

## 2.0 SUMATEC'S COMPANY PROFILE

### 2.1 COMPANY BACKGROUND

In 1979, *Sumatec Construction Sdn. Bhd.* commenced its operation in the engineering and construction field with less than 10 employees, making its mark slowly in the country. Under the government New Economic Policy, Sumatec Construction Sdn. Bhd. undergone a structural and equity metamorphosis emerging as ***Sumatec Corporation Sdn. Bhd.*** (R.O.C. no.: 144316-K), locally incorporated on September 04, 1985, and encompassing 61% Bumiputra indigenous equity now. Its headquarter is located at:

Lot PT33638, Batu 7,  
Jalan Bukit Kemuning, Seksyen 32,  
42450 Shah Alam, Selangor,  
Malaysia.

Since its incorporation in Malaysia, it has been actively involved in all phases of construction works in petrochemical and industrial plant. Sumatec paid up capital stood at RM10 million as at December 2000.

Today, Sumatec group consists of the following subsidiaries:

(i) Sumatec Corporation Sdn. Bhd.

Area of business:

- a) Multi-disciplinary construction (civil / building / piping etc.).
- b) Turnkey contractor for gas and petroleum product terminals.
- c) Specialist contractor for the precast piperack and process building.
- d) Specialist contractor for jet fuel storage facilities.

(ii) Indotech Sdn. Bhd.

Area of business:

- a) Hot / cold insulation.
- b) Cryogenic insulation.
- c) Refractories (bricks, castables gunned & ceramic fiber).
- d) Acid resistant tile lining.

(iii) Petroreka Sdn. Bhd.

Area of business:

- a) Engineering design for tankage, piping & offsite facilities.
- b) Piping isometrics.
- c) Cost estimation.
- d) As-built drawing.
- e) Pipe shenandyns.

(iv) UHP Engineering Sdn. Bhd.

Area of business:

- a) Ultra high purity piping system for wafer fabrication plants and related industry.
- b) Supply & installation of centralized chemical supply system.
- c) Supply and installation of centralized gas supply system.

(v) Calinex Sdn. Bhd.

Area of business:

- a) Trading of oil and gas process equipment, pipes, fittings, valves etc.

(vi) Translift Sdn. Bhd.

Area of business:

- a) Heavy lift and equipment installation.
- b) Heavy transport, roll on / roll off beachhead construction and barging.
- c) Heavy mechanical work.

(vii) Tri-Steel Engineering Services Sdn. Bhd.

Area of business:

- a) Supply and fabrication of heavy steel structures, process equipment, pressure vessels and tanks.

Sumatec has emerged as a multi-disciplinary construction company. Over the last 20 years, Sumatec has built up a strong capability in handling total integrated multi-disciplinary construction packages involving all phases of construction work encompassing civil and building construction, heavy structural and steel fabrication and erection, piping fabrication and installation, equipment erection, refractory, insulation, painting, electrical and instrumentation works. This has helped reduce the number of contractors on site and also reduce interface among contractors at the work site, resulting in lighter workload for the owner and helped shorten the construction time.

Started from the total annual revenue of approximately RM 3 million in Year 1986, Sumatec hit the maximum total annual revenue of RM 167 million in year 1998. Professionalism and effective management expertise give Sumatec a strong competitive edge, making it a major player in the construction sector of Malaysia's thriving oil and gas industries.

Sumatec's mission is to become one of the leading contractors in construction of petrochemical plants in Malaysia. It is also the policy of Sumatec to provide its construction services to its client in total compliance, i.e. to contractual and approachable regulating requirements on schedule and within allocated budget. In order to achieve these objectives, Sumatec has established and implemented a quality management system that has been certified to meet the requirement of ISO 9002 (1994). The provision of quality work on services is fundamental to all of Sumatec business, which include its suppliers and sub-contractors. The

quality manual of Sumatec is published to ensure that all quality requirement are stated, practiced and recorded for all its business activities.

