

# Management Discussion and Analysis

## STATEMENT OF FINANCIAL PERFORMANCE

### CONDENSED FINANCIAL STATEMENT

RM'000	2024	2023	2022	2021	2020
Revenue	3,521,690	2,671,225	2,155,231	1,729,155	1,552,652
Profit Before Tax	272,962	188,646	184,057	152,245	101,504
Income Tax Expense	(75,941)	(42,799)	(45,318)	(41,495)	(27,777)
<b>Profit Net of Tax</b>	<b>197,021</b>	<b>145,847</b>	<b>138,739</b>	<b>110,750</b>	<b>73,727</b>
Profit Attributable to:					
- Non-Controlling Interest	10,115	738	3,558	(1,836)	941
- Owners of the Parent	186,906	145,109	135,181	112,586	72,786
<b>FINANCIAL RATIOS</b>					
Gross Profit Margin (%)	13.6%	16.3%	17.0%	20.7%	17.4%
Profit Before Tax Margin (%)	7.8%	7.1%	8.5%	8.8%	6.5%
Effective Tax Rate (%)	27.8%	22.7%	24.6%	27.3%	27.4%
Basic Earnings Per Share (sen)	14.50	11.25	10.48	8.73	5.64
Staff Productivity (Revenue / staff cost)	17.9	16.9	15.6	12.7	13.1
Average Return on Capital Employed (%)	24%	20%	21%	16%	12%
Average Return on Equity (%)	22%	19%	19%	17%	12%

### SEGMENTAL REVENUE

RM'000	2024	%	2023	%	2022	%	2021	%	2020	%
Advance Technology Facilities	1,549,455	47%	277,157	12%	-	-	-	-	-	-
Building Construction	1,209,110	36%	1,101,893	46%	1,349,610	68%	1,060,586	66%	901,424	62%
Civil and Infrastructure	455,136	14%	612,722	26%	532,438	27%	400,536	25%	416,961	29%
Foundation and Geotechnical Engineering	51,072	1%	109,111	4%	102,532	5%	58,138	4%	143,620	10%
Mechanical, Electrical and Plumbing	289,499	9%	350,767	15%	425,083	22%	437,450	27%	367,995	25%
Renewable Energy	83,745	2%	334,003	14%	9,692	-	22,946	1%	9,050	1%
Others	786	-	4,508	-	4,778	-	5,024	-	1,871	-
Consolidated Adjustment	(311,906)	-9%	(409,114)	-17%	(450,485)	-22%	(378,432)	-23%	(385,695)	-27%
Total Construction	3,326,897	100%	2,381,047	100%	1,973,648	100%	1,606,248	100%	1,455,226	100%
Total Precast	194,793		290,178		181,583		122,907		97,426	
<b>Total Turnover</b>	<b>3,521,690</b>		<b>2,671,225</b>		<b>2,155,231</b>		<b>1,729,155</b>		<b>1,552,652</b>	

### SEGMENTAL PROFIT

RM'000	2024	2023	2022	2021	2020
<b>GROSS PROFIT MARGIN</b>					
Construction	13.4%	15.9%	17.4%	21.5%	18.0%
Precast	17.4%	19.2%	12.8%	9.4%	9.9%
<b>Total</b>	<b>13.6%</b>	<b>16.3%</b>	<b>17.0%</b>	<b>20.7%</b>	<b>17.4%</b>
<b>PROFIT BEFORE TAX</b>					
Construction	RM'000 260,439 7.8%	RM'000 169,912 7.1%	RM'000 173,341 8.8%	RM'000 148,784 9.3%	RM'000 98,775 6.8%
Precast	RM'000 12,523 6.4%	RM'000 18,734 6.5%	RM'000 10,716 5.9%	RM'000 3,461 2.8%	RM'000 2,729 2.8%
<b>Total</b>	<b>RM'000 272,962 7.8%</b>	<b>RM'000 188,646 7.1%</b>	<b>RM'000 184,057 8.5%</b>	<b>RM'000 152,245 8.8%</b>	<b>RM'000 101,504 6.5%</b>

# Management Discussion and Analysis

## Revenue

**RM3,521.7** million



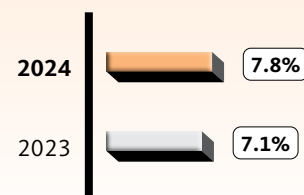
## Profit Before Tax

**RM273.0** million



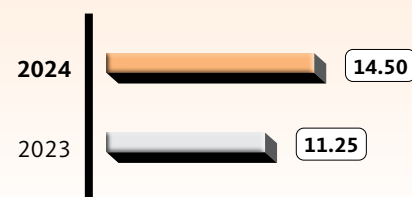
## PROFIT BEFORE TAX MARGIN (%)

0.7%



## BASIC EARNINGS PER SHARE (Sen)

3.25



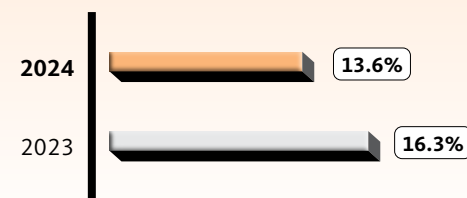
## AVERAGE RETURN ON CAPITAL EMPLOYED (%)

4.0%



## GROSS PROFIT MARGIN (%)

2.7%



## EFFECTIVE TAX RATE (%)

5.1%



## STAFF PRODUCTIVITY (REVENUE / STAFF COST)

1.0



## AVERAGE RETURN ON EQUITY (%)

3.0%



# Management Discussion and Analysis

## MAJOR CUSTOMERS

RM'000	2024	%	2023	%
GBS Suria Sdn. Bhd.	47,899	1%	158,520	7%
K2 Strategic Infrastructure Malaysia Sdn. Bhd.	155,725	5%	30,154	1%
Malaysia Rapid Transit System Sdn. Bhd.	342,536	10%	125,464	5%
National Highways Authority of India	74,856	2%	360,063	15%
Sharp Ventures Solar Sdn. Bhd.	32,140	1%	135,561	6%
Yellowwood Properties Sdn. Bhd.	1,042,532	31%	240,290	10%
In-House	1,211,879	37%	1,191,163	50%
Others	419,330	13%	139,832	6%
<b>Total Construction Turnover</b>	<b>3,326,897</b>	<b>100%</b>	<b>2,381,047</b>	<b>100%</b>

## REVENUE

RM'000

	2024	2023
Construction	3,326,897	2,381,047
Precast	194,793	290,178
<b>Total</b>	<b>3,521,690</b>	<b>2,671,225</b>



### Construction Segment

The increase in turnover for the FY2024 was driven by accelerated progress in several data centre projects couple with some projects reached their peak construction phases.

**39.7%**



### Precast Segment

The turnover was lower in FY2024 due to a staggered delivery schedule for newly secured projects. Most of these projects, secured in FY2023, will begin delivery in FY2025 and beyond, once the construction sites are ready to receive them.

**32.9%**

## MESSAGES FROM THE LEADERSHIP

## Management Discussion and Analysis

## GROSS PROFIT MARGIN

%	2024	2023
Construction	13.4%	15.9%
Precast	17.4%	19.2%



## Construction Segment

Gross profit for the previous year was significantly higher due to the finalisation of accounts for completed projects.

2.5%



## Precast Segment

Gross profit for the previous year was higher in tandem with the higher turnover.

1.8%

## PROFIT BEFORE TAX

RM'000	2024	%	2023	%
Construction	260,439	7.8%	169,912	7.1%
Precast	12,523	6.4%	18,734	6.5%
<b>Total</b>	<b>272,962</b>	<b>7.8%</b>	<b>188,646</b>	<b>7.1%</b>



## Construction Segment

Profit before tax for FY2024 was higher, in line with increased revenue. Despite a lower gross profit margin compared to the previous year, the overall profit margin improved. This was primarily due to the reversal of several impairment allowances for long-outstanding debtors that were successfully cleared during the year. Additionally, interest income realised from the deferred payment scheme contributed to the higher profit margin.

0.7%



## Precast Segment

Precast managed to maintain the profit before tax margin despite lower revenue, primarily due to the reversal of provisions on raw materials for completed projects.

0.1%

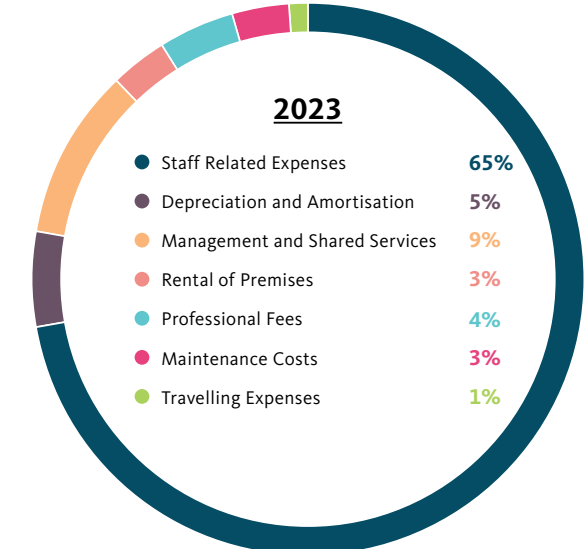
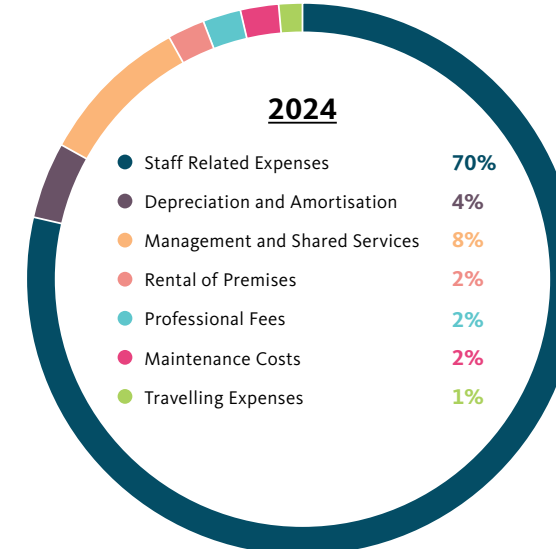
## Other Income

Other income for FY2024 amounted to RM40.6 million (FY2023: RM54.0 million), with one of the major contributors being a legal case settlement involving one of our India branches. Additionally, other income includes gains from asset disposals, scrap sales, and reimbursements for expenses incurred in India.

## MESSAGES FROM THE LEADERSHIP

## Management Discussion and Analysis

## ADMINISTRATION EXPENSES



Administrative Expense increased by 16% from RM226.0 million in FY2023 to RM262.0 million in FY2024 mainly from:

- Higher staff cost from higher bonus provision for the current financial year as a result of improved performance of the Group.
- Higher promotional expenses incurred for Sunway Group's 50<sup>th</sup> anniversary campaign.
- Professional fees related to bank arrangements, structural fees, and independent engineer charges for India HAM projects.
- Welfare cess incurred in India as required by Building & Other Construction Workers' Welfare Cess Act, 1996 based on at least 1% of the construction cost incurred by the employer.

## Net Reversal of Impairment / (Impairment Losses) on Financial Assets and Other Expenses

The total net reversal of impairment on financial assets and other expenses amounted to RM5.5 million (FY2023: net losses of RM38.0 million). The majority of these expenses consisted primarily of reversal of MFRS 9 allowances for receivables.

## Finance Income and Finance Cost

## Finance Income

Finance income for FY2024 amounted to RM75.7 million, a significant increase from RM26.4 million in FY2023. This growth was primarily driven by project financing charges to clients and the collection of annuity payments from one of India's Hybrid Annuity Model (HAM) projects, which accounted for approximately 67% of total finance income. Additionally, the increase was supported by tax-exempt earnings from money market instruments, benefiting from special tax exemptions.

## Finance Cost



**Malaysia:** The Overnight Policy Rate (OPR) in Malaysia has remained stable at 3.00% since May 2023, keeping the effective interest rate for FY2024 similar to FY2023. However, finance costs increased as the higher OPR affected only half of FY2023 but applied to the entire year in FY2024. Additionally, borrowings were only repaid towards the end of FY2024, resulting in overall higher interest expenses in FY2024 despite the unchanged OPR.



**Singapore:** In FY2024, Singapore's overnight rate remained within the 3.38% to 3.65% range, resulting in interest expenses staying relatively stable at RM10.4 million (FY2023: RM11.6 million).



**India:** In FY2024, interest expenses in India increased to RM42.1 million, up from RM31.1 million in FY2023, primarily due to higher loan drawdowns as the two HAM projects substantially completed. The increased borrowing to fund project expenses, coupled with a rise in India's average interest rate from 10.11% in FY2023 to 10.21% in FY2024, further contributed to the higher finance costs.

Further details on SunCon's capital management is presented under Capital Management section.

# Management Discussion and Analysis

## Finance Income

RM'000	2024
Cash and bank	13,241
Structured entities	5,260
Interest-bearing trade receivables	50,554
Others	6,609

## Finance Cost

RM'000	2024
MYR	(12,500)
SGD	(10,407)
INR	(42,075)
MFRS 16	(181)

## Finance Income

RM'000	2023
Cash and bank	5,812
Structured entities	9,720
Interest-bearing trade receivables	4,088
Others	6,824

## Finance Cost

RM'000	2023
MYR	(4,922)
SGD	(11,591)
INR	(31,088)
MFRS 16	(315)

## 2024

Finance Income Rate	2.80% to 5.07%
Finance Cost Rate - Malaysia	3.71% to 3.98%
Finance Cost Rate - Singapore	4.70% to 4.92%
Finance Cost Rate - India	10.21%

## 2023

Finance Income Rate	2.80% to 4.99%
Finance Cost Rate - Malaysia	3.50% to 3.88%
Finance Cost Rate - Singapore	4.86% to 5.31%
Finance Cost Rate - India	10.11%

## TAXATION (Effective Tax Rate)



The effective tax rate for FY2024 was 27.8%, higher than Malaysia's statutory tax rate of 24% primarily driven by under provision identified during a tax audit and investigation, which led to higher taxable income. Additionally, collections from long-outstanding settlements in the India branches, subject to a higher tax rate of 40%, further contributed to the increase. In FY2023, the lower effective tax rate of 22.7% was mainly due to foreign source income which is non taxable and over provision of tax in prior year.

# Management Discussion and Analysis

## SunCon's Approach to Tax

SunCon's tax compliance for the main subsidiary is outsourced to BDO Tax Services Sdn. Bhd. and the other subsidiaries within the group is handled by Sunway FSSC Sdn. Bhd. where there is a dedicated tax team to ensure tax installment payments and tax submission to Inland Revenue Board of Malaysia (IRB) is performed on a timely and accurate manner. We are also supported by Sunway Berhad's Group Tax Department and frequent engagement with our tax consultant (BDO) on areas of concern for a consensus approach. For our overseas ventures, we also have external tax agent assisting us including local JV partners who are more familiar with complex foreign tax laws (e.g. India).

For SunCon group of companies in Malaysia, the tax issues that we frequently face is under Public Ruling 2/2009 whereby a degree of judgement is needed to be exercised especially with assessing final estimate profit for completed projects to the year of substantial completion or when Certificate of Practical Completion (CPC) is obtained whilst client normally takes 1 to 2 years after physical completion to finalise the project revenue (final account). As a result, there might exist occurrence of over or under estimation of tax payable.

## STATEMENT OF FINANCIAL POSITION

### KEY BALANCE SHEET

RM'000	Note	2024	2023	2022	2021	2020
Property, Plant and Equipment	1	85,134	97,981	107,521	124,668	107,321
Investments in Joint Arrangements	2	224,375	253,148	223,131	126,601	44,805
Other Non Current Assets	3	412,328	492,483	268,034	598,150	451,637
Total Non Current Assets		721,837	843,612	598,686	849,419	603,763
Trade Receivables	4	1,501,450	1,241,348	677,726	600,607	866,397
Cash and Bank and Placement	*	1,015,763	470,393	491,628	98,845	200,071
Intercompany		216,262	185,327	175,459	189,243	143,395
Tax Recoverable	5	20,260	15,005	18,897	19,710	19,720
Other Current Assets (inventories + other debtors+financial assets)	6	120,658	327,114	273,652	106,391	72,717
Total Current Assets		2,874,393	2,239,187	1,637,362	1,014,796	1,302,300
Total Assets		3,596,230	3,082,799	2,236,048	1,864,215	1,906,063
Trade Payables	7	1,563,953	921,082	716,220	766,656	836,187
Borrowings and Lease Liabilities	*	732,094	441,107	178,159	97,708	235,620
Intercompany		105,595	46,389	24,812	25,393	13,347
Other Current Liabilities		254,913	293,210	184,138	102,254	108,840
Total Current Liabilities		2,656,555	1,701,788	1,103,329	992,011	1,193,994
Borrowings and Lease Liabilities	*	1,139	488,728	311,925	152,547	72,729
Other Non Current Liabilities		36	326	-	2,886	730
Total Non Current Liabilities		1,175	489,054	311,925	155,433	73,459
Total Liabilities		2,657,730	2,190,842	1,415,254	1,147,444	1,267,453
Total Equity		938,500	891,957	820,794	716,771	638,610
Total Liabilities and Equity		3,596,230	3,082,799	2,236,048	1,864,215	1,906,063

\* Please refer to Capital Management on pages 31 to 32.

