

Malaysia

ADD (no change)

Consensus ratings*: Buy 10 Hold 5 Sell 2

Current price:	RM4.12
Target price:	RM5.70
Previous target:	RM6.00
Up/downside:	38.3%
CGSI / Consensus:	24.9%
Reuters:	SCOG.KL
Bloomberg:	SCGB MK
Market cap:	US\$1,196m
	RM5,312m
Average daily turnover:	US\$4.19m
	RM18.66m
Current shares o/s:	1,293m
Free float:	28.9%

*Source: Bloomberg

Key changes in this note

- Lower FY25F/FY26F EPS by 5%/1% to account for deferment in project awards in FY24 and higher minority interest.
- Introduce FY27F EPS.
- Lower TP to RM5.70.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	17.7	-8.5	57.9
Relative (%)	17.4	-7.2	56.5

Major shareholders	% held
Sunway Berhad	54.4
EPF	9.4
Amanah Saham	7.3

Analyst(s)



CHONG Tjen-San, CFA
T (60) 3 2635 9298
E tjen-san.chong@cgsi.com

Sunway Construction Group Bhd

Strong 4Q; expect DC upsizing in 1Q25F

- 4Q24 results were strong, boosted by DC revenue recognition from its Sedenak contract, but FY24 core net profit still missed our expectations.
- Suncon's RM4bn-6bn new order target for FY25F looks realistic, in our view, especially given the likely upsizing of DCs in 1Q25F.
- Reiterate Add, with a lower GGM-derived TP of RM5.70.

4Q24 results strong but still missed our expectations

Sunway Construction (Suncon) announced a 4Q24 core net profit of RM73m (+32% yoy, +112% qoq). FY24 core net profit of RM171m (+13% yoy) was in line at 101% of Bloomberg consensus' estimate, but falling short of ours at 90%, largely due to our underestimation of minority interest. The key 4Q24 highlight was a 72% yoy increase in construction revenue to RM1.4bn due to faster progress of its data centre (DC) projects. 4Q24 construction pretax margin rose to 7.9% (from 6.7% in 4Q23). Its upsized RM3.8bn Sedenak DC project has reached 34% financial recognition since its award at end-2022, and we expect it to anchor earnings growth in FY25F given its scheduled completion in 1Q26F. 4Q24 precast revenue was RM46m (-46% yoy) due to completion of some projects in 4Q23. 4Q24 precast margin was 7.3% (vs. 4Q23's 9%), but improved from 6% in 3Q23.

RM4bn-6bn new order wins guidance for FY25F

Suncon's FY24 new wins amounted to RM4.2bn (lower end of its RM4bn-5bn target); its total orderbook stood at RM5.8bn as at Dec 24, with DC projects contributing 55% of the total. It currently has five DC projects from four clients, with potential upsizing opportunities, in our view. Suncon has articulated its FY25F new order win target of RM4bn-6bn (vs. our forecast of RM5bn). In our view, this is a realistic target range with the potential upsizing of existing DC projects, where if all come to fruition should enable Suncon to hit this target without any projects from government infrastructure, internal projects from its parent company, and other industrial warehouses/semiconductor factories/building jobs. We expect the upsizing of its K2 DC and the Early Contractor Involvement (ECI) DC for a US MNC conversion to a full-sized project to be awarded by 1QCY25F and be worth RM1.5bn-2bn. While we acknowledge there is still some uncertainty over the future DC project pipeline with the AI Diffusion Framework, we think there could be some urgency to accelerate the upsizing of its existing DC projects.

Reiterate Add, with a lower GGM-derived TP of RM5.70

We reiterate our Add rating but lower our GGM-based TP to RM5.70 (LTG 4.5%, COE 8.4%, ROE 32%) due to our earnings cuts to factor in the deferment in projects in FY24 and higher minority interest. We like Suncon for its strong execution track record, first-mover advantage in DCs, and 3-year EPS CAGR of 27% (FY24-27F). Key downside risks: slower recognition of existing DC projects and higher cost environment. Re-rating catalysts: award of government infrastructure and more DC projects.

Financial Summary	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Revenue (RMm)	2,671	3,522	5,172	5,365	5,596
Operating EBITDA (RMm)	245.3	279.5	453.7	467.3	497.7
Net Profit (RMm)	170.2	171.3	307.5	322.1	348.0
Core EPS (RM)	0.12	0.14	0.24	0.25	0.27
Core EPS Growth	4.8%	21.4%	68.6%	4.8%	8.0%
FD Core P/E (x)	35.48	29.22	17.32	16.54	15.31
DPS (RM)	0.06	0.08	0.12	0.12	0.13
Dividend Yield	1.46%	2.06%	2.89%	3.02%	3.27%
EV/EBITDA (x)	23.87	18.26	11.12	10.50	9.56
P/FCFE (x)	74.71	8.07	22.11	16.60	15.87
Net Gearing	51.1%	(30.4%)	(32.1%)	(39.3%)	(44.9%)
P/BV (x)	6.49	6.07	5.16	4.47	3.90
ROE	19.3%	21.5%	32.2%	29.0%	27.2%
% Change In Core EPS Estimates			(4.68%)	(1.44%)	
EPS/Consensus EPS (x)			1.19	1.15	1.42

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Strong 4Q; expect DC upsizing in 1Q25