## **2.2 COMPANY SUCCESS**

Among the major projects completed by Sumatec Corporation Sdn. Bhd. since its establishment in 1986 are as follows:

### **2.2.1 CONSTRUCTION WORKS FOR OIL & GAS INDUSTRY**

- a) Roadwork, fencing and platform for Shell Depot at Keningau, Sabah.
- b) Construction of Shell service station at Keningau, Sabah, Taman Sri Muda, Shah Alam and Wangsa Maju, Setapak.
- c) Construction of Esso service station at Jalan Harimau, Taman Century, Johor.
- d) Heating facilities for residual fuel oil storage at Esso Bagan Luar Terminal.
- e) Roadwork, drainage system and petroleum product's tanks for Shell Depot, Bintulu.
- f) Bulk storage tanks and cargo pipelines for Shell Pasir Gudang Depot.
- g) Shell LPG Storage Plants cum Bottling Plant, Pasir Gudang.
- h) Fire water tank, pump house and piping for Shell Tawau Depot.
- i) Piping installation, electrical and instrumentation works for Esso Terengganu Crude Oil Terminal.
- j) Earthworks and associated civil works for Esso Phase II Onshore Slugcatcher Facilities at Kerteh and Shell Tawau Complex.
- k) Jet-A1 fuel storage tanks at Petronas Aviation Fuel Farm, Subang International Airport, Langkawi International Airport and KLIA, Sepang.
- l) Piping installation for Gas Processing Plant Expansion project, Kerteh.
- m) Vertical fuel storage tanks at Petronas Prai Depot.

- n) Condensate Storage and Handling project, Onshore Slugcatcher facilities for Shell.
- o) Piping installation, electrical and instrumentation works for Natural Gas Metering and Supply System for Stage I & III Boiler Gas Conversion project at Senoko Power Station, Singapore.
- p) Piping installation for Petronas Kuantan Gas Compressor and Paka Metering Station.
- q) Bulk storage facilities for Petronas at Seduan, Sibu and Mobil Oil, Kuantan Port.
- r) TNB Gas Turbine project, Port Klang Power Station, Kapar.
- s) Jet fuel hydrant pipeline for Terminal 1, 2 & 3 for Subang International Airport.
- t) Piping works, Control Building and electrical sub-station for Polyethylene (M) Sdn Bhd, Kerteh.
- u) Civil, building, structural, tankage, piping, electrical and instrumentation work for Mobil Pulau Indah Oil / Solvent Terminal, Port Klang and Amoco No.1 PTA Plant, Gebeng.
- v) Civil improvement works for Block Valves Station for Petronas Gas Utilization Project Phase III Sector 1 pipelines from Port Klang to Lumut.
- w) Fire Protection System for Shell, Sandakan and Tanjung Gelang installation.
- x) Construction of Total Cambodge Tank Farm at Phnom Penh, Cambodia.
- y) Fabrication and erection work for precast piperack for Daelim GPP 5 & 6, Kerteh.
- z) Engineering, procurement, construction and commissioning (EPCC) of Klang Valley Distribution Terminal, Selangor for Petronas-Shell JV (completed by Sumatec – Nam fatt Joint Venture).
- aa) Construction of Caltex Sihanoukville Bulk Storage Depot, Cambodia.
- bb) Petronas Cambodia Bulk Storage Depot, Phnom Penh (completed by Sumatec – Technip Far East Joint Venture).
- cc) Engineering, procurement, construction and commissioning (EPCC) of Onshore Gas Terminal, Sabah for Petronas Carigali Sdn Bhd (completed by Sumatec – Nam Fatt Joint Venture).

- dd)Erection of tanks for Petronas Centralized Utility Facilities, Kerteh.
- ee)Engineering, procurement, construction and commissioning (EPCC) of Field Surface Facilities, Phase 1, 2 & 3 for Muglad Basin Oil Development, Greater Nile Petroleum Operating Co. Ltd., Republic of Sudan (completed by Sumatec – Nam Fatt Joint Venture).
- ff) Installation of heavy lifting and process equipment Petronas / BASF MTPY Acrylic Acid Complex, Kuantan.
- gg)Engineering, procurement, construction and commissioning (EPCC) of piping installation work for Kerteh PVC Project.
- hh)Engineering, procurement, construction and commissioning (EPCC) of shore protection work at Sombrong Keinsway, Phnom Penh, Cambodia for Petronas Tankage Services Co. Ltd., Cambodia.
- ii) Engineering, procurement, construction and commissioning (EPCC) of mechanical equipment installation, structural steel erection, carbon steel / stainless steel / alloyed steel piping prefabrication and erection work for Petronas Ammonia / Syngas Complex.
- jj) Engineering, procurement, construction and commissioning (EPCC) of Jet-A1 Fuel Storage Expansion And Upgrading Project, Male' International Airport, Republic of Maldives.
- kk)Engineering, procurement, construction and commissioning (EPCC) of equipment, piping installation and insulation work for MTBE Propane Dehydrogenation Complex (PDH) Project, Kuantan.
- ll) Civil and mechanical works for OSBL facilities and infrastructure for Petronas / UCC Olefin Plant, Kerteh.
- mm) Engineering, procurement, construction and commissioning (EPCC) of Office Building, Sub-station, Warehouse, Schedule Waste Storage and Maintenance / Spare Parts Building for Crystex Plant for Flexsys Chemicals Sdn Bhd.
- nn)Civil works for Low Density Polyethylene (LDPE) Plant for Petronas / Polifin / DSM / Technip JV.

