

MESSAGES FROM THE LEADERSHIP

# Management Discussion and Analysis

Sunway Medical Centre, Sunway City Kuala Lumpur



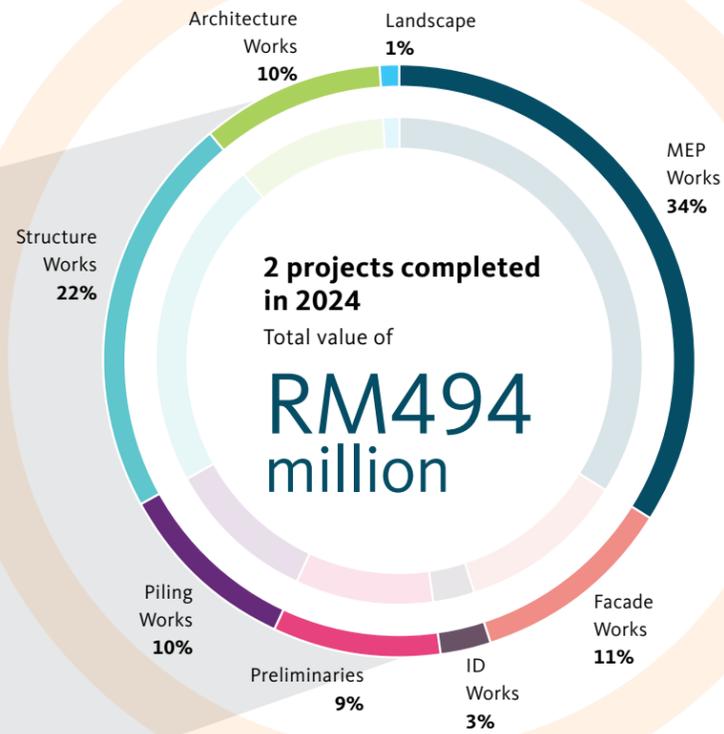
## BUILDING CONSTRUCTION SERVICES



REVENUE MIX

■ Residential ■ Commercial ■ Mixed

### Cost Components



2 projects completed in 2024

Total value of

**RM494 million**

With an established track record for operational excellence spanning across four decades, SunCon's Building Construction Services division continues to emerge as an innovative and capable industry leader. The division's project portfolio consists of national landmarks such as the Kuala Lumpur Convention Centre, Petronas New Leadership Centre, TNB Headquarters Campus Phase 2 and Legoland Malaysia Theme Park amongst others.

The division continues to register new business and operational highlights. In 2024, notable accomplishments included the successful completion of the Sunway Medical Centre Damansara, Sunway Velocity 2 (Plot B) and the Sunway Belfield project.

Other notable project works include Sunway Medical Centre Ipoh, which is scheduled for handover in April 2025.

The division's largest in-house mixed development project, Sunway Square, is progressing as planned and is expected to be completed by fourth quarter of 2025. Similarly, the Daiso Global Distribution Centre (GDC) warehouse project in Pulau Indah is on track for completion by second quarter of 2026.

2024 also saw new projects secured as the division looked to shore up its order book. Another new project secured during the financial year is the RM720.9 million shopping mall in Sunway City Ipoh. The project is expected to be completed by 2027.

The division continues to pursue more technologically advanced projects. These included ATF projects and design and construction of data centres, warehouses and logistics facilities. It did face challenges consistent with ongoing trends within the construction sector. These challenges were volatility in prices of raw materials, supply chain disruptions, labour scarcity, extreme weather events and others.

*Further details on SunCon's involvement in data centre projects are further elaborated at the Mechanical, Electrical and Plumbing Services (MEP) & ATF section of this report.*

In response, the division expanded its supply chain networks to secure a more reliable flow of materials and locked in prices during favourable market conditions to reduce the impact of price fluctuations. Additionally, the division adapted its project timelines by adjusting work schedules to minimise delays caused by weather-related disruptions.

*Further information on the impact of external trends on SunCon can be found in the External trends and Development section of this report.*

SunCon's Building Construction Services division also leveraged the Group's Virtual Design and Construction (VDC) to enhance collaboration among project stakeholders. This approach enabled accurate visualisation of final products and contributed to smoother execution, improved operational efficiency while supporting a reduction in Scope 3 emissions. The latter was achieved through reduction achieved in material wastage, and paper-based processes.

Aligned with Sunway Group's commitment to ESG principles, the division actively seeks innovative technologies to create sustainable energy solutions.

### WORKFORCE

Staff Force	2024	2023	2022
Male	507	651	763
Female	82	108	91
<b>Total</b>	<b>589</b>	<b>759</b>	<b>854</b>

Staff Category (%)	2024	2023	2022
Executive	41	37	30
Non-Executive	59	63	70

### OUTLOOK AND PROSPECTS

The Building Construction Division shall continue to focus on external projects, notably mixed development and special purpose projects. The focus is on expanding to new, more commercially lucrative niche sectors, scaling up existing capabilities and to remain competitive with existing and emerging trends in the external operating environment.

However, the division will also focus on conventional private and public sector construction projects, both in Malaysia and abroad.

The proven approach of JV collaboration will also be harnessed towards accelerating the knowledge and technology acquisition as well as expediting market access. Both of which will hasten the division's pace of scaling up the value chain towards being capable of undertaking higher, value-added construction projects.

Continued improvements in the domestic economy as well as the domestic construction sector augur well for prospects. The change in US policies post the presidential elections may also lead to more businesses relocating to Malaysia to circumvent new tariffs and other market barriers. It is possible that a new wave of high-tech industrial facilities such as semiconductor manufacturing facilities, data centres, state-of-the-art logistics facilities may move into Malaysia, similar to the period between 2016-2020.

In addition, existing catalytic plans such as the Industrial Masterplan and others should also have a galvanising effect on the domestic economy and the domestic construction sector.