

SUNWAY[®]

CONSTRUCTION



Sunway Construction Group Berhad

Q1 2021 Results Review Pack

20 May 2021

1Q 2021 HIGHLIGHTS

Significant Events in 1Q 2021

- 1) India projects : Financial close obtained for MC (“Meensurutti-Chidambaram”) HAM (“Hybrid Annuity Model”) project on 10 May 2021 as per the deadline
- 2) MRT2 : V201 track was completed and handed over to client.
- 3) LRT 3 reached > 60% completion and is anticipated to be completed

1Q 2021 vs 1Q 2020

- 1) Turnover increased by 24.4% (from 365.8m to 455.2m)
- 2) PBT increased by 26.0% (from 21.6m to 27.2m)

M'sia (Construction) – Compared to MCO 2.0 that was enforced from 13 January 2021 to 4 Mar 2021 vs MCO 1.0 that affected 1Q 20. MCO 2.0 was less severe as site operations were allowed to continue provided SOP are strictly adhered to.

S'pore (Precast) – Started recognition of higher yielding profit margin project.

**Outstanding Order Book
RM5.0b (Dec 2020 : RM 5.1b)**

- Target order book for FYE 2021 : RM 2b (secured RM 462m to-date)
- Active Tender O/S = RM7b (50% overseas i.e S'pore, Philippines, India)

1Q 2021 AWARDS

MBAM – CONSTRUCTION INDUSTRY TRADE AWARD 2020



**9 April 2021 : Mechanical & Electrical Contractors Award from Master Builders Association Malaysia.
From Left : President Master Builders Association Malaysia, Tan Sri Sufri bin Haji Mhd Zin; Chief Executive CIDB Malaysia, Datuk Ir. Ahmad 'Asri Abdul Hamid; Assistant Manager - Quality Assurance, Sunway Engineering Sdn Bhd Mr. Lai Yoke Wah; Chairman and 66th MBAM Anniversary Dinner Organizing Committee, Mr. Yeoh Keong Yuan**

Overview of Key Performance Highlights



RM mil	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Q1 FY 2021	Q4 FY 2020	Q3 FY 2020	Q2 FY 2020	Q1 FY 2020	YTD 2020
	Jan-Mar 21	Oct-Dec 20	Jul-Sept 20	April-Jun 20	Jan-Mar 20	Jan-Dec 20
Revenue	455.2	627.2	419.4	140.2	365.8	1,552.6
PBT	27.2	41.6	36.0	2.3	21.6	101.5
PBT Margin	6.0%	6.6%	8.6%	1.7%	5.9%	6.5%
PATMI	20.2	30.2	24.0	2.2	16.3	72.8
PATMI Margin	4.4%	4.8%	5.7%	1.6%	4.5%	4.7%
EPS * (sen)	1.57	2.34	1.86	0.17	1.27	5.64

RM mil	YTD Q1'2021		Q4 FY 2020		Q3 FY 2020		Q2 FY 2020		Q1 FY 2020		YTD 2020		
	Unaudited	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI
Profit as Announced		27.2	20.2	41.6	30.2	36.0	24.0	2.3	2.2	21.6	16.3	101.5	72.8
<i>Special Items:</i>													
Assets Write (back)/off		-	-									-	-
Disposal (gain)/loss		(1.2)	(1.2)	1.1	1.1	(3.7)	(3.7)	0.0	0.0	(0.0)	(0.0)	(2.5)	(2.5)
Impairment (reversal)/prov		0.4	0.4	5.5	5.5	5.0	5.0	1.4	1.4	0.5	0.5	12.3	12.3
Write off (gain)/loss		0.0	0.0	-	-	-	-	(0.1)	(0.1)	-	-	(0.1)	(0.1)
Foreign exchange (gain)/loss		0.0	0.0	(0.3)	(0.3)	0.2	0.2	0.0	0.0	(0.1)	(0.1)	(0.2)	(0.2)
Translation (gain)/loss on foreign branches		-	-	0.8	0.8	2.3	2.3					3.1	3.1
Fair value (gain)/loss		-	-	(0.0)	(0.0)	0.1	0.1	0.9	0.9	0.9	0.9	1.9	1.9
Accretion of financial (assets)/liabilities		0.9	0.9	0.6	0.6	0.2	0.2	0.2	0.2	0.0	0.0	1.0	1.0
Goodwill (reversal)/prov		-	-	-	-	3.6	3.6					3.6	3.6
Profit (Net of Special Items)		27.4	20.3	49.3	37.9	43.8	31.9	4.8	4.6	22.8	17.6	120.7	92.0

