
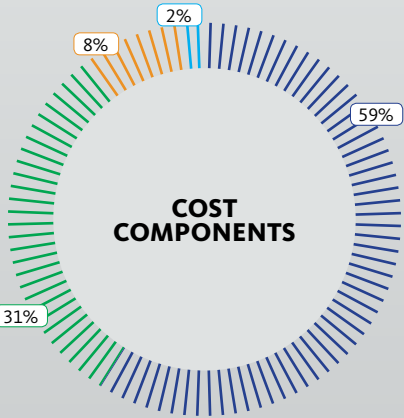


MANAGEMENT DISCUSSION AND ANALYSIS

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)



## SUSTAINABLE ENERGY SERVICES



**COST COMPONENTS**

	Major Equipment		Manpower
	Material		Preliminaries

**EPCC and Investment**

Total Installed Solar Capacity To Date:


# 196 MWP

**EPCC District Cooling System**

Total Installed To Date:

# 44,250 RT

We provide sustainable energy solutions ranging from district cooling plants to renewable energy services such as large scale solar farms, and rooftop solar solutions for commercial and industrial buildings, as part of our commitment to reduce the carbon footprint.



**Large Scale Solar Farm 4 (LSS4), Kapar, Selangor**

MANAGEMENT DISCUSSION AND ANALYSIS

In FY2023, the Sustainable Energy division continued to make solid progress amidst a challenging external operating environment, but one with increasing growth opportunities. The growing demand for solar energy has caused solar industry players to face intensified competition. In addition, fluctuating solar panel prices and supply chain disruptions continued to affect the rollout of projects in the first half of the year. However these conditions progressively improved by the second half of FY2023, paving the way for further growth.

During the year, the renewable energy sector in Malaysia continued to receive increased impetus in line with the Malaysian government's drive to accelerate the nation's transition towards achieving long term carbon neutrality. At the forefront of this progressive shift towards cleaner energy was the National Energy Transition Roadmap (NETR), the Corporate Green Power Programme (CGPP) and the upwards revision in the Imbalance Cost Pass-Through (ICPT) pricing mechanism for industrial and commercial customers, all of which have led to an upturn in projects and opportunities for the sustainable energy industry.

In FY2023, SunCon's Sustainable Energy division successfully secured a quota of 29.9 MW under the CGPP from the Energy Commission. Financial close is targeted in 2024 and the plant is expected to achieve commercial operations in 2025.

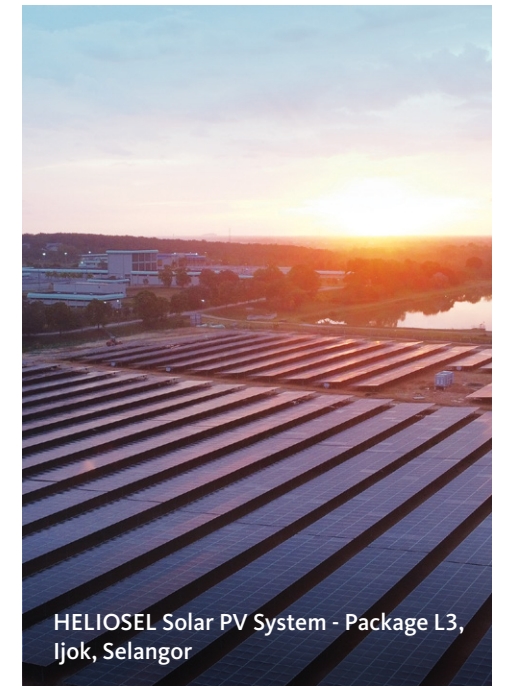
Apart from that, the division focused on executing its existing order book, including the two Large Scale Solar 4 (LSS4) projects and various rooftop solar projects for commercial and industrial buildings.

Both LSS4 projects, located in Gopeng, Perak, and Kapar, Selangor (each with a 50 MWac capacity) are physically complete and progressing with inter-connection works. The projects are targeted for completion by mid 2024.

The division has successfully completed several solar PV projects in FY2023. Among these include the installation of rooftop and ground mounted solar panels for the Air Selangor Plants in Rasa and Ijok, Selangor, totalling 16,800 kWp. The division also completed the installation of rooftop solar panels for the BRT Sunway Line Stations and Depot, as well as for several commercial and industrial buildings during the year, totalling over 1,400 kWp.

Aside from solar, the Sustainable Energy division achieved further progress on the District Cooling System in Sunway Square, Sunway City Kuala Lumpur. Major equipment such as the chiller has been delivered and installed, while construction of the thermal energy storage (TES) tank continues to progress as scheduled. Remaining works consist of piping and cabling works as well as installation of other major equipment such as the transformers, switchboards and cooling tower. The project is expected to be completed in phases and in line with the final completion of the Sunway Square project in 2025.

The division continues to embed sustainability considerations across its operations. This is evident in the use of R134a environmentally-friendly refrigerant for the Group's DCS project at Sunway Square. Environmentally-friendly refrigerants typically have lower global warming potential and ozone depletion potential compared to traditional refrigerants. Therefore, the use of these refrigerants helps mitigate climate change by reducing greenhouse gas emissions, contributing to a healthier and more sustainable environment.



**OUTLOOK AND PROSPECTS**

The outlook for the Sustainable Energy division remains promising, underpinned by the government's ambitious plans for decarbonisation as well as growing interest across economic sectors to meet with energy needs through more sustainable alternatives.

The Sustainable Energy division is well placed to continue playing a significant role in the country's ongoing transition to cleaner energy sources, given its proven track record in sustainable energy projects. The division will continue to pursue opportunities arising from the energy transition drive, such as the NETR, CGPP and increasing energy cost due to the ICPT. The division can also leverage on the synergistic business and operational capabilities of the Group as a leading Engineering, Procurement, Construction and Commissioning (EPCC) player.

In addition, SunCon is looking to further expand its RE portfolio by exploring collaborations with joint venture partners. Collaborations can provide access to additional resources, expertise and investment, strengthening SunCon's position in the competitive RE market.