SUNWAY
CONSTRUCTION



BUILDING **ON STRENGTHS,** RISING TO **NEW HEIGHTS.**

INTEGRATED ANNUAL REPORT 2025

ABOUT THIS REPORT

Sunway Construction Group Berhad (SunCon or the Group) hereby presents its Integrated Annual Report 2025 (IAR2025). This Report provides comprehensive coverage of the Group's efforts in creating sustainable financial and non-financial value for all stakeholders.

The IAR2025 provides disclosures about SunCon's business, operational and sustainability performance. In addition, the Report examines SunCon's strategies, materiality, risks and opportunities that define the Group's operating environment and future prospects. Through the IAR2025, the Group intends to provide stakeholders with clear insights into the deployment of resources and the mechanisms through which value is created or preserved.

In line with the National Sustainability Reporting Framework, we have strived to align the Group's sustainability disclosures with the IFRS S1 General Requirements for Disclosure of Sustainability-Related Financial Information and IFRS S2 Climate-Related Disclosures.

SCOPE AND BOUNDARIES

The IAR2025 covers the performance and activities of SunCon and its subsidiaries for the reporting period commencing 1 January 2025 and ending 31 December 2025. To gain a complete understanding of the Group's performance during the year under review, this Report should be read in conjunction with the full annual financial statements. All disclosures regarding sustainability initiatives and performance metrics encompass the Group and its subsidiaries.

FRAMEWORKS AND GUIDELINES

- **Main Market Listing Requirements (MMLR) of Bursa Securities Malaysia Berhad (Bursa Securities)**
- **Malaysia Financial Reporting Standards (MFRS)**
- **Malaysian Code on Corporate Governance 2021 (MCCG)**
- **Companies Act 2016**
- **National Sustainability Reporting Framework (NSRF)**
- **FTSE4Good Bursa Malaysia (F4GBM) Index**
- **Sustainability Accounting Standards Board (SASB)**
- **Global Reporting Initiative (GRI) Standards**
- **IFRS S1 (General Requirements for Disclosure of Sustainability-Related Financial Information)**
- **IFRS S2 (General Requirements for Climate-Related Disclosures)**

MATERIALITY

The Group aims to disclose information regarding matters that substantively affect its ability to create and sustain value over the short, medium and long term. SunCon defines the short term as the upcoming 18 months, the medium term as 18 months to five years and the long term as any duration beyond five years. A detailed explanation of the materiality determination process is available on page 53 of this Report.

STATEMENT OF ASSURANCE

The consolidated financial statements and supporting data as at 31 December 2025 have been audited and verified by the external auditor, Messrs BDO PLT. The scope of this audit was limited to the information contained within the consolidated financial statements presented in the IAR2025.

The key performance data in the Sustainability Statement in the IAR2025 (related to key performance data) has been internally assured by the Group Internal Audit Department (GIAD) and independently assured by SIRIM QAS International Sdn. Bhd.

The full assurance report is provided on pages 368-377 of the IAR2025.

ONLINE VERSION AND CONTACT POINT

This Report can be downloaded from: https://sunwayconstruction.com.my/investor-relations/annual-reports/

Any feedback, suggestions or input to this Report can be sent to:
irsuncongroup@sunway.com.my

DISCLAIMER

This Report contains forward-looking statements that reflect the Group's expectations as of 31 December 2025. Actual results may differ materially from these expectations if known or unknown risks and uncertainties impact the business, or if underlying estimates and assumptions prove inaccurate. The Group provides no guarantee that any forward-looking statements will materialise and cautions readers against placing undue reliance on such information.

The Group accepts no responsibility for financial or non-financial losses incurred as a result of variances in business performance, operational outcomes or strategic execution. Furthermore, the Group assumes no obligation to update or revise these forward-looking statements as new information becomes available, except as required by the Main Market Listing Requirements.

BOARD RESPONSIBILITY STATEMENT

SunCon's Board of Directors acknowledges its responsibility to ensure the integrity of the IAR2025. The Board has accordingly applied its collective mind, and in its opinion, this Report addresses a comprehensive and balanced overview of SunCon's financial, business and operational performance, including its sustainability-related disclosures.

This Report was approved by the Board on 31 March 2026.

NAVIGATION ICONS

The IAR2025 leverages the following icons to provide easier navigation between related information or sections within the report.

Capitals:

FINANCIAL CAPITAL

All financial resources employed for the implementation of the business model and operational strategies, which include shareholders' funds, internally generated funds including retained earnings, cash and cash equivalents, and borrowings

MANUFACTURED CAPITAL

Assets, machinery and equipment owned or leased by the Group

INTELLECTUAL CAPITAL

Intangible assets such as systems and processes, business strategies, intellectual capital, standard operating procedures, patents and research and development activities

HUMAN CAPITAL

The individual and cumulative abilities, experience and professional capabilities of the SunCon Board of Directors, its Management and employees, encompassing organisational culture and employee satisfaction and morale

SOCIAL CAPITAL

The nature of relationships and level of engagement with stakeholders and the level of impact and influence such engagement has on brand equity and SunCon's ability to create value

NATURAL CAPITAL

The consumption and dependency on a wide range of resources such as energy, water, natural resources, building materials and more

Business Segments:

- Building Construction
- Civil and Infrastructure
- Mechanical, Electrical and Plumbing and Advanced Technology Facilities
- Manufacturing and Sale of Precast Concrete Products
- Sustainable Energy
- Foundation and Geotechnical Engineering

