > 29.1%**(from 485.9m to 627.2m)
- 2) PBT increased by > 2.6%** (from 40.5m to 41.6m) *

M'sia (Construction) – Operations has resumed to normal pre-pandemic level in current quarter and bottom line was bolstered by final account despite higher provision made for MFRS 9.

S'pore (Precast) – Started recognition of higher yielding profit margin project. Expects coming quarters to improve further.

* 4Q 2020 : Higher operational PBT 49.3m vs 4Q 2019 operational profit 45.2m due to higher impairment and loss on disposal

1st tranche 1.25 cents (paid on 24 Sept 2020)
2nd tranche 2.75 (payable on 7 April 2021)

Outstanding Order Book @ Dec 2020 : RM 5.1

- Exceeds its target of 2b order book with 2.3b secured for FYE 2020
- Target order book for FYE 2021 : 2b (secured 366m to-date)
- Active Tender O/S = RM5.4b (>50% overseas i.e India, S'pore, Philippines)

4Q 2020 AWARDS (1/2)

THE EDGE BILLION RINGGIT CLUB AWARD 2020



23 Nov 2020 : Evan Cheah, Non-Independent Non Executive Director and Mr Chung Soo Kiong, Group Managing Director of Sunway Construction Group Berhad collecting the Highest Return on Equity (Construction Sector) award from the Edge

THE ASSET ESG CORPORATE AWARDS 2020

GOLD AWARD



17 Dec 2020 : Sunway Construction Group Berhad was recognised for excellence in Environmental, Social and Governance (ESG) with a Gold Award at The Asset ESG Corporate Awards 2020. The Asset ESG Awards are the longest running ESG Awards in Asia by Asset Benchmark Research (ABR). The awards are a rigorous benchmarking service for the region's listed companies evaluated based on financial performance, management, corporate governance, social and environmental responsibility and investor relations. In view of COVID-19, the evaluation reflects a more detailed review of companies' adherence to safeguarding the environment, employees' health and safety in the operations, and their social responsibility to the community at large.

4Q 2020 AWARDS (2/2)

NATIONAL ANNUAL CORPORATE REPORT AWARD - 2020



SunCon bagged the Platinum Excellence Award for its 2019 Annual Report in the 2020 National Annual Corporate Report Awards (NACRA) under the category of Companies With Less Than RM2 billion in Market Capitalisation.

NACRA is jointly organised by Bursa Malaysia Berhad (Bursa Malaysia), Malaysian Institute of Accountants (MIA) and The Malaysian Institute of Certified Public Accountants (MICPA) with the objective of promoting excellence in corporate reporting. Now in its 30th year, NACRA 2020 introduced a new framework which integrates elements of sustainability and integrated reporting in line with evolving expectations.

The award win reflects SunCon's continuous commitment to upholding high standards of governance, transparency and disclosure of information to our stakeholders.

2019 ASEAN Corporate Governance Scorecard Awards – Asset Class Award



SunCon was recognised with the 'Asset Class Award' in the 2019 ASEAN Corporate Governance Scorecard (ACGS) Awards for its outstanding and exemplary corporate governance practices.

The ACGS is a partnership between the ASEAN Capital Markets Forum and the Asian Development Bank which assesses public listed companies based on publicly-available information and benchmarked against international best practices on corporate governance. Six ASEAN member countries, namely Malaysia, Indonesia, Philippines, Singapore, Thailand and Vietnam participated in the assessment.

Overview of Key Performance Highlights



RM mil	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	Q4 FY 2020	Q3 FY 2020	Q2 FY 2020	Q1 FY 2020	YTD 2020	Q4 FY 2019	Q3 FY 2019	Q2 FY 2019	Q1 FY 2019	YTD 2019
	Oct-Dec 20	Jul-Sept 20	April-Jun 20	Jan-Mar 20	Jan-Dec 20	Oct-Dec 19	Jul-Sept 19	April-Jun 19	Jan-Mar 19	Jan-Dec 19
Revenue	627.2	419.4	140.2	365.8	1,552.6	485.9	402.6	440.2	440.0	1,768.7
PBT	41.6	36.0	2.3	21.2	101.1	40.5	35.6	41.2	40.1	157.4
PBT Margin	6.6%	8.6% ▲	1.7%	5.8% ▲	6.5%	8.3%	8.9%	9.4%	9.1% ▲	8.9%
PATMI	30.2	24.0	2.2	16.3	72.8	31.6	33.5	33.2	31.0	129.3
PATMI Margin	4.8%	5.7%	1.6%	4.5%	4.7%	6.5%	8.3%	7.5%	7.0% ▲	7.3%
EPS * (sen)	2.34	1.86	0.17	1.27	5.64	2.45	2.60	2.57	2.40 ▲	10.02

