

**SUNWAY®**  
CONSTRUCTION

## 6<sup>th</sup> ANNUAL GENERAL MEETING

5 August 2020

Surging Ahead with  
the **Flow of Opportunities**



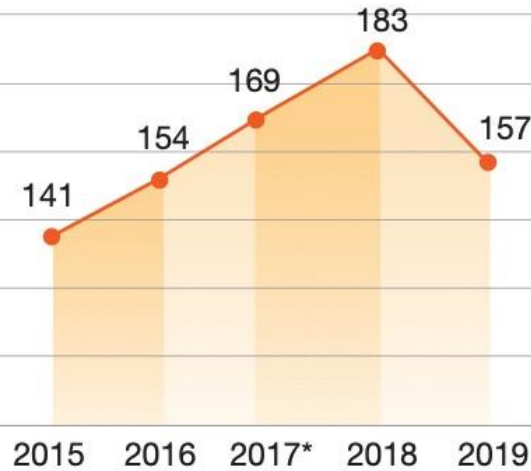
# 2019 Highlights

# Financial Highlights

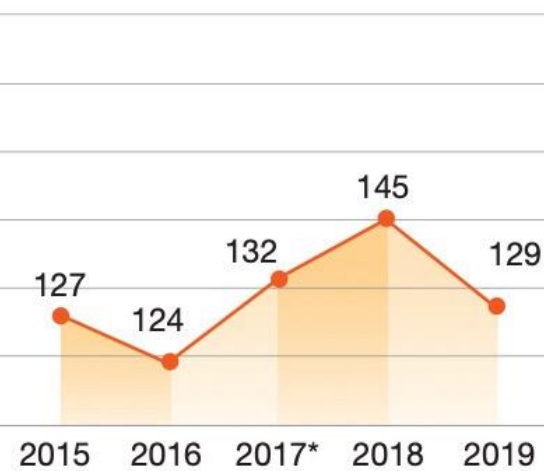
## REVENUE RM'MILLION



## PROFIT BEFORE TAX RM'MILLION



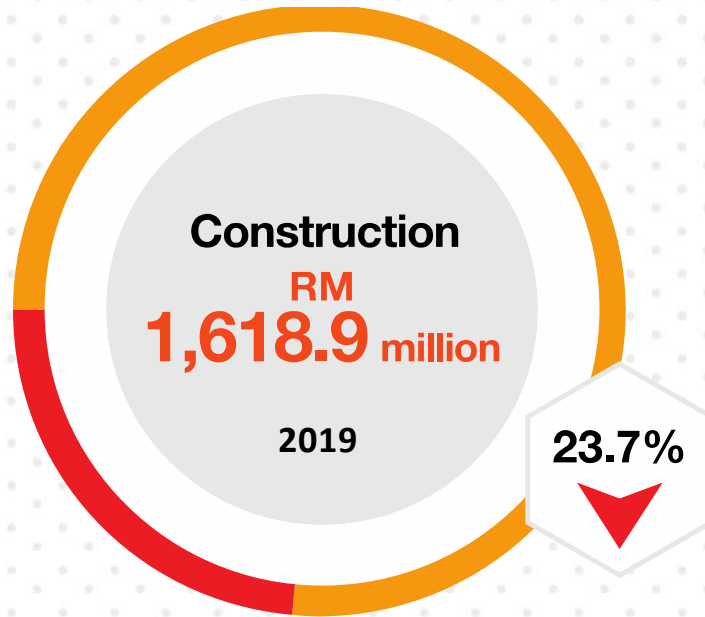
## PROFIT AFTER TAX AND MINORITY INTEREST RM'MILLION



RM'000	31 Dec 2019 (Audited)	31 Dec 2018 (Restated)	31 Dec 2017 (Restated)	31 Dec 2016 (Audited)	31 Dec 2015 (Audited)
Dividend per share (Sen)	7	7	7	5	4
Average ROCE	31%	44%	47%	57%	52%
Cash and Placement	692,638	484,869	487,240	465,768	468,477
Net Gearing*	N/A	N/A	N/A	N/A	N/A

