

MESSAGES FROM THE LEADERSHIP

Chairman's Statement

DATO' IR GOH CHYE KOON

POWERING PERFORMANCE AND PROGRESS THROUGH RESILIENCE AND STRENGTH

DEAR ESTEEMED STAKEHOLDERS,

On behalf of the Board of Directors of Sunway Construction Group Berhad (SunCon), I am pleased to present the Integrated Annual Report 2024 and audited financial statements for the financial year ended 31 December 2024 (FY2024).

Despite facing a challenging global and domestic economic environment, we have successfully navigated through this period, showcasing our resilience to deliver a solid performance that further position us for sustainable growth.

Hence, I am honoured to share an overview of our progress during FY2024 and the strategic direction we are pursuing for the future.



→ Daiso global distribution centre (GDC) warehouse, Port Klang, Selangor

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CHALLENGING GLOBAL AND LOCAL ECONOMY

FY2024 has proven itself a year of continuous growth and progress despite the many challenges experienced. The global economy has been impacted by the geopolitical tensions with the ongoing Ukraine-Russia conflict, heightened further by the strife in the Middle-East. Rising inflation and stricter financial conditions have seen a marked tightening of monetary policy. This is in addition to the disruption in supply chain and increased pricing of products and services across countries.

Whilst the global scenario weighed significantly on Malaysia's economy, it was nevertheless encouraging to note the country's economy grew strongly with full-year gross domestic product growth recorded at 5.1%, driven by robust domestic demand and a rebound in exports. Domestic economic expansion in 2024 was also underpinned by robust household spending, supported by a favourable labour market and expansionist policies while another contributory factor to positive GDP growth was strong approvals and progress achieved on multi-year developments from both the private and public sectors.

The Malaysian construction sector recorded robust double-digit expansion of 20.2% in 2024 (2023: 8.4%) with all sub-sectors recording double-digit growth: Special trade activities 35.9%, Residential buildings 24.5%, Non-residential buildings: 15.5% and civil engineering: 17.3%. The sector benefitted from

implementation of projects under strategic national initiatives, namely the New Industrial Master Plan, National Energy Transition Roadmap, and National Semiconductor Strategy.

Although Malaysia's Federal Budget 2025 did not introduce new major infrastructure projects, nonetheless the government's commitment to the completion of existing initiatives, ensuring the continuity of key developments such as the Penang LRT project and Penang International Airport Expansion project still remains strong. These projects are expected to sustain momentum within the construction sector.

However, potential challenges loom with the proposed reforms, including the increase in the minimum wage, the implementation of a multi-tiered foreign worker levy, and subsidy rationalisation measures. These changes could result in higher operational costs and affect earnings.

Nevertheless, SunCon remains committed to navigating these challenges through strategic planning and cost management. Apart from opportunities in both the private and public sectors, SunCon continues to pursue in-house pipeline projects from its immediate holding company, Sunway Berhad, particularly those involving special purpose buildings.

CAPITALISING ON NEW MARKET DRIVERS

For the financial period ended 31 December 2024, SunCon continued its strategic expansion into advanced technology facilities projects. This strategic expansion demonstrates our commitment to innovation and sustainable growth, reinforcing our position as a dynamic leader in the construction industry.

As the digital age accelerates and the demand for data centres surges, SunCon is cognisant the pivotal role these facilities yield in driving the digital economy. By venturing into this sector, we further strengthen our position as a key player in shaping the future of digital infrastructure.

SunCon remains actively involved in the construction of Advanced Technology Facilities (ATF). The Group is currently managing five data centre projects for four multinational clients and continues to proactively pursue additional opportunities in the data centre sphere.

In June 2024, SunCon was awarded with additional scope of works for the construction of a data centre within Sedenak Tech Park, Johor valued at RM1.5 billion and a further RM0.6 billion in the last quarter of 2024.

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As the digital age accelerates and the demand for data centres surges, SunCon is cognisant the pivotal role these facilities yield in driving the digital economy.

This complements an earlier RM1.7 billion contract awarded in December 2022, bringing the total value for this project to RM3.8 billion.

In March 2024, SunCon won a RM747.8 million contract from a US-based multinational technology corporation for the construction and completion of a data centre located in Cyberjaya. Works for this data centre commenced in May 2024 and is expected to be completed by the second quarter of 2027.