Figure 1: Revisions to our FY25F-26F forecasts for Suncon

	Previous FY25F	Previous FY26F	Revised FY25F	Revised FY26F	% change FY25F	% change FY26F
Revenue (RMm)	5,523.2	5,581.1	5,172.0	5,364.8	-6.4%	-3.9%
EBITDA (RMm)	497.8	505.9	453.7	467.3	-8.9%	-7.6%
Net profit (RMm)	322.6	326.8	307.5	322.1	-4.7%	-1.4%
EPS (Sen)	25.0	25.3	23.8	24.9	-4.7%	-1.4%

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Figure 2: Suncon's 4Q24 results comparisons yoy and qoq

	4QFY24 RMm	4QFY23 RMm	% change yoy	3QFY24 RMm	% change qoq
Revenue	1400.3	871.5	61%	865.3	62%
Other operating income	10.6	40.7	-74%	24.7	-57%
Other operating expense	-1319.3	-830.4	59%	-825.3	60%
EBIT	91.6	81.8	12%	64.8	41%
Finance income	33.2	8.6	286%	22.4	49%
Finance cost	-14.6	-15.2	-4%	-16.6	-13%
Share of JV profits	0.3	-14.5	-102%	0.0	n.m
Profit before taxation	110.6	60.8	82%	70.5	57%
Taxation	-32.7	-12.3	165%	-21.9	49%
Net income	77.9	48.4	61%	48.6	60%
Minority interest	-8.7	0.8	-1132%	-2.2	301%
Attributed to shareholders	69.2	49.3	40%	46.5	49%
Less: Exceptional Items	-3.4	-5.7	-40%	12.3	-128%
Core net profit	72.6	55.0	32%	34.2	112%

	4QFY24 RMm	4QFY23 RMm	% change yoy	3QFY24 RMm	% change qoq
Construction	1353.9	785.8	72%	831.8	63%
Precast Concrete	46.4	85.7	-46%	33.5	38%
Revenue	1400.3	871.5	61%	865.3	62%
Construction	107.2	53.0	102%	68.5	56%
Precast Concrete	3.4	7.7	-56%	2.0	70%
Profit before taxation	110.6	60.8	82%	70.5	57%
Construction pretax margins	8%	7%	17%	8.2%	-4%
Precast concrete pretax margins	7%	9%	-18%	6.0%	3%

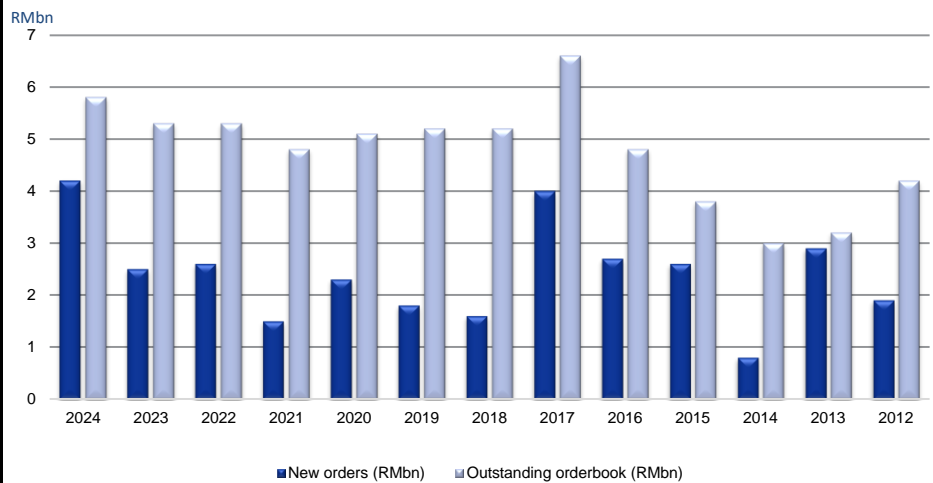
SOURCES: CGSI RESEARCH, COMPANY REPORTS

Figure 3: GGM-derived TP for Suncon

GGM TP (RM/share)	5.70
Implied P/E FY25F (x)	24
Beta (x)	0.8
Required return (%)	8.4%
LT growth rate (%)	4.5%
2025 BV/share	0.80
2025 ROE (%)	32.2%

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Figure 4: Historical new order wins



SOURCES: CGSI RESEARCH, COMPANY REPORTS

Figure 4: Peer comparisons (as at 20 Feb 2025)

