

Management Discussion and Analysis



Sunway Square, Sunway City Kuala Lumpur

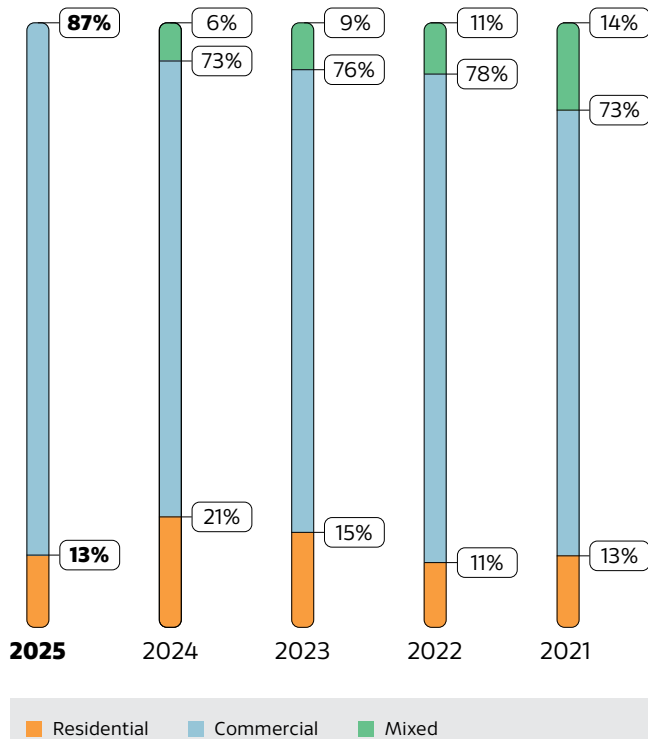


BUILDING CONSTRUCTION SERVICES

With a stellar track record in building construction spanning more than four decades, the Building Construction Services division continues to be a key contributor to SunCon. Its portfolio includes national landmarks such as the Kuala Lumpur Convention Centre, PETRONAS Leadership Centre, TNB Headquarters Campus Phase 2 and Legoland Malaysia Theme Park, reflecting the division's long-standing involvement in complex and high-profile developments.

Management Discussion and Analysis

Revenue Mix



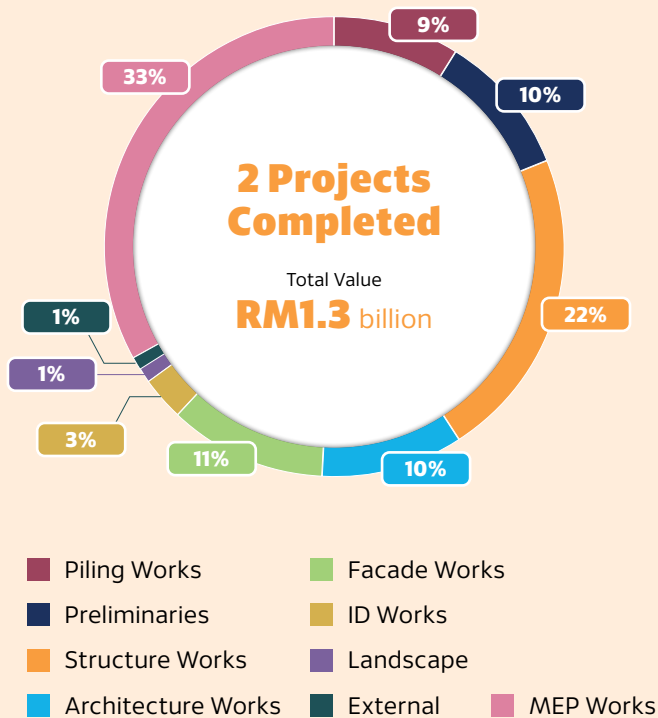
KEY PERFORMANCE HIGHLIGHTS

In 2025, the division achieved several significant milestones, marked by the successful completion of Sunway Medical Centre Ipoh in April and Sunway Square in December. The Daiso Global Distribution Centre in Pulau Indah continued to progress steadily, with targeted completion in the second quarter of 2026. Construction activities also advanced on the RM721 million Sunway City Ipoh shopping mall, which remains on track for completion in 2027.