On the back of our successful completion of the earlier RM291 million Sedenak Tech Park project well ahead of schedule, SunCon has bolstered its credentials and reputation as a leading player for data centre design and construction in Malaysia.

SunCon's ongoing joint effort on Daiso's global distribution centre warehouse in Port Klang, Selangor, is progressing on track for completion by the second quarter of 2026 with 40% of works successfully completed by end of 2024.

Our Sustainable Energy segment maintained its upward trajectory, under the development of Corporate Green Power Programme (CGPP). In FY2024, a 11.8 MWac project at Kapar, Selangor, was awarded by the Energy Commission of Malaysia. This project, expected to be completed in end-2025, is valued at RM37 million.

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SunCon reaffirms its commitment to shaping the future of urban living through our diverse range of in-house projects. Our portfolio, which includes medical centres, shopping malls, mixed-use developments, and residential high-rises, reflects our dedication to sustainable and innovative development.

A milestone achievement is SunCon's commencement of the construction of Sunway City Ipoh Mall, part of the larger Sunway City Ipoh township development in Ipoh, Perak. With a total development cost of over RM1 billion, Sunway City Ipoh Mall will be developed on an 18.88-acre parcel, strategically located along the North-South Expressway. Expected to be completed in 2027, it is poised to become the largest mall in Ipoh.

Among the successfully completed projects in FY2024 is the Sunway Medical Centre Damansara, Selangor, and the Sunway Velocity Two (Plot B) & Data Centre in Sedenak, Johor. Additionally, testing and commissioning of the LRT3 GS07&08 and the GS06 (as part of the variation order to GS07&08) projects was also completed in FY2024.

On the international front, SunCon continued to achieve significant milestones. The Meensurutti-Chidambaram Highway project in India has achieved its Provisional Commercial Operations Date (PCOD) on 15 February 2024 and annuity payments has begun. Additionally, the Thorapalli Agraharam-jittandahalli Highway project has also achieved its Phase 1 PCOD on 1 November 2024, with target completion of the remaining works by end of 2025.

Beyond highway projects in India, SunCon is also exploring the ASEAN region for potential projects in the ATF sector. This is being undertaken in collaboration with local joint venture partners.

In FY2024, the precast segment enlarged its order book with various new contract awards amounting to SGD 134.2 million (RM441.9 million). These included projects secured for supplying precast components for HDB projects, government data centres and nursing homes. Additionally, we have also obtained the mesh fabrication license for our ICPH plant in May 2024 from the Housing Development Board of Singapore (HDB).

ENHANCING FINANCIAL PERFORMANCE

Emerging from the tumultuous pandemic era, SunCon has sharpened its focus on maintaining our established and proven business model, thus fortifying the stage for continued growth in the years ahead.

Despite the many challenging business hurdles encountered in FY2024, the business agility and tenacity of the team at SunCon has once again persevered, forging a progressive path forward. This is clearly demonstrated in SunCon's total revenue of RM3.5 billion in FY2024, representing a 32% increase over revenue of RM2.7 billion in FY2023. SunCon's Profit Before Tax (PBT) of RM273 million in FY2024 represents a 45% increase over FY2023.

To reinforce SunCon's strong financial credentials, the company's outstanding order book as at 31 December 2024 stands at RM5.83 billion with RM4.22 billion new orders secured during the financial year. With this, we have achieved our revised 2024 replenishment target range of RM4.0 billion to RM5.0 billion.

DELIVERING SHAREHOLDER VALUE CREATION

The Group maintains its commitment to deliver sustainable returns and drive performance for shareholders' benefit. In FY2024, the Board declared the first interim dividend payment of 3.50 sen per share on 22 August 2024 while the second interim dividend of 2.50 sen per share was declared on 21 November 2024. The third interim dividend of 2.50 sen per share was declared on 20 February 2025. Total dividend payout is RM109.6 million, equivalent to 59% of profit after tax and minority interest for FY2024.

