

Chairman's Statement

Scaling New Heights: A Record-Setting Year Built on Operational Excellence and Strategic Discipline

DEAR ESTEEMED STAKEHOLDERS,

On behalf of the Board of Directors of Sunway Construction Group Berhad (SunCon or the Group), I am pleased to present the Integrated Annual Report 2025 and audited financial statements for the financial year ended 31 December 2025.

Financial year 2025 (FY2025) was a landmark year for SunCon, as the Group capitalised on the rapid expansion of data centre construction while maintaining the operational excellence of our core business units. The Group achieved historic highs for both revenue and profitability, underscoring the resilience and agility of our diversified business model.

DATO' IR GOH CHYE KOON



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Global Distribution Centre (GDC) warehouse, Port Klang, Selangor

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**RM5.2
billion**

**new orders – our
highest since listing.**

REVIEW OF THE OPERATING ENVIRONMENT IN 2025

Despite global headwinds including geopolitical volatility and trade friction, the Malaysian economy demonstrated remarkable resilience in 2025. Gross Domestic Product expanded by a stronger than expected 5.2%, on the back of strong domestic demand and robust growth in the services, manufacturing and construction sectors. Within this landscape, the construction sector acted as a primary catalyst for national growth, supported by the steady execution of public infrastructure projects and private sector developments. While the industry navigated higher input costs driven by revised electricity tariffs, wage adjustments and material price fluctuations, the momentum remained intact. Furthermore, a significant structural shift occurred during the year as Malaysia solidified its position as a regional hub for digital infrastructure, sparking a RM126 billion construction-led investment cycle in data centres. Against this backdrop, SunCon was ready to seize this golden opportunity.

REVIEW OF BUSINESS PERFORMANCE

FY2025 was a year of solid execution and strategic progress for SunCon, with performance underpinned by disciplined delivery across its diversified portfolio. The Group's ability to respond to emerging market drivers such as the data centre boom, while maintaining execution discipline across its core construction segments, supported both earnings quality and robust order book replenishment. SunCon achieved a historic milestone in 2025, securing RM5.2 billion in new orders – our highest since listing. This record performance was complemented by RM2.9 billion in high-growth data centre projects, RM1.9 billion in in-house Sunway developments and RM0.4 billion in new precast projects. These wins demonstrate our operational agility and our proven excellence across diverse market segments.

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As the main driver of SunCon's foray into the data centre construction sector, the construction segment continues to demonstrate reliability and strength, bolstered by the successful delivery of two additional data centres in Johor in 2025. With this proven execution track record and deepening technical capabilities, we achieved a significant milestone in the data centre space. As at 31 December 2025, SunCon had delivered more than 156 MW of data centre capacity and during 2025, secured five new data centre projects, including one from a new multinational technology corporation, further strengthening our international client portfolio.

This strategic focus on high-specification critical infrastructure has unlocked a new growth engine and positioned SunCon at the forefront of Malaysia's data centre evolution. Beyond driving direct financial returns, these projects act as a catalyst for Group-wide synergy. Our data centre portfolio leverages SunCon's end-to-end capabilities, creating internal demand for our expertise in foundation works and advanced building systems.

While the Advanced Technology Facilities (ATF) segment provided high-growth momentum, our Civil and Infrastructure Services delivered key milestones that bolstered SunCon's credentials in complex connectivity projects. The successful completion of the Johor-Singapore Rapid Transit System (RTS) Link, Package 5, underscored the division's ability to manage technically demanding projects. This has significantly strengthened the Group's positioning for future participation in large-scale public infrastructure initiatives.

Parallel to our infrastructure milestones, the Building Construction Services segment continued to redefine urban landscapes through the completion of high-value healthcare and commercial assets. Among the notable achievements in FY2025 were the completion of the Sunway Medical Centre Ipoh and the successful handover of Phase 1 of Sunway Square in flagship Sunway City Kuala Lumpur. Collectively, these milestones underscored the Group's ability to deliver specialised, large-scale developments that meet high institutional and commercial standards.

During the year, SunCon further strengthened its portfolio with a RM1.5 billion contract for construction works at the Rapid Transit System Transport-Oriented Development (RTS TOD) at Bukit Chagar, Johor. This project is of critical importance for the nation, set to drastically enhance connectivity between Malaysia and Singapore. SunCon's scope of works includes design, construction and completion of a multistorey park and ride, a perimeter circulation road for the RTS Link project, as well as a retail podium and mixed-use development.