*Net Gearing = Net Borrowings / Shareholder's Funds*

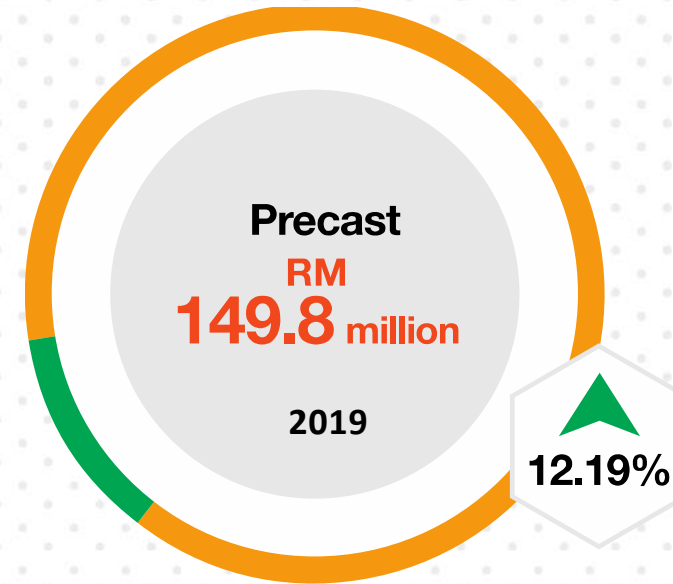
# Revenue



(2018: RM2,123.1 million)

## Construction Segment

- Lower revenue due to slow progress in LRT3 Package GS07&08 from cost optimization by our client.
- Parcel F Putrajaya project was completed in the first quarter of 2019 which has contributed 25% in 2018's revenue.



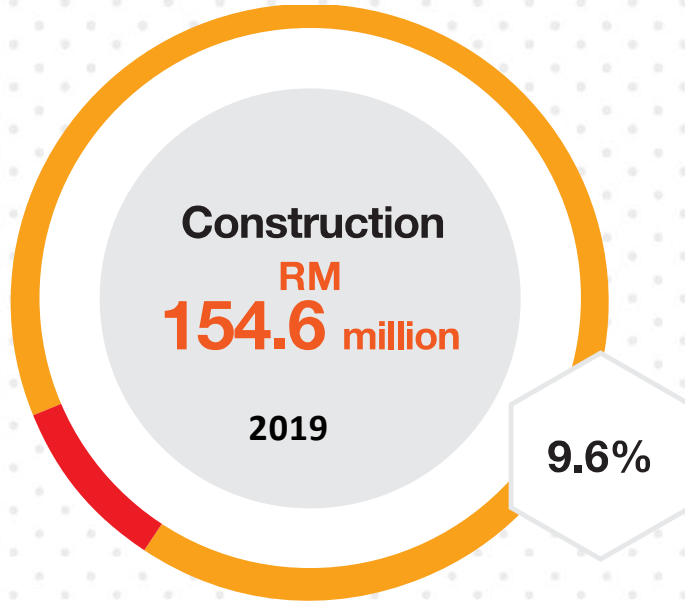
(2018: RM133.7 million)

## Precast Segment

- Precast segment revenue improved by 12% from its healthy outstanding order book of RM304 million.



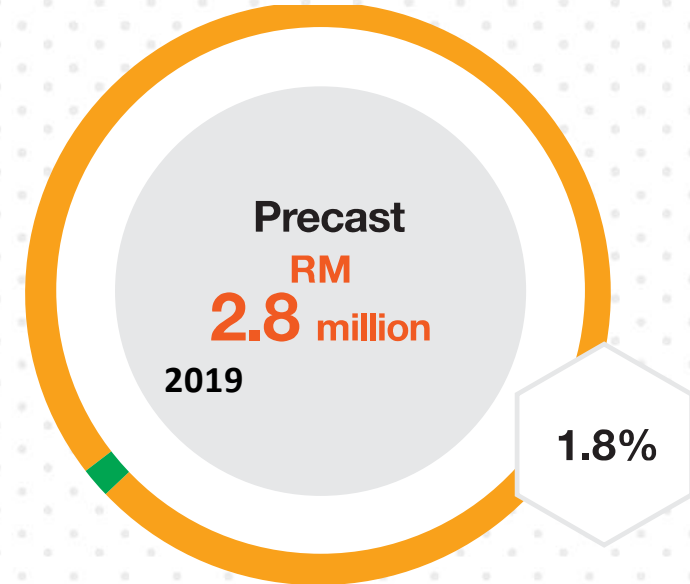
# Profit Before Tax (PBT)



(Restated 2018: RM181.7 million / 8.6%)

## Construction Segment

- The improvement in PBT margin is in tandem with the increase in GP margin and reduction in administrative expense.