During FY2025, the division further strengthened its order book by securing a notable project, the Rapid Transit System Transport-Oriented Development (RTS TOD) in Bukit Chagar, Johor, valued at RM1.5 billion. The project comprises; Part A, which covers the construction of the drop-off and pick-up facility, the connection to the Immigration, Customs and Quarantine Complex, the perimeter ring road and retaining walls, and is expected to be completed in 2027; and Part B, which covers the construction and completion of a retail mall, podium and top-side property at the Bukit Chagar station.

Upon completion, the project is expected to serve as an integrated commercial gateway at the Malaysian terminus of the RTS Link and support urban renewal and cross-border connectivity with Singapore.

Cost Components



Staff Force	2025	2024	2023
Male	469	507	651
Female	66	82	108
Total	535	589	759

Staff Category (%)	2025	2024	2023
Executive	38	41	37
Non-Executive	62	59	63

OUTLOOK AND PROSPECTS

Looking ahead, the division will focus on internal projects in large scale transit-oriented developments in the recent landbank expansion by our parent company, Sunway Berhad. Some of the earmarked transit-oriented developments will be in the RTS TOD at Bukit Chagar, Johor, and in Seremban.

Besides that, the division will also focus on supporting the expansion of healthcare facilities from Sunway Berhad's newly listed healthcare division.

Management Discussion and Analysis



Rapid Transit System (RTS) Link, Package 5, Johor



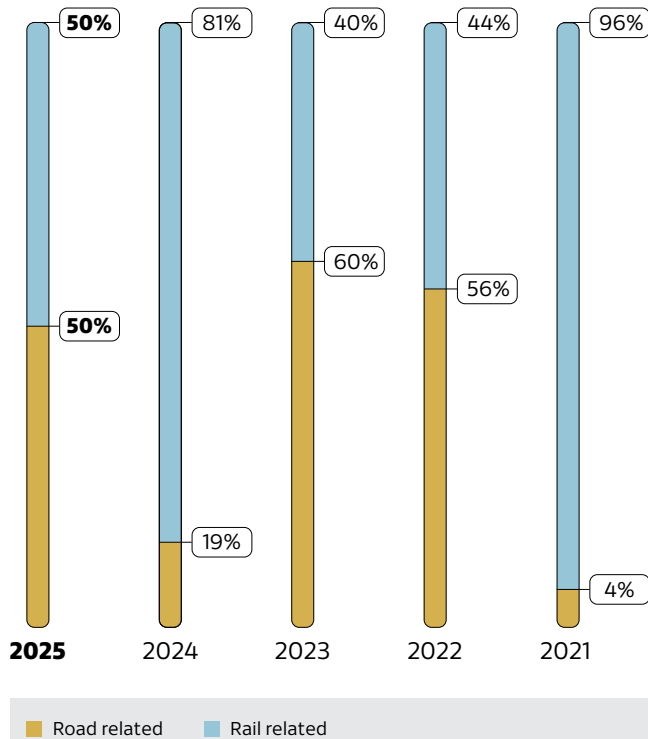
CIVIL AND INFRASTRUCTURE SERVICES

The Civil and Infrastructure Services division specialises primarily in civil and rail infrastructure construction and related services. With more than four decades of engineering excellence, our expertise spans the full project life cycle, from design to delivery. Our proven track record includes the successful execution of complex roads, highways, airports and bridges, as well as transformative rail transportation systems within Malaysia and in international markets.

Notable projects include the Kajang-SILK Highway, South Klang Valley Expressway, Bus Rapid Transit Sunway Line, MRT Line 1 Package V4, MRT Line 2 Packages V201 and S201, LRT Kelana Jaya Line and LRT3 Package GS07 and GS08, reflecting the breadth of the division's delivery capabilities.