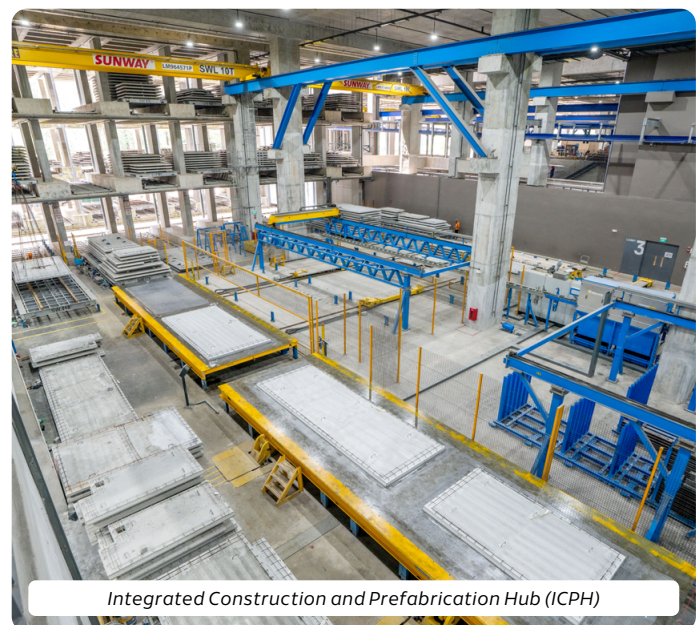
In our Sustainable Energy Services segment, the Group is an active enabler of Malaysia's transition to a low-carbon economy. A defining milestone in FY2025 was the successful commissioning of the RM37 million, 11.8 MWac solar facility in Kapar, Klang. Delivered under the Corporate Green Power Programme (CGPP), this project serves as a high visibility blueprint for our ability to execute renewable energy assets.

By actively pursuing a diversified pipeline of renewable energy opportunities, we are ensuring that SunCon remains at the forefront of the National Energy Transition Roadmap (NETR), driving both environmental impact and long-term shareholder value.

Our Precast Concrete Products segment continues to be a cornerstone of our regional diversification strategy. The division successfully secured six new contracts with a combined value of SGD113.8 million through Singapore's Build-to-Order (BTO) programme. This steady replenishment of our order book reflects our standing as a trusted partner in Singapore's public housing ecosystem. Additionally, the division achieved another notable milestone by completing two specialised nursing home projects.

FINANCIAL PERFORMANCE

With strong growth momentum and a proven execution capability, SunCon has delivered historic revenue and profit milestones in 2025, while strengthening earnings visibility for the years ahead. With dedication, the team at SunCon has endeavoured to capture and deliver on opportunities that position us for sustained growth.





Integrated Construction and Prefabrication Hub (ICPH)

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This strong performance was reflected in SunCon's financial results, with the Group achieving its highest-ever revenue of RM5.3 billion in FY2025, compared to RM3.5 billion in FY2024. Profit Before Tax (PBT) also reached a record high of RM526 million, almost double the RM273 million recorded in FY2024.

Furthermore, SunCon's financial position continued to be supported by a healthy outstanding order book, which stood at RM5.7 billion as at 31 December 2025.

Revenue
 **RM5.3 billion**
 FY2024: RM3.5 billion

Profit Before Tax
 **RM526 million**
 93% increase compared to RM273 million in 2024

Outstanding Order Book
 **RM5.7 billion**

DIVIDENDS

Considering SunCon's stellar performance in FY2025, the Board took deliberate steps to reward shareholder loyalty through sustained dividend distributions across the year. This included a first interim single-tier dividend of 5.00 sen per ordinary share declared in May, followed by a second interim dividend of 7.25 sen per ordinary share declared in August. In November, the Board declared a third interim dividend of 6.25 sen per ordinary share, alongside a special single-tier dividend of 23.00 sen per ordinary share. In February 2026, a fourth interim single-tier dividend of 9.00 sen per ordinary share was declared.

In aggregate, total dividends declared for FY2025 amounted to 50.50 sen, representing 184% of profit after tax and minority interest (PATMI). This payout reflects the Board's confidence in the Group's financial position and its continued focus on delivering tangible and sustained returns to shareholders.