Key Stakeholder Groups:

- SG1 Clients
- SG2 General public and communities
- SG3 Authorities and regulators
- SG4 Shareholders, investors and analysts
- SG5 Employees
- SG6 Suppliers and subcontractors

Material Matters:

- EC1 Product Quality and Responsibility
- EC2 Business Performance
- EC3 Supply/Value Chain Management
- EC4 Indirect Economic Impacts
- S1 Occupational Safety and Health
- S2 Customer Satisfaction
- S3 Talent Development and Retention
- S4 Labour Practices and Standards
- S5 Diversity, Equity and Inclusivity
- E1 Waste and Pollution Management
- E2 Water Management
- E3 Energy Management
- E4 Emissions Management
- E5 Materials Management
- E6 Physical Impacts of Climate Change
- E7 Protection of Biodiversity and Ecology
- G1 Ethical Business Conduct
- G2 Risk Management and Regulatory Compliance
- G3 Corporate Governance and Transparency
- G4 Brand Awareness and Reputation
- G5 Data Privacy and Cybersecurity
- G6 Crisis Management
- G7 Digital Transformation and Innovation

Principle Risks:

- R1 Bribery and Corruption Risk
- R2 Delay in Project Delivery
- R3 Cost Overruns
- R4 Reliability of Subcontractors
- R5 Collection Risk
- R6 Environmental Risk
- R7 Cyber Threats
- R8 Impact of SST on Construction
- R9 Talent Shortage in the Market
- R10 Negative Stakeholder Perceptions
- R11 Safety and Health

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12TH ANNUAL GENERAL MEETING

Venue:
Grand Congress, Level 12, Sunway Resort Hotel, Persiaran Lagoon, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan.

Date:
29 May 2026, Friday

Time:
3.00 p.m.

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Corporate Profile

SunCon operates as a vertically integrated construction group, delivering integrated construction solutions across the full construction value chain.

The Group undertakes large-scale and technically complex projects while also providing specialised services requiring high levels of engineering and execution expertise.

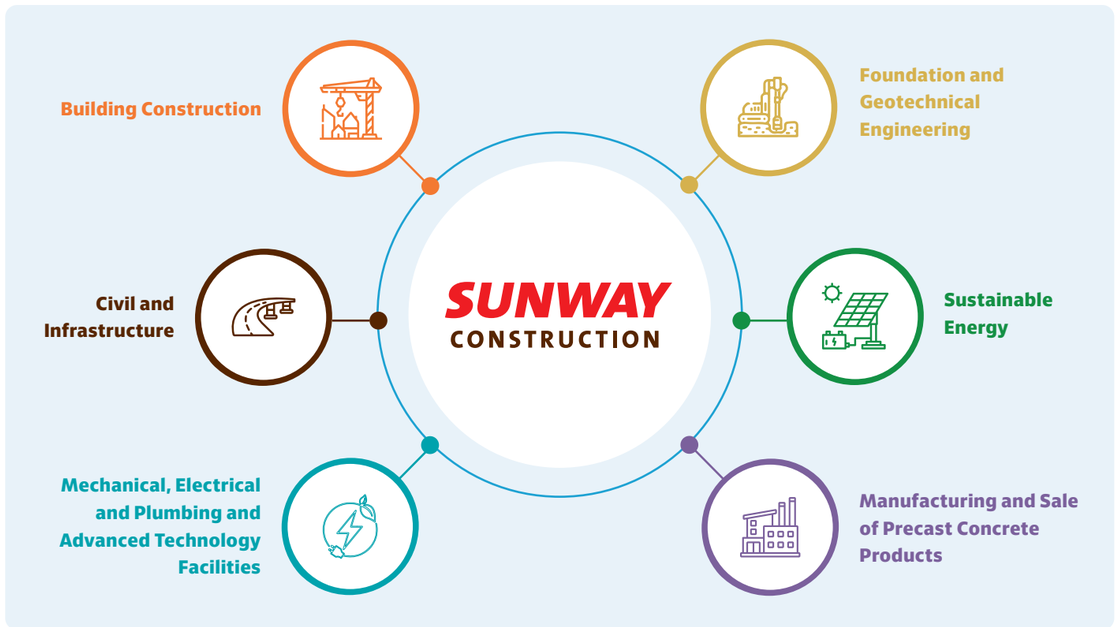
Since its establishment in 1981, SunCon has completed more than RM45 billion worth of projects spanning seven countries. Over the years, the Group has developed a track record in infrastructure development and complex construction solutions in Malaysia and selected regional markets.

SunCon's design and construction capabilities cover building construction, civil engineering and infrastructure works, mechanical, electrical and plumbing (MEP), advanced technology facilities (ATF), manufacturing and sale of precast concrete products, sustainable energy solutions, as well as foundation and geotechnical engineering. These capabilities enable the Group to offer end-to-end solutions tailored to diverse client requirements.

Under its Private Finance Initiative (PFI), SunCon also provides financing support alongside the management and operation of assets, offering clients greater flexibility in project structuring.

The Group's vertically integrated capabilities are underpinned by its core business strengths and competitive advantages. These include multi-skilled and cross-functional personnel, extensive technological capabilities such as internally developed Virtual Design and Construction (VDC) tools, and experience in the design and delivery of complex infrastructure projects, including ATFs and renewable energy solutions.

VDC, an advanced digital project management platform that extends Building Information Modelling (BIM), represents a key capability for SunCon. It enables real-time information sharing and early-stage digital collaboration, by integrating design, scheduling and cost considerations throughout the construction process. Through digital simulation and upfront coordination, project teams are able to align decisions prior to physical construction.



