

MANAGEMENT DISCUSSION AND ANALYSIS

Building Construction
 Civil and Infrastructure
 Foundation and Geotechnical Engineering
 Mechanical, Electrical and Plumbing
 Sustainable Energy
 Manufacturing and Sale of Precast Concrete Products
 Machinery Division
 Virtual Design and Construction (VDC)

FOUNDATION AND GEOTECHNICAL ENGINEERING SERVICES

COST COMPONENTS

3 projects awarded in 2023

Total Contract Value:

▲ RM112 million

■ Material
■ Others
■ Preliminaries

■ Plant and Machinery
■ Manpower

SunCon has expertise in foundation and geotechnical engineering works including piling, large diameter bored piles, diaphragm wall construction, deep basement construction, top down construction and ancillary work. We also own a fleet of machines which enables us to provide integrated geotechnical solutions for a wide range of building projects, from residential projects to large scale developments, as well as civil and infrastructure works.

Our foundation and geotechnical division primarily supports building and civil infrastructure projects that we obtain as a Group. Hence, we are able to have better control of the projects through on-site coordination and more efficient machineries utilisation.

Foundation works at Johor Bahru–Singapore Rapid Transit System (RTS) Link project



MANAGEMENT DISCUSSION AND ANALYSIS

The Foundation and Geotechnical Engineering Services division remained resilient in the face of challenging external factors that impacted the wider construction industry. Not only have political uncertainties and government funding constraints caused a delay in the rollout of mega infrastructure projects, but the industry also experienced elevated building material prices due to increasing demand, leading to a higher cost of operations.

In spite of these challenges, the division remained focused on strongly supporting its current building and civil engineering and infrastructure projects during FY2023. We have continued to streamline our fleet of bore pile rigs to optimise operations and improve efficiency.

During the year, the division completed the foundation and geotechnical works for the Sunway Square project at Sunway City Kuala Lumpur which included piling works, diaphragm wall, secant pile wall with ground anchors, pilecaps and multiple basement slabs for the mixed development. The division also completed piling works for the Data Centre in Sedenak, Johor. Apart from that, the division completed the foundation, piling works and lowest basement slab for the Bangsar Rising service apartments on Jalan Abdullah, Kuala Lumpur.

The division is currently undertaking piling works for the RTS Link Package 1B & 5 project, where certain zones have presented additional challenges, necessitating thick layers of granite drilling. The project is targeted to complete in 2024.

During FY2023, the division was also awarded the Sunway Ipoh Mall in Perak valued at RM40 million which involves earthworks, borepiles, foundation works and the construction of pilecaps. Being a one-stop solutions provider, maintaining good relations with business partners in the geotechnical field has been paramount in ensuring a steady workflow and schedule for projects, as well as bolstering the division's capacity to undertake new projects. As of FY2023 under the Geotechnical division, RM112 million in new orders were secured while the division's outstanding order book was at RM20 million.

RIG UTILISATION RATE

	2023	2022	2021
No. of Rigs	22	26	26
Rig Utilisation Rate	27%	26%	30%

WORKFORCE

Staff Force	2023	2022	2021
Male	41	52	69
Female	6	12	15
Total	47	64	84

Staff Category (%)	2023	2022	2021
Executive	66	72	61
Non-Executive	34	28	39



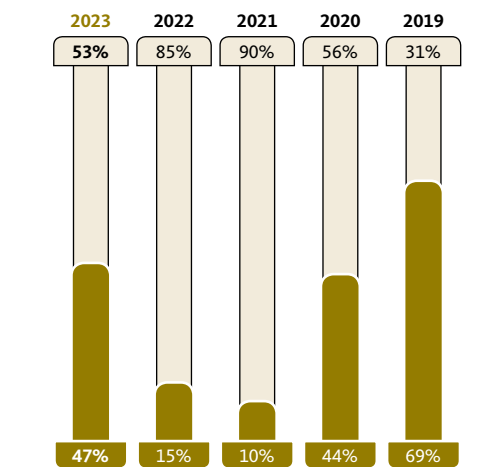
OUTLOOK AND PROSPECTS

The Foundation and Geotechnical Engineering Services division remains actively engaged in seeking new projects to bolster its project pipeline both domestically and internationally.

The division anticipates the revival of mega infrastructure projects in the coming year, and remains resolved to undertake suitable preparations that will allow the division to meet the capacity of these potential projects. This would include emphasising manpower development and resource management. At the same time, the division will continue to support in-house projects in the pipeline to cushion the impact from the economic slowdown.

By leveraging on these aforementioned prospects, the division expects positive growth in the year ahead.

REVENUE MIX



■ Infrastructure □ Building