

Sunway Construction Group (SCGB MK)

Target MYR2b wins

Maintain HOLD with an unchanged MYR1.58 TP

SCGB is maintaining its MYR2b orderbook replenishment target for 2022 after securing MYR266m in 1Q22. While higher steel costs have dented margins especially at its precast ops in 1Q22, the co-sharing of cost mechanism will provide a support. We make no change to our earnings forecasts and TP which is based on 15x FY22E PER (-1SD of mean, reflecting higher material costs and orderbook risks).

MYR266m wins in 1Q22; MYR4.4b o/s orderbook

Jobs secured in 1Q22 totalled MYR266m (2021: MYR1.5b) while the outstanding orderbook was MYR4.4b end-Mar 2022 (end-2021: MYR4.8b). Of the MYR266m, MYR112m (42%) was piling works for the JB-SG RTS project and MYR128m (48%) was precast orders in SG. Active tender book was MYR2.4b end-Mar 2022. The internal job win target for 2022 is MYR2b; we have assumed the same. SCGB is eyeing KVMRT 3 civil works where tender for several packages has opened (to close in Aug 2022).

ICPH plant to be operational in 3Q22

SCGB's new integrated construction & prefabricated hub (ICPH) in SG is on schedule to be operational in Aug/Sep 2022, which would help in its orderbook replenishment. New precast jobs from SG fell to MYR52m in 2020 (2019: MYR162m) due to the pandemic, but were a strong MYR299m in 2021 and MYR128m in 1Q22. SG HDB's support scheme to co-share 50% of the hike in steel price for projects during the Jan 2021 to Jul 2022 period will help SCGB to re-coup some of the higher steel costs. The new ICPH plant costs SGD85m to build; new plant depreciation charges should be off-set by lower logistic cost from its two existing Johor plants.

Maintaining earnings forecasts

1Q22 net profit of MYR35m was up 71% YoY (due to MCO 2.0 in 1Q21), but down 47% QoQ. Construction margin was supported by final account for completed projects, while precast margin was impacted by higher steel bar prices. 1Q22 net profit was 25%/26% our/consensus FY22E - in line. We make no change to our forecasts which imply 21% net profit growth for FY22E, on the back of a stronger top-line / work momentum.

FYE Dec (MYR m)	FY20A	FY21A	FY22E	FY23E	FY24E
Revenue	1,553	1,729	2,608	2,873	2,354
EBITDA	124	167	221	212	172
Core net profit	73	113	136	132	102
Core EPS (sen)	5.6	8.7	10.5	10.3	7.9
Core EPS growth (%)	(43.7)	54.7	20.6	(2.6)	(22.7)
Net DPS (sen)	4.0	5.3	7.0	7.0	5.0
Core P/E (x)	33.3	17.9	15.6	16.0	20.7
P/BV (x)	3.8	2.9	2.8	2.7	2.6
Net dividend yield (%)	2.1	3.4	4.3	4.3	3.0
ROAE (%)	11.6	16.9	18.8	17.3	12.7
ROAA (%)	3.7	6.0	6.0	4.5	3.4
EV/EBITDA (x)	20.4	13.0	10.8	12.3	15.7
Net gearing (%) (incl perps)	15.8	19.4	33.7	59.0	66.0
Consensus net profit	-	-	131	151	154
MKE vs. Consensus (%)	-	-	3.6	(12.4)	(33.6)

Wong Chew Hann
wchewh@maybank-ib.com
(603) 2297 8686

HOLD

Share Price	MYR 1.64
12m Price Target	MYR 1.58 (+0%)
Previous Price Target	MYR 1.58

Company Description

Sunway Construction Group offers integrated construction services and has precast concrete business in Singapore.

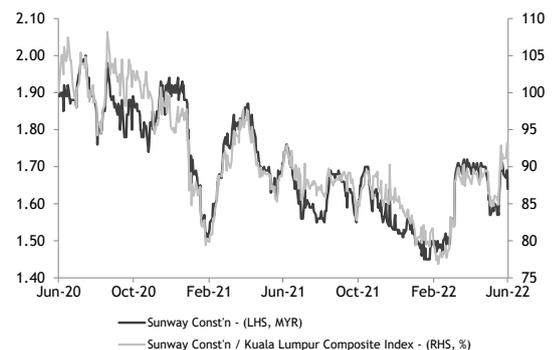
Statistics

52w high/low (MYR)	1.76/1.45
3m avg turnover (USDm)	0.1
Free float (%)	23.9
Issued shares (m)	1,293
Market capitalisation	MYR2.1B USD483M

Major shareholders:

Sunway Bhd.	54.4%
Active Equity Sdn. Bhd.	10.1%
Employees Provident Fund	9.2%

Price Performance



	-1M	-3M	-12M
Absolute (%)	2	6	(4)
Relative to index (%)	5	11	0

Source: FactSet

Abbreviation

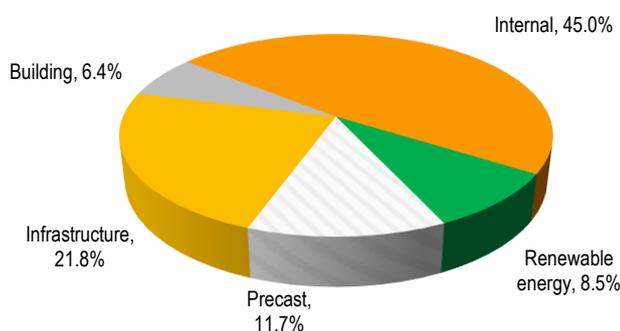
JB-SG RTS = Johor Bahru-Singapore Rapid Transit System
SG HDB = Singapore Housing Development Board
MCO 2.0 = Movement Control Order 2.0 (13 Jan 2021 to 4 Mar 2021)
NRP P1, P4 = National Recovery Plan Phase 1, Phase 4

ESG@MAYBANK IBG
Tear Sheet Insert

Value Proposition

- Malaysia's largest pure play construction group with an established brandname having commenced operations in 1981 with a cumulative revenue of MYR30b.
- Operates on a fully integrated business model with 6 core ops: (i) building construction; (ii) civil/infrastructure, (iii) foundation & geotechnics; (iv) mechanical, electrical & plumbing; (v) precast concrete (two existing plants in Johor, 3rd under construction in SG [operational 2H22] - supplying IBS components largely to SG); (vi) renewable energy.
- Completed special purpose building projects include KL Convention Centre, Sunway Shopping Mall; completed civil projects include SILK, MEX, SKVE, BRT, KVMRT and KVLRT.
- Experienced senior management team and support from the Sunway Group add onto its value proposition.