Management Discussion and Analysis

Revenue Mix



KEY PERFORMANCE HIGHLIGHTS

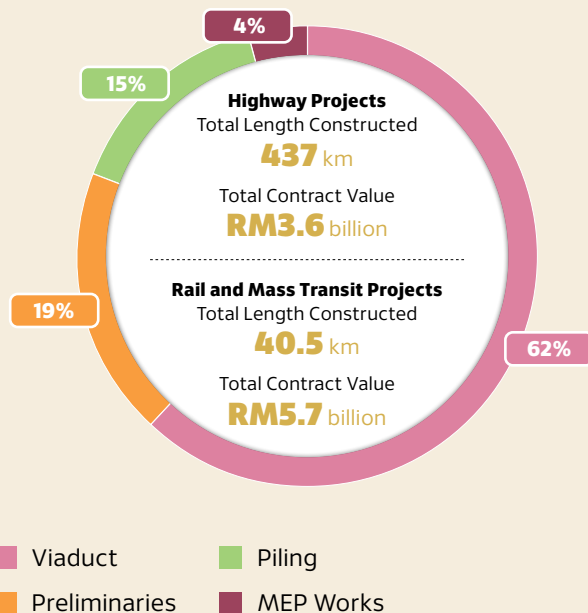
In 2025, the division substantially completed the Package 5 Terrestrial Viaducts and Ancillary Structures for the Rapid Transit System (RTS) Link between Johor Bahru and Singapore, marking a key delivery milestone for the project.

The division also further strengthened its international portfolio with the substantial completion of the Thorapalli Agraharam–Jittandahalli Highway project in India. Following the Phase 1 Provisional Certificate of Completion obtained in November 2024, the project progressed as planned and achieved more than 95% completion in 2025.

Staff Force	2025	2024	2023
Male	35	174	207
Female	0	17	25
Total	35	191	232

Staff Category (%)	2025	2024	2023
Executive	14	28	33
Non-Executive	86	72	67

Cost Components



OUTLOOK AND PROSPECTS

The substantial completion of the RTS Link works and the highway project in India reinforces the division's track record in delivering complex infrastructure projects. This provides a strong foundation to support the division's plans to bid for future contracts that require similar technical capabilities.

In the near term, the division will focus on tenders for selected major public infrastructure projects. These projects are aligned with Malaysia's National Transport Policy and expected to ease urban congestion and enhance regional mobility.

The division will also assess integrated infrastructure opportunities that closely fit its core strengths. To compete for larger tenders, SunCon will work with other divisions to develop coordinated and competitive joint proposals, leveraging the Group's experience in turnkey delivery, design and build, Engineering, Procurement, Construction and Commissioning (EPCC) and Private Finance Initiative solutions.

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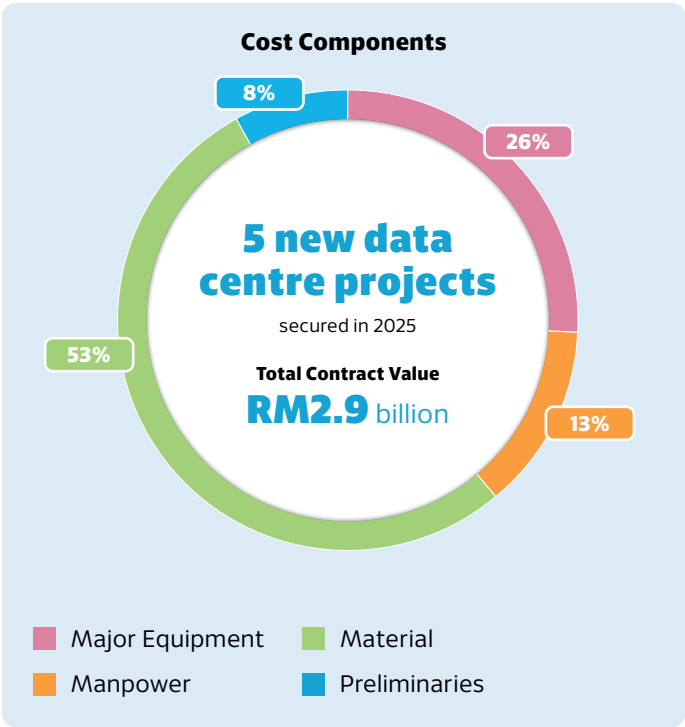
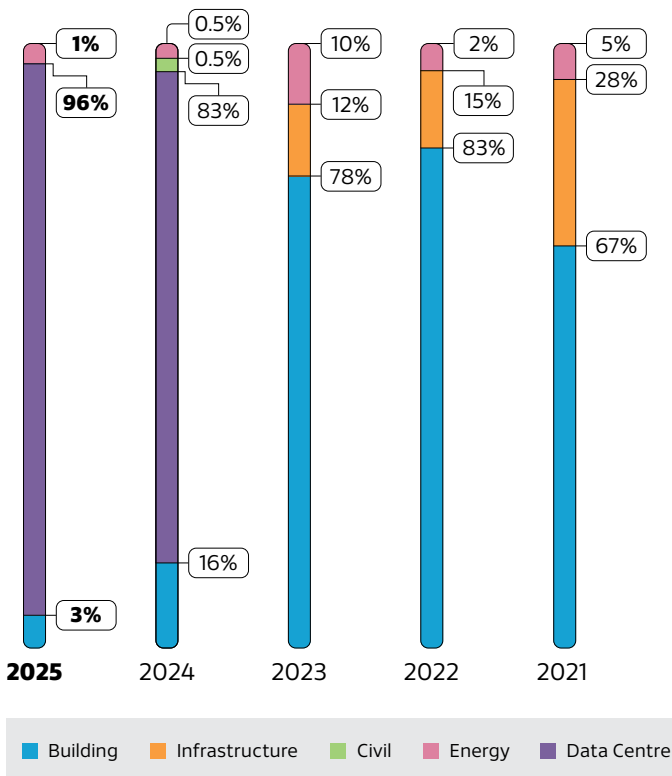