FIRST INTERIM DIVIDEND OF 5.00 SEN PER SHARE

First interim single-tier dividend of 5.00 sen per ordinary share for the financial year ended 31 December 2025

20 May 2025	10 June 2025	25 June 2025
Announcement of the notice of entitlement and payment	Date of entitlement	Payment date

SECOND INTERIM DIVIDEND OF 7.25 SEN PER SHARE

Second interim single-tier dividend of 7.25 sen per ordinary share for the financial year ended 31 December 2025

21 August 2025	11 September 2025	25 September 2025
Announcement of the notice of entitlement and payment	Date of entitlement	Payment date

THIRD INTERIM DIVIDEND OF 6.25 SEN PER SHARE

Third interim single-tier dividend of 6.25 sen per ordinary share for the financial year ended 31 December 2025

20 November 2025	10 December 2025	23 December 2025
Announcement of the notice of entitlement and payment	Date of entitlement	Payment date

SPECIAL DIVIDEND OF 23.00 SEN PER SHARE

Special single-tier dividend of 23.00 sen per ordinary share for the financial year ended 31 December 2025

20 November 2025	18 December 2025	8 January 2026
Announcement of the notice of entitlement and payment	Date of entitlement	Payment date

FOURTH INTERIM DIVIDEND OF 9.00 SEN PER SHARE

Fourth interim single-tier dividend of 9.00 sen per ordinary share for the financial year ended 31 December 2025

23 February 2026	17 March 2026	31 March 2026
Announcement of the notice of entitlement and payment	Date of entitlement	Payment date

Dividend History

	FY2025	FY2024	FY2023	FY2022	FY2021
Dividend Per Share (sen)	50.50	8.50	6.00	5.50	5.25
Dividend Payout (RM'000)	664,826	109,602	77,362	70,915	67,691
Profit After Tax and MI (RM'000)	361,778	186,906	145,109	135,181	112,586
Dividend Payout Ratio	184%	59%	53%	53%	60%
Opening Share Price, 1 January	4.65	1.94	1.56	1.56	1.88
Dividend Yield	10.9%	4.4%	3.8%	3.5%	2.8%

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AWARDS AND RECOGNITIONS

FY2025 was also a year of recognition for SunCon. The Edge Billion Ringgit Club recognised SunCon for Highest Return on Equity and Highest Growth in Profit After Tax over the past three years in the construction sector. With this, SunCon has now achieved recognition across all three award categories offered by The Edge, marking two consecutive years where we have taken home two awards.

Beyond our financial performance, we were honoured at the National Corporate Governance & Sustainability Awards (NACGSA) 2025, being named among the Top 50 for Overall Excellence from a pool of over 800 public-listed companies.



COMMITMENT TO RESPONSIBLE AND SUSTAINABLE GROWTH

Strong governance, climate readiness and workforce standards continue to shape how SunCon positions itself for sustainable and responsible growth. Guided by clear Board oversight, the Group has progressively strengthened its ethical framework, environmental commitments and people capabilities to support increasingly complex project delivery and rising stakeholder expectations.

This visible and consistent improvement in discipline and transparency was reflected in SunCon's improved FTSE ESG rating, which advanced from three stars to four stars in 2025. The uplift signals growing external confidence in the Group's overall sustainability journey and sets a stronger baseline as SunCon builds scale and long-term value.

Strengthening Governance and Ethical Conduct

In 2025, the Board reinforced governance and ethical conduct as non-negotiable foundations for sustainable growth. A key milestone in SunCon's zero-tolerance stance was achieved with the attainment of ISO 37001:2016 Anti-Bribery Management Systems (ABMS) certification, formalising the Group's commitment to preventing, detecting and addressing bribery risks.

During the year, the Malaysian Anti-Corruption Commission (MACC) initiated an investigation involving one of the Group's employees. Upon the MACC's investigation, SunCon received an official written confirmation from MACC on 18 August 2025 clarifying that the scope of its investigation pertains solely to the personal conduct of the individual concerned and it remains an isolated case. MACC further confirmed that neither SunCon nor any of its subsidiaries are subjects of investigation under any provision of the MACC Act 2009, including Section 17A.

The Board takes this matter with utmost seriousness and SunCon remains steadfast in its commitment to the highest standards of integrity, transparency and governance across all operational levels of the Group. SunCon has since reinforced its existing whistleblowing policies, dedicated compliance oversight and strengthened accountability across the organisation.