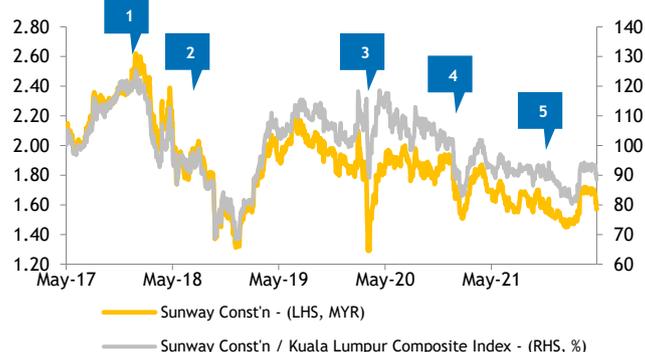
MYR4.4b outstanding orderbook as of 31 Mar 2022



Source: Company

Price Drivers

Historical share price trend



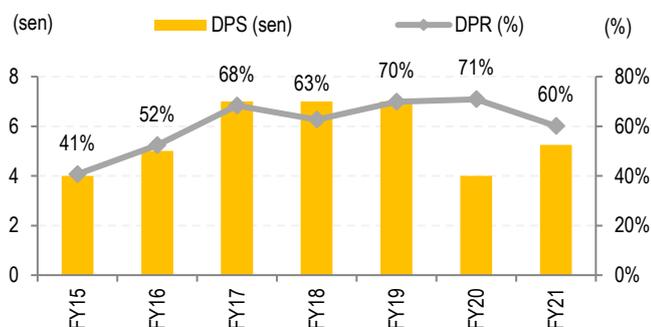
Source: Company, Maybank IBG Research

- Secured work packages under KVMRT 2 and KVLRT 3; outstanding orderbook reached another high of MYR6.1b as of end-2017.
- Post GE14 (9 May 2018) concerns, as the new Government sought to review the cost of major infra projects awarded during the previous Government.
- Malaysia's Movement Control Order (MCO) from 18 Mar 2020 led to work disruption at all of SCGB's projects.
- MCO 2.0 from 13 Jan 2021.
- More economic activities re-opened in states under National Recovery Plan Phase 1 (from 16 Aug 2021).

Financial Metrics

- Two main earning growth drivers are rising orderbook and higher margins which may come from value engineering.
- ROEs of >20% since its relisting in 2015 were above peers, but this suffered a set-back in FY20/FY21 due to work disruption from Malaysia's movement restrictions.
- Balance sheet is strong with a low net gearing of 18% as of 31 Mar 2022.
- DPR is a minimum 35% of PATMI; since its relisting (on 28 Jul 2015), SCGB had paid up to 71% (FY20).

Dividends



Source: Company

Swing Factors

Upside

- Larger-than-expected orderbook replenishment could lift sentiment on the stock although the earnings impact will only be felt in full at least a year later.
- Significant margin expansion for its existing orderbook coming from value engineering breakthrough.
- Government's policy reaffirmation on higher usage of IBS in construction as a long-term plan to reduce the country's over-reliance on foreign labour; this will be positive for SCGB's precast concrete business.

Downside

- Slower-than-expected work progress at existing projects will affect the timing of earnings recognition.
- High COVID-19 cases could disrupt work pace again.
- The timing of mega infrastructure project roll-outs by the Government could affect orderbook replenishment.
- At the precast segment, significant increase in steel prices and stiffer competition could affect margins.

ESG@MAYBANK IBG

wchewh@maybank-ib.com

Risk Rating & Score ¹	26.3 (Medium)
Score Momentum ²	-3.2
Last Updated	13 Oct 2021
Controversy Score ³ (Updated: 5 Dec 2021)	1 - Business ethics incidents

Business Model & Industry Issues

- As an industry leader, SCGB has built a track record in GBI-certified buildings and it also offers renewable energy services. SCGB has started measuring and reporting on key "E" parameters - water & energy use, carbon emission - on per unit revenue basis, in 2020.
- On labour matters, SCGB complies with Act 446, which extends to CLQ/workers accommodation of its business partners. To mitigate bribery & corruption risks, its Anti-Bribery and Corruption Policy and Anti-Money Laundering Policy were rolled out in 2020.
- Overall, SCGB's ESG risks are manageable, in our view. As SCGB continues to build on these efforts, its value proposition and investment case should strengthen further.

Material E issues

- SCGB has built a track record in designing Green Building Index (GBI)-certified buildings with 4 completed and 3 ongoing projects. It offers renewable (solar) energy services and has participated in the tender of Large Scale Solar (LSS) projects.
- SCGB started reporting on the following parameters (on per unit revenue basis) in 2020: (i) Water Use Intensity (WUI; 253m³/MYRm); (ii) Energy Use Intensity (EUI; 3.08 MWh/MYRm); (iii) Carbon Emission Intensity (CEI; 98 tCO₂e/MYRm). It targets to lower WUI and CEI by 10% by 2030 (with 2020 as base year), while target for EUI has yet to be established.
- In Jan 2021, SCGB signed up as an official supporter of the Task Force on Climate-Related Financial Disclosures (TCFD).
- SCGB achieved zero environmental compounds and fines in 2020. All its project sites are certified with ISO 14001:2015 Environmental Management System since 2018, ensuring strict implementation and monitoring.
- In Nov 2020, SCGB ceased to be a FTSE4Good Index constituent after 5 consecutive years as it fell out of the FTSE Index series for not passing the liquidity screening.