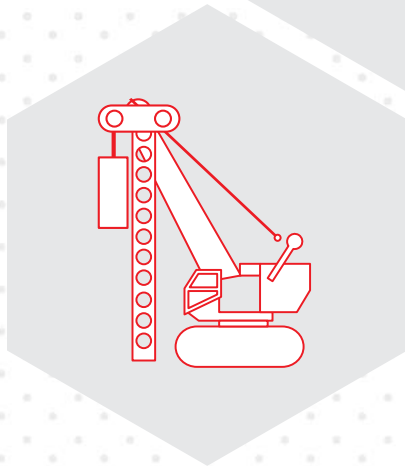


(Restated 2018: RM1.0 million / 0.7%)

## Precast Segment

- The PBT for the precast segment is higher in tandem with improved GP offset with higher finance cost from financing ICPH plant which is slated for production in FYE 2022.

Administrative expenses reduced **by 11%** from RM266.0 million to RM237.5 million mainly from reduction in staff cost. Number of **staff reduced** from **1,568 in 2018** to **1,315 in 2019**, representing a **19% reduction** through natural attrition.



# Project Highlights



Completed Project



**March 2019**  
**GAS District Cooling Plant 1, Putrajaya**  
**RM152 Million**



Completed Project



**April 2019**  
Parcel F, Putrajaya  
RM1.6 Billion



Completed Project



**August 2019**  
Sunway Velocity Medical Centre, Kuala Lumpur  
(RM155 million)



# OUTSTANDING ORDER BOOK

As at June-2020 (RM mil)	Completion	Contract Sum	O/S Orderbook
<b>Building</b>			<b>1,159</b>
Putrajaya Parcel F	Maintenance	1,610	20
PPA1M Kota Bharu	2Q 2021	582	64
TNB HQ Campus (Ph 2)	2Q 2021	781	666
PLC	2Q 2021	310	283
Oxley Tower (MEP)	2Q 2022	68	66
IOI Mall (MEP)	2Q 2021	68	59
<b>Infrastructure/Piling</b>			<b>1,853</b>
MRT V201 + S201	4Q 2020	1,213	123
LRT 3 : Package GS07-08	4Q 2022	2,178	1,589
Piling works	Various	99	19
GS06,09 + GS10	Various	60	13
Sentul West Station (MEP)	1Q 2021	57	57
Chan Sow Lin KVMRT UG St (MEP)	4Q 2021	54	54
<b>India</b>			<b>508</b>
Thorapalli Agraharam - Jittandahal	4Q 2022	508	508
<b>Internal</b>			<b>1,569</b>
SMC 4	4Q 2021	450	351
Sunway Serene	4Q 2021	413	240
Velo 2	4Q 2021	352	265
Velocity 3C4	2Q 2021	100	64
Sunway GEOLake	1Q 2021	223	50
Carnival Mall Ext	1Q 2021	286	214
SMC Seberang Jaya	1Q 2021	180	136
Big Box Hotel	3Q 2020	100	58
Parcel CP2 (piling)	3Q 2021	119	70
<b>SIS</b>	<b>4Q 2022</b>	<b>121</b>	<b>121</b>
<b>Renewable Energy (Internal)</b>			<b>4</b>
<b>New Order 2020</b>	<b>2Q 2020</b>	<b>5</b>	<b>4</b>
<b>Singapore</b>			<b>320</b>
Precast	Various	331	282
<b>New Order 2020</b>	<b>Various</b>	<b>37</b>	<b>38</b>
<b>Grand Total</b>		<b>10,303</b>	<b>5,414</b>
<b>Red : Secured in 2020</b>		<b>725</b>	<b>725</b>



# Prospects 2020 & Beyond



# 1.0 Business Resilience Amidst Covid-19

- Approximately > 2.5 months on non activities
- Stringent SOP on site and Centralised Labour Quarters (CLQ)
- Opportunity for tier 1 contractor as we are able to mobilise faster with regards to adherence to SOP
- Cashflow for SunCon Group remained strong – no slow down in collection and cash reserve did not deplete
- Remain steadfast to further streamline our fixed cost in addition to 11% achieved in FYE 2019
- Securing projects in the short term – foresee some slow down in implementation on certain project



# SunCon's Efforts to Fight Covid-19



Compulsory to register for the Program Saringan Prihatin (PSP) PERKESO and tested prior to start work