Corporate Profile

OUR BUSINESS STRENGTHS

VERTICALLY INTEGRATED CONSTRUCTION COMPANY

SunCon's vertically integrated business model reduces reliance on external vendors, particularly for specialised and technically demanding services. By retaining key capabilities in-house, the Group maintains continuity throughout the project delivery cycle.

This structure provides comprehensive oversight across the value chain, including control over resources, scheduling, cost management and quality assurance. As a result, SunCon is able to manage execution risks more effectively while maintaining consistency in delivery standards.

SunCon's vertically integrated operating model enables the Group to undertake projects of significant scale, technical complexity and specialised requirements. It also facilitates cross-functional knowledge sharing and the transfer of best practices, supporting innovation and operational synergies across the organisation.

By positioning itself as an integrated design and construction solutions provider, SunCon demonstrates versatility across multiple construction sub-sectors, allowing it to address complex client requirements with precision and technical depth.

Capital Dependencies

Beyond manufactured capital such as assets and machinery, the Group's integrated capabilities are increasingly driven by human and intellectual capital. This is reflected in the ability to deploy and rotate professional talent across a wide range of roles and responsibilities throughout the construction value chain.

SOLID ORDER BOOK

As at 31 December 2025, SunCon's outstanding order book stood at RM5.7 billion. External projects secured during the year amounted to RM3.3 billion, while total projects secured in 2025 reached RM5.2 billion. The existing order book provides earnings and revenue visibility over the next 12 to 24 months, supporting forward planning and operational stability.

These capabilities support financial capital through revenue generation, earnings sustainability, dividend capacity, access to financing and competitive credit terms. They also contribute to social capital, including investor confidence, market perception and the ability to secure new projects.

Capital Dependencies

A proven track record of project delivery, including completion within budget and schedule, remains critical to successfully bidding for and securing future projects.

STRATEGIC POSITIONING TO CAPTURE EMERGING OPPORTUNITIES

SunCon's strong strategic market positioning and forward-looking approach have enabled the Group to identify and capture emerging opportunities ahead of the curve. Our early positioning in capitalising on the ATF investment cycle in Malaysia has powered our growth trajectory in the past couple of years.

Anchored by disciplined execution and the ability to mobilise at speed, the Group has built a resilient pipeline of data centre projects from multinational clients and has delivered more than 156 MW of data centre capacity.

The Group remains focused on capturing new opportunities in renewable energy, mission-critical digital infrastructure facilities, power and energy infrastructures as well as expanding into recurring income streams to enhance earnings stability.

SunCon's strong track record and proven delivery capabilities enable the Group to confidently replicate and scale its business model across the region when the time is right. Its regional footprint provides access to local market insights and technology partners, supporting expansion into complex, high-value projects.

Capital Dependencies

The Group's adaptability to new markets is anchored by the strength of its human and intellectual capital. This is demonstrated through its ability to adopt advanced construction methodologies and continuously evolve to stay ahead of the curve. This is complemented by a strong financial capacity that enables the disciplined capital deployment aligned with execution excellence and speed to market.

ROBUST BALANCE SHEET AND ASSET POSITION

SunCon's financial position supports the provision of PFI solutions for both private and public sector clients locally and abroad. This allows project owners greater flexibility in structuring financing arrangements to suit project requirements.

Capital Dependencies

A resilient balance sheet is supported by sustained cash flow generation and the ongoing management of debt and liabilities. Strategies to optimise financial capital alongside business and operational requirements remain essential to support balance sheet growth.

Corporate Profile

OUR BUSINESS STRENGTHS

ESG-DRIVEN BUSINESS MODEL

SunCon's sustainability commitments are guided by its Sustainability Policy, framework, key performance indicators (KPIs) and targets. The Group's decarbonisation initiatives align with its approach of balancing infrastructure development with sustainable value creation.

The Group is increasingly evaluating the use of green loans and sustainability-linked financing instruments. This reflects the continued emphasis on sustainability as a business driver, with a focus on ESG performance.

For further information on SunCon's performance against its ESG KPIs and Targets, refer to the Sustainability Statement section in the IAR2025.

Capital Dependencies

Greater integration of ESG considerations into the business model, together with the pursuit of green infrastructure projects, may necessitate the acquisition of relevant technologies, the retention and development of professional talent and access to green financing solutions.

VIRTUAL DESIGN AND CONSTRUCTION (VDC) ENABLED

SunCon has implemented VDC across ATF and other technically complex projects. The Group continues to enhance these capabilities through additional modules such as drone imaging, 360-degree photo capture, 3D and 4D simulations, and the adoption of Autodesk Construction Cloud (ACC).

These tools provide accurate, real-time project data to support decision-making throughout the project lifecycle. Early-stage visibility is particularly critical in establishing effective construction sequencing, site coordination and safety planning.

4D simulation enables visualisation of construction phasing prior to on-site execution, while 5D capabilities allow for material quantity extraction directly from BIM models, supporting cost and resource management.

The embracement of digital construction technology at SunCon integrates artificial intelligence with 360-degree site capture to support comprehensive visual documentation and project management. This approach enables site images to be transformed into objective, time-stamped records of construction progress, and seamlessly mapped to floor plans for enhanced project visibility and traceability. By integrating VDC and Building Information Modelling (BIM), SunCon improves cost optimisation, enhances resource efficiency, increases predictability of construction timelines and strengthens the management of environmental and social impacts.