Advancing Climate and Environmental Readiness

The focus on governance extends to environmental stewardship, which is integral to SunCon's long-term strategy. During FY2025, the Group issued an updated Sustainability Policy, supported by its Net Zero by 2050 framework and alignment with the Science Based Targets initiative (SBTi). We are committed to a 5% annual reduction in Scope 1 and Scope 2 emissions, exceeding targets under the recommended decarbonisation pathway. During the year, we expanded the scope of our Scope 3 emissions coverage and continued to strengthen climate governance in preparation for IFRS S2 climate-related disclosures. This included enhancing emissions measurement practices and commencing sustainability-related data collection from key suppliers to improve Scope 3 visibility. Our adoption of IFRS S1 and S2 standards will strengthen sustainability-related financial disclosures, improving transparency on how sustainability factors and climate-related risks and opportunities may affect the business, strategy and financial performance.

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Building Capability Through People and Standards

To support increasingly complex projects and sustainability priorities, we continue to strengthen our capabilities through both workforce development and robust labour and human rights standards. In 2025, we introduced a Labour Standards Policy aligned with the International Labour Organization (ILO) principles, reinforcing our commitment to fair labour practices and the protection of human rights across our operations. Concurrently, we invested in enhancing workforce readiness, particularly for the data centre sector, through specialised certifications and sustainability-related training.

Digitalisation, Innovation and Responsible Data Governance

As projects grow in scale and digital intensity, we also formalised governance over digital project information. In 2025, SunCon expanded the adoption of cloud-based Virtual Design and Construction tools and became one of the earliest contractors to establish structured guidelines for cloud system access management. These measures enhance data integrity, strengthen cybersecurity controls and reduce exposure to risks in multiparty project environments. Collectively, they reflect the Board's focus on leveraging digital innovation to improve delivery outcomes and build responsible governance across the project lifecycle.

OUTLOOK AND PROSPECTS FOR 2026

As we look ahead to 2026, Malaysia's economic growth is expected to be moderate, yet resilient, underpinned by domestic demand and continued investment in structurally driven sectors. While global uncertainties persist, ongoing development activities and committed investment pipelines are expected to support economic momentum. The construction sector is expected to continue benefiting from sustained investment in data centre and digital infrastructure developments.

Industry estimates indicate that the expansion of data centre projects is set to extend into 2026, supported by a visible pipeline of large-scale developments and associated construction works. This includes approximately RM13 to RM14 billion in major data centre-related construction contracts expected to progress towards delivery by mid-2026.

Beyond data centres, continued investment in industrial facilities, logistics infrastructure and selected public sector projects is expected to reinforce construction demand. These developments are likely to favour projects requiring higher levels of technical expertise and execution capability, even as the sector continues to navigate cost pressures and evolving operating conditions.

Against this backdrop, the medium-term outlook for the construction sector will be driven by structural demand. The convergence of digital infrastructure expansion, industrial development and ongoing infrastructure delivery is expected to sustain a steady pipeline of opportunities in 2026, contributing to sector stability amid an uncertain global environment.

ACKNOWLEDGEMENTS

I would like to extend my sincere appreciation to our dedicated employees and Senior Management for their continued commitment, professionalism and discipline in navigating a demanding operating environment. Their collective efforts and execution focus were instrumental in sustaining the Group's performance and advancing our strategic priorities during the year.

To our shareholders, customers, bankers, business partners, government ministries and regulatory authorities, thank you for your enduring confidence, trust and support. These partnerships are the bedrock of our progress and remain vital to our pursuit of long-term sustainability.

On behalf of the Board, I wish to record our deep appreciation to Dato' Siow Kim Lun, Independent Non-Executive Director, who retired in May 2025. His experience, guidance and contributions have played an important role in supporting the Group's governance and development. We also extend our sincere thanks to Tan Sri Dato' (Dr.) Chew Chee Kin, Non-Independent Non-Executive Director, who retired on 31 December 2025. We are grateful for the invaluable contributions and strategic perspectives he provided throughout his tenure.

At the same time, we take this opportunity to welcome Datuk Mohd Anuar Bin Taib to the Board as Non-Independent Non-Executive Director, effective 1 January 2026. We look forward to leveraging his expertise as we continue to execute our growth strategy and pursue sustainable long-term growth.

Finally, I would like to express my gratitude to my fellow Board members for their counsel, stewardship and constructive engagement throughout the year. Together, we remain committed to guiding SunCon forward and delivering sustainable value for all stakeholders.

DATO' IR GOH CHYE KOON
Chairman