Compulsory to Check-In via MySejahtera app and fill up the Sunway Group Self-Declaration Form prior to entering project site



# SunCon's Efforts to Fight Covid-19



COVID-19 awareness briefing to workers



Social distancing while working



Social distancing during lunch and resting



Sanitise common areas periodically



## 2.0 Reinventing Business

### 2.1 Growth through **Adjacent Business**

#### Solar Photovoltaic

- Collaboration with Pekat Group through subsidiary, Sunway Pekat Solar Sdn Bhd
- Installed solar panels in Sunway owned properties
- Submitted tenders for Large Scale Solar farms





## 2.0 Reinventing Business

### 2.1 Growth through **Adjacent Business**

#### District Cooling System

- Signed a MOU with ENGIE South East Asia in the development of District Cooling System (DCS) in Malaysia.
- Recurring revenue from operations of DCS
- SunCon has completed 3 Gas District Cooling (GDC) projects for Putrajaya in the past.

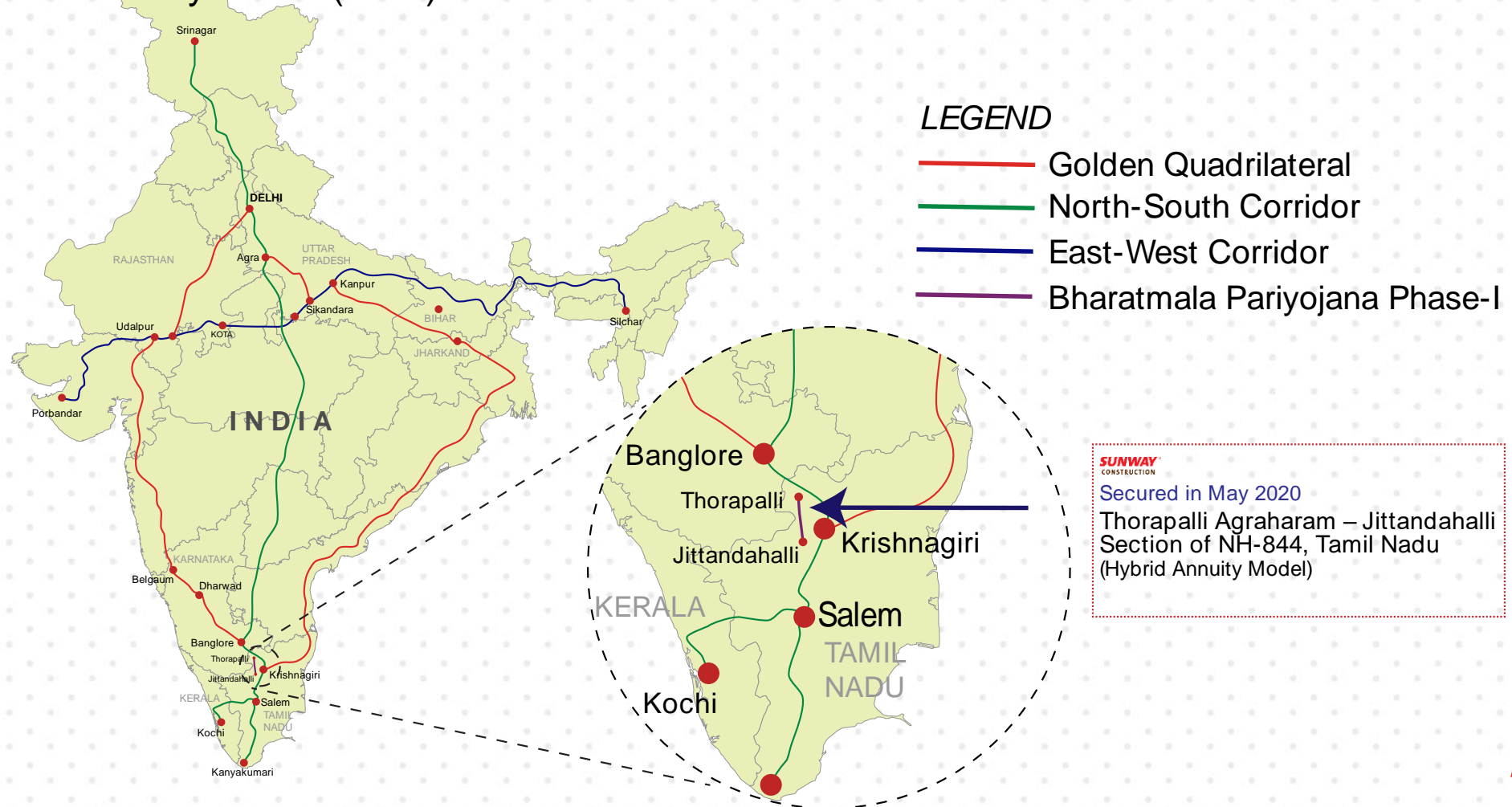




## 2.0 Reinventing Business

### 2.2 Growth through **New Business Model**

- Public Private Partnership (PPP)
- Hybrid Annuity Model (HAM) in India



## 2.0 Reinventing Business

### 2.3 Growth through **Regional Expansion**

To venture into ASEAN market through partnership and collaboration



#### **INDIA**

Infrastructure &  
Renewable Energy  
(Solar)



#### **MYANMAR**

Various business segments