ACC represents a significant advancement in the Group's use of cloud technology at site level. By centralising construction data in a digital environment, ACC enables real-time collaboration among architects, engineers, contractors and owners, regardless of location. This has reduced miscommunication, accelerated data exchange and supported more effective decision-making.

Capital Dependencies

SunCon intends to further strengthen its VDC capabilities through continued investment in people and technology, supporting the maintenance of its competitive positioning. Internal Research and Development (R&D) initiatives are also prioritised to enhance in-house technical capabilities.

SYNERGISTIC SUPPORT

SunCon strives to maintain a balanced portfolio between external and internal projects. While the Group continues to expand its external client base, it remains committed to supporting the Group's strategic initiatives.

With Sunway Berhad's expansion of its landbank for large-scale transit-oriented developments, as well as the growth of its healthcare segment following the listing of its healthcare arm, SunCon will continue to support its parent company's development pipeline.

The Group also leverages the expertise and resources of other Sunway divisions, including Building Materials, Trading and Manufacturing, and Quarry operations. These in-house capabilities strengthen the Group's competitive advantage in supply chain management, complementing SunCon's integrated delivery model.

Capital Dependencies

Effective engagement with internal and external stakeholders remains essential in fostering close collaboration, aligning requirements and capabilities and identifying opportunities for synergistic outcomes.

SunCon at a Glance

SunCon's business operations are primarily located in Malaysia, Singapore and India.

The list of contract awards, ongoing jobs and related details are provided in the Management Discussion and Analysis section of the IAR2025.

More than
40 YEARS of excellence

LEADING
vertically integrated contractor listed on Bursa Malaysia

Turnover recorded to date
>RM45 BILLION

3 precast plants at
174,000 m³ capacity

Data centre capacity delivered as at 31 December 2025:
>156 MW

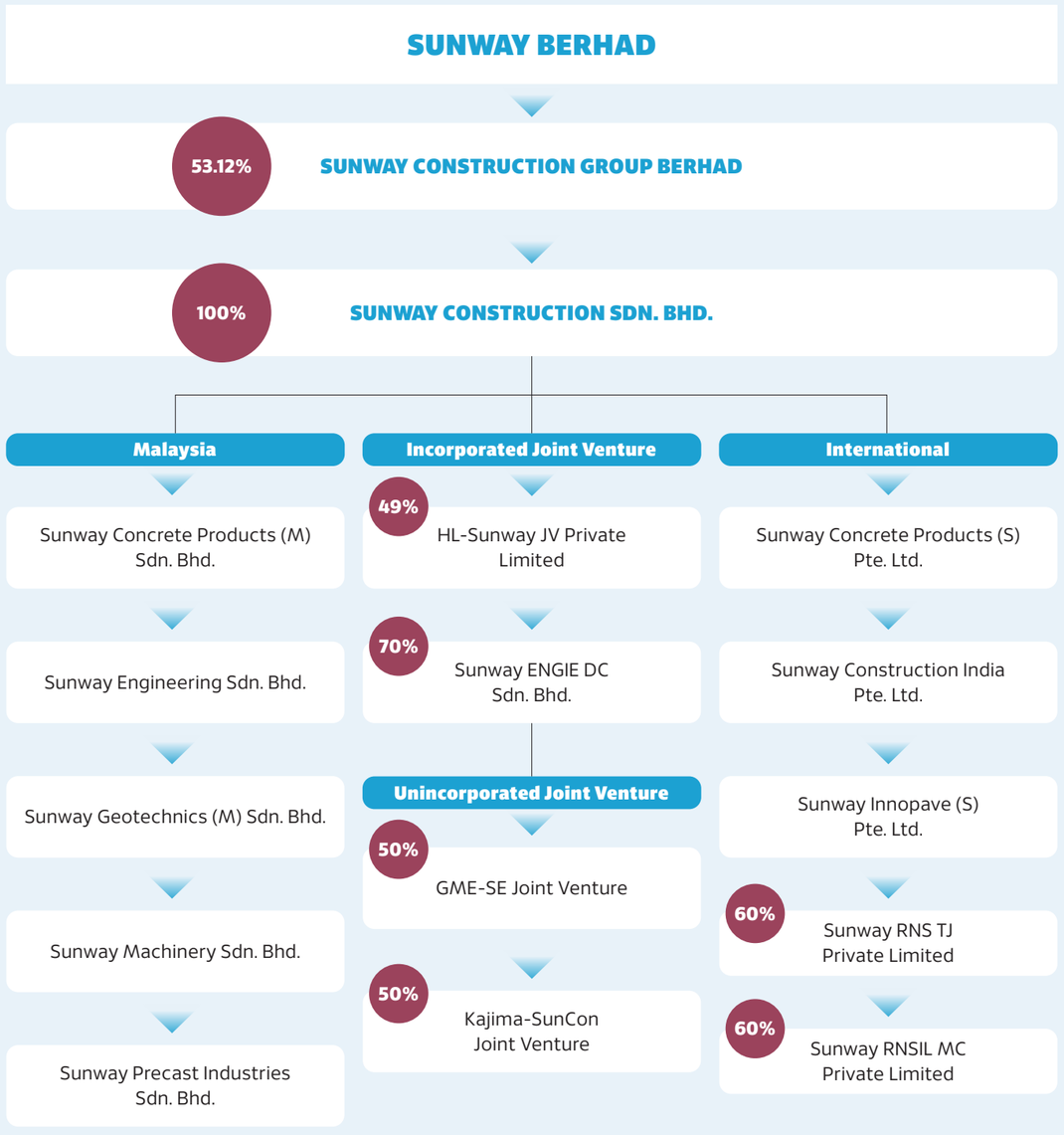
1,747
employees, including direct workers