MECHANICAL, ELECTRICAL AND PLUMBING AND ADVANCED TECHNOLOGY FACILITIES

The Mechanical, Electrical and Plumbing (MEP) and Advanced Technology Facilities (ATF) division provides integrated MEP and ATF services as part of SunCon's fully integrated construction offering. It primarily supports the Building Construction and Civil and Infrastructure Services divisions in meeting clients' Green Building Index goals, drawing on its capabilities in energy-efficient and cost-effective solutions for custom and specialised projects.

Over time, the division has developed into an important engine of growth for the Group, especially in the development of mission-critical digital infrastructure projects in recent years. The division has a diverse track record encompassing central utilities facilities, green buildings and acoustics centre, as well as biotechnology facilities.

Revenue Mix



Management Discussion and Analysis

KEY PERFORMANCE HIGHLIGHTS

In 2025, the division successfully delivered two hyperscale data centre projects in Sedenak, Johor. In terms of order book replenishment, the division secured a total of five new data centre contracts during the year. This comprised two significant awards in May and an additional three contracts in December, bringing the total value of the contracts to RM2.9 billion. Spanning Johor and the Klang Valley, these upcoming facilities for multinational clients reinforce the division's position as a key delivery partner for global technology companies and further strengthen its role as a core driver of growth for the Group.

Staff Force	2025	2024	2023
Male	655	471	125
Female	135	96	22
Total	790	567	147

Staff Category (%)	2025	2024	2023
Executive	60	58	85
Non-Executive	40	42	15

OUTLOOK AND PROSPECTS

In the coming year, the division will prioritise disciplined delivery of its existing data centre and infrastructure projects. The key focus will be capturing rising demand for ATF-related works as Malaysia continues to develop its position as a regional data centre hub. The goal is to maintain reliable execution while optimising costs and project timelines.

Beyond domestic growth, the division is also assessing selective expansion opportunities with its existing multinational clients across selected ASEAN markets, including India and Vietnam. Over time, it plans to further strengthen its technical capabilities to support other high-technology industrial facilities, including semiconductor-related projects, alongside data centres.



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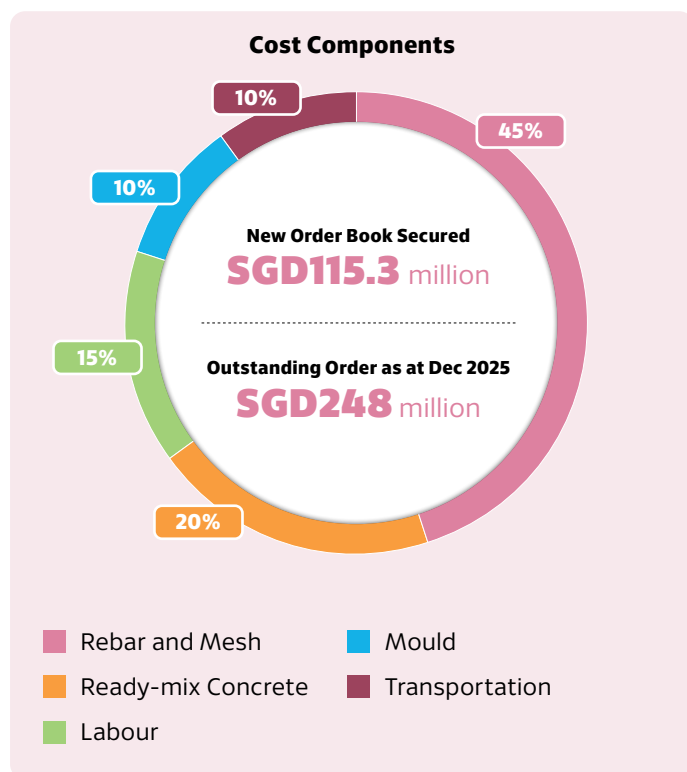
Integrated Construction and Prefabrication Hub (ICPH), Pulau Punggol Barat, Singapore