Company	Bloomberg Ticker	Rec.	Price (cl curr)	TP (cl curr)	Mkt Cap (US\$ m)	P/E (x) CY24F	2-year		P/BV (x)		Recurring ROE (%)		Dividend Yield (%)		
							EPS CAGR	PEG (x)	CY24F	CY25F	CY24F	CY25F	CY24F	CY25F	
Gamuda	GAM MK	Add	4.60	6.45	5,905	24.5	18.7	24.3%	1.0	2.20	2.02	9.0%	11.2%	1.9%	2.2%
IJM Corp Bhd	IJM MK	Add	2.13	3.80	1,681	14.8	12.4	18.6%	0.8	0.71	0.68	4.8%	5.6%	1.4%	1.4%
Sunway Construction Group Bhd	SCGB MK	Add	4.12	5.70	1,196	29.1	17.3	44.8%	0.7	6.05	5.15	21.0%	32.1%	2.1%	2.9%
Muhibbah Engineering	MUHI MK	Add	0.65	1.34	107	8.8	7.0	-50.0%	-0.2	0.35	0.34	3.9%	4.9%	4.5%	7.1%
HSS Engineers	HSS MK	Add	0.90	1.48	103	17.5	9.0	59.2%	0.3	1.76	1.55	9.8%	18.2%	1.8%	3.6%
YTL Corporation	YTL MK	Add	2.03	3.00	5,048	10.7	10.7	14.8%	0.7	1.29	1.18	12.5%	11.3%	2.3%	2.5%
Malayan Cement Bhd	LMC MK	Add	4.65	7.00	1,404	12.4	11.2	33.4%	0.4	0.95	0.89	7.8%	8.1%	2.3%	2.6%
Sunway Bhd	SWB MK	Add	4.66	5.70	6,480	28.6	25.6	24.7%	1.2	1.85	1.92	6.5%	7.7%	1.9%	2.3%
Econpile Holdings Bhd	ECON MK	Add	0.35	0.56	112	na	20.7	na	na	1.37	1.35	-1.3%	6.5%	1.4%	3.6%
Kumpulan Kitacocon Bhd	KITACON MK	Add	0.75	1.28	84	8.4	7.4	16.9%	0.5	1.13	1.04	14.1%	14.6%	3.0%	3.3%
Construction sector						17.2	14.0	20.7%	0.6	1.8	1.6	8.8%	12.0%	2.3%	3.1%

SOURCES: CGSI RESEARCH ESTIMATES, BLOOMBERG, COMPANY REPORTS



ESG in a nutshell

We deem Suncon's ESG practices as some of the most progressive in the local construction industry. In 2022, SunCon reviewed its Sustainability Framework to better align its strategic approach to ESG with industry best practices as well as to adopt more stringent reporting disclosures. Suncon is bidding for more ESG-based projects such as renewable energy and green building projects; this is positive for its ESG journey, in our view. Two large-scale solar (LSS) projects it bagged in FY21-22 marked the beginning of this foray.

Keep your eye on

The group is looking to expand further in the solar energy space; it is currently an engineering, procurement, construction and commissioning (EPCC) contractor for two LSS projects. Besides this, there is growing demand for more sustainable or ESG-based projects in Malaysia, such as thermal energy storage (TES), district cooling systems (DCS), energy efficient or "smart" buildings, solar farms and solar panels. It was one of 22 most recent winners of the Corporate Green Power Programme (CGPP) announced by the Energy Commission (EC) on 7 Aug 2023.

Implications

There was a delay in the rollout of renewable (RE) projects in Malaysia, especially LSS farms, due to the high prices of solar panels but prices have since abated. Suncon may look to bid for more RE projects in the future where it was present in some LSS projects in the past.

On 20 Jul 2022, SunCon commenced construction of a district cooling system (DCS) at the mixed development in South Quay Square, Sunway City Kuala Lumpur, in collaboration with ENGIE South East Asia.

ESG highlights

There was a delay in the rollout of renewable RE projects in Malaysia, especially LSS farms, due to the high prices of solar panels but prices have since abated. The Energy Commission (EC) announced new measures to maintain the viability of projects identified under the fourth round of LSS awards (LSS4), such as the extension of the duration of Power Purchase Agreements (PPA) by four years from 21 years to 25 years. While Suncon is just an EPCC contractor, this is still positive for the company, in our view.

On 20 Jul 2022, SunCon commenced construction of a DCS at the mixed development in South Quay Square, Sunway City Kuala Lumpur, in collaboration with ENGIE South East Asia.

Implications

We consider Suncon's ESG efforts to be progressive and among the best among the local contractors. SunCon is working towards achieving 30% women representation on its board, according to its FY23 annual report.

Trends

SunCon may be looking to participate in Malaysia's voluntary carbon market (VCM) as a buyer of carbon credits to offset emissions. It may also potentially generate carbon credits through its carbon negative projects, according to its FY22/FY23 annual report.

The construction industry's increased focus on climate change and sustainability provides more opportunities for green building design and construction. SunCon's continued progress in and focus on green and sustainable infrastructure development could boost its access to green bonds and sustainable financing, in our view.

Suncon is rated AA for ESG by MSCI and was recently included in the FBM 70 Index.

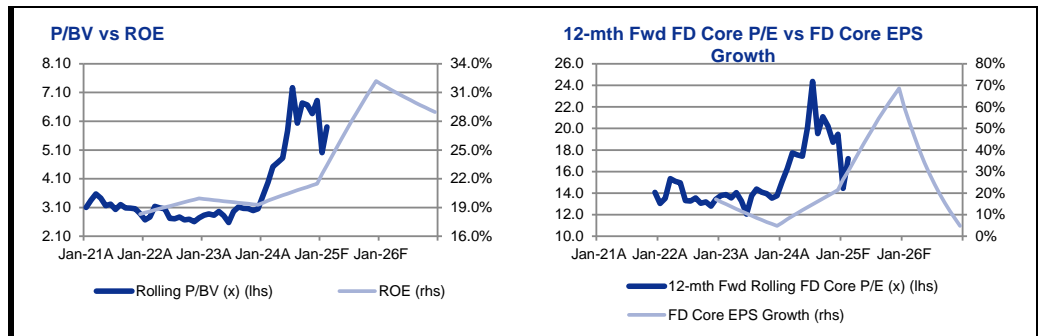
Implications

While it is early days, we think Suncon will continue to tick more boxes for ESG where it can also leverage on its parent company Sunway Berhad to achieve this.

All Sunway Berhad's ESG initiatives are aligned with five global megatrends i.e. rapid urbanisation, social change, technological breakthroughs, resource scarcity, and shifting economic power. These trends will become more central in 2025F. Sunway Berhad also targets that, by 2030F, it would have achieved green building certification for all Sunway-owned and/or managed townships and buildings completed from 2025F onwards. This will bode well for Suncon, in our view.

SOURCES: CGSI RESEARCH, LSEG

BY THE NUMBERS



Profit & Loss

(RMm)	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Total Net Revenues	2,698	3,573	5,186	5,379	5,610
Gross Profit	588	791	971	990	1,025
Operating EBITDA	245	279	454	467	498
Depreciation And Amortisation	(21)	(17)	(18)	(25)	(30)
Operating EBIT	224	262	436	443	468
Financial Income/(Expense)	(21)	11	(4)	(2)	1
Pretax Income/(Loss) from Assoc.	(14)	0	2	2	2
Non-Operating Income/(Expense)	0	0	0	0	0
Profit Before Tax (pre-EI)	189	273	433	442	470
Exceptional Items	25	(16)	0	0	0
Pre-tax Profit	214	257	433	442	470
Taxation	(43)	(76)	(113)	(115)	(122)
Exceptional Income - post-tax					
Profit After Tax	171	181	320	327	348
Minority Interests	(1)	(10)	(13)	(5)	0
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Preference Dividends (Australia)					
Net Profit	170	171	307	322	348
Recurring Net Profit	150	182	307	322	348
Fully Diluted Recurring Net Profit	150	182	307	322	348
Normalised Net Profit	146	197	320	327	348
Fully Diluted Normalised Profit	145	187	307	322	348

Cash Flow

(RMm)	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
EBITDA	245.3	279.5	453.7	467.3	497.7
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(274.1)	425.8	(64.5)	4.0	(4.9)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	(62.1)	(64.9)	(31.2)	(33.4)	(35.7)
Other Operating Cashflow	(130.6)	141.7	0.0	0.0	0.0
Net Interest (Paid)/Received	(21.5)	10.5	(4.5)	(1.9)	0.9
Tax Paid	(42.8)	(75.9)	(112.6)	(115.0)	(122.3)
Cashflow From Operations	(285.8)	716.7	240.9	320.9	335.7
Capex	(17.7)	(9.2)	(50.0)	(50.0)	(50.0)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(70.4)	147.8	0.0	0.0	0.0
Cash Flow From Investing	(88.1)	138.6	(50.0)	(50.0)	(50.0)
Debt Raised/(repaid)	445.2	(195.3)	50.0	50.0	50.0
Proceeds From Issue Of Shares	0.0	0.0	0.0	0.0	0.0
Shares Repurchased					
Dividends Paid	(70.9)	(116.0)	(153.7)	(161.1)	(174.0)
Preferred Dividends					
Other Financing Cashflow	(21.6)	1.4	32.9	35.1	37.4
Cash Flow From Financing	352.7	(310.0)	(70.9)	(75.9)	(86.6)
Total Cash Generated	(21.2)	545.3	120.0	195.0	199.1
Free Cashflow To Equity	71.3	660.0	240.9	320.9	335.7
Free Cashflow To Firm	(326.0)	920.5	223.8	306.1	323.0

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(RMm)	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Total Cash And Equivalents	470	1,016	1,136	1,331	1,530
Total Debtors	1,596	1,843	2,763	2,866	2,990
Inventories	46	43	65	67	70
Total Other Current Assets	127	20	20	20	20
Total Current Assets	2,239	2,922	3,984	4,285	4,610
Fixed Assets	99	85	117	143	163
Total Investments	253	225	225	225	225
Intangible Assets	483	342	342	342	342
Total Other Non-Current Assets	9	22	22	22	22
Total Non-current Assets	844	674	706	731	751
Short-term Debt	438	731	731	731	731
Current Portion of Long-Term Debt					
Total Creditors	1,243	1,913	2,790	2,899	3,021
Other Current Liabilities	21	13	13	13	13
Total Current Liabilities	1,702	2,657	3,534	3,643	3,765
Total Long-term Debt	488	0	50	100	150
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	0	0	0	0	0
Total Non-current Liabilities	488	0	50	100	150
Total Provisions	1	1	1	1	1
Total Liabilities	2,191	2,658	3,585	3,744	3,916
Shareholders' Equity	820	878	1,032	1,193	1,367
Minority Interests	72	61	73	79	79
Total Equity	892	939	1,105	1,272	1,445

Key Ratios

	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Revenue Growth	23.9%	31.8%	46.9%	3.7%	4.3%
Operating EBITDA Growth	11.0%	13.9%	62.3%	3.0%	6.5%
Operating EBITDA Margin	9.18%	7.94%	8.77%	8.71%	8.89%
Net Cash Per Share (RM)	(0.35)	0.22	0.27	0.39	0.50
BVPS (RM)	0.63	0.68	0.80	0.92	1.06
Gross Interest Cover	4.68	4.02	13.25	12.60	12.51
Effective Tax Rate	20.0%	29.5%	26.0%	26.0%	26.0%
Net Dividend Payout Ratio	53.3%	58.6%	50.0%	50.0%	50.0%
Accounts Receivables Days	176.6	178.7	162.5	191.5	191.0
Inventory Days	8.64	5.90	4.68	5.50	5.48
Accounts Payables Days	186.8	207.6	203.6	236.6	235.7
ROIC (%)	38%	24%	101%	84%	85%
ROCE (%)	16.0%	19.4%	26.1%	23.9%	22.8%
Return On Average Assets	6.29%	5.59%	7.84%	6.78%	6.69%