RM mil Unaudited	Q4 FY 2020		Q3 FY 2020		Q2 FY 2020		Q1 FY 2020		YTD 2020		Q4 FY 2019		Q3 FY 2019		Q2 FY 2019		Q1 FY 2019		YTD 2019	
	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI
Profit as Announced	41.6	30.2	36.0	24.0	2.3	2.2	21.2	16.4	101.1	72.9	40.5	31.6	35.6	33.5	41.2	33.2	40.1	31.0	157.4	129.3
<i>Special Items:</i>																				
Assets Write (back)/off									-	-							0.0	0.0	0.0	0.0
Disposal (gain)/loss	1.1	1.1 ▲	(3.7)	(3.7) ▲	0.0	0.0	(0.0)	(0.0)	(2.5)	(2.5)	(2.7)	(2.7)	(0.1)	(0.1)	0.1	0.1	(0.3)	(0.3)	(3.1)	(3.1)
Impairment (reversal)/prov	5.5	5.5 ▲	5.0	5.0 ▲	1.4	1.4	0.5	0.5	12.3	12.3	2.8	2.8	(1.2)	(1.2)	1.4	1.4	0.1	0.1	3.0	3.0
Write off (gain)/loss	0.0	0.0 ▲	-	-	(0.1)	(0.1)	-	-	(0.1)	(0.1)	5.7	5.7	1.3	1.3	0.1	0.1	-	-	7.1	7.1
Foreign exchange (gain)/loss	(0.3)	(0.3) ▲	0.2	0.2 ▲	0.0	0.0	(0.1)	(0.1)	(0.2)	(0.2)	0.4	0.4	0.1	0.1	(0.3)	(0.3)	0.1	0.1	0.2	0.2
Translation (gain)/loss on foreign branches	0.8	0.8 ▲	2.3	2.3 ▲					3.1	3.1							-	-	-	-
Fair value (gain)/loss	(0.0)	(0.0) ▲	0.1	0.1 ▲	0.9	0.9	0.9	0.9	1.9	1.9									-	-
Accretion of financial (assets)/liabilities	0.6	0.6 ▲	0.2	0.2 ▲	0.2	0.2	0.0	0.0	1.0	1.0	0.1	0.1	0.8	0.8	(1.2)	(1.2)	(1.0)	(1.0)	(1.3)	(1.3)
Goodwill (reversal)/prov	-	- ▲	3.6	3.6 ▲					3.6	3.6									-	-
Profit (Net of Special Items)	49.3	37.9	43.8	31.9	4.7	4.7	22.4	17.6	120.2	92.0	45.2	36.3	38.6	36.5	40.3	32.3	36.9	27.9	162.6	134.5

FV (gain)/loss inclusive hedging and retention FV

Balance Sheet and Gearing

RM'mil	Financial Year Ended 31/12/2020 (Unaudited)	Financial Year Ended 31/12/2019 (Audited)
Non-current Assets	164	195
Current Assets	1,742	1,710
Total Assets	1,906	1,905
Current Liabilities	1,195	1,120
Non-current Liabilities	73	160
Total Liabilities	1,267	1,280
Shareholders' Funds	637	623
Non-Controlling Interests	2	2
Total Equity	639	625
Total Equity & Liabilities	1,906	1,905
Total Bank Borrowings	301	286
Cash & Placement Funds	640	693
Net Gearing Ratio	Net Cash	Net Cash
Share Capital	259	259
Net Assets Per Share	0.49	0.48
Issued & Paid-up Share Cap	1,289.4	1,292.2

Construction Segmental Review

<u>Construction</u>	<u>Q4 20</u>	<u>Q3 20</u>	<u>Q2 20</u>	<u>Q1 20</u>	<u>YTD Q4 20</u>	<u>Q4 19</u>	<u>Q3 19</u>	<u>Q2 19</u>	<u>Q1 19</u>	<u>YTD Q4 19</u>
Revenue (RM'mil)	585.0	403.4	137.2	329.7	1,455.2	440.5	365.1	406.3	407.0	1,618.9
PBT (RM'mil)	37.3	34.8	5.8	20.6	98.4	38.0	35.4	41.2	40.0	154.6
PBT Margin	6.4%	8.6%	4.2%	6.2%	6.8%	8.6%	9.7%	10.1%	9.8%	9.5%

Revenue → Reported revenue of RM585.0 million and profit before tax of RM37.3 million compared to revenue of RM440.5 million and profit before tax of RM38.0 million in the corresponding quarter of the preceding financial year. Higher turnover in current quarter was mainly contributed by the final settlement for our Uttar Pradesh project in India through a conciliatory process and building division in northern region from the ramping up of progress for both the Sunway Carnival Mall Extension and the Sunway Medical Centre Seberang Jaya projects.