MANUFACTURING AND SALE OF PRECAST CONCRETE PRODUCTS

Operating predominantly through its Integrated Construction and Prefabrication Hub (ICPH) in Singapore, the Precast Concrete division functions as a key supply chain partner for the Singapore public housing sector. Leveraging its highly automated manufacturing capabilities, the division delivers high-quality prefabricated components, supporting efficiency and consistency for large-scale developments. The adoption of prefabrication technologies is closely aligned with Singapore's national objective of enhancing construction productivity by reducing on-site manpower requirements and ensuring quality for its essential public housing programme.

Management Discussion and Analysis



KEY PERFORMANCE HIGHLIGHTS

A key strategic milestone for FY2025 was the approval of a Temporary Occupation Licence (TOL) for land at Pulau Punggol Timor from the Building and Construction Authority (BCA) on 15 April 2025. This enhanced the division's logistical infrastructure by providing additional capacity to streamline storage and distribution operations in support of its expanding order book. In addition, the segment successfully expedited the completion of a Ministry of Health (MOH) Nursing Home project, with a second facility remaining on track for delivery within the year.

In terms of financial performance, the division continued to strengthen its market position by securing SGD115.3 million in new orders during FY2025, bringing the outstanding order book to SGD248 million as at December 2025. To mitigate persistent inflationary pressures on raw materials and labour constraints, the segment advanced its automation initiatives, commissioning a new automated mould system to further optimise workflow processes and improve productivity per headcount.

PRECAST SEGMENT INDICATOR

Precast Segment Indicator	2025	2024	2023
HDB BTO Units Launched in Singapore	19,723	19,637	24,447
Precast division sales - Private	9%	20%	-
Precast division sales - HDB	91%	80%	100%
Maximum Plant Capacity (m ³ per annum)	174,000	174,000	174,000
Overall plant utilisation rate	49%	35%	53%

Staff Force	2025	2024	2023
Male	202	196	173
Female	25	23	23
Total	227	219	196

Staff Category (%)	2025	2024	2023
Executive	31	27	29
Non-Executive	69	73	71

OUTLOOK AND PROSPECTS

The outlook remains supportive, anchored by the Singapore government's sustained commitment to public housing. With HDB launching 19,723 Build-To-Order (BTO) units in 2025 and projecting an annual supply of approximately 18,000 units between 2025 and 2027, demand for precast components is expected to remain steady.

In parallel, the segment is well-positioned to benefit from HDB's ongoing mandate for greater standardisation and productivity. This includes the requirement for all new flats to adopt standard Prefabricated Household Shelters (PHS) and Large Panel Systems (LPS). These initiatives support higher mould repetition and production efficiency, aligning closely with the capabilities of the Group's advanced precast manufacturing facilities.

In addition, a further growth avenue lies in Singapore's healthcare infrastructure sector. Following the completion of nursing home facilities, the division is positioned to support demand for precast components arising from the Singapore government's Age Well SG policy. This national programme mandates an expansion of aged care facilities, including a target to double nursing home beds to over 31,000 by 2030.

Moving forward, the segment will focus on increasing output from its LPS production line and maintaining disciplined inventory management to ensure material sufficiency in light of increased demand, while progressively exploring the adoption of cleaner energy sources to reduce embodied carbon emissions and manage long-term operational costs.