Material S issues

- Women made up just 16% of SCGB's workforce in 2020 due to the nature of its operations (women made up 31% at the executive level, 5% at the non-executive level). Pay equity was however balanced at 1.00 (women) : 0.99 (men).
- Employees' training was an avg. 15.9 hours per employee in 2020 (total MYR289k); SCGB targets 40 hours by 2030.
- All of SCGB's workplaces are ISO 45001/OHSAS 18001 Occupational Health and Safety Management System certified.
- SCGB complies with Act 446 - Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 - fully enforced in Sep 2020. This extends to CLQ/workers accommodation of its business partners.
- To mitigate COVID-19 infection risk at worksites, >12,500 tests were conducted on its workforce and that of its business partners in Jun-Dec 2020.
- SCGB contributed MYR250k to the National Disaster Relief Fund and MYR280k to the Jeffrey Cheah Foundation in 2020 to support the foundation's aim of quality education; this was in addition to its other community outreach efforts.

Key G metrics and issues

- SCGB's Board comprises 8 Directors of which 7 are Non-Executive (incl. Chairman). 5 (or 63%) are Independent; each has not served a cumulative term of >9 years. SCGB's Constitution provides for 1/3 of its Board to retire by rotation by each AGM but eligible for re-election.
- There are presently 2 women on SCGB's Board (25% representation), slightly short of the 30% requirement.
- SCGB provides detailed disclosure on remuneration of its directors but not of its top senior management. In FY20, remuneration to directors (including alternate director) was 2.9% of pretax profit.
- SCGB has been audited by BDO PLT since FY15, at least.
- An Anti-Bribery and Corruption Policy was rolled out in Jan 2020 to all staff and business associates. Also, SCGB had in 2020 established an Anti-Money Laundering Policy, which is linked to its pre-existing Code of Conduct & Business Ethics, and Whistleblowing Policy & Procedures.
- Transactions with related parties within the Sunway Group have been on terms and conditions not materially different from those with unrelated parties, based on our screening of its FY15-FY20 annual reports.

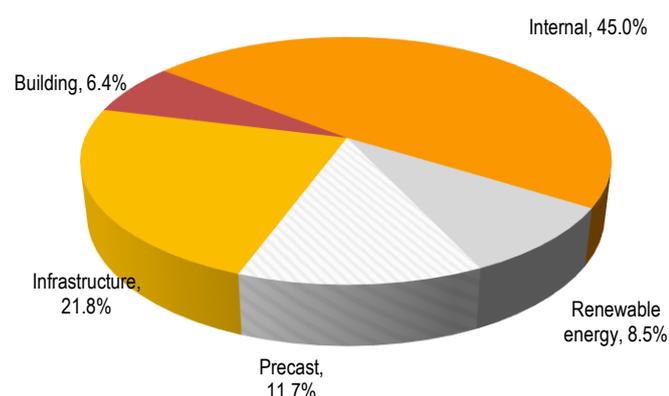
¹**Risk Rating & Score** - derived by Sustainalytics and assesses the company's exposure to unmanaged ESG risks. Scores range between 0 - 50 in order of increasing severity with low/high scores & ratings representing negligible/significant risk to the company's enterprise value, respectively, from ESG-driven financial impacts. ²**Score Momentum** - indicates changes to the company's score since the last update - a **negative** integer indicates a company's improving risk score; a **positive** integer indicates a deterioration. ³**Controversy Score** - reported periodically by Sustainalytics in the event of material ESG-related incident(s), with the impact severity scores of these events ranging from Category 0-5 (0 - no reports; 1 - negligible risks; ...; 5 - poses serious risks & indicative of potential structural deficiencies at the company).

Fig 1: Outstanding orderbook of MYR4.44b @ 31 Mar 2022

As at 31 Mar 2022	Completion	Contract value (MYR m)	Outstanding (MYR m)
Infrastructure			
LRT 3: Package GS07-08	4Q22	1,295	137
Sentul West Station (MEP)	2Q22	57	4
KVMRT 2, Chan Sow Lin underground station (MEP)	2Q22	54	6
Tamil Nadu Highway (Thorapalil Agraharam-Jittandahalli, of NH-844)	4Q23	508	488
Tamil Nadu Highway (Meensurutti-Chidambarm, of NH-227)	3Q23	315	266
Jln Tambun, Ipoh	4Q22	14	11
Bangsar Rising (piling)	3Q22	5	5
TASCO #	3Q22	9	8
RTS: Package P2A (piling) #	2Q25	112	112
LRT3: GS06 #	2Q22	1	1
Building			
Putrajaya Parcel F	Maintenance	1,610	11
TNB HQ Campus	3Q22	781	197
Petronas Learning Centre	Completed	305	28
Oxley Tower (MEP)	4Q24	68	52
IOI Mall (MEP)	1Q22	68	8
PNB 118 (MEP) #	3Q22	8	7
Internal			
Sunway Medical Centre 4 (2 towers) + VO	3Q23	612	265
Sunway Serene - Kelana Jaya Condo	4Q22	413	61
Service apartments at Jln Belfield	4Q24	403	346
Sunway Velocity Two	4Q22	352	80
Sunway South Quay - CP2 (superstructure)	3Q24	557	555
Sunway Carnival 2 Extension - PDP contract	2Q22	286	28
Sunway Velocity Two - 2 blocks of service apartments	4Q23	253	213
Sunway Damansara Medical Centre	1Q23	240	222
SMC Seberang Jaya	2Q22	196	44
SMC Ipoh	1Q24	150	142
Sunway International School	4Q22	140	51
Sunway South Key - CP2 (piling)	2Q22	198	45
Sunway Velocity 3C4	3Q22	100	30
Sunway Hotel renovation	3Q22	81	24
Big Box Office	3Q22	51	28
Butterworth-Kulim Expressway	2Q22	4	2
Drainage works	4Q22	1	1
Wellness road & drain #	2Q22	1	1
Renewable energy			
Renewable energy - external	-	414	397
Renewable energy - internal	-	4	1
Renewable energy - internal #	-	8	8
Precast			
Secured pre 2022	-	584	427
New order in 1Q22 #	-	128	128
Total		10,384	4,441

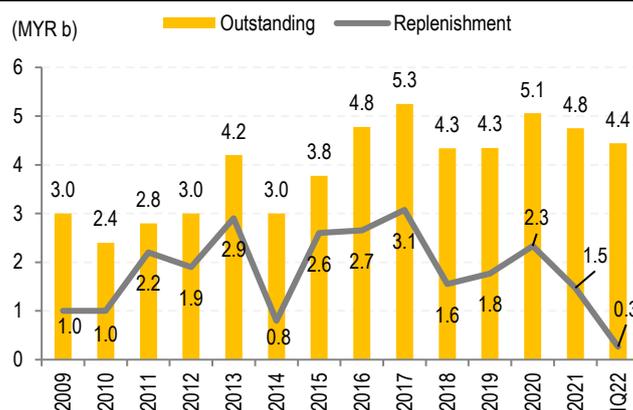
Secured in 2022 YTD - MYR266m; Source: Company