## 2.2.2 CONSTRUCTION WORKS FOR GENERAL INDUSTRIES

- a) Sewerage system for University Technology Malaysia, Skudai.
- b) Sodium Acid Metaphosphate Plant for Speciality Phosphate (M) Sdn. Bhd.
- c) Laboratory for Henkel Oleochemicals (M) Sdn. Bhd.
- d) Main office building, LLN sub-station, piperack, machinery foundation, road pavement, drainage, turfing, fencing and associated works for Air Separation Plant at Bukit Raja, Shah Alam.
- e) Internally lined and unlined cone roof storage tanks for Tioxide Chemical Plant, Kemaman.
- f) Office extension. Warehouse and workshop for Henkel Oleochemicals (M) Sdn. Bhd.
- g) Refractory installation for Titan Petrochemicals (M) Sdn. Bhd.
- h) Air Separation Plant for Malaysia Oxygen Bhd.
- i) Erection of office building for Hume Industries Sdn. Bhd. at Pekan Kantan, Ipoh.
- j) Fiber Optic Cable Factory and Aluminium Rod Manufacturing Plant, Bangi for Uniphone Cables Sdn. Bhd.
- k) Central Plant demolition work, piling foundation and building works for Philip Morris Sdn. Bhd. New Facilities Expansion Project.
- l) Motor Vehicle Spare Parts Manufacturing Plant for Kayaba (M) Sdn. Bhd., Banting.

## 2.2.3 COMPANY ANNUAL TURNOVER

The annual turnover for Sumatec since its establishment in 1986 is as shown in Appendix A. Its achievement in terms of total turnover has clinched a total contract sum of RM 850 million approximately in 15 years time.

## **2.3 PRODUCT RANGE**

Today, Sumatec is a successful and reputable engineering and construction company actively involved in Malaysia's oil and gas industries with its core business in the following field of activities for various oil, gas, petrochemical and industrial plants:

- (i) Civil, building and plant construction
- (ii) Structural steel fabrication and erection.
- (iii) Storage tanks fabrication and erection.
- (iv) Process equipment installation.
- (v) Piping fabrication and installation.
- (vi) Electrical and instrumentation work.

## **2.4 MARKET AND COMPETITION**

Operating from its headquarter in Shah Alam, Malaysia, Sumatec Corporation Sdn. Bhd. has formed its branch offices in a few strategic locations worldwide to get ready and specifically serve for the needs of these highly potential markets as follows:

- (i) Sumatec Middle East LLC.  
Suite # 501, Al-Ain Tower,  
Hamdan Street,  
PO Box 46158,  
Abu Dhabi, UAE.

*Geographical areas of coverage: Middle East and Gulf countries*



- (ii) Sumatec Corporation (Sudan Branch Office)

No. 14, 12 D & E, Street 17,  
Amarat Khartoum,  
Sudan.

*Geographical areas of coverage: African countries*

- (iii) Eastern Solder (Cambodia) Co. Ltd.

235A, Street 63,  
Sangkat Boeung Kengkong 1,  
Khan Chamkarmon,  
Phnom Penh,  
Kingdom of Cambodia.

*Geographical areas of coverage: South East Asian countries*

- (iv) Sumatec Branch Office - East Coast of Peninsular Malaysia

Kerteh, Terengganu,  
Malaysia.

*Geographical areas of coverage: East Coast of peninsular Malaysia*

## **2.5 PRICING STRATEGY**

The construction of petrochemical plants worldwide requires high quality and safety standards during all phases of construction to ensure safe operation of the plants upon its completion. As a result, oil and gas contractors are generally demanding for premium price as compared to those in the construction of general industries.

Sumatec has always been aware of the above fact. In fact, that is one of the main reasons why Sumatec has ventured intensively and aggressively into the

construction sector of oil, gas and petrochemical industry, rather than the general industries that was already saturated with too many contractors.

Being one of the most established and well-known oil and gas contractors in Malaysia, Sumatec has always put its price at the most competitive level as compared to its rivals locally. However, for the overseas projects, as Sumatec is still new and quite a stranger to most of the companies abroad, Sumatec is placing its price strategically at a lower than international market price to attract and win the contracts in its path to establish the good track records.