INTEGRATED ANNUAL REPORT 2022

VALUE CREATION MODEL

In FY2022, 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.

In essence, values have been created based on the cumulative use of capitals but for illustration purposes, capitals and values have been alligned to their respective categories i.e. financial capitals to financial values and so forth.

CAPITALS

APPROACH TO SUSTAINABLE VALUE CREATION

DRIVEN THROUGH OUR BUSINESS MODEL

OUTPUTS

OUTCOMES



VISION

To be a leading regional construction and engineering group.

FINANCIAL



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

Beginning of FY2022:

- > Share capital: RM258.6 million
- > Retained profits: RM470.8 million
- > Cash and bank balances: RM98.8 million
- Market capitalisation: RM2.0 billion

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.

- > A wide range of plant and machineries
- > 2 precast plants
- ▶ 1 ICPH in Singapore (commissioned in December 2022)

INTELLECTUAL



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

- > Knowledge and technology acquisition via JVs, strategic partnerships and undertaking of new and diverse projects
- Group business model
- > Divisional business strategies
- > VDC solutions suite
- > VDC technological capabilities



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

- > Multifaceted, people-first HR policies
- > High-performance work culture centred on merit, equality and diversity
- > Job enrichment and cross functional opportunies via diverse business divisions across the Sunway Group
- > Centralised Labour Quarters (CLQ) for workers
- > 974 strong workforce (excluding direct workers)

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.

- > Various engagements with the investment community, media, as well as regulatory bodies and industry associations / professional bodies > Widespread engagement with diverse community stakeholders

▶ 129 internship opportunities provided to young graduates



NATURAL



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

- > Energy consumed 32,841 MWh
- > 207 MWh solar energy
- > 354,658 m³ of water consumption (Alternate water source: 11.2%)



> Revenue: RM2,155 million

> PRT. RM184 1 million

> PAT: RM138.7 million

> Cash and bank balances: RM491.6 million

> 53% dividend payout of PAT after minority interests > RM45.3 million paid in income taxes

> RM138.5 million paid in wages

> Market capitalisation: RM2.017 billion as at end FY2022

➤ High Return on Equity (2022: **18%**; 2021: **17%**) - Best ROE for 4 consecutive years in the Construction Sector awarded by The Edge Billion Ringgit Club

> RM2.16 billion in projects progress for FY2022

> 5,051 Dwelling Units (DU) constructed using precast

> Average QLASSIC score: 82% (vs industry average 76%)

> Advancing the construction and infrastructure landscape in Malaysia and the region leading to new technological based solutions and the advancement of the green building agenda

> Setting higher benchmark for quality design and build

> 7% reduction in resource consumption

> 28% reduction in time spent on production of

> 425 staff trained and developed with VDC competencies in FY2022 (FY2021: 142)

> Nurturing tomorrow's industry talent today progressively creating generations of digitally savvy industry professionals, ready and equipped with skills to rethink present conventions to building approaches, while being adapt to sustainable development methodologies

> Enabling sustainable construction by managing resource consumption and carbon footprint while enhancing the Group's value proposition

Multi-cultural workforce composition

> Produced 5 Project Managers aged below 35

> 15.6x staff productivity

> Development of local talents creation

> Employee engagement score FY2022: 63%

of higher-income jobs as well as providing opportunities for career advancement

> Improved stakeholder relationships

> 85% buy calls from analysts and research houses

> 5 awards & recognitions received

> Zero fines for labour law non-compliance > Customer Satisfaction Score: 95.60%

> Zero reported fines for environmental non-compliance

> Continued progress achieved on multiple environmental KPIs and targets

> On-track in meeting SunCon Future Value Goals 2030

> Zero accidents involving the community or general public

100% supply chain compliance with the Group's Anti-Corruption and Bribery Policy

> 6 interns absorbed into the Group. Provision of opportunities for aspiring, high-potential, local talents > Development of talent pool that supports

SunCon's human capital requirements > Contribution of more than RM2.09 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

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