Key Drivers

	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
New order wins	2,500.0	4,100.0	5,000.0	5,000.0	5,100.0
Construction revenue	2,381.0	3,326.9	4,865.0	4,977.8	5,165.9
Precast revenue	290.2	194.8	307.0	387.0	430.0
Construction EBIT margins	7.5	7.2	8.2	8.0	8.1
Precast EBIT margins	15.5	11.5	12.0	12.0	12.0

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

DISCLAIMER

The content of this report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by and belongs to CGS International. Reports relating to a specific geographical area are produced and distributed by the corresponding CGS International entity as listed in the table below.

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.

By accepting this report, the recipient hereof represents and warrants that he is entitled to receive such report in accordance with the restrictions set forth below and agrees to be bound by the limitations contained herein (including the “Restrictions on Distributions” set out below). Any failure to comply with these limitations may constitute a violation of law. This publication is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of CGS International.

The information contained in this research report is prepared from data believed to be correct and reliable at the time of issue of this report. CGS International may or may not issue regular reports on the subject matter of this report at any frequency and may cease to do so or change the periodicity of reports at any time. CGS International has no obligation to update this report in the event of a material change to the information contained in this report. CGS International does not accept any obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant, (ii) ensure that the content of this report constitutes all the information a prospective investor may require, (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, CGS International, its affiliates and related corporations shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof. In particular, CGS International disclaims all responsibility and liability for the views and opinions set out in this report.

Unless otherwise specified, this report is based upon sources which CGS International considers to be reasonable. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research.

Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of CGS International or any of its affiliates to any person to buy or sell any investments.

CGS International, its affiliates and related corporations and/or their respective directors, associates, connected parties and/or employees may own or have positions in securities of the company(ies) covered in this research report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities. Further, CGS International, its affiliates and their respective related corporations do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in securities of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

CGS International or its affiliates may enter into an agreement with the company(ies) covered in this report relating to the production of research reports. CGS International may disclose the contents of this report to the company(ies) covered by it and may have amended the contents of this report following such disclosure.

The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously. No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report. The analyst(s) who prepared this research report is prohibited from receiving any compensation, incentive or bonus based on specific investment banking transactions or for providing a specific recommendation for, or view of, a particular company. Information barriers and other arrangements may be established where necessary to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations and the research personnel involved in the preparation of this report may also participate in the solicitation of the businesses as described above. In reviewing this research report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request.

Reports relating to a specific geographical area are produced by the corresponding CGS International entity as listed in the table below. The term “CGS International” shall denote, where appropriate, the relevant entity distributing or disseminating the report in the particular jurisdiction referenced below, or, in every other case except as otherwise stated herein, CGS International Securities Pte. Ltd. and its affiliates, subsidiaries and related corporations.

Country	CGS International Entity	Regulated by
Hong Kong	CGS International Securities Hong Kong Limited	Securities and Futures Commission Hong Kong
Indonesia	PT CGS International Sekuritas Indonesia	Financial Services Authority of Indonesia
Malaysia	CGS International Securities Malaysia Sdn. Bhd. (formerly known as CGS-CIMB Securities Sdn. Bhd.)	Securities Commission Malaysia
Singapore	CGS International Securities Singapore Pte. Ltd.	Monetary Authority of Singapore
South Korea	CGS International Securities Hong Kong Limited, Korea Branch	Financial Services Commission and Financial Supervisory Service
Thailand	CGS International Securities (Thailand) Co. Ltd.	Securities and Exchange Commission Thailand

Other Significant Financial Interests:

(i) As of February 19, 2025 CGS International has a proprietary position in the securities (which may include but not be limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) Econpile Holdings Bhd, IJM Corp Bhd

(ii) Analyst Disclosure: As of February 20, 2025, the analyst(s) who prepared this report, and the associate(s), has / have an interest in the securities (which may include but not be limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) -

This report does not purport to contain all the information that a prospective investor may require. Neither CGS International nor any of its affiliates make any guarantee, representation or warranty, express or implied, as to the adequacy, accuracy, completeness, reliability or fairness of any such information and opinion contained in this report. Neither CGS International nor any of its affiliates nor their related corporations shall be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

This report is general in nature and has been prepared for information purposes only. It is intended for circulation amongst CGS International's clients generally and does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. The information and opinions in this report are not and should not be construed or considered as an offer, recommendation or solicitation to buy or sell the subject securities, related investments or other financial instruments or any derivative instrument, or any rights pertaining thereto.

Investors are advised to make their own independent evaluation of the information contained in this research report, consider their own individual investment objectives, financial situation and particular needs and consult their own professional and financial advisers as to the legal, business, financial, tax and other aspects before participating in any transaction in respect of the securities of company(ies) covered in this research report.