Fig 2: Outstanding orderbook of MYR4.4b @ 31 Mar 2022



Source: Company data, Maybank IBG Research (chart)

Fig 3: Outstanding orderbook vs. replenishment



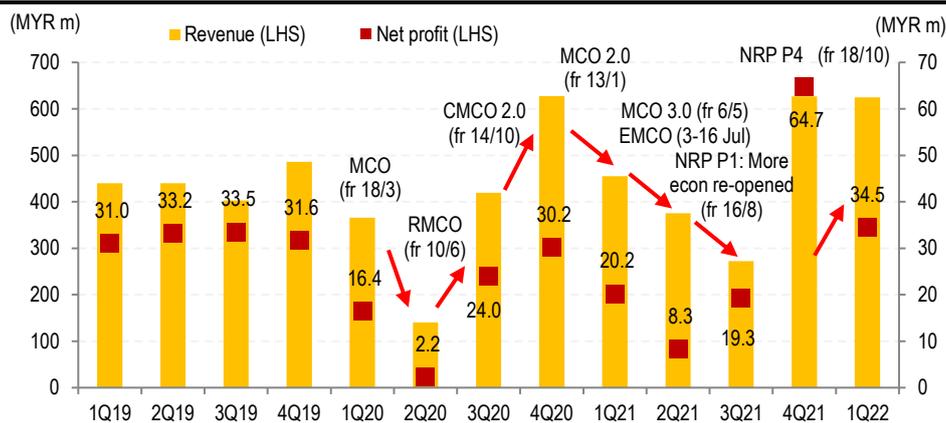
Note: Including precast, adjusted for revised value of LRT3 project;
Source: Company data, Maybank IBG Research (chart)

Fig 4: Results summary

	Quarterly				
	1Q22	1Q21	% YoY	4Q21	% QoQ
FY Dec (MYR m)					
Revenue	624.7	455.2	37.2	626.6	(0.3)
EBIT	42.9	26.1	64.5	84.9	(49.4)
Net interest inc/(exp)	1.1	(0.8)	NM	(0.0)	NM
Assoc, JV profits	3.2	2.0	60.1	6.2	(48.7)
Pre-tax profit	47.2	27.2	73.1	91.0	(48.2)
Tax	(11.5)	(6.9)	66.3	(26.0)	(55.7)
Minority Interests	(1.1)	(0.1)	1,435.6	(0.3)	326.2
Net profit	34.5	20.2	70.5	64.7	(46.7)
EPS (sen)	2.68	1.57	70.7	5.02	(46.6)
DPS (sen)	-	-	NM	4.00	NM
	1Q22	1Q21	+/- ppt	4Q21	+/- ppt
EBIT margin (%)	6.9	5.7	1.1	13.5	(6.7)
Pretax margin (%)	7.6	6.0	1.6	14.5	(7.0)
Tax rate (%)	24.4	25.5	(1.0)	28.6	(4.1)
	1Q22	1Q21	% YoY	4Q21	% QoQ
Revenue					
Construction	587.8	421.3	39.5	579.9	1.4
Precast concrete	36.9	33.9	8.9	46.7	(21.0)
Total	624.7	455.2	37.2	626.6	(0.3)
	1Q22	1Q21	% YoY	4Q21	% QoQ
EBIT					
Construction	41.5	22.3	85.8	82.2	(49.5)
Precast concrete	1.4	3.8	(62.4)	2.7	(47.4)
Total	42.9	26.1	64.5	84.9	(49.4)
	1Q22	1Q21	+/- ppt	4Q21	+/- ppt
EBIT margin (%)					
Construction	7.1	5.3	1.8	14.2	(7.1)
Precast concrete	3.8	11.1	(7.3)	5.8	(1.9)
Total	6.9	5.7	1.1	13.5	(6.7)

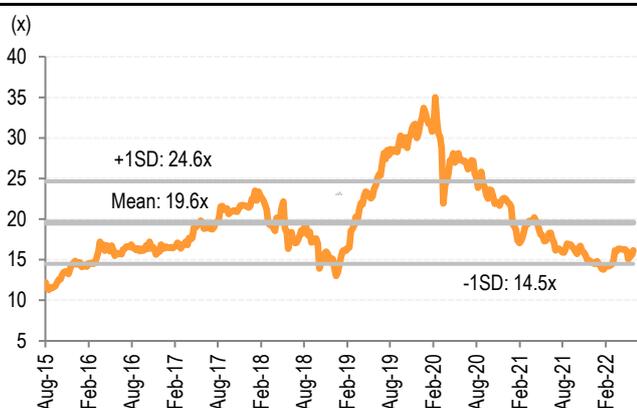
Source: Company, Maybank IBG Research (tabulation)

Fig 5: Quarterly revenue and profit during COVID-19 pandemic



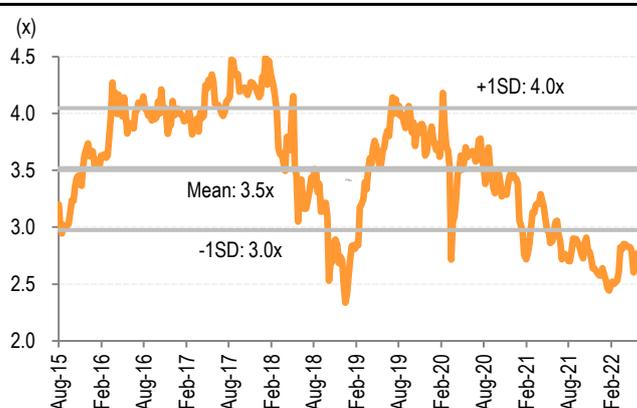
Source: Company data, Maybank IBG Research (chart)