Proven track record spanning

SEVEN COUNTRIES

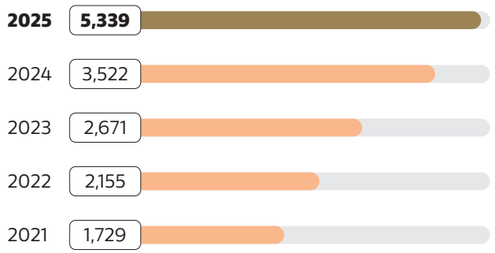
Group Corporate Structure



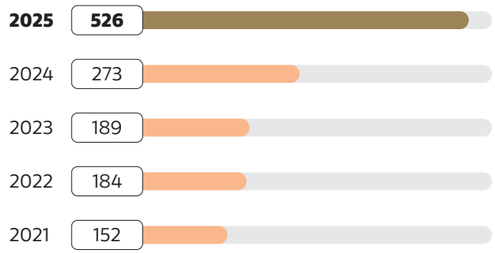
* *Only major subsidiaries and joint ventures are illustrated*
Note: The percentage shareholdings are as at 31 March 2026

Five-Year Financial Highlights

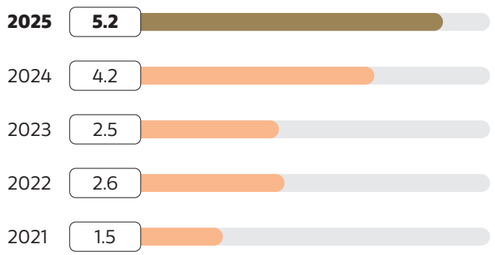
REVENUE
(RM MILLION)



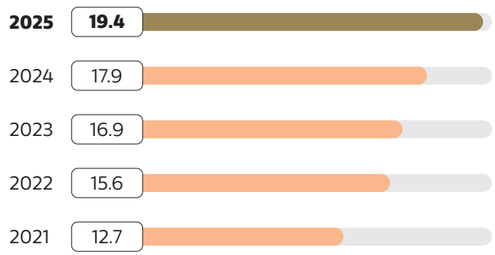
PROFIT BEFORE TAX
(RM MILLION)



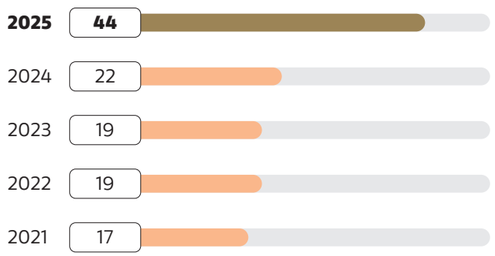
NEW ORDER BOOK
(RM BILLION)



STAFF PRODUCTIVITY
(TIMES)



AVERAGE RETURN ON EQUITY
(%)



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

Chairman's Statement



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

The Group achieved historic highs for both revenue and profitability,

underscoring the resilience and agility of our diversified business model.

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.

Chairman's Statement

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)

Chairman's Statement

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%

Chairman's Statement

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.

Chairman's Statement

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

Management Discussion and Analysis

STATEMENT OF FINANCIAL PERFORMANCE

CONDENSED FINANCIAL STATEMENT

RM'000	2025	2024	2023	2022	2021
Revenue	**5,338,714**	3,521,690	2,671,225	2,155,231	1,729,155
Profit Before Tax	**525,525**	272,962	188,646	184,057	152,245
Income Tax Expense	**(123,453)**	(75,941)	(42,799)	(45,318)	(41,495)
Profit Net of Tax	**402,072**	197,021	145,847	138,739	110,750
Profit Attributable to:					
- Non-Controlling Interests	**40,294**	10,115	738	3,558	(1,836)
- Owners of the Parent	**361,778**	186,906	145,109	135,181	112,586
FINANCIAL RATIOS					
Gross Profit Margin	**15.4%**	13.6%	16.3%	17.0%	20.7%
Profit Before Tax Margin	**9.8%**	7.8%	7.1%	8.5%	8.8%
Effective Tax Rate	**23.5%**	27.8%	22.7%	24.6%	27.3%
Basic Earnings Per Share (sen)	**27.74**	14.50	11.25	10.48	8.73
Staff Productivity (times)	**19.4**	17.9	16.9	15.6	12.7
Average Return on Capital Employed	**>100%**	24%	20%	21%	16%
Average Return on Equity	**44%**	22%	19%	19%	17%

SEGMENTAL REVENUE

	2025		2024		2023		2022		2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Advanced Technology Facilities	**4,009,004**	**78**	1,549,455	47	277,157	12	-	-	-	-
Building Construction	**1,070,773**	**21**	1,209,110	36	1,101,893	46	1,349,610	68	1,060,586	66
Civil and Infrastructure	**130,233**	**3**	455,136	14	612,722	26	532,438	27	400,536	25
Foundation and Geotechnical Engineering	**227,102**	**4**	51,072	1	109,111	4	102,532	5	58,138	4
Mechanical, Electrical and Plumbing	**124,080**	**2**	289,499	9	350,767	15	425,083	22	437,450	27
Renewable Energy	**34,817**	**1**	83,745	2	334,003	14	9,692	-	22,946	1
Others	**-**	**-**	786	-	4,508	-	4,778	-	5,024	-
Consolidated Adjustment	**(464,378)**	**(9)**	(311,906)	(9)	(409,114)	17	(450,485)	(22)	(378,432)	(23)
Total Construction	**5,131,631**	**100**	3,326,897	100	2,381,047	100	1,973,648	100	1,606,248	100
Total Precast	**207,083**		194,793		290,178		181,583		122,907	
Total Turnover	**5,338,714**		3,521,690		2,671,225		2,155,231		1,729,155	