PBT → Lower PBT % in this current quarter was mainly due to provision made for one of our debtor.

Prospect → The Malaysian economy contracted by 3.4% in the fourth quarter (3Q 2020 : -2.6%; 2Q 2020 : -17.1%; 1Q 2020 : 0.7%) due to the restrictions imposed to curb the spread of the COVID-19 pandemic. For 2020 as a whole, the economy contracted by 5.6%. This was the first time the economy was in a recession since 2009 when GDP contracted by 1.5% during the Global Financial Crisis. It was also the worst contraction since 1998 during the Asian Financial Crisis when it contracted by 7.4%. The construction sector contracted by 13.9%, worsening from the contraction of 12.4% in third quarter. This was in line with average of value work done per project decreased in the fourth quarter of 2020. Malaysia is maintaining its GDP growth target of between 6.5% and 7.5% for 2021 despite the emergency declaration and the second round of the movement control order (MCO 2.0) enforcement. The state of emergency and MCO 2.0 might have dampened construction sector's road to recovery but the catalyst remains positive backed by the allocation of RM 15 billion on large infrastructure project during recent Budget 2021 and reaffirmation of large infrastructure projects such as Mass Rapid Transit 3 (MRT3) in Klang Valley. SunCon will continue to expand overseas and focus on its in-house pipeline projects by its intermediate holding company, Sunway Group for its sustained growth.

Precast Concrete Segmental Review

Precast Concrete	Q4 20	Q3 20	Q2 20	Q1 20	YTD Q4 20	Q4 19	Q3 19	Q2 19	Q1 19	YTD Q4 19
Revenue (RM'mil)	42.2	16.0	3.0	36.2	97.4	45.4	37.5	33.9	33.0	149.8
PBT (RM'mil)	4.3	1.2	(3.5)	0.8	2.7	2.5	0.2	0.0	0.1	2.8
PBT Margin	10.2%	7.5%	>(100%)	2.1%	2.8%	5.5%	0.6%	0.1%	0.2%	1.9%

Revenue → Reported revenue of RM42.2 million with profit before tax of RM4.3 million compared to revenue of RM45.4 million and profit before tax of RM2.5 million in the corresponding quarter of the preceding financial year. Revenue recorded for the current quarter was lower by 7.0% as precast segment was still affected by the Circuit Breaker and movement restriction in the foreign workers dormitories at the early stage of this current quarter.

PBT → Despite lower turnover, precast segment registered a higher profit margin due to recognition of higher yielding projects bringing us back to normalized margin range.

Prospect → Singapore's economy shrank by 5.4% in 2020 (2019 : 1.3%) and this marks Singapore's first annual contraction since 2001 and the worst recession since independence in 1965 due to the COVID-19 pandemic which has largely erupted all sectors including construction and services. Singapore expects GDP to grow 4% to 6% in 2021. Data from the Ministry of Trade and Industry shows construction contracted 35.9% (2019: 1.6%). HDB has just launched 3,740 new BTO units and community care apartments spread over 7 locations across Singapore for its February 2021 sales exercise. The Housing and Development Board (HDB) plans to offer about 17,000 Build-To-Order (BTO) flats in 2021 (2020 : 16,752; 2019 : 14,591; 2018 : 15,811), said Minister for National Development Desmond Lee. Singapore HDB flats comprised of more than 90% of our precast segment sales and our prospect is largely dependent on these launches.

Outstanding Order Book : 5.1b

As at Dec-2020 (RM mil)	Completion	Contract Sum	O/S Orderbook	
Building			883	18%
Putrajaya Parcel F	Maintenance	1,610	18	
PPA1M Kota Bharu	2Q 2021	582	54	
TNB HQ Campus (Ph 2)	2Q 2022	781	508	
PLC	4Q 2021	305	211	
Oxley Tower (MEP)	2Q 2022	68	58	
IOI Mall (MEP)	4Q 2021	68	34	
Infrastructure/Piling			664	13%
MRT Y201 - S201	Finalisation	1,213	7	
LRT 3 : Package GS07-08	2Q 2022	1,295	573	
Sentul West Station (MEP)	4Q 2021	57	39	
Chan Sow Lin KYMRT UG St (MI)	4Q 2021	54	46	
India			823	16%
Thorapalli Agraharam - Jittanda	3Q 2023	508	508	
Meensurutti - Chidambaram	3Q 2023	315	315	
Internal			2,391	47%
SMC 4	3Q 2022	450	293	
Sunway Serene	2Q 2022	413	188	
Yelo 2	4Q 2021	352	196	
Velocity 3C4	2Q 2021	100	53	
Sunway GEOLake	2Q 2021	223	19	
Carnival Mall Ext	4Q 2021	286	151	
SMC Seberang Jaya	4Q 2021	180	109	
Big Box Hotel	1Q 2021	100	32	
Parcel CP - Pilling	2Q 2021	119	27	
BKE (Seberang Jaya)	2Q 2021	4	4	
Parcel CP2 (superstructure)	3Q 2021	344	344	
Belfield	1Q 2024	403	396	
SIS	4Q 2022	121	110	
Hotel Guestroom Reno	2Q 2021	81	58	
Yelo 2B	3Q 2023	253	251	
SMC4 - YO	3Q 2022	162	162	
Renewable Energy			38	1%
New Order 2020 - Internal	2021	6	6	
New Order 2020 - External	4Q 2021	32	31	
Singapore			259	5%
Precast	Various	331	207	
New Order 2020	Various	51	52	
Grand Total @ Dec 2020		10,865	5,059	
<i>Red : Secured in 2020</i>		<i>2,334</i>	<i>2,285</i>	