The securities of such company(ies) may not be eligible for sale in all jurisdictions or to all categories of investors.

Restrictions on Distributions

Australia: Despite anything in this report to the contrary, this research is provided in Australia by CGS International Securities Singapore Pte. Ltd. ("CGS SG") and CGS International Securities Hong Kong Limited ("CGS HK"). This research is only available in Australia to persons who are "wholesale clients" (within the meaning of the Corporations Act 2001 (Cth) and is supplied solely for the use of such wholesale clients and shall not be distributed or passed on to any other person. You represent and warrant that if you are in Australia, you are a "wholesale client". This research is of a general nature only and has been prepared without taking into account the objectives, financial situation or needs of the individual recipient. CGS SG and CGS HK do not hold, and are not required to hold an Australian financial services license. CGS SG and CGS HK rely on "passporting" exemptions for entities appropriately licensed by the Monetary Authority of Singapore (under ASIC Class Order 03/1102) and the Securities and Futures Commission in Hong Kong (under ASIC Class Order 03/1103).

Canada: This research report has not been prepared in accordance with the disclosure requirements of Dealer Member Rule 3400 – Research Restrictions and Disclosure Requirements of the Investment Industry Regulatory Organization of Canada. For any research report distributed by CIBC, further disclosures related to CIBC conflicts of interest can be found at <https://researchcentral.cibcwm.com>.

China: For the purpose of this report, the People's Republic of China ("PRC") does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region or Taiwan. The distributor of this report has not been approved or licensed by the China Securities Regulatory Commission or any other relevant regulatory authority or governmental agency in the PRC. This report contains only marketing information. The distribution of this report is not an offer to buy or sell to any person within or outside PRC or a solicitation to any person within or outside of PRC to buy or sell any instruments described herein. This report is being issued outside the PRC to a limited number of institutional investors and may not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose.

France: Only qualified investors within the meaning of French law shall have access to this report. This report shall not be considered as an offer to subscribe to, or used in connection with, any offer for subscription or sale or marketing or direct or indirect distribution of financial instruments and it is not intended as a solicitation for the purchase of any financial instrument.

Germany: This report is only directed at persons who are professional investors as defined in sec 31a(2) of the German Securities Trading Act (WpHG). This publication constitutes research of a non-binding nature on the market situation and the investment instruments cited here at the time of the publication of the information.

The current prices/yields in this issue are based upon closing prices from Bloomberg as of the day preceding publication. Please note that neither the German Federal Financial Supervisory Agency (BaFin), nor any other supervisory authority exercises any control over the content of this report.

Hong Kong: This report is issued and distributed in Hong Kong by CGS HK which is licensed in Hong Kong by the Securities and Futures Commission for Type 1 (dealing in securities) and Type 4 (advising on securities) activities. Any investors wishing to purchase or otherwise deal in the securities covered in this report should contact the Head of Sales at CGS HK. The views and opinions in this research report are our own as of the date hereof and are subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Conduct Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. CGS HK has no obligation to update its opinion or the information in this research report.

This publication is strictly confidential and is for private circulation only to clients of CGS HK.

CGS HK does not make a market on other securities mentioned in the report.

Indonesia: This report is issued and distributed by PT CGS International Sekuritas Indonesia ("CGS ID"). The views and opinions in this research report are our own as of the date hereof and are subject to change. CGS ID has no obligation to update its opinion or the information in this research report. This report is for private circulation only to clients of CGS ID. Neither this report nor any copy hereof may be distributed in Indonesia or to any Indonesian citizens wherever they are domiciled or to Indonesian residents except in compliance with applicable Indonesian capital market laws and regulations.

This research report is not an offer of securities in Indonesia. The securities referred to in this research report have not been registered with the Financial Services Authority (Otoritas Jasa Keuangan) pursuant to relevant capital market laws and regulations, and may not be offered or sold within the territory of the Republic of Indonesia or to Indonesian citizens through a public offering or in circumstances which constitute an offer within the meaning of the Indonesian capital market law and regulations.

Ireland: CGS International is not an investment firm authorised in the Republic of Ireland and no part of this document should be construed as CGS International acting as, or otherwise claiming or representing to be, an investment firm authorised in the Republic of Ireland.

Malaysia: This report is distributed in Malaysia by CGS International Securities Malaysia Sdn. Bhd. (formerly known as CGS-CIMB Securities Sdn. Bhd.) ("CGS MY") solely for the benefit of and for the exclusive use of our clients. Recipients of this report are to contact CGS MY, at Level 29, Menara Aras Raya, No. 11, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia, in respect of any matters arising from or in connection with this report. CGS MY has no obligation to update, revise or reaffirm its opinion or the information in this research report after the date of this report.

New Zealand: In New Zealand, this report is for distribution only to persons who are wholesale clients pursuant to section 5C of the Financial Advisers Act 2008.

Singapore: This report is issued and distributed by CGS SG. CGS SG is a capital markets services licensee under the Securities and Futures Act 2001. Accordingly, it is exempted from the requirement to hold a financial adviser's licence under the Financial Advisers Act, 2001 ("FAA") for advising on investment products, by issuing or promulgating research analyses or research reports, whether in electronic, print or other form. CGS SG is subject to the applicable rules under the FAA unless it is able to avail itself to any prescribed exemptions.