SEGMENTAL PROFIT

	2025	2024	2023	2022	2021
GROSS PROFIT MARGIN					
Construction	**15.2%**	13.4%	15.9%	17.4%	21.5%
Precast	**20.9%**	17.4%	19.2%	12.8%	9.4%
Total	**15.4%**	13.6%	16.3%	17.0%	20.7%

	2025		2024		2023		2022		2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
PROFIT BEFORE TAX										
Construction	**511,808**	**10.0**	260,439	7.8	169,912	7.1	173,341	8.8	148,784	9.3
Precast	**13,717**	**6.6**	12,523	6.4	18,734	6.5	10,716	5.9	3,461	2.8
Total	**525,525**	**9.8**	272,962	7.8	188,646	7.1	184,057	8.5	152,245	8.8

Management Discussion and Analysis

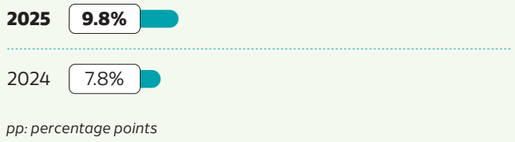
REVENUE

RM5,338.7 million

PROFIT BEFORE TAX

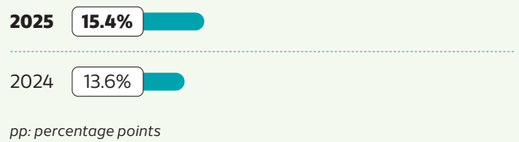
RM525.5 million

PROFIT BEFORE TAX MARGIN (%) 2.0 pp ↗



pp: percentage points

GROSS PROFIT MARGIN (%) 1.8 pp ↗



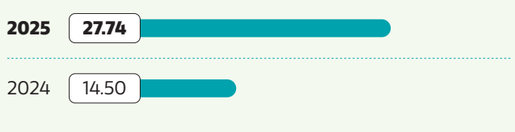
pp: percentage points

EFFECTIVE TAX RATE (%) 4.3 pp ↘

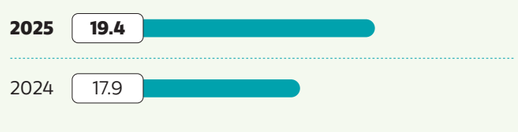


pp: percentage points

BASIC EARNINGS PER SHARE (SEN) 91.3% ↗



STAFF PRODUCTIVITY (TIMES) 8.4% ↗



AVERAGE RETURN ON CAPITAL EMPLOYED (%) >100 pp ↗



pp: percentage points

AVERAGE RETURN ON EQUITY (%) 22 pp ↗



pp: percentage points

Management Discussion and Analysis

REVENUE

RM'000	2025	2024
Construction	**5,131,631**	3,326,897
Precast	**207,083**	194,793
Total	**5,338,714**	3,521,690

Construction Segment

The increase in turnover for FY2025 was mainly due to the peak of construction activities from several data centre projects.

54.2% ↗

Precast Segment

Turnover was higher in FY2025, driven by increased delivery volumes in the last two quarters of the year.

6.3% ↗

GROSS PROFIT MARGIN

	2025	2024
Construction	**15.2%**	13.4%
Precast	**20.9%**	17.4%

Construction Segment

Gross profit was higher in FY2025, reflecting the recalibration of margins to capture cost savings from accelerated progress in certain data centre projects.

1.8 pp ↗

Precast Segment

Gross profit margin in FY2025 improved in line with revenue growth and was further supported by the reversal of raw material provisions for completed projects.

3.5 pp ↗

Management Discussion and Analysis

PROFIT BEFORE TAX

	2025		2024	
	RM'000	%	RM'000	%
Construction	**511,808**	**10.0**	260,439	7.8
Precast	**13,717**	**6.6**	12,523	6.4
Total	**525,525**	**9.8**	272,962	7.8

Construction Segment

Construction profit before tax for FY2025 nearly doubled compared with the preceding financial year, supported by the improvement in gross profit margin and higher finance income, which together contributed to stronger profitability.

96.5% ↗

Precast Segment

Precast profit before tax improved in FY2025, in line with the higher gross profit margin and revenue.