Fig 6: 12M forward PER



Source: Company data, Maybank IBG Research

Fig 7: 12M forward P/B



Source: Company data, Maybank IBG Research

FYE 31 Dec	FY20A	FY21A	FY22E	FY23E	FY24E
Key Metrics					
P/E (reported) (x)	32.6	19.0	15.6	16.0	20.7
Core P/E (x)	33.3	17.9	15.6	16.0	20.7
P/BV (x)	3.8	2.9	2.8	2.7	2.6
P/NTA (x)	3.8	2.9	2.8	2.7	2.6
Net dividend yield (%)	2.1	3.4	4.3	4.3	3.0
FCF yield (%)	3.5	10.3	11.5	8.1	nm
EV/EBITDA (x)	20.4	13.0	10.8	12.3	15.7
EV/EBIT (x)	27.9	15.6	12.2	14.2	19.1
INCOME STATEMENT (MYR m)					
Revenue	1,552.7	1,729.2	2,608.1	2,872.9	2,354.2
EBITDA	124.0	166.8	220.5	211.8	171.5
Depreciation	(33.4)	(27.4)	(24.9)	(27.8)	(30.8)
EBIT	90.5	139.4	195.6	184.1	140.7
Net interest income / (exp)	0.9	(0.4)	(7.4)	(10.6)	(8.9)
Associates & JV	10.1	13.3	5.0	5.0	5.0
Exceptionals	0.0	0.0	0.0	0.0	0.0
Pretax profit	101.5	152.2	193.2	178.5	136.8
Income tax	(27.8)	(41.5)	(57.4)	(46.3)	(34.5)
Minorities	(0.9)	1.8	0.0	0.0	0.0
Reported net profit	72.8	112.6	135.8	132.2	102.2
Core net profit	72.8	112.6	135.8	132.2	102.2
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	200.1	98.8	231.3	313.2	232.5
Accounts receivable	904.9	660.9	1,005.5	1,093.6	936.7
Inventory	34.3	46.2	74.8	83.9	68.0
Property, Plant & Equip (net)	107.3	124.7	138.8	154.2	158.6
Intangible assets	0.1	0.1	0.1	0.1	0.1
Investment in Associates & JVs	488.9	723.5	728.5	733.5	738.5
Other assets	170.5	210.1	481.8	781.8	781.8
Total assets	1,906.1	1,864.2	2,660.9	3,160.2	2,916.3
ST interest bearing debt	233.7	92.5	92.5	92.5	92.5
Accounts payable	940.0	876.0	1,376.2	1,533.6	1,251.8
LT interest bearing debt	67.2	145.4	395.4	695.4	695.4
Other liabilities	27.0	34.0	35.0	35.0	35.0
Total Liabilities	1,267.5	1,147.4	1,898.6	2,356.0	2,074.3
Shareholders Equity	636.9	699.1	744.6	786.6	824.4
Minority Interest	1.7	17.6	17.6	17.6	17.6
Total shareholder equity	638.6	716.8	762.3	804.2	842.0
Total liabilities and equity	1,906.1	1,864.2	2,660.9	3,160.2	2,916.3
CASH FLOW (MYR m)					
Pretax profit	101.5	152.2	193.2	178.5	136.8
Depreciation & amortisation	33.4	27.4	24.9	27.8	30.8
Adj net interest (income)/exp	1.4	0.1	(7.4)	(10.6)	(8.9)
Change in working capital	(23.7)	83.1	126.9	60.2	(109.0)
Cash taxes paid	(28.8)	(26.6)	(57.4)	(46.3)	(34.5)
Other operating cash flow	4.0	2.1	2.4	5.6	3.9
Cash flow from operations	87.8	238.3	282.6	215.2	19.1
Capex	(1.9)	(31.5)	(39.1)	(43.1)	(35.3)
Free cash flow	85.9	206.8	243.4	172.1	(16.2)
Dividends paid	(61.2)	(51.6)	(90.3)	(90.3)	(64.5)
Change in Debt	12.0	(70.1)	250.0	300.0	0.0
Other invest/financing cash flow	(266.7)	(138.7)	(270.7)	(300.0)	0.0
Net cash flow	(230.0)	(53.6)	132.5	81.9	(80.7)

FYE 31 Dec	FY20A	FY21A	FY22E	FY23E	FY24E
Key Ratios					
Growth ratios (%)					
Revenue growth	(12.2)	11.4	50.8	10.2	(18.1)
EBITDA growth	(31.6)	34.6	32.2	(3.9)	(19.0)
EBIT growth	(35.8)	54.0	40.3	(5.9)	(23.6)
Pretax growth	(35.7)	50.0	26.9	(7.6)	(23.4)
Reported net profit growth	(43.7)	54.7	20.6	(2.6)	(22.7)
Core net profit growth	(43.7)	54.7	20.6	(2.6)	(22.7)
Profitability ratios (%)					
EBITDA margin	8.0	9.6	8.5	7.4	7.3
EBIT margin	5.8	8.1	7.5	6.4	6.0
Pretax profit margin	6.5	8.8	7.4	6.2	5.8
Payout ratio	70.9	60.1	66.5	68.3	63.1
DuPont analysis					
Net profit margin (%)	4.7	6.5	5.2	4.6	4.3
Revenue/Assets (x)	0.8	0.9	1.0	0.9	0.8
Assets/Equity (x)	3.0	2.7	3.6	4.0	3.5
ROAE (%)	11.6	16.9	18.8	17.3	12.7
ROAA (%)	3.7	6.0	6.0	4.5	3.4
Liquidity & Efficiency					
Cash conversion cycle	(42.1)	(62.9)	(56.1)	(65.4)	(77.5)
Days receivable outstanding	203.4	163.0	115.0	131.5	155.2
Days inventory outstanding	8.3	10.5	9.7	11.4	13.4
Days payables outstanding	253.8	236.3	180.9	208.3	246.2
Dividend cover (x)	1.4	1.7	1.5	1.5	1.6
Current ratio (x)	1.1	1.0	1.0	1.0	1.1
Leverage & Expense Analysis					
Asset/Liability (x)	1.5	1.6	1.4	1.3	1.4
Net gearing (%) (incl perps)	15.8	19.4	33.7	59.0	66.0
Net gearing (%) (excl. perps)	15.8	19.4	33.7	59.0	66.0
Net interest cover (x)	na	nm	26.4	17.4	15.8
Debt/EBITDA (x)	2.4	1.4	2.2	3.7	4.6
Capex/revenue (%)	0.1	1.8	1.5	1.5	1.5
Net debt/ (net cash)	100.8	139.1	256.6	474.8	555.4