New Order Book Secured : 2020

Projects (2020 new awards)	Client	Duration	Contract Sum (RM'mil)
Thorapalli Agraharam – Jittandahalli Section of NH-844	National Highway Authority of India	24 months	508
Rooftop solar projects	In-house	< 6 months	4
Bukit Batok Primary School	Logistic Construction Pte Ltd	Various	1
Secured in 1Q 2020			513
Sunway International School - Bandar Sunway	Sunway Education Group Sdn Bhd	25 months	121
Chan Sow Lin KVMRT underground station (MEP)	MMC Gamuda KVMRT (UGW) JV	12 months	54
Ang Mo Kio N6C34	Thong Huat Brothers Pte Ltd	24 months	37
Secured in 2Q 2020			212
CP2 Mixed Development - Bandar Sunway	Sunway SouthQuay Sdn Bhd	40 months	344
3 blocks of 55/56 storey residential condominium	Sunway Belfield Sdn Bhd	45 months	403
Sunway Resort Hotel and Spa Renovation Works (MEP)	Deco Style Sdn Bhd	13 months	81
Sunway Medical Phase 4 (Add VO)	Sunway Medical	22 months	162
Sunway Velocity TWO- 2 blocks of serviced residence	Sunway Velocity TWO Sdn Bhd	34 months	253
Rooftop solar projects	In-house	< 6 months	7
Secured in 3Q 2020			1,250
Meensurutti - Chidambaram 32km	National Highway Authority of India	24 months	315
Rooftop solar - 3 factories in Karak, Shah Alam and Pulau Indah	F&N Group of companies	12 months	18
USM Rooftop Solar	Universiti Sains Malaysia	12 months	8
Toa Payoh NC430	Jstar Precast Pte Ltd	Various	3
Toa Payoh N1C26	Jin Cheng Pte Ltd	Various	11
BKE Flyover & Pedestrian Bridge	Taiko Odyssey	3 months	4
Secured in 4Q 2020			359
TOTAL - FY2020			2,334

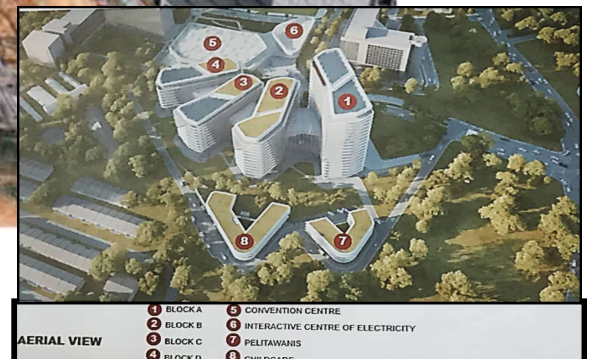
Target NEW order book → FYE 2021 : RM2b

New order 2020 : 2.3b; 2019 : 1.8b; 2018 : 1.6b, 2017 : 4.0b, 2016 : 2.7b, 2015 : 2.6b, 2014 : 0.8b, 2013 : 2.9b, 2012 : 1.9b

Outstanding Order book 2020 : 5.1b 2019 : 5.2b; 2018 : 5.2b, 2017 : 6.6b, 2016 : 4.8b, 2015 : 3.8b, 2014 : 3.0b, 2013 : 3.2b, 2012 : 4.1b

TNB Campus, Bangsar

SUNWAYTM



Sunway Serene, Kelana Jaya

SUNWAY[®]
CONSTRUCTION



Petronas Leadership Centre, Bangi

SUNWAY[®]
CONSTRUCTION



Sunway Geolake, Sunway South Quay



Sunway Medical Centre, Seberang Jaya