Management Discussion and Analysis



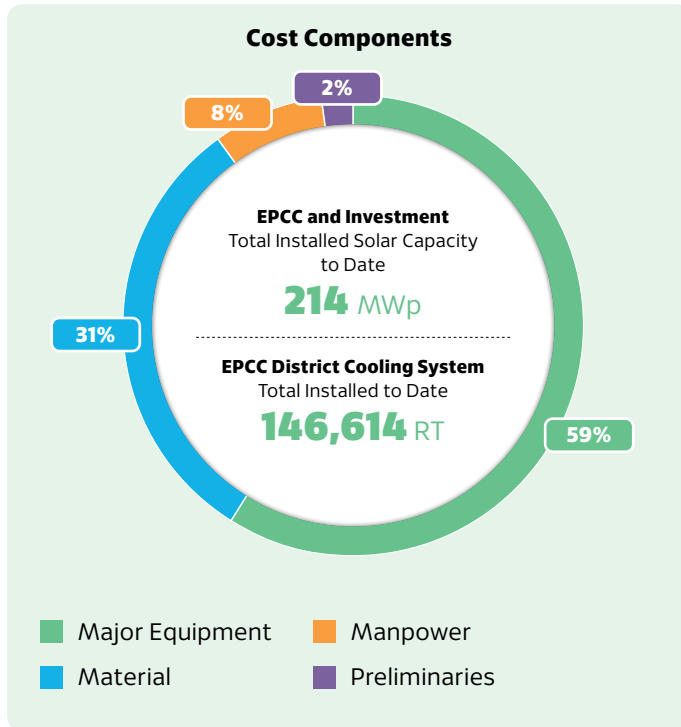
Solar Power Plant in Kapar, Klang, under the Corporate Green Power Programme (CGPP)



SUSTAINABLE ENERGY SERVICES

As part of SunCon's ongoing contribution to national decarbonisation and energy efficiency efforts, the Group delivers a range of integrated sustainable energy solutions. These span district cooling systems as well as renewable energy services, including large-scale solar developments and rooftop solar solutions for commercial and industrial buildings, supporting clients' operational efficiency and sustainability objectives.

Management Discussion and Analysis



In 2025, demand for renewable energy services remained steady, supported by continued policy momentum as the government advanced the National Energy Transition Roadmap (NETR) and the Malaysia Renewable Energy Roadmap, both of which continued to outline clear measures to increase renewable energy capacity and corporate adoption.

Solar project economics in 2025 were supported by relatively low photovoltaic module prices following the industry-wide correction in late 2024. Solar power generation costs in Malaysia became materially more competitive compared with fossil fuel generation, and lower module prices further improved investment viability for commercial and industrial customers. These conditions were aligned with continued corporate interest in renewable energy adoption driven by cost optimisation goals and sustainability commitments.

Supply chain conditions continued to stabilise during the year, with better availability of photovoltaic modules and associated components. Some volatility persisted in selected balance of system components due to freight cost movements, but overall logistics conditions supported more predictable procurement and planning compared with 2024.

In the year under review, SunCon continued to support national decarbonisation and energy efficiency objectives through integrated energy solutions that included district cooling systems, large-scale solar developments and rooftop installations for commercial and industrial clients. The key milestone was the successful completion of the 11.8 MWac solar power plant project in Kapar, Klang, under the Corporate Green Power Programme (CGPP) in November 2025. This marked the first CGPP solar plant in Malaysia to achieve commercial operation date (COD) and commence commissioning.

In addition, SunCon successfully completed the District Cooling System (DCS) project in Sunway Square, Sunway City Kuala Lumpur in August 2025, further reinforcing the division's capabilities in delivering energy-efficient infrastructure solutions for urban developments.

To date, SunCon has also invested a total of RM10.1 million in rooftop solar projects that are backed by long-term power purchase agreements (PPA), providing recurring income visibility and supporting long-term value creation. The division continues to onboard newer and more efficient solar technologies to further enhance its capabilities.

OUTLOOK AND PROSPECTS

Leveraging SunCon's role as the developer and delivery partner for these facilities, the Group is uniquely positioned to integrate renewable energy solutions seamlessly, providing a differentiated and value-added offering that strengthens its competitive edge.

To support this strategic direction, the division is open to joint ventures to enhance capabilities and scale its operations, given the land- and capital-intensive nature of these initiatives, where partnerships provide an optimal approach to execution and capital efficiency.