#### **PHILIPPINES**

Infrastructure (Metro) & Piling



#### **SINGAPORE**

Precast & Piling



#### **INDONESIA**

Various business segments  
(Opportunities from the relocation of country's  
capital city)



## 3.0 Leaner Through Partnership

### **Reduce Ownership of Plant and Machinery**

Explore on regional long-term lease of machineries with operations and maintenance support

### **Precast Partnering with Hong Leong Asia Group**

Development of Integrated Construction and Precast Hub (ICPH) in Pulau Punggol Barat, Singapore



# 4.0 The New Norm

## Transforming Virtual Design & Construction (VDC) to Reality

### EFFECTIVE WORK & COLLABORATION

With Technical team adopting BIM workflow, we have improved coordination and collaboration. **VDC reduces resources by 7% and drawing production time by 28%.** Further to our success, we continue to upskill our draftspersons with BIM skills, standardize our practices across projects and expand its use to Civil, Geotechnical and Precast projects.

### BETTER PLAN FASTER COMPLETION LOWER COST

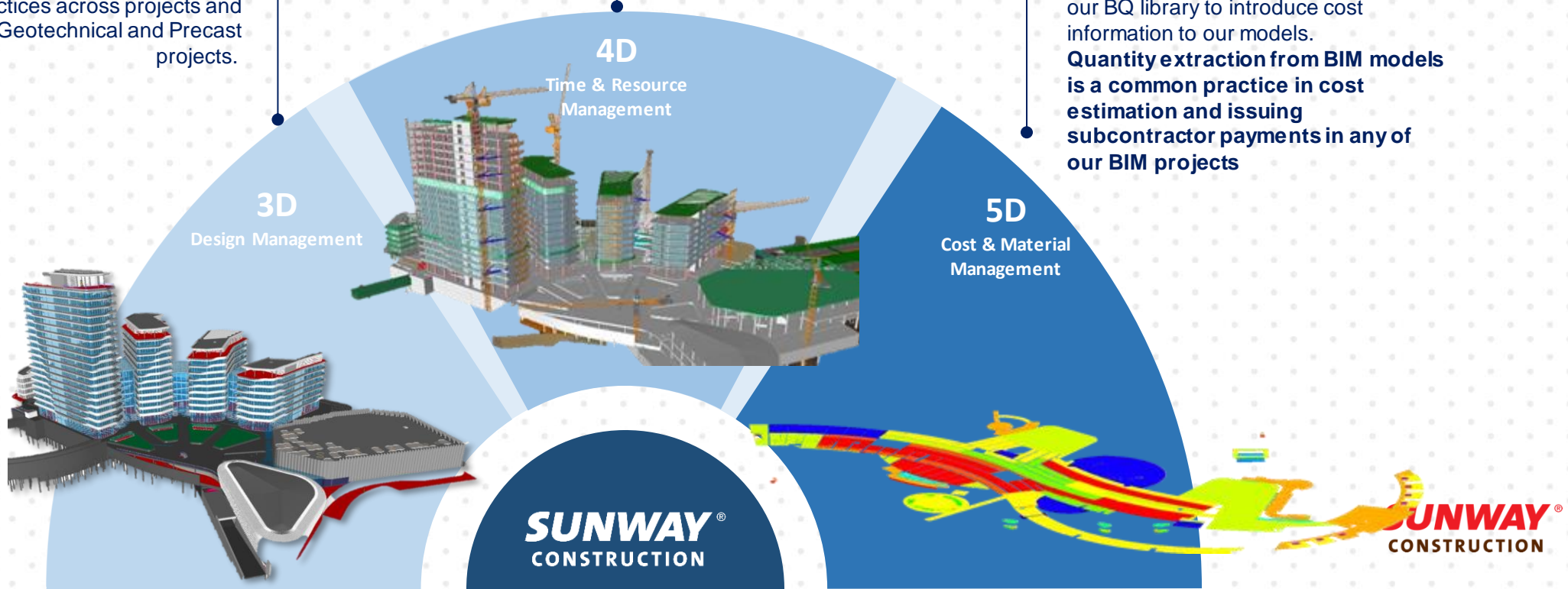
With robust 3D models, we have integrated it with plan schedules, making spatial progress easily simulated on time axes. Aside from using 4D in project planning, progress control and task assignment to improve work productivity, we also submit baseline program and progress update simulated in 4D to client.

**We are the only few contractors in Malaysia that have experience fulfilling 4D requirements contractually**

### JOURNEY TO DIGITAL COST CONTROL

With highly accurate 3D models in place, build quantity such as concrete volume, door quantities and MEP fittings can be extracted from model-generated schedules. To bring digitalisation further, we are developing our BQ library to introduce cost information to our models.

**Quantity extraction from BIM models is a common practice in cost estimation and issuing subcontractor payments in any of our BIM projects**







**6D**  
Facility Management  
(FM)

As Facility Management accounts for almost 90% of building lifetime costs, more clients are demanding FM services to be digitalised. Coupled with BIM, FM services are leaner, more organised, more transparent and greener.

**We have successfully completed Parcel F, the largest BIM-FM building project in Malaysia. We are also actively promoting our BIM-FM services internally and externally to bring additional values to our clients**  
**EXPERT IN BIM-FM INTEGRATION**



**Technological  
Enhancement**

**PROCESS DIGITALISATION USING  
OPEN-SOURCE TECHNOLOGY**

We are constantly experimenting with new, cost-effective technology and deploying it to our sites. To stay lean, we have identified more than 10 repetitive tasks and replaced them with in-house automation tools. We are set to build our digital capacity equally fast and efficiently as our construction sites.

**We are the first contractor in Malaysia and first few in the world to deploy open-source Chatbot to prototype and streamline construction site processes to support Operation, Planning and Safety Departments**

**Research  
Collaboration**

Leveraging on our rich dataset and Sunway's extensive community, we have secured research collaborations with the Computer Science department of Sunway University.

**We have started 4 construction-related research topics, with further 3 topics in the pipeline, all on topics requiring expertise in Machine Learning and Artificial Intelligence (AI), led by lecturers from top universities such as the University of Oxford**

**GET READY TO  
DISRUPT THE  
INDUSTRY**

**Building Digitally**  
Stay Ahead Of The Game



# 5.0 Commitment to Sustainability

## FTSE4Good Bursa Malaysia Index Series Constituent

- For 6<sup>th</sup> consecutive year
- ESG scores above country average

## Leading Corporate Governance

- Industry leading scores in FTSE4Good compared to international peers
- ABC Policy rolled out in 2020

## Commitment to 17 UNSDGs







HIGHEST RETURN ON EQUITY OVER THREE YEARS

SUNWAY CONSTRUCTION GROUP BHD

The Edge Billion Ringgit Club Corporate Awards 2019  
Highest Return On Equity Over Three Years, Construction Sector





**2019 Contractor Of The Year**  
**Sunway Construction Sdn Bhd**

The Malaysian Construction Industry Excellence Awards 2019  
Contractor of the Year Award (Grade G7)





Awards

# NACRA19

## INDUSTRY EXCELLENCE AWARD

### CONSTRUCTION SUNWAY CONSTRUCTION GROUP BERHAD

ALL EYES  
**ON TARGET**  
ANNUAL REPORT 2018

National Annual Corporate Report Awards (NACRA) 2019  
Industry Excellence Awards, Construction Category



# CONSTRUCTION INDUSTRY TRADE AWARDS 2019

WINNER

## SUNWAY®

SUNWAY ENGINEERING Sdn Bhd  
MECHANICAL & ELECTRICAL CONTRACTOR



Construction Industry Trade Awards (CITA) 2019  
Sunway Engineering Sdn Bhd, Best Mechanical & Electrical Contractor



## Delivering Excellence, Embracing Sustainability