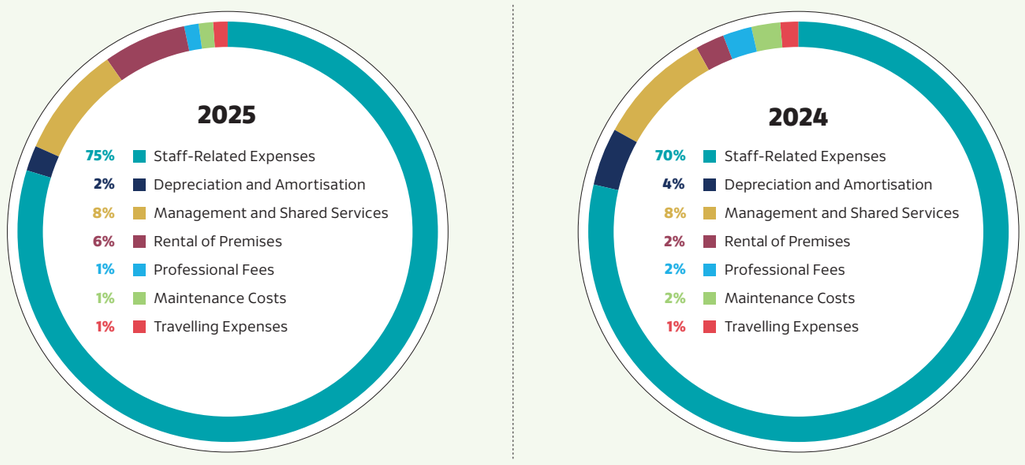
9.5% ↗

OTHER INCOME

Other income for FY2025 amounted to RM15.9 million (2024: RM40.6 million), comprising mainly scrap sales, gains from asset disposals and reimbursements for expenses incurred in India and Abu Dhabi. The lower other income compared with the preceding financial year was mainly due to a settlement from a legal case involving one of the Group's India branches, as well as higher gains on disposal of assets and scrap income arising from plant and machinery rightsizing activities, all of which were recognised in the prior year.

Management Discussion and Analysis

ADMINISTRATION EXPENSES



Administrative expenses increased by 33% to RM349.0 million in FY2025 from RM262.0 million in FY2024, mainly from:

a) Higher staff cost in FY2025 were driven by improved remuneration, in line with the Group's improved performance.
b) Higher rental expense incurred for the Integrated Construction and Prefabrication Hub (ICPH) rental.
c) Professional fees related to bank arrangements, structural fees and independent engineer charges for the India Hybrid Annuity Model (HAM) projects.
d) Provision for legal case on prudence basis.

NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND OTHER EXPENSES

The total net impairment losses on financial assets and other expenses amounted to RM41.6 million (FY2024: net gain of RM5.5 million). These expenses were mainly the MFRS 9 allowances for receivables.

FINANCE INCOME AND FINANCE COST

Finance Income

Finance income for FY2025 increased to RM108.8 million from RM75.7 million in FY2024, mainly driven by three factors: higher absolute placements in money market instruments, project financing charges to clients and annuity collections from both of India's HAM projects. Placements in money market instruments accounted for approximately 52% of total finance income, while project financing charges and annuity collections collectively contributed approximately 43%.

Finance Cost

Malaysia: The Overnight Policy Rate (OPR) in Malaysia was reduced from 3.00% to 2.75% in July 2025 and remained stable in FY2025. Together with the partial repayment of borrowings during FY2025, this resulted in lower interest expenses in FY2025.

Singapore: In FY2025, Singapore's overnight rate trended lower over the course of the year. In addition, the loan was fully repaid in July 2025, resulting in lower interest expenses of RM3.0 million (2024: RM10.4 million).

India: In FY2025, interest expenses in India decreased to RM37.0 million from RM42.1 million in FY2024, primarily due to loan repayments following the commencement of annuity collections for both HAM projects. This was further supported by a decline in India's average interest rate to 9.20% in FY2025 from 10.21% in FY2024, following the refinancing of loan for one of the completed HAM projects, which contributed to the lower finance costs.

Further details on SunCon's capital management is presented under the Capital Management section.

Management Discussion and Analysis

Finance Income

RM'000	2025
Cash and bank	57,591
Structured entities	-
Interest-bearing trade receivables	47,083
Others	4,145

Finance Income

RM'000	2024
Cash and bank	13,241
Structured entities	5,260
Interest-bearing trade receivables	50,554
Others	6,609

Finance Cost

RM'000	2025
MYR	(6,096)
SGD	(2,985)
INR	(37,049)
MFRS 16	(746)

Finance Cost

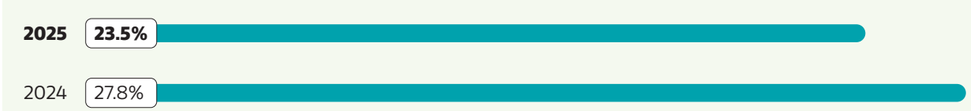
RM'000	2024
MYR	(12,500)
SGD	(10,407)
INR	(42,075)
MFRS 16	(181)

2025	
Finance Income Rate	2.35% to 5.12%
Finance Cost Rate - Malaysia	3.36% to 3.98%
Finance Cost Rate - Singapore	3.51% to 3.74%
Finance Cost Rate - India	9.20%

2024	
Finance Income Rate	2.80% to 5.44%
Finance Cost Rate - Malaysia	3.71% to 3.98%
Finance Cost Rate - Singapore	4.70% to 4.92%
Finance Cost Rate - India	10.21%

TAXATION

(Effective Tax Rate)



The effective tax rate for FY2025 was 23.5%, slightly lower than Malaysia's statutory tax rate of 24.0%, mainly due to higher non-taxable finance income. The higher effective tax rate of 27.8% in FY2024 was mainly attributable to under provisions arising from a tax audit and investigation, as well as collections from long-outstanding settlements in the Group's India branches, which were subject to a higher tax rate of 40.0%.

Management Discussion and Analysis

SunCon's Approach to Tax

Tax compliance for the Group's principal subsidiary is outsourced to external tax consultants, while the remaining Malaysian subsidiaries are supported by a dedicated tax team within Sunway FSSC Sdn. Bhd. This helps ensure that tax instalment payments and submissions to the Inland Revenue Board of Malaysia (IRB) are completed accurately and on a timely basis. The Group also receives support from Sunway Berhad's Group Tax Department and engages regularly with external tax consultants on key tax matters to ensure alignment on areas requiring judgement. For overseas operations, the Group works with external tax agents and, where appropriate, local joint venture partners who are familiar with the relevant foreign tax regimes, including in India.

For the Group's Malaysian operations, one of the more common areas requiring judgement relates to Public Ruling 5/2025, particularly in estimating the final taxable profit of completed projects in the year of substantial completion or upon issuance of the Certificate of Practical Completion (CPC). As final accounts are often only concluded one to two years after physical completion, this may give rise to differences between estimated and actual taxable profit, which in turn could result in over- or under-estimation of tax payable.

STATEMENT OF FINANCIAL PERFORMANCE

KEY BALANCE SHEET

RM'000	Note	2025	2024	2023	2022	2021
Property, Plant and Equipment	1	**122,075**	85,134	97,981	107,521	124,668
Investments in Joint Arrangements	2	**208,194**	224,375	253,148	223,131	126,601
Other Non-Current Assets	3	**447,779**	412,328	492,483	268,034	598,150
Total Non-Current Assets		**778,048**	721,837	843,612	598,686	849,419
Trade Receivables	4	**1,258,523**	1,501,450	1,241,348	677,726	600,607
Cash and Bank and Placement		**2,000,058**	1,015,763	470,393	491,628	98,845
Intercompany		**166,572**	214,847	185,327	175,459	189,243
Tax Recoverable	5	**18,674**	20,260	15,005	18,897	19,710
Other Current Assets	6	**202,146**	122,073	327,114	273,652	106,391
Total Current Assets		**3,645,973**	2,874,393	2,239,187	1,637,362	1,014,796
Total Assets		**4,424,021**	3,596,230	3,082,799	2,236,048	1,864,215
Trade Payables	7	**2,350,716**	1,563,953	921,082	716,220	766,656
Borrowings and Lease Liabilities		**165,356**	732,094	441,107	178,159	97,708
Intercompany		**196,494**	97,949	46,389	24,812	25,393
Other Current Liabilities		**693,135**	262,559	293,210	184,138	102,254
Total Current Liabilities		**3,405,701**	2,656,555	1,701,788	1,103,329	992,011
Borrowings and Lease Liabilities		**152,307**	1,139	488,728	311,925	152,547
Other Non-Current Liabilities		**689**	36	326	-	2,886
Total Non-Current Liabilities		**152,996**	1,175	489,054	311,925	155,433
Total Liabilities		**3,558,697**	2,657,730	2,190,842	1,415,254	1,147,444
Total Equity		**865,324**	938,500	891,957	820,794	716,771
Total Liabilities and Equity		**4,424,021**	3,596,230	3,082,799	2,236,048	1,864,215

Management Discussion and Analysis

FINANCIAL RATIOS

	Note	2025	2024	2023	2022	2021
Precast Segment						
Trade Receivables Turnover (Days)	4	**103**	94	152	172	148
Trade Payables Turnover (Days)	7	**68**	49	91	74	118
Inventory Turnover (Days)	6	**133**	97	70	104	139
Construction Segment						
Trade Receivables Turnover (Days)	4	**53***	121*	115*	98*	99
Trade Payables Turnover (Days)	7	**134**	129	86	61	102
Net Working Capital Days		**16**	28	69	37	5

* *Trade Receivables Turnover (Days) under the Construction Segment excludes long-term receivables.*

NOTE 1: PROPERTY, PLANT AND EQUIPMENT

	2025		2024	
	RM'000	%	RM'000	%
Freehold Land	**8,538**	**7**	8,538	10
Buildings	**7,951**	**7**	9,125	11
Plant and Machinery	**82,580**	**68**	58,424	69
Motor Vehicles	**1,826**	**1**	1,474	2
Office Equipment, Furniture and Fittings	**3,985**	**3**	2,925	3
Capital Work-in-Progress	**-**	**-**	1,984	2
Righ-of-Use Assets	**17,195**	**14**	2,664	3
Total	**122,075**		85,134	

During FY2025, the Group recorded additions to property, plant and equipment of RM44.3 million (2024: RM9.5 million), while disposals amounted to a net book value (NBV) of RM7.8 million (2024: RM5.5 million). The majority of the additions related to machinery parts and solar panels for specific renewable energy investment projects, as well as plant and machinery used in production at the Group's precast plants.

SunCon holds a freehold land in Senai, Johor, with the cost of RM8.5 million. This land is currently used as our precast plant in Senai and has a total land area of 475,409 sqft. It consists of an open casting yard with nine production lines, a worker's canteen, an office and a power station.

The NBV of RM8.0 million under the Buildings category relates to the casting yards and site offices at the Group's Iskandar and Senai precast plants, both of which are located in Johor, Malaysia.

Motor vehicles are maintained on a limited basis for site travel and operational use. In recent years, the Group has streamlined vehicle usage and disposed of most of its previously-owned fleet. Where required under contractual arrangements, motor vehicles may be provided for clients and consultants during the project period, after which such vehicles are typically disposed of or reassigned upon project completion.

Office equipment, furniture and fittings of RM4.0 million are mainly IT equipment, which include hardware and specialised software.

NOTE 2: INVESTMENT IN JOINT ARRANGEMENTS

Investