

HOW WE
CREATE VALUE



THESE ARE OUR INPUTS

Financial Capital

SunCon's operations are typically funded on internally generated funds and a portion of well-adjusted debt. We have a robust capital management system in place to maintain a stable financial position.

Manufactured Capital

SunCon owns a number of plants and a wide range of machineries. We have two Precast plants in Johor and RM73 million worth of machineries.

We are currently developing an advanced precast manufacturing facility in Singapore to mechanise the production of precast components (ICPH).

Human Capital

Our community spans across all age groups with diverse technical knowledge and capabilities. Cultivating lean and synergistic teams and creating an engaging, empowering and energising work environment remain key areas of focus for SunCon.

Intellectual Capital

Building Information Modeling (BIM) Technology coupled with Integrated Project Delivery enables better coordination throughout the entire construction lifecycle.

We leverage on digital technology to enhance efficiency and enable business transformation.

Natural Capital

SunCon utilises water, energy and raw materials in the form of cement, sand, steel and construction aggregates in our business operations. We seek to manage and utilise resources, as well as carry out our business operations in a responsible manner that reduces the impact to the environment.

- ISO 14001 & ISO 45001 certified

Social and Relationship Capital

SunCon engages and maintains strong relationships with our key stakeholders, namely clients, business partners, professional bodies and local communities where we build.

WE HAVE CORPORATE STRATEGIES WHICH HELP TO DRIVE VALUE CREATION...

<p>To be the Top 3 Construction and Engineering Company in Malaysia</p>	<ul style="list-style-type: none"> • The Group targets a min revenue of RM2 billion annually • The Group aims to maintain a return on capital employed (ROCE) > 30% • We target a minimum order book replenishment of RM2.0 billion to RM3.0 billion per annum
<p>Sustainability through Environment, Safety and Health</p>	<p>SAFETY AND HEALTH</p> <ul style="list-style-type: none"> • To achieve ZERO life loss • To maintain AFR below 0.15 • To achieve Safety and Health Assessment System in Construction (SHASSIC) score 4 Star and above <p>ENVIRONMENT</p> <ul style="list-style-type: none"> • To maintain ZERO compounds and fines from environmental violations
<p>Sustainability through employees as our key assets</p>	<ul style="list-style-type: none"> • We hope to maintain productivity of more than 15 times (2019: 12, 2018: 13, 2017: 12, 2016: 10, 2015: 11) • We target employee turnover to be lower than the industry's attrition (2019: 14.4% vs 13.8%, 2018: 13% vs 9%, 2017: 13% vs 15%, 2016: 15.1% vs 15.1%) • Employee Engagement Survey aspiration score of 2021: >75% (2019: 72%, 2017: 69%, 2015: 59%)
<p>Sustainability through Quality and Innovation</p>	<p>QUALITY</p> <ul style="list-style-type: none"> • To achieve at least 90% in Customer Satisfaction Score • We aim to maintain QCLASSIC score more than the Malaysian industry average presently at 71% (2019: 75% vs Industry average 73%, 2018: 74% vs industry average 74%, 2017: 81% vs Industry average 74%) <p>INNOVATION - DIGITAL TRANSFORMATION</p> <ul style="list-style-type: none"> • Being in the age of disruption, the Group will further improve the Virtual Design and Construction particularly in tracking the progress of project, costing and facilities management • The Group will also further automate the billing system after successfully implementing the Esker Invoicing for the past 2 years. We target to improve operational efficiency as a whole
<p>Global Expansion and New Product</p>	<p>GLOBAL EXPANSION</p> <ul style="list-style-type: none"> • Overseas venture (India, Indonesia, Philippines) <p>NEW PRODUCT</p> <ul style="list-style-type: none"> • Exploring further Sustainable Energy opportunities and various green products through Mechanical, Electrical and Plumbing division such as Large Scale Solar Projects and district cooling plants

WE TAKE INTO CONSIDERATION

RISKS PERFORMANCE GOVERNANCE OUTLOOK



AND PRODUCES OUTPUTS

<p>Market Capitalisation: RM2,431 million</p> <p>New Order Book: RM2,334 million</p> <p>Return on Capital Employed: 12%</p>
<p>SAFETY AND HEALTH</p> <p>Accident statistics: 2 fatal accidents</p> <p><i>Refer to page 76</i></p> <p>SHASSIC score 5 Star - 4 projects (SMCSJ, PNLC, LRT3 GS07&08 & 3C4) 4 Star - 2 projects (SCME & RC1)</p> <p>Accident Frequency Rate (AFR): 0.27</p> <p>ENVIRONMENT</p> <p>Environmental Compounds & Fines: Nil</p> <p>Staff Productivity: 13 times</p> <p>Attrition Rate: 13.1%</p> <p>Employee Engagement Score: N/A*</p> <p><i>(* the Employee Engagement Survey is carried out once every 2 years)</i></p> <p>Customer Satisfaction Score: 96.1%</p> <p>Average QCLASSIC Score: N/A*</p> <p><i>(* QCLASSIC assessment was not carried out in 2020 as SunCon's projects were still at on-going stage)</i></p>
<p>We were awarded 2 highway projects in Tamil Nadu, India jointly with RNS Infrastructure Ltd, on the hybrid annuity model (HAM) approach.</p> <p>We signed a Memorandum of Understanding (MoU) with ENGIE South East Asia to venture into district cooling systems for greenfield & brownfield urban development projects.</p>

WHICH ULTIMATELY DELIVERS OUTCOMES THAT FURTHER CREATE VALUE

Delivering Sustainable Shareholders' Returns

- Good track record which provides greater access to high returns and opportunities

Responsible Governance

- Uphold good corporate governance practices throughout the business operations

Managing Our Environmental Impacts

- Mitigate any negative environmental impact by observing best industry practices and strict adherence to environmental regulations

Strengthening Economic Integrity

- Continuously have a positive impact on the local economy and our stakeholders and to expand our business in a sustainable manner which includes management of investment

Embedding Safety, Innovation And Quality In Construction

- Create a safe and healthy working environment for all employees and safeguard public safety whilst maintaining quality construction

Human Capital Development

- Empowering employees to achieve career aspirations
- Create conducive workplace where our employees can grow professionally and personally

Building Community Resilience

- Support the vulnerable sections of the community and engage the public to gather feedback to understand their concerns