Recipients of this report are to contact CGS SG, 10 Marina Boulevard, Marina Bay Financial Centre Tower 2, #09-01, Singapore 018983 in respect of any matters arising from, or in connection with this report. CGS SG has no obligation to update its opinion or the information in this research report. This publication is strictly confidential and is for private circulation only. If you have not been sent this report by CGS SG directly, you may not rely, use or disclose to anyone else this report or its contents.

If the recipient of this research report is not an accredited investor, expert investor or institutional investor, CGS SG accepts legal responsibility for the contents of the report without any disclaimer limiting or otherwise curtailing such legal responsibility. If the recipient is an accredited investor, expert investor or institutional investor, the recipient is deemed to acknowledge that CGS SG is exempt from certain requirements under the FAA and its attendant regulations, and as such, is exempt from complying with the following:

- (a) Section 34 of the FAA (obligation to disclose product information);
- (b) Section 36 (duty not to make recommendation with respect to any investment product without having a reasonable basis where you may be reasonably expected to rely on the recommendation) of the FAA;
- (c) MAS Notice on Information to Clients and Product Information Disclosure [Notice No. FAA-N03];
- (d) MAS Notice on Recommendation on Investment Products [Notice No. FAA-N16];
- (e) Section 45 (obligation on disclosure of interest in specified products), and
- (f) any other laws, regulations, notices, directive, guidelines, circulars and practice notes which are relates to the above, to the extent permitted by applicable laws, as may be amended from time to time, and any other laws, regulations, notices, directive, guidelines, circulars, and practice notes as we may notify you from time to time. In addition, the recipient who is an accredited investor, expert investor or institutional investor acknowledges that as CGS SG is exempt from Section 36 of the FAA, the recipient will also not be able to file a civil claim against CGS SG for any loss or damage arising from the recipient's reliance on any recommendation made by CGS SG which would otherwise be a right that is available to the recipient under Section 36 of the FAA.

CGS SG, its affiliates and related corporations, their directors, associates, connected parties and/or employees may own or have positions in specified products of the company(ies) covered in this research report or any specified products related thereto and may from time to time add to or dispose of, or may be materially interested in, any such specified products. Further, CGS SG, its affiliates and its related corporations do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in specified products of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

CGS SG does not make a market on the securities mentioned in the report.

Chan Swee Liang Carolina, the Group Chief Executive Officer of the CGS International group of companies (in which CGS SG is a member) is an independent non-executive director of City Developments Limited as of 29 Dec 2020. CGS SG is of the view that this does not create any conflict of interest that may affect the ability of the analyst or CGS SG to offer independent and unbiased analyses and recommendations.

South Korea: This report is issued and distributed in South Korea by CGS International Securities Hong Kong Limited, Korea Branch ("CGS KR") which is licensed as a cash equity broker, and regulated by the Financial Services Commission and Financial Supervisory Service of Korea. In South Korea, this report is for distribution only to professional investors under Article 9(5) of the Financial Investment Services and Capital Market Act of Korea ("FSCMA").

Spain: This document is a research report and it is addressed to institutional investors only. The research report is of a general nature and not personalised and does not constitute investment advice so, as the case may be, the recipient must seek proper advice before adopting any investment decision. This document does not constitute a public offering of securities.

CGS International is not registered with the Spanish Comision Nacional del Mercado de Valores to provide investment services.

Sweden: This report contains only marketing information and has not been approved by the Swedish Financial Supervisory Authority. The distribution of this report is not an offer to sell to any person in Sweden or a solicitation to any person in Sweden to buy any instruments described herein and may not be forwarded to the public in Sweden.

Switzerland: This report has not been prepared in accordance with the recognized self-regulatory minimal standards for research reports of banks issued by the Swiss Bankers' Association (Directives on the Independence of Financial Research).

Thailand: This report is issued and distributed by CGS International Securities (Thailand) Co. Ltd. ("CGS TH") based upon sources believed to be reliable (but their accuracy, completeness or correctness is not guaranteed). The statements or expressions of opinion herein were arrived at after due and careful consideration for use

as information for investment. Such opinions are subject to change without notice and CGS TH has no obligation to update its opinion or the information in this research report.

Corporate Governance Report (CGR): ([Thai CGR and Anti-Corruption of Thai Listed Companies - Click here](#))

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 result may be changed after that date. CGS TH does not confirm nor certify the accuracy of such survey result.

Score Range:	90 - 100	80 – 89	70 - 79	Below 70	No Survey Result
Description:	Excellent	Very Good	Good	N/A	N/A

United Arab Emirates: The distributor of this report has not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities or governmental agencies in the United Arab Emirates. This report is strictly private and confidential and has not been reviewed by, deposited or registered with UAE Central Bank or any other licensing authority or governmental agencies in the United Arab Emirates. This report is being issued outside the United Arab Emirates to a limited number of institutional investors and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose. Further, the information contained in this report is not intended to lead to the sale of investments under any subscription agreement or the conclusion of any other contract of whatsoever nature within the territory of the United Arab Emirates.

United Kingdom and European Economic Area (EEA): In the United Kingdom and European Economic Area, this material is also being distributed by CGS International Securities UK Ltd. (“CGS UK”). CGS UK is authorized and regulated by the Financial Conduct Authority and its registered office is at 53 New Broad Street, London EC2M 1JJ. The material distributed by CGS UK has been prepared in accordance with CGS International’s policies for managing conflicts of interest arising as a result of publication and distribution of this material. This material is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of CGS UK; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Order”), (c) fall within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc”) of the Order; (d) are outside the United Kingdom subject to relevant regulation in each jurisdiction, material(all such persons together being referred to as “relevant persons”). This material is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons. This material is categorised as non-independent for the purposes of CGS UK and therefore does not provide an impartial or objective assessment of the subject matter and does not constitute independent research. Consequently, this material has not been prepared in accordance with legal requirements designed to promote the independence of research and will not be subject to any prohibition on dealing ahead of the dissemination of research. Therefore, this material is considered a marketing communication.

United States: This research report is distributed in the United States of America by CGS International Securities USA, Inc, a U.S. registered broker-dealer and an affiliate of CGS MY, CGS SG, CGS ID, CGS TH and CGS HK and is distributed solely to persons who qualify as “U.S. Institutional Investors” as defined in Rule 15a-6 under the Securities and Exchange Act of 1934. This communication is only for Institutional Investors whose ordinary business activities involve investing in shares, bonds, and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not a U.S. Institutional Investor or Major Institutional Investor must not rely on this communication. The delivery of this research report to any person in the United States of America is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. CGS International Securities USA, Inc. (“CGS US”) is a FINRA/SIPC member and takes responsibility for the content of this report. For further information or to place an order in any of the above-mentioned securities please contact a registered representative of CGS US.

CGS International Securities USA, Inc. does not make a market on other securities mentioned in the report.

CGS US has not managed or co-managed a public offering of any of the securities mentioned in the past 12 months.

CGS US has not received compensation for investment banking services from any of the company mentioned in the past 12 months.

CGS US neither expects to receive nor intends to seek compensation for investment banking services from any of the company mentioned within the next 3 months.

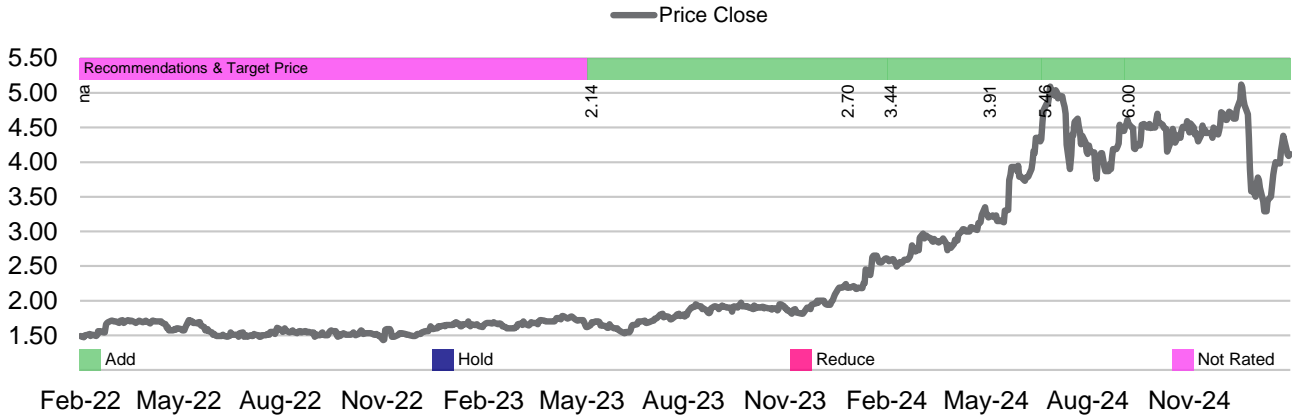
United States Third-Party Disclaimer: If this report is distributed in the United States of America by Raymond James & Associates, Inc (“RJA”), this report is third-party research prepared for and distributed in the United States of America by RJA pursuant to an arrangement between RJA and CGS International Securities Pte. Ltd. (“CGSI”). CGSI is not an affiliate of RJA. This report is distributed solely to persons who qualify as “U.S. Institutional Investors” or as “Major U.S. Institutional Investors” as defined in Rule 15a-6 under the Securities and Exchange Act of 1934, as amended. This communication is only for U.S. Institutional Investors or Major U.S. Institutional Investor whose ordinary business activities involve investing in shares, bonds, and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not a U.S. Institutional Investor or Major U.S. Institutional Investor must not rely on this communication. The delivery of this report to any person in the U.S. is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. If you are receiving this report in the U.S from RJA, a FINRA/SIPC member, it takes responsibility for the content of this report. For further information or to place an order in any of the above-mentioned securities please contact a registered representative of CGS US or RJA. <https://raymondjames.com/InternationalEquityDisclosures>

Other jurisdictions: In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is only for distribution to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2024		
598 companies under coverage for quarter ended on 31 December 2024		
	Rating Distribution (%)	Investment Banking clients (%)
Add	67.4%	0.8%
Hold	22.2%	0.8%
Reduce	10.4%	0.3%

Spitzer Chart for stock being researched (2 year data)

Sunway Construction Group Bhd (SCGB MK)



Recommendation Framework

Stock Ratings

Definition:

Add The stock's total return is expected to exceed 10% over the next 12 months.

Hold The stock's total return is expected to be between 0% and positive 10% over the next 12 months.

Reduce The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

Overweight An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.

Neutral A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.

Underweight An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

Overweight An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.

Neutral A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.

Underweight An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.