Source: Company; Maybank IBG Research

Research Offices

ECONOMICS

Suhaimi ILIAS
Chief Economist
Malaysia | Philippines | Global
(603) 2297 8682
suhaimi_ilias@maybank-ib.com

CHUA Hak Bin
Regional Thematic Macroeconomist
(65) 6231 5830
chuahb@maybank.com

LEE Ju Ye
Singapore | Thailand | Indonesia
(65) 6231 5844
leejuye@maybank.com

Dr Zamros DZULKAFLI
(603) 2082 6818
zamros.d@maybank-ib.com

Fatin Nabila MOHD ZAINI
(603) 2297 8685
fatinnabila.mohdzaini@maybank-ib.com

Brian LEE Shun Rong
(65) 6231 5846
brian.lee1@maybank.com

Luong Thu Huong
(65) 62315 8467
hana.thuluong @maybank.com

FX

Saktiandi SUPAAT
Head of FX Research
(65) 6320 1379
saktiandi@maybank.com.sg

Christopher WONG
(65) 6320 1347
wongkl@maybank.com.sg

TAN Yanxi
(65) 6320 1378
tanyx@maybank.com.sg

Fiona LIM
(65) 6320 1374
fionallim@maybank.com.sg

STRATEGY

Anand PATHMAKANTHAN
ASEAN
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com

FIXED INCOME

Winson PHOON, FCA
(65) 6340 1079
winsonphoon@maybank.com

SE THO Mun Yi, CFA
(603) 2074 7606
munyi.st@maybank-ib.com

REGIONAL EQUITIES

Anand PATHMAKANTHAN
Head of Regional Equity Research
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com

WONG Chew Hann, CA
Head of ASEAN Equity Research
(603) 2297 8686
wchewh@maybank-ib.com

ONG Seng Yeow
Research, Technology & Innovation
(65) 6231 5839
ongsengyeow@maybank.com

MALAYSIA

Anand PATHMAKANTHAN *Head of Research*
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com
• Strategy

WONG Chew Hann, CA
(603) 2297 8686
wchewh@maybank-ib.com
• Non-Bank Financials (stock exchange)
• Construction & Infrastructure

Desmond CH'NG, BFP, FCA
(603) 2297 8680
desmond.chng@maybank-ib.com
• Banking & Finance

LIAW Thong Jung
(603) 2297 8688 tjliaw@maybank-ib.com
• Oil & Gas Services- Regional
• Automotive

ONG Chee Ting, CA
(603) 2297 8678 ct.ong@maybank-ib.com
• Plantations - Regional

YIN Shao Yang, CPA
(603) 2297 8916 samuel.y@maybank-ib.com
• Gaming - Regional
• Media • Aviation • Non-Bank Financials

TAN Chi Wei, CFA
(603) 2297 8690 chiwei.t@maybank-ib.com
• Power • Telcos

WONG Wei Sum, CFA
(603) 2297 8679 weisum@maybank-ib.com
• Property • Glove

Jade TAM
(603) 2297 8687 jade.tam@maybank-ib.com
• Consumer Staples & Discretionary

Nur Farah SYIFAA
(603) 2297 8675
nurfarahsyifaa.mohamadfuad@maybank-ib.com
• Construction • Renewable Energy • REITs

Arvind JAYARATNAM
(603) 2297 8692
arvind.jayaratnam@maybank.com
• Petrochemicals • Technology

Shafiq KADIR
(603) 2297 8691
msshafiqk.abkadir@maybank-ib.com
• Healthcare • Software

LOH Yan Jin
(603) 2297 8687
lohyanjin.loh@maybank-ib.com
• Ports • Shipping

TEE Sze Chiah *Head of Retail Research*
(603) 2082 6858 szechiah.t@maybank-ib.com
• Retail Research

Nik Ihsan RAJA ABDULLAH, MSTA, CFTe
(603) 2297 8694
nikmohdihsan.ra@maybank-ib.com
• Chartist

Amirah AZMI
(603) 2082 8769 amirah.azmi@maybank-ib.com
• Retail Research

SINGAPORE

Thilan WICKRAMASINGHE *Head of Research*
(65) 6231 5840 thilanw@maybank.com
• Banking & Finance - Regional
• Consumer

CHUA Su Tye
(65) 6231 5842 chuasutye@maybank.com
• REITs - Regional

LAI Gene Lih, CFA
(65) 6231 5832 laigenelih@maybank.com
• Technology

Eric ONG
(65) 6231 5924 ericong@maybank.com
• Healthcare • Transport • SMIDs

Kelvin TAN
(65) 6231 5837 kelvintan1@maybank.com
• Telcos • Industrials

Samuel TAN
(65) 6231 5843 samuel.tan@maybank.com
• Technology

LI Jialin
(65) 6231 5845 jialin.li@maybank.com
• REITs

PHILIPPINES

Jacqui de JESUS *Head of Research*
(63) 2 8849 8840
jacqui.dejesus@maybank.com
• Strategy • Conglomerates

Rachelleen RODRIGUEZ, CFA
(63) 2 8849 8843
rachelleen.rodriguez@maybank.com
• Banking & Finance • Transport • Telcos

Daphne SZE
(63) 2 8849 8847
daphne.sze@maybank.com
• Consumer

Miguel SEVIDAL
(63) 2 8849 8844
miguel.sevidal@maybank.com
• REITs • Property

Fiorenzo de JESUS
(63) 2 8849 8846
fiorenzo.dejesus@maybank.com
• Utilities

VIETNAM

Quan Trong Thanh *Head of Research*
(84 28) 44 555 888 ext 8184
thanh.quan@maybank.com
• Banks

Hoang Huy, CFA
(84 28) 44 555 888 ext 8181
hoanghuy@maybank.com
• Strategy • Technology • Industrials

Le Nguyen Nhat Chuyen
(84 28) 44 555 888 ext 8082
chuyen.le@maybank.com
• Oil & Gas • Logistics