# Management Discussion and Analysis

# Management Discussion and Analysis

FINANCIAL RATIOS						
RM'000	Note	2024	2023	2022	2021	2020
<strong>Precast Segment</strong>						
Trade Receivables Turnover (Days)	4	94	152	172	148	185
Trade Payables Turnover (Days)	7	49	91	74	118	77
Inventory Turnover (Days)	6	97	70	104	139	143
<strong>Construction Segment</strong>						
Trade Receivables Turnover (Days)	4	121*	115*	98*	99	162
Trade Payables Turnover (Days)	7	129	86	61	102	125
Net working capital days		28	69	37	5	34

\* Trade Receivables Turnover (Days) under Construction Segment excluded long term receivable.

NOTE 1: PROPERTY, PLANT AND EQUIPMENT				
Net Book Value (NBV) in RM'000	2024	%	2023	%
Freehold Land	8,538	10%	8,538	9%
Buildings	9,125	11%	9,101	9%
Plant and Machinery	58,424	69%	70,954	72%
Motor Vehicles	1,474	2%	2,200	2%
Office Equipment, Furniture and Fittings	2,925	3%	2,638	3%
Capital Work-in-Progress	1,984	2%	964	1%
Righ-of-Use Assets	2,664	3%	3,586	4%
Total	85,134		97,981	

There was an additional acquisition of RM9.4 million (FY2023: RM17.7 million) and a total disposal of NBV of RM5.5 million (FY2023: RM0.5 million) during the financial year. Most of the acquisition related to plant and machinery used for production at the ICPH plant. Some of the machineries and equipments categorised as capital work-in-progress, as certain machine parts and solar panels are still in the process of installation for specific renewable energy investment projects.

SunCon holds a freehold land in Senai Johor with the cost of RM8.5 million. This land, covering a total area of 475,409 sq ft, is currently utilised as our Precast Plant in Senai. This facility comprises an open casting yard with 9 production lines, a worker's canteen, office and a power station.

The net book value of RM9.1 million under the Buildings category consists of casting yards and site offices for both our Iskandar and Senai precast plants which are located in Johor, Malaysia.

In terms of Motor Vehicles, SunCon owns a fleet of four-wheeled drives and motorcycles that is allocated to all project sites for ease of travelling within the construction sites. Apart from that, it is also a norm under the contractual requirement for SunCon to provide motor vehicles for our clients and consultants. These vehicles are typically disposed or repurposed for use by our project teams upon completion of contractual period.

Finally, Office Equipment, Furniture and Fittings, amounting to RM2.9 million, primarily comprise IT hardware and specialised software used to support our operations.

NOTE 2: INVESTMENT IN JOINT ARRANGEMENTS

Investment in joint arrangements primarily pertains to investment in HL-Sunway JV Pte Ltd to acquire the land in Singapore for ICPH as well as to fund the construction of building as it was agreed by both JV partners that they will not be borrowing under this joint venture.

NOTE 3: OTHER NON CURRENT ASSETS

The other non current assets in current financial year mainly comprises the 60% of the construction work done for our two HAM projects in India which will only be paid after the completion of construction over 15 annuity years. During the FY2024, the Meensurutti-Chidambaram Highway project reached its PCOD on 15 February 2024, and annuity collections have commenced. Additionally, the Thorapalli Agraharam-Jittandahalli Highway project has also achieved its Phase 1 PCOD on the 1 November 2024, with target completion of the remaining works by end 2025.

NOTE 4: TRADE RECEIVABLES

The trade receivables turnover for the construction segment was higher in FY2024, which is consistent with the increase in revenue during the financial year.

For the precast segment, trade receivables turnover improved in FY2024 compared to FY2023, reflecting management’s efforts to clear long-outstanding receivables.

NOTE 5: TAX RECOVERABLE


Total tax recoverable amounted to RM20.3 million (FY2023: RM15.0 million). Of this amount, RM9.1 million (FY2023: RM7.5 million) is recoverable from the Indian Tax authorities and is currently under legal proceedings. SunCon continues to actively pursue the recovery of these taxes. However, the legal process has faced significant delays due to the COVID-19 pandemic.

