## **VALUE CREATION MODEL**

In FY2023, SunCon continued to generate a wide range of positive values, reflected in the various outputs and outcomes, which were created through its business model. The execution of strategies which includes focus on resource efficiency, responding effectively to market conditions and stakeholders have enabled not just financial values, but the sustained realisation of values from a multi-capitals perspective.

CAPITALS INPUTS

Beginning of FY2023

> 2 precast plants

> 1 ICPH in Singapore

> SunCon's business model

software

Divisional business strategies

> Share capital: RM258.6 million

> Retained profits: RM515.9 million

> Cash and bank balances: RM491.6 million

> Market capitalisation: RM2.017 billion

> A wide range of plant and machineries



### **FINANCIAL**

The pool of funds available to SunCon, generated from operations, investments and debt arrangements.



### MANUFACTURED

Physical assets owned or leased deployed to execute the business model across the value chain towards the creation of financial and non-financial outputs and outcomes.



All business and operational strategies, collective knowledge, skills, competencies and experience of SunCon, its subsidiaries and associate companies as well as its supply chain.

### **HUMAN**

The collective skills, talents, experience and capabilities of the Group's talent including talent at subsidiary and associate companies responsible for day-today operations.

## **SOCIAL**

Comprising the diverse network of relationships and engagements with various stakeholders. The

- understanding of stakeholders' needs, concerns and aspirations and the implementation of appropriate engagement strategies.
- **NATURAL**

The pursuit of resource efficiency in the consumption of natural resources and materials required for the business model.

> High-performance work culture centred on merit, equality and diversity > Talent focused, cultivating high performing culture

> Intellectual property and proprietary business /

Construction, building management systems,

industry knowledge ie. Virtual Design and

- HR policies > Championing adoption of VDC as key technology
- enabler for all project implementation
- > Talent mobilisation across different core businesses within SunCon
- > 1,057 strong workforce (excluding direct workers)
- > Financial and non-financial investments into stakeholder engagements including engagement strategies,
- programmes and activities > Conducted 10 sessions in outreach programmes,
- participated by 1.500 university students
- 113 internship opportunities provided to young graduates > CSR budget and expenditure on community infrastructure and services, community events
  - Please refer to pages 57 to 62 for Stakeholder Engagement disclosures.
- > Energy consumed 37,406 MWh
- > Consumed 357 MWh solar energy
- **> 340,082 m³** of water consumption (Alternate water source: 12.3%)
- > RM8.09 million in solar investment projects
- > Established Carbon Reduction Policy

### APPROACH TO SUSTAINABLE VALUE CREATION

**BUSINESS MODEL** 

**CAPITALS** 

## CORE

- Building Construction
- Civil and Infrastructure
- Foundation and Geotechnical
- Mechanical, Electrical and Plumbing
- Sustainable Energy
- Manufacturing and Sale of Precast **Concrete Products**

## **CAPITALS**

- Financial
- Manufactured
- Intellectual
- Human
- Social
- Natural

### DRIVEN THROUGH OUR BUSINESS MODEL

**VALUE CREATION MODEL** 

VALUE CREATION

to their respective categories i.e. financial capitals to financial values and so forth.

# STRATEGIC

ESG

- Increased Utilisation of VDC
- Supply Chain Management
- Talent Focus
- Integrated ESG Agenda

## CREATED

Generation of financial

**VALUES** 

FINANCIAL

and non-financial values

**NON-FINANCIAL** 

### **OUTPUTS**

In essence, values have been created based on the cumulative use of capitals but for illustration purposes, capitals and values have been aligned

- > Revenue: RM2.671 million > PRT: RM188.6 million
- > PAT: RM145.8 million
- > Cash and bank balances: RM470.4 million
- > 53% dividend payout of PAT after minority interests > RM42.8 million paid in income taxes
- > RM159.0 million paid in wages

Group's value proposition

efficiency and productivity

- > Market capitalisation: RM2.508 billion as at end FY2023
- > High Return on Equity (FY2023: 17%; FY2022: 18%; FY2021: 17%) - Best ROE for 5 consecutive years in the Construction Sector awarded by The Edge Billion Ringgit Club

**OUTCOMES** 

- > RM2.67 billion in projects progress for FY2023
- > Average QLASSIC score: 82.3% (vs industry average 76%)
- > Total 437 km of highways and 40.5 km of rail and mass transit projects constructed to date
- > A wide range of socio-economic multiplier effects arising from the successful completion of building and infrastructure projects

Enabling sustainable construction by managing resource

Continued strengthening of business processes and

consumption and carbon footprint while enhancing the

realisation of key business outcomes, including increases

- > Elevation of industry standards and benchmarks
- > Improved communication channels via Autodesk Construction Cloud (ACC) platform
- > 296 staff trained and developed with VDC competencies in FY2023 (FY2022:
- > 60% of planners trained with 4D skills

50% operationally trained with VDC

- > 34 project leaders across 6 core businesses > 54 VDC experts, and more than
- knowledge > 16.9x staff productivity
- > Talent workforce that are mobile to vertically move across different core businesses
- > Strong talent bench strength for key succession planning
- > Technology enabled workforce capable of managing advanced technology projects
- > Improved stakeholder relationships > Zero accidents involving the community or general public > 64% buy calls from analysts and research
- Customer Satisfaction Score: 100%
- > Zero fines for labour law non-compliance > Average SHASSIC score 89% (vs industry
- average of 86.81% in 2023) > Engaged 78% of active suppliers and subcontractors in inaugural SunCon Supply Chain Social
- > 9 awards & recognitions received
- > Zero reported fines for environmental non-compliance
- Generated green attributes of 3,305 tonnes CO₂e avoidance from our solar investments
- Expand ESG monitoring coverage to include emissions at workers accommodation and employee commuting

- > Development of **talent pool** that supports SunCon's human capital requirements
- Contribution of more than RM2.63 million through the Jeffrey
- Cheah Foundation as well as various community and SunCon Social Club (SSC) initiatives
- > Improved environmental oversight and implementation of practices with progressive integration of ESG into the Group's business strategies and its operations
- > On track in meeting SunCon's 2030 emission reduction targets