Nguyen Thi Sony Tra Mi
(84 28) 44 555 888 ext 8084
trami.nguyen@maybank.com
• Consumer

Tyler Manh Dung Nguyen
(84 28) 44 555 888 ext 8085
manhdung.nguyen@maybank.com
• Utilities • Property

Tran Thi Thanh Nhan
(84 28) 44 555 888 ext 8088
nhan.tran@maybank.com
• Consumer

Nguyen Thi Ngan Tuyen
Head of Retail Research
(84 28) 44 555 888 ext 8081
tuyen.nguyen@maybank.com
• Retail Research

Nguyen Thanh Lam
(84 28) 44 555 888 ext 8086
thanhlam.nguyen@maybank.com
• Chartist

INDIA

Jigar SHAH *Head of Research*
(91) 22 4223 2632 jigars@maybank.com
• Strategy • Oil & Gas • Automobile • Cement

Neerav DALAL
(91) 22 4223 2606 neerav@maybank.com
• Software Technology • Telcos

Vikram RAMALINGAM
(91) 22 4223 2607
vikram@maybank.com
• Automobile • Media

INDONESIA

Rahmi MARINA
(62) 21 8066 8689
rahmi.marina@maybank.com
• Banking & Finance

Willy GOUTAMA
(62) 21 8066 8500
willygoutama@maybank.com
• Consumer

Satriawan, CTA
(62) 21 8066 882
satriawan@maybank.com
• Chartist

THAILAND

Jesada TECHAHUSDIN, CFA
(66) 2658 6300 ext 1395
jesada.t@maybank.com
• Banking & Finance

Vanida GEISLER, CPA
(66) 2658 6300 ext 1394
Vanida.G@maybank.com
• Property • REITs

Yuwanee PROMMAPORN
(66) 2658 6300 ext 1393
Yuwanee.P@maybank.com
• Services • Healthcare

Wasu MATTANAPOTCHANART
(66) 2658 6300 ext 1392
wasu.m@maybank.com
• Telcos

Surachai PRAMUALCHAROENKIT
(66) 2658 5000 ext 1470
Surachai.p@maybank.com
• Auto • Conmat • Contractor • Steel

Suttatip PEERASUB
(66) 2658 5000 ext 1430
suttatip.p@maybank.com
• Food & Beverage • Commerce

Jaroontan WATTANAWONG
(66) 2658 5000 ext 1404
jaroontan.w@maybank.com
• Transportation • Small cap

APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "Maybank IBG") and consequently no representation is made as to the accuracy or completeness of this report by Maybank IBG and it should not be relied upon as such. Accordingly, Maybank IBG and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. Maybank IBG expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Maybank IBG and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. One or more directors, officers and/or employees of Maybank IBG may be a director of the issuers of the securities mentioned in this report to the extent permitted by law.

This report is prepared for the use of Maybank IBG's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of Maybank IBG and Maybank IBG and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Research Pte. Ltd. ("MRPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact MRPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act), MRPL shall be legally liable for the contents of this report, with such liability being limited to the extent (if any) as permitted by law.

Thailand

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Maybank Securities (Thailand) Public Company Limited. Maybank Securities (Thailand) Public Company Limited ("MST") accepts no liability whatsoever for the actions of third parties in this respect.

Due to different characteristics, objectives and strategies of institutional and retail investors, the research products of MST Institutional and Retail Research departments may differ in either recommendation or target price, or both. MST reserves the rights to disseminate MST Retail Research reports to institutional investors who have requested to receive it. If you are an authorised recipient, you hereby tacitly acknowledge that the research reports from MST Retail Research are first produced in Thai and there is a time lag in the release of the translated English version.

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey may be changed after that date. MST does not confirm nor certify the accuracy of such survey result.

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, MST does not confirm, verify, or certify the accuracy and completeness of the assessment result.

US

This third-party research report is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Maybank Securities USA Inc ("MSUS"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by MSUS in the US shall be borne by MSUS. This report is not directed at you if Maybank IBG is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that MSUS is permitted to provide research material concerning investments to you under relevant legislation and regulations. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security mentioned within must do so with: Maybank Securities USA Inc. 400 Park Avenue, 11th Floor, New York, New York 10022, 1-(212) 688-8886 and not with, the issuer of this report.

UK

This document is being distributed by Maybank Securities (London) Ltd (“MSUK”) which is authorized and regulated, by the Financial Conduct Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

DISCLOSURES

Legal Entities Disclosures

Malaysia: This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938- H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. **Singapore:** This report is distributed in Singapore by MRPL (Co. Reg No 198700034E) which is regulated by the Monetary Authority of Singapore. **Indonesia:** PT Maybank Sekuritas Indonesia (“PTMSI”) (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the Financial Services Authority (Indonesia). **Thailand:** MST (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. **Philippines:** Maybank Securities Inc (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. **Vietnam:** Maybank Securities Limited (License Number: 117/GP-UBCK) is licensed under the State Securities Commission of Vietnam. **Hong Kong:** MIB Securities (Hong Kong) Limited (Central Entity No AAD284) is regulated by the Securities and Futures Commission. **India:** MIB Securities India Private Limited (“MIBSI”) is a participant of the National Stock Exchange of India Limited and the Bombay Stock Exchange and is regulated by Securities and Exchange Board of India (“SEBI”) (Reg. No. INZ000010538). MIBSI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) and as Research Analyst (Reg No: INH000000057) **US:** Maybank Securities USA Inc is a member of/and is authorized and regulated by the FINRA - Broker ID 27861. **UK:** Maybank Securities (London) Ltd (Reg No 2377538) is authorized and regulated by the Financial Conduct Authority.

Disclosure of Interest

Malaysia: Maybank IBG and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

Singapore: As of 10 June 2022, Maybank Research Pte. Ltd. and the covering analyst do not have any interest in any companies recommended in this research report.

Thailand: MST may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MST, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

Hong Kong: As of 10 June 2022, MIB Securities (Hong Kong) Limited and the authoring analyst do not have any interest in any companies recommended in this research report.

India: As of 10 June 2022, and at the end of the month immediately preceding the date of publication of the research report, MIBSI, authoring analyst or their associate / relative does not hold any financial interest or any actual or beneficial ownership in any shares or having any conflict of interest in the subject companies except as otherwise disclosed in the research report.