The remaining balance of the tax recoverable is with the Inland Revenue Board of Malaysia, primarily relating to tax overpayments arising from tax audit assessments. We have received written confirmation of settlement from the authorities and are optimistic that the outstanding amounts will be recovered in the near future.

NOTE 6: INVENTORIES


The inventory turnover of the Precast Segment primarily consists of finished goods, accounting for 80% in FY2024 (FY2023: 72%). The level of finished goods is largely dependent on clients’ readiness to receive precast components as scheduled. In FY2024, inventory holding days increased from 70 days to 97 days, mainly due to a high volume of outstanding orders still in the early stages of the construction cycle, resulting in slower deliveries.

NOTE 7: TRADE PAYABLES



**Precast Division:**

Despite longer debtors’ turnover period, precast pays its creditor obligation timely (FY2024: 49 days; FY2023: 91 days).



**Construction Division:**

Payment terms to our creditors increased in line with the longer collection period from trade debtors (FY2024: 129 days; FY2023: 86 days).



# Management Discussion and Analysis

## STATEMENT OF CASH FLOWS

CONDENSED CASH FLOW STATEMENT					
RM'000	Financial Year Ended				
	2024	2023	2022	2021	2020
Dividend from Joint Venture	-	-	-	211	110
Other Operating Cash Flows	716,426	(299,388)	(215,024)	238,499	87,692
<b>Total Operating Cash Flows</b>	<b>716,426</b>	<b>(299,388)</b>	<b>(215,024)</b>	<b>238,710</b>	<b>87,802</b>
Acquisition of Property, Plant and Equipment	(9,409)	(18,453)	(27,114)	(34,819)	(3,393)
Disposal of Property, Plant and Equipment	12,719	2,459	25,208	3,290	1,537
(Acquisition) / Disposal of Investment	111,788	(26,118)	765,146	(147,550)	(359,017)
Net Cashflow from Loss of Control of Structured Equity	-	-	-	-	(5,890)
Withdrawal / (Placement) of Deposits Pledged to Licensed Banks	6,928	(2,477)	(45,695)	43,986	181,753
Other Investing Cash Flows	16,413	(18,289)	(109,404)	(56,961)	1,200
<b>Total Investing Cash Flows</b>	<b>138,439</b>	<b>(62,878)</b>	<b>608,141</b>	<b>(192,054)</b>	<b>(183,810)</b>
Dividend	(116,043)	(70,915)	(90,255)	(51,574)	(61,245)
(Repayment to) / Advanced Received from Related Company	-	-	-	-	(95,833)
Other Financing Cash Flows	(187,363)	408,355	48,574	(52,761)	20,416
<b>Total Financing Cash Flows</b>	<b>(303,406)</b>	<b>337,440</b>	<b>(41,681)</b>	<b>(104,335)</b>	<b>(136,662)</b>

### Operating Cash Flows

We successfully turned around the negative operating cash flow to positive in FY2024, primarily driven by repayments from the deferred payment scheme for the two LSS4 projects, following the achievement of their commercial operation dates. Additionally, during the year, we achieved the PCOD for the Meensurutti-Chidambaram Highway project in India on 15 February 2024, with annuity collections now underway.

### Investing Cash Flows

The positive investing cash flow for this year was primarily driven by the disposal of our investment in the Maybank Shariah Institutional Income Fund. Previously, we had allocated more than 30% of the total fund size, classifying it as an associate investment in FY2023.

Additionally, we undertook a series of housekeeping activities to optimise our plant and machinery fleet size. The disposal of property, plant, and equipment further contributed to the positive investing cash flow.

### Financing Cash Flows

The negative financing activities for this year were mainly from the repayment of loans which we previously drawdown to loan for the LSS4 projects, where an initial lump sum is needed to purchase solar panels.

## CAPITAL MANAGEMENT

RM'000	2024	2023	2022	2021	2020
Term Loans - Long term	-	487,724	308,541	145,390	67,203
Term Loans - Short term	496,624	115,550	82,352	-	76,367
Loan Bills Discounting	100,000	200,977	77,827	65,524	107,345
Revolving Credits	133,996	121,708	12,000	27,000	50,000
<b>Total Borrowings</b>	<b>730,620</b>	<b>925,959</b>	<b>480,720</b>	<b>237,914</b>	<b>300,915</b>
Total Finance Cost	65,163	47,917	18,025	4,583	6,943
Total Finance Income	75,664	26,444	13,874	4,153	7,805
Net Finance Income / (Finance Cost)	10,501	(21,473)	(4,151)	(430)	862
<b>FINANCIAL RATIOS</b>					
Net Gearing Ratio (Times)	Net Cash	0.56	Net Cash	0.20	0.16
Interest Coverage Ratio	4	5	14	35	16

SunCon has a robust capital management system to ensure that we maintain a healthy capital ratio in order to support our daily operation without disruption. Our strategy is to maximise shareholder's wealth by managing our excess funds accordingly. Our funds are invested in a diverse portfolio such as the fixed income securities, money market instruments and placement in selected funds.

Our objective as a Group is to optimise internal funds and to minimise external borrowings and we will also source for the most reasonable rate both in placement and borrowing. We manage our funds by planning our payment ahead of time to ensure that we keep a minimum bank balance at all times. This will allow us to place our excess funds in quest to obtain a higher return. With this, we will be able to arbitrage between our placement and borrowing rates differential.

Our payment and collection are mostly transacted in Ringgit Malaysia, Singapore Dollars for our precast business in Singapore and India Rupees for our India projects. We do constant monitoring on our foreign currency exposure and ensure that we hedge accordingly when opportunity arises.

### Debt Management

SunCon has borrowings of RM234.0 million (FY2023: RM322.7 million) of Short Term borrowings comprises of Loan Bill Discounting, Invoice Financing and Revolving Credit, where monthly project progress certificates are being used as an instrument for lending with maturity tenure ranging from 30 to 120 days. These short term borrowings are mainly used to manage our receivables turnaround period. It is also used to support the initial capital requirement of new projects, capital expenditure requirements, bulk purchase of materials for better economies of scale and optimisation of interest rates differential.

Apart from that, our borrowings also consist of term loan for our Singapore precast division's ongoing ICPH plant expansion and 2 of our India HAM projects financing.

With that, SunCon Group registered a net cash positive in this financial year as opposed to previous financial year of net gearing of 0.56 times.

# Management Discussion and Analysis

## Invoice Factoring

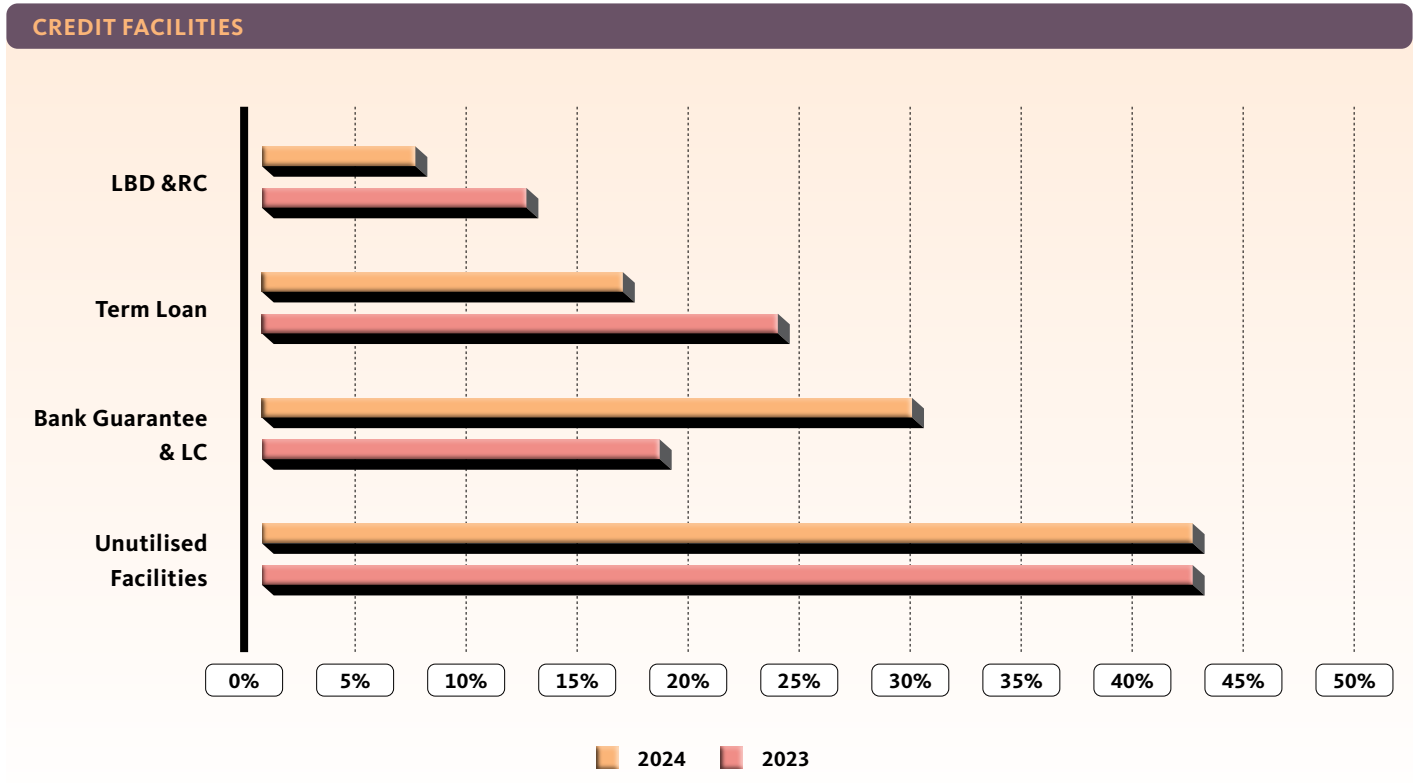
In any construction job, cash turnaround is of great importance. As such, SunCon strives to ensure that our payments to subcontractors and suppliers are on a timely basis so that they have sufficient cash flow to work around. Any disruption to our subcontractors and suppliers will have a chain effect on the progress at site. However, in any circumstances where our subcontractors require funds earlier than the stipulated credit period, we will arrange for them to factor their invoices with Sunway Leasing so that they are able to obtain their required funds within 3 business days with competitive rates. As at December 2024, a total of RM158 million (FY2023: RM103 million) was financed through Sunway Fintech Services (FKA Sunway Credit Factoring).

## Shariah Compliant Funds

SunCon has cash under conventional accounts and investments of RM551.4 million (FY2023: RM219.0 million), the ratio of cash under conventional accounts and instruments over total assets was at 15% (FY2023: 7%) hence satisfying the compliant regulation that requires cash that are placed under conventional accounts and instruments to be less than 33% of total assets. Total assets in year ended 31 December 2024 amounted to RM3,596.2 million (FY2023: RM3,082.8 million).

## Credit Facilities

It is important to ensure that we have sufficient credit facilities on hand to ensure that we can seize any job opportunity in the market. Our credit facilities vary for the issuance of bank guarantees such as performance bond, advanced payment bonds, tender bonds, security bonds, loan bill discounting and revolving credit. In 2024, we have utilised 57% (FY2023: 57%) of our credit facilities.



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## VALUE CREATION

RM'000	2024	%	2023	%
<b>VALUE ADDED</b>				
Revenue	3,521,690		2,671,225	
Purchases of goods and services	(2,951,051)		(2,208,659)	
	570,639		462,566	
Share of profits of associates	-		540	
Share of profits of joint ventures	298		(14,689)	
Adjustment arising from MFRS 9	10,459		(27,312)	
Financing cost	(65,163)		(47,917)	
Other income and expenses	35,630		43,357	
<b>TOTAL VALUE ADDED</b>	<b>551,863</b>		<b>416,545</b>	
<b>RECONCILIATION:</b>				
Profit for the year	186,906		145,109	
Add: Depreciation and amortisation	17,276		21,011	
Finance cost	65,163		47,917	
Staff costs	196,462		158,971	
Taxation	75,941		42,799	
Minority Interests	10,115		738	
<b>TOTAL VALUE ADDED</b>	<b>551,863</b>		<b>416,545</b>	
<b>Value Distributed</b>				
<b>Employees</b>				
Salaries and other staff costs	196,462	35%	158,971	38%
<b>Government</b>				
Corporate Taxation	75,941	14%	42,799	10%
<b>Providers of Capital</b>				
Dividends	116,043	21%	70,915	17%
Finance costs	65,163	12%	47,917	12%
Minority Interest	10,115	2%	738	-
<b>Reinvestment and growth</b>				
Depreciation and amortisation	17,276	3%	21,011	5%
Income retained by the Group	70,863	13%	74,194	18%
<b>TOTAL DISTRIBUTED</b>	<b>551,863</b>	<b>100%</b>	<b>416,545</b>	<b>100%</b>