Management Discussion and Analysis



Piling works at project site



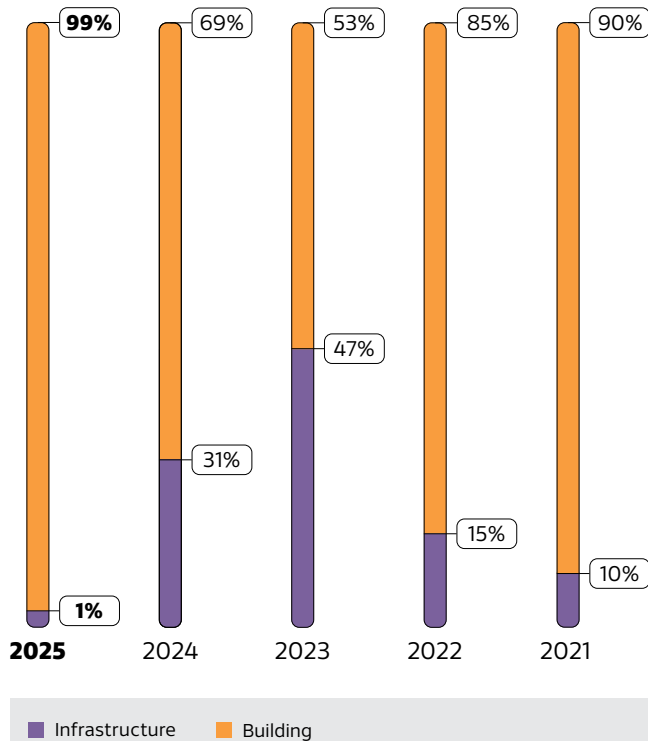
FOUNDATION AND GEOTECHNICAL ENGINEERING SERVICES

The Foundation and Geotechnical Engineering Services division continues to provide specialised expertise in foundation and geotechnical engineering works, supporting the Group's Building Construction and Civil and Infrastructure Services divisions. Its capabilities encompass piling, large diameter bored piles, diaphragm wall construction, deep basement excavation, top-down construction and related ancillary services.

The division delivers integrated geotechnical solutions for a wide range of projects, from residential and commercial buildings to large-scale construction and civil infrastructure works.

Management Discussion and Analysis

Revenue Mix



KEY PERFORMANCE HIGHLIGHTS

Throughout FY2025, the division remained focused on supporting its building, civil engineering and infrastructure projects. The rightsizing of its bore pile rig fleet in 2024, from 22 units to 12 units, has delivered positive results, with boring rig utilisation improving significantly to 93% in FY2025 from 35% in FY2024. This reflects more efficient asset deployment and better operational optimisation.

The division continued to demonstrate its specialised capabilities through the successful completion of piling works for Sunway City Ipoh Mall. During FY2025, the division also commenced piling works for the RTS TOD at Bukit Chagar, Johor.

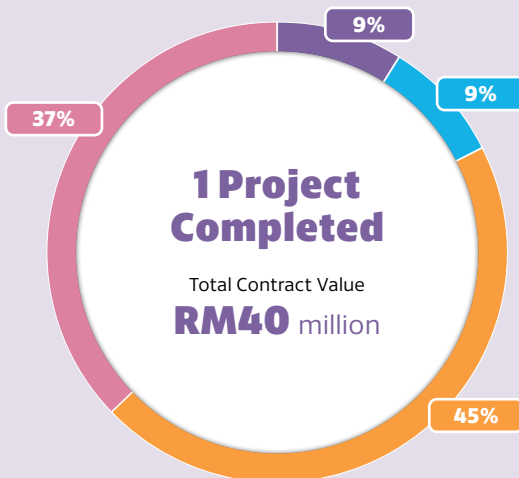
RIG UTILISATION RATE

Rig Utilisation Rate	2025	2024	2023
Number of Rigs	12	12	22
Rig Utilisation Rate	93%	35%	27%

Staff Force	2025	2024	2023
Male	11	15	41
Female	5	4	6
Total	16	19	47

Staff Category (%)	2025	2024	2023
Executive	81	63	66
Non-Executive	19	37	34

Cost Components



- Plant and Machineries
- Piling
- Preliminaries
- Subcontract Works

OUTLOOK AND PROSPECTS

In 2026, the division will focus on supporting new building, civil engineering and infrastructure projects while continuing to execute its existing order book. It will further strengthen its bored piling capabilities and carry out feasibility studies to prepare for potential large infrastructure projects. The division will also support SunCon's data centre projects by aligning resources and technical expertise with the requirements of this segment.

The division will remain focused on disciplined execution and the timely delivery of its existing building and civil infrastructure projects. By maintaining a strong focus on operational excellence, the team aims to ensure that ongoing projects continue to meet established standards of safety, quality and efficiency.