In the past twelve months MIBSI and authoring analyst or their associate did not receive any compensation or other benefits from the subject companies or third party in connection with the research report on any account what so ever except as otherwise disclosed in the research report.

Maybank IBG may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

OTHERS

Analyst Certification of Independence

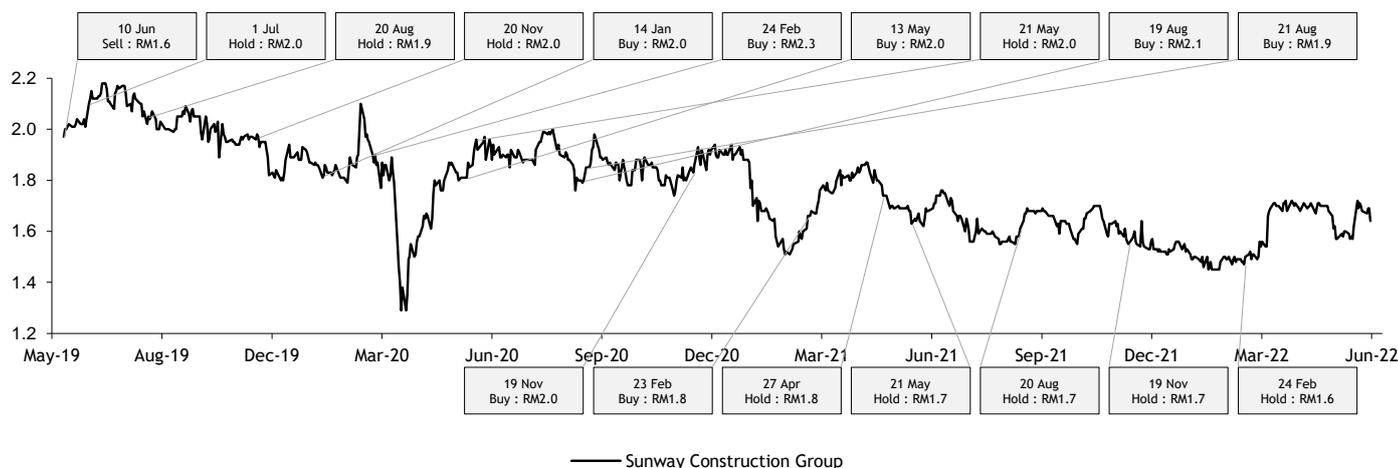
The views expressed in this research report accurately reflect the analyst’s personal views about any and all of the subject securities or issuers; and no part of the research analyst’s compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of Maybank IBG.

Historical recommendations and target price: Sunway Construction Group (SCGB MK)



Definition of Ratings

Maybank IBG Research uses the following rating system

- BUY** Return is expected to be above 10% in the next 12 months (including dividends)
- HOLD** Return is expected to be between 0% to 10% in the next 12 months (including dividends)
- SELL** Return is expected to be below 0% in the next 12 months (including dividends)

Applicability of Ratings

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

Malaysia

Maybank Investment Bank Berhad
(A Participating Organisation of
Bursa Malaysia Securities Berhad)
33rd Floor, Menara Maybank,
100 Jalan Tun Perak,
50050 Kuala Lumpur
Tel: (603) 2059 1888;
Fax: (603) 2078 4194
Stockbroking Business:
Level 8, Tower C, Dataran Maybank,
No.1, Jalan Maarof
59000 Kuala Lumpur
Tel: (603) 2297 8888
Fax: (603) 2282 5136

Singapore

Maybank Securities Pte Ltd
Maybank Research Pte Ltd
50 North Canal Road
Singapore 059304

Tel: (65) 6336 9090

Hong Kong

MIB Securities (Hong Kong) Limited
28/F, Lee Garden Three,
1 Sunning Road, Causeway Bay,
Hong Kong

Tel: (852) 2268 0800

Fax: (852) 2877 0104

London

Maybank Securities (London) Ltd
PNB House
77 Queen Victoria Street
London EC4V 4AY, UK

Tel: (44) 20 7332 0221

Fax: (44) 20 7332 0302

Indonesia

PT Maybank Sekuritas Indonesia
Sentral Senayan III, 22nd Floor
Jl. Asia Afrika No. 8
Gelora Bung Karno, Senayan
Jakarta 10270, Indonesia

Tel: (62) 21 2557 1188

Fax: (62) 21 2557 1189

New York

Maybank Securities USA Inc
400 Park Avenue, 11th Floor
New York, New York 10022,
U.S.A.

Tel: (212) 688 8886

Fax: (212) 688 3500

India

MIB Securities India Pte Ltd
1101, 11th floor, A Wing, Kanakia
Wall Street, Chakala, Andheri -
Kurla Road, Andheri East,
Mumbai City - 400 093, India

Tel: (91) 22 6623 2600

Fax: (91) 22 6623 2604

Philippines

Maybank Securities Inc
17/F, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines 1200

Tel: (63) 2 8849 8888

Fax: (63) 2 8848 5738

Thailand

Maybank Securities (Thailand) PCL
999/9 The Offices at Central World,
20th - 21st Floor,
Rama 1 Road Pathumwan,
Bangkok 10330, Thailand

Tel: (66) 2 658 6817 (sales)

Tel: (66) 2 658 6801 (research)

Vietnam

Maybank Securities Limited
4A-15+16 Floor Vincom Center Dong
Khoi, 72 Le Thanh Ton St. District 1
Ho Chi Minh City, Vietnam

Tel : (84) 844 555 888

Fax : (84) 8 38 271 030

Sales Trading

Kevin Foy
Regional Head Sales Trading
kevinfoy@maybank.com
Tel: (65) 6636-3620
US Toll Free: 1-866-406-7447

Indonesia

Helen Widjaja
helen.widjaja@maybank.com
(62) 21 2557 1188

New York

James Lynch
jlynch@maybank-keusa.com
Tel: (212) 688 8886

Philippines

Keith Roy
keith_roy@maybank.com
Tel: (63) 2 848-5288

London

Greg Smith
gsmith@maybank.co.uk
Tel: (44) 207-332-0221

India

Sanjay Makhija
sanjaymakhija@maybank.com
Tel: (91)-22-6623-2629