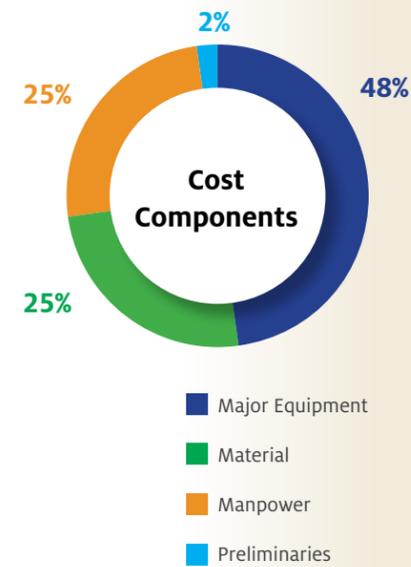


MANAGEMENT DISCUSSION AND ANALYSIS



MECHANICAL, ELECTRICAL AND PLUMBING SERVICES



8 projects completed in 2022  
Total contract value  
**RM382 million**



MEP works at MRT Sentul West Underground Station

As China's strict COVID-19 lockdowns were still in effect for the most part of FY2022, many of the division's supply chains were significantly affected leading to higher material prices and various logistical issues.

Despite prevailing conditions, the Mechanical, Electrical and Plumbing services (MEP) division successfully delivered 8 projects in FY2022.

Among the projects completed were the installation of Air Conditioning and Mechanical Ventilation (ACMV) systems and the Thermal Energy Storage (TES) tank at IOI City Mall Phase 2. The TES tank enables reduced energy consumption for the 2.5 million sq ft mall and is part of the ongoing drive by SunCon to undertake more green or eco-friendly infrastructure projects.

Other projects successfully completed were the RM54 million MRT Line 2 Chan Sow Lin and RM48 million Sentul West underground stations. The projects have been delivered to the client, Klang Valley Mass Rapid Transit (KVMRT).

Also completed were the MEP works for the Tenaga Nasional Berhad (TNB) Headquarters Campus Phase 2 project located at Bangsar, Kuala Lumpur.

During the year, the Group was awarded the General Contractor Services Contract for a data centre construction project located in Sedenak Tech Park (STeP) in Johor, for RM1.7 billion. Construction works commenced in FY2022 and the project is on track for completion by the third quarter of FY2024.

Apart from that, the division was re-awarded the Oxley Tower project from the new main contractor, BUCG (M) Sdn Bhd. The re-awarding comes with additional work scope with an upward revised contract value of RM68 million. Work has commenced and is slated for completion by FY2024.

OUTLOOK AND PROSPECTS

SunCon's MEP division is strategically placed to capitalise on emerging opportunities. It possesses extensive and growing internal capabilities, which is being augmented through JV collaborations. Beyond technical skills and industry expertise, JVs also enable geographic expansion – supporting the MEP division's aspirations to expand its operating base. In essence, JVs will pave the way for knowledge transfer that enables a swifter and more successful entry into niche market segments, while driving new business opportunities in new markets.

Demand for niche products in new segments i.e. data centres, cleanroom facilities and others continue to increase at an accelerated pace. These niche market segments involve new MEP capabilities and services such as back-up and redundancies capabilities, cleanroom processes and more.

Bolstering MEP sustainability credentials is the fact that the division's equipment is certified "green". Coupled with the division's experience in undertaking District Cooling System (DCS) and Thermal Energy Storage (TES) projects, the division is well positioned to capitalise on emerging opportunities going forward. The Division is also exploring the possibility of developing a DCS in Sunway City Ipoh.

WORKFORCE

Staff Force	2022	2021	2020
Male	109	115	121
Female	21	24	22
<b>Total</b>	<b>130</b>	<b>139</b>	<b>143</b>

Staff Category (%)	2022	2021	2020
Executive	85	82	81
Non-Executive	15	18	19

MANAGEMENT DISCUSSION AND ANALYSIS



Facade lighting installation at TNB HQ Campus Phase 2, Kuala Lumpur

The MEP division will also look progressively to adopt prefabrication strategies i.e. Design for Manufacture and Assembly (DfMA) to increase efficiency and reduce cost. It will continue to leverage on BIM technologies for overall MEP coordination, contract awards and to improve project management.

Synergistic opportunities will also be a priority as the division combines its strengths with other divisions within SunCon or within the Sunway Group to secure projects and to develop new solutions and value propositions that offer a distinctive competitive edge.

Revenue Mix