FIRST INTERIM DIVIDEND OF 3.50 SEN PER SHARE

First interim single tier dividend of 3.50 sen per ordinary share for the financial year ended 31 December 2024

22 August 2024	12 September 2024	26 September 2024
Announcement of the notice of entitlement and payment	Date of entitlement	Payment date

SECOND INTERIM DIVIDEND OF 2.50 SEN PER SHARE

Second interim single tier dividend of 2.50 sen per ordinary share for the financial year ended 31 December 2024

21 November 2024	11 December 2024	26 December 2024
Announcement of the notice of entitlement and payment	Date of entitlement	Payment date

THIRD INTERIM DIVIDEND OF 2.50 SEN PER SHARE

Third interim single tier dividend of 2.50 sen per ordinary share for the financial year ended 31 December 2024

20 February 2025	14 March 2025	10 April 2025
Announcement of the notice of entitlement and payment	Date of entitlement	Payment date

DIVIDEND HISTORY

	FY2024	FY2023	FY2022	FY2021	FY2020
Dividend Per Share (RM'sen)	8.50	6.00	5.50	5.25	4.00
Dividend Payout (RM'000)	109,596	77,362	70,915	67,691	51,574
Profit After Tax and MI (RM'000)	186,906	145,109	135,181	112,586	72,786
Dividend Payout Ratio	59%	53%	53%	60%	71%
Share Price Opening 1 January	1.94	1.56	1.56	1.88	1.91
Dividend Yield	4.4%	3.8%	3.5%	2.8%	2.1%

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MILESTONE RECOGNITION

SunCon has long embraced corporate governance and sustainability practices as a way of life in its business operations. Due recognition of the company's excellence was showcased at the National Corporate Governance and Sustainability Awards (NACGSA), where SunCon was honoured with the Industry Excellence Award (Construction) 2024.

At the same ceremony, SunCon was accorded another distinguished recognition – the Overall Excellence Award for demonstrating leadership in governance and sustainability – ranking among the top 10 companies out of 854 public-listed companies assessed in 2024. This is a further affirmation of the company's firm commitment to the sustainability agenda and in upholding integrity in its business conduct.

In addition, SunCon clinched gold award for Companies with RM2 billion to RM10 billion in Market Capitalisation at the National Annual Corporate Report Awards (NACRA) 2024 Excellence Awards.

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Another notable achievement is being conferred The Edge Billion Ringgit Club (BRC) award for the highest return on equity (ROE) over three years in the construction sector. This year marks the sixth year that SunCon has won the coveted award, a testament to our exceptional leadership in executing the strategic plans of the Group.

Further to this, SunCon clinched The Edge BRC award for highest returns to shareholders over the past three years in the construction sector, an acknowledgement of the company's strong commitment to shareholder value creation.

SunCon was also awarded the Best Project Award – Building (Major Category) for Parcel F Government Complex at the Malaysian Construction Industry Excellence Awards (MCIEA) 2024. This project incorporates various green features such as sunshade louvres with low e-glass at the facades and usage of LED and sensor lights, maximising day infiltration and naturally ventilated main lobbies, as part of its GBI Gold compliance.

COMMITTED TOWARD A SUSTAINABLE FUTURE

To ensure our continued growth and prosperity, SunCon continues to prioritise sustainable development. By setting clear and measurable environment, social, and governance (ESG) goals, we are actively addressing ESG factors, essential for organisational resilience and competitiveness.

Bursa Malaysia's established FTSE4Good index measures the performance of public listed companies with good liquidity and strong ESG practices, to which SunCon has secured listing since FY2015. We are proud to share that as of 31 December 2024, SunCon has achieved a score of 3.4 on this esteemed index. This achievement is an affirmation of SunCon's commitment to pursue long-term sustainability and success with constantly improving ESG practices at the core of our journey.

We further reaffirm our commitment to align our sustainability efforts with the UN Sustainable Development Goals, recognising the significant financial implications of sustainability for our business.

We remain committed to integrating ESG principles into our business strategy.

Our progress in this area is detailed in the Sustainability Statement section of this report.

To align with the nation's call to mitigate the effects of climate change, SunCon has affirmed our commitment to achieve net-zero emissions by 2050. This ambitious target requires a comprehensive approach, including the adoption of renewable energy sources, enhancing energy efficiency, and harnessing innovative technology.

We have set measurable targets to drive progress toward this goal. We aim to achieve a 40% reduction of our scope 1 and scope 2 emissions respectively by 2030.

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As a testament to our commitment, we have undertaken a review of our total Scope 3 emissions profile in FY2024. Upon completion of this review, we will develop a set of targets to manage our Scope 3 emissions effectively. We are pleased to report that our solar energy investments, primarily from rooftop solar panels installed at Sunway Enterprise Park, Sunway Precast Plant in Senai, Universiti Sains Malaysia, Caltex Petrol Station at Bandar Sunway, Central Park Dataran Sunway, and BRT Sunway Line Stations and Depot are yielding notable energy savings and generating green attributes.