FV (gain)/loss inclusive hedging and retention FV

Balance Sheet and Gearing

RM'mil	Financial Year Ended 31-03-21 (Unaudited)	Financial Year Ended 31-12-20 (Audited)
Non-current Assets	661	604
Current Assets	1,201	1,302
Total Assets	1,862	1,906
Current Liabilities	1,126	1,194
Non-current Liabilities	75	73
Total Liabilities	1,201	1,267
Shareholders' Funds	658	637
Non-Controlling Interests	3	2
Total Equity	661	639
Total Equity & Liabilities	1,862	1,906
Total Bank Borrowings	308	301
Cash & Placement Funds	191	200
Net Gearing Ratio	0.18	0.16
Share Capital	259	259
Net Assets Per Share	0.51	0.49

Included in non-current assets are wholesale fund placement of RM 497m (FYE Dec 2020 : 440m)

Construction Segmental Review

<u>Construction</u>	<u>Q1 21</u>	<u>Q4 20</u>	<u>Q3 20</u>	<u>Q2 20</u>	<u>Q1 20</u>	<u>YTD 2020</u>
Revenue (RM'mil)	421.3	585.0	403.4	137.2	329.6	1,455.2
PBT (RM'mil)	23.6	37.3	34.8	5.8	20.8	98.8
PBT Margin	5.6%	6.4%	8.6%	4.2%	6.3%	6.8%

Revenue → Reported revenue of RM421.3 million and profit before tax of RM23.6 million compared to revenue of RM329.6 million and profit before tax of RM20.8 million in the corresponding quarter of the preceding financial year. Higher turnover in current quarter was mainly contributed by higher progress billings from building division both in central (TNB campus project in Bangsar and Petronas National Leadership Centre in Bangi) and northern region (Sunway Carnival Mall Extension and the Sunway Medical Centre Seberang Jaya) despite the effects of MCO 2.0 that was enforced from 13 January 2021 to 04 March 2021. The corresponding quarter of preceding financial year was affected by 2 weeks of total stop in activities during the MCO 1.0.

PBT → Lower PBT % in this current quarter was mainly due to thinner margin for projects in hand due to competitive construction landscape.

Prospect → Within the construction sector, Master Builders Association of Malaysia (MBAM) have been working very closely with Construction Industry Development Board of Malaysia (CIDB) since MCO 1.0 in setting stringent SOPs in the construction sites to minimized the infection rate. MRT Corp has called for Request for Information (RFI) on 19 April 2021 to gather information from the interested parties and tender on the MRT3 is due to happen in second half of 2021 as iterated by the Transport Minister. The news on the revival of mass infrastructure project such as MRT3 bodes well with SunCon as we have prior experience in completing MRT1 and MRT2. SunCon will continue to secure more projects overseas and focus on the in-house pipeline projects by its immediate holding company, Sunway group as well as expanding the sustainable energy.

Precast Concrete Segmental Review

<u>Precast Concrete</u>	<u>Q1 21</u>	<u>Q4 20</u>	<u>Q3 20</u>	<u>Q2 20</u>	<u>Q1 20</u>	<u>YTD 2020</u>
Revenue (RM'mil)	33.9	42.2	16.0	3.0	36.2	97.4
PBT (RM'mil)	3.6	4.3	1.2	(3.5)	0.8	2.7
PBT Margin	10.6%	10.1%	7.5%	>(100%)	2.2%	2.8%

Revenue → Reported revenue of RM33.9 million with profit before tax of RM3.6 million compared to revenue of RM36.2 million and profit before tax of RM0.8 million in the corresponding quarter of the preceding financial year. Revenue recorded for the current quarter was lower by 6.4% due to the schedule of delivery to projects despite having a healthy outstanding order book.

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

Prospect → Singapore's economy grew for the first time since the outbreak of Covid-19. Based on the advanced estimates issued by the Ministry of Trade and Industry (MITI) on 14 April 2021, the economy grew by 2.0% in the first quarter of 2021 (4Q 20: -2.4%; FY20: -5.4%). The construction sector continued to contract, albeit at a slower rate by 20.2% in the first quarter of 2021 (4Q 20: -27.4%; FY20: -35.9%). HDB has just launched 3,740 new Build-To-Order (BTO) units and community care apartments spread over 7 locations across Singapore for its February 2021 sales exercise and it's expected to launch another 3,800 units of BTO flats in May 2021. The Housing and Development Board (HDB) plans to offer about 17,000 BTO flats in 2021 (2020: 16,752 units; 2019: 14,591 units; 2018: 15,811 units) said Minister for National Development Desmond Lee. Singapore HDB flats comprised of more than 90% of our precast segment sales and our prospect is largely dependent on these launches. With the ICPH plant scheduled to be in operations by 2H 2022, SunCon foresees that our precast segment will contribute more to the group's financials in near future.

Outstanding Order Book : 5.0b



As at Mar-2021 (RM mil)	Completion	Contract Sum	O/S Orderbook	
Building			715	14%
Putrajaya Parcel F	Maintenance	1,610	17	
TNB HQ Campus (Ph 2)	3Q 2021	781	449	
PLC	4Q 2021	305	168	
Ozley Tower (MEP)	2Q 2022	68	54	
IOI Mall (MEP)	4Q 2021	68	28	
Infrastructure/Piling			553	11%
LRT 3 : Package GS07-08	2Q 2022	1,295	465	
Sentul West Station (MEP)	4Q 2021	57	35	
Chan Sow Lin KYMRT UG St (N)	4Q 2021	54	39	
Jalan Tambun	4Q 2022	14	14	
India			823	17%
Thorapalli Agraharam - Jittand.	3Q 2023	508	508	
Meensurutti - Chidambaram	3Q 2023	315	315	
Internal			2,460	49%
SMC 4 - YO	3Q 2022	612	430	
Sunway Serene	2Q 2022	413	162	
Velo 2	4Q 2021	352	173	
Velocity 3C4	2Q 2022	100	50	
Sunway GEOLake	2Q 2021	223	13	
Carnival Mall Ext	3Q 2021	286	112	
SMC Seberang Jaya	3Q 2021	180	104	
SMC Seberang Jaya - YO	3Q 2021	16	16	
Big Box Hotel	2Q 2021	100	3	
Parcel CP - Pilling	2Q 2021	119	25	
Parcel CP2 (superstructure)	3Q 2022	344	344	
BKE (Seberang Jaya)	2Q 2021	4	4	
Belfield	1Q 2024	403	387	
SIS	4Q 2022	121	103	
SIS - YO	4Q 2022	15	15	
Hotel Guestroom Reno	2Q 2021	81	46	
Velo 2B	3Q 2023	253	246	
Big Box Office	2Q 2022	51	48	
Sunway Damansara Medical	1Q 2023	180	180	
Renewable Energy			33	1%
RE - Internal	2021	12	7	
RE - External	2021	26	26	
Singapore			422	8%
Precast	Various	331	237	
New Order 2021	Various	185	185	
Grand Total @ Mar 2021		9,481	5,006	
<i>Red - Secured in 2021</i>		<i>462</i>	<i>458</i>	

New Order Book Secured : 2021

Projects (2021 new awards)	Client	Duration	Contract Sum (RM'mil)
Sunway International School - Bandar Sunway (Add VO)	Sunway Education Group Sdn Bhd	30 months	15.0
Big Box Office	Sunway Marketplace Sdn Bhd	14 months	51.4
Tengah Park C2	Chiu Teng Construction Co. Pte Ltd	23 months	114.3
Sunway Medical Centre - Damansara Giza	Paradigm Fairview Sdn Bhd	24 months	180.0
DD Plastic (SIRIM)	Sirim Berhad	3 months	0.4
Tengah C7	LBD Engineering Pte Ltd	27 months	35.1
Ang Mo Kio N2C23A	Right Construction Pte Ltd	27 months	35.7
Jalan Tambun	Majlis Bandaraya Ipoh	18 months	13.7
Sunway Medical Centre - Seberang Jaya (VO)	Paradigm Fairview Sdn Bhd	6 months	16.0
Secured in 1Q 2021			462
TOTAL - FY2021			462
	M'sia - Inhouse		57%
	M'sia - External		3%
	S'pore - External		40%

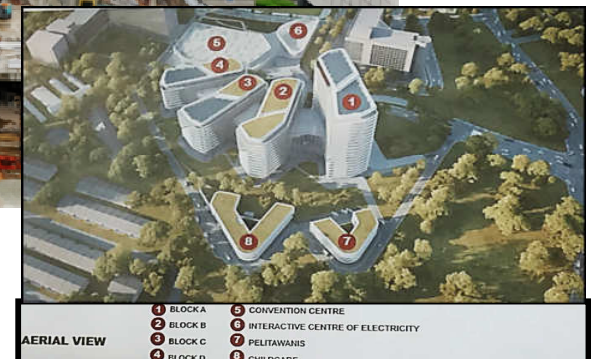
Target NEW order book → FYE 2021 : RM2b

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

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

TNB Campus, Bangsar

SUNWAY™



AERIAL VIEW

- 1. BLOCK A
- 2. BLOCK B
- 3. BLOCK C
- 4. BLOCK D
- 5. CONVENTION CENTRE
- 6. INTERACTIVE CENTRE OF ELECTRICITY
- 7. PELITAWANIS
- 8. CHILDCARE

Sunway Serene, Kelana Jaya

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Petronas Leadership Centre, Bangi

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Sunway Geolake, Sunway South Quay

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Hand over in May 2021



Sunway Medical Centre, Seberang Jaya

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Sunway Belfield



Carnival Mall Extension, Seberang Jaya

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