This directly contributes to a reduction in carbon emissions and affirms our commitment to sustainable performance and decarbonisation.

Not one to rest on our laurels, SunCon is fortifying efforts to embrace climate change mitigation efforts throughout our day-to-day operations. On this note, in FY2024, we have undertaken a comprehensive climate risk assessment to review climate-related risks such as physical and transitional risks, and to develop and explore various climate-related scenarios and their potential impacts on our business

operations. This would hence enable more effective decision-making and productive resource allocation.

Among the various opportunities available to SunCon in this area is the transition to renewable energy (RE). This serves as a strategy to manage rising electricity and energy costs, develop carbon credits to offset our carbon footprint, enhance energy efficiency in buildings, and produce low-embodied carbon products to meet growing market demand.

BROADENING OUR ESG COVERAGE

Recognising the increasing call to expand ESG integration across organisations, we intensified our efforts in FY2024 to embed ESG principles throughout our entire supply chain. In 2024, SunCon conducted environmental and social assessment on close to 330 of SunCon's contractors and suppliers. Social assessment primarily focused on assessing the active contractors and suppliers' regulatory compliance with regard to labour rights and provision of workers' accommodation. These assessments focused specifically on risks associated with forced and bonded labour.

Additionally, we plan to engage with our major commodity suppliers in 2025 to gain insights into their ESG transition plans, particularly their strategies for reducing the carbon footprint of their products.

SunCon remains steadfast in our commitment to collaborate with our supply chain partners to ensure compliance with ESG standards and promote transparency.

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To address potential labour and housing concerns, we conducted environmental & social assessment of our 330 contractors and suppliers.



HARNESSING INNOVATION AND TECHNOLOGY

Digital transformation remains a key driver of differentiation for SunCon. As our projects grow in scale and complexity, digital solutions empower us to enhance quality, efficiency and productivity.

Throughout FY2024, we maintained efforts to implement digital project management across all new projects, covering the entire project lifecycle. Additionally, we leveraged the power of Autodesk Construction Cloud (ACC) to streamline communication and collaboration among project stakeholders.

By embracing digital innovation, we aim to attract and retain top talent in a competitive industry. This strategic approach will enable us to optimise business processes and deliver exceptional value to our stakeholders.

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We leveraged the power of Autodesk Construction Cloud (ACC) to streamline communication and collaboration among project stakeholders.



NURTURING A FUTURE-READY WORKFORCE

At SunCon, we recognise that building organisational capacity and capability is paramount to cultivate a workforce prepared for tomorrow's challenges. Our approach extends beyond technical proficiency to embrace a comprehensive talent development strategy.

Central to our human capital philosophy is our distinctive vertical integration approach. Rather than confining talent to permanent functional silos, we strategically redeploy professionals across our core business units. This deliberate mobility exposes our personnel to diverse project environments, fostering versatility and multi-disciplinary expertise while simultaneously developing cross-functional capabilities and leadership acumen.

This enhanced competency portfolio enables SunCon to excel in executing high tech, non-conventional projects – including data centres, semiconductor facilities, logistics hubs, and power generation plants – with exceptional precision and expertise.

By dissolving traditional operational boundaries, we have cultivated an ecosystem of collaboration where knowledge and expertise flow seamlessly throughout the organisation. This cross-pollination of best practices continually elevates our collective capabilities, allowing us to deliver superior value to our stakeholders.

SunCon remains at the forefront of technological innovation through our strategic implementation of Virtual Design and Construction (VDC) methodologies, spanning from level of detail (LOD) 300 to 500. By leveraging this advanced 3D modeling framework, we enhance interdisciplinary collaboration, optimise workflows, refine design and construction processes – ultimately strengthening our competitive position and ensuring project success.

Our talent management philosophy is rooted in fostering an environment where diversity, equity, and inclusion (DEI) principles are not just aspirational but actively embedded in our daily operations. This commitment cultivates a high-performance culture, empowering every employee with equitable opportunities to leverage their unique expertise and drive exceptional outcomes.

We take particular pride in our accelerated advancement pathways for emerging talent. High-potential individuals who demonstrate exceptional capability and deliver proven results are systematically identified and deliberately positioned for expanded responsibilities. This meritocratic approach not only fulfills individual career aspirations but also ensures organisational continuity and innovation through the infusion of fresh perspectives into leadership positions.

As we look toward the future, SunCon remains committed to anticipating industry evolution and preparing our workforce for emerging challenges through continuous skills enhancement, technological adoption, and cultural advancement.

We are proud to affirm that all our projects have fully adopted Building Information Modelling (BIM), enabling greater insights into space planning, design, construction, and management.

Further information on our approach to talent management is provided on pages 120 and 121 in the Sustainability Statement section of this report.

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OUTLOOK AND PROSPECTS

Given Malaysia's remarkable progress, the country is on track to become the region's largest data centre hub, with approximately four gigawatts (GW) of capacity expected to come online over the next four to five years.

More than 1.0GW of supply is expected to come on stream over the next two years versus the current installed capacity of under 400 megawatts (MW). In addition to this, about 3.0GW of capacity is in the developmental stages, and will be added progressively over the next three to five years.

This high expectation is attributable to supportive government policies as well as lower land and energy costs. Another contributory factor is that Malaysia continues to be a favoured alternative destination for multinational companies looking for alternative manufacturing bases besides China.

It is providential that Tenaga Nasional Berhad's (TNB) Green Lane Pathway, an exclusive pathway and strategic offering for Malaysia's data centre market, provides efficient and environmentally responsible solutions for data centre operators. This initiative also streamlines the on-boarding process for data centres, expedite approvals and facilitates a smooth setup of data centre operations in Malaysia.

Malaysia is experiencing a surge in foreign direct investment, particularly in logistics warehouses and semiconductor manufacturing. The semiconductor industry is expected to drive expansion among industry players to meet rising demand. To capitalise on this opportunity, the company is actively seeking partnerships with new and existing joint venture partners. These collaborations will accelerate our entry into niche market segments that require advanced MEP capabilities, such as redundancy systems and cleanroom processes.

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The burgeoning renewable energy sector, driven by Malaysia's ambitious 70% RE target by 2050, presents significant opportunities. Government support including the National Energy Transition Roadmap (NETR) and the Bursa Carbon Exchange (BCX) further strengthens the industry's growth potential. These government initiatives augur well for SunCon, being well-positioned to capitalise on this momentum as an EPCC contractor for large-scale solar power plants and rooftop solar projects.

As the Malaysian economy gains momentum, we envision a wave of mega infrastructure projects on the horizon. A total of RM86 billion has been allocated in the Malaysian Budget 2025 for development expenditure, targeted for various development projects, including infrastructure, innovation and public sector improvements.

SunCon, with its comprehensive suite of capabilities, is well-positioned to capitalise on this surge. Our robust order book, coupled with our active pursuit of new contracts both domestically

and internationally, reinforces our commitment to sustained growth and expansion.

While we acknowledge the potential impact of inflationary pressures and the protracted geopolitical tensions on economic growth, we remain cautiously optimistic about our prospects for FY2025.

HEARTFELT ACKNOWLEDGEMENTS

I would like to extend my sincere gratitude to our dedicated employees, capable Senior Management, and all our valued stakeholders for their unwavering support, commitment, and resilience. Your contributions have been instrumental in driving our achievements and navigating the challenges of this financial year with agility and determination. It is through this collective effort that we continue to grow and succeed.

To our reassuring shareholders, loyal customers, supportive bankers, engaging government ministries and regulatory agencies and as well as our reliable suppliers and business partners, you have our deepest appreciation for your much valued partnership over FY2024.

Finally, to my esteemed fellow Board members, I wish to extend my profound gratitude for your keen business acumen and collaborative engagement in yet another successful and meaningful financial year for SunCon.

On behalf of the Board, I wish to extend our heartfelt gratitude to Dato' Dr Johari Bin Basri, Senior Independent Non-Executive Director who retired on 20 June 2024, having contributed actively to our strong progress.

We take this opportunity to extend a warm welcome to Datuk Kwan Foh Kwai, Independent Non-Executive Director and Puan Norchahya Binti Ahmad, Independent Non-Executive Director, both of whom were appointed to the Board on 10 October 2024. I have no doubt that their strong credentials would add value to our business endeavours.

We are committed to sustaining our positive performance momentum and deliver greater shareholder value while striving to realise our vision of becoming the region's leading vertically integrated construction group.

DATO' IR GOH CHYE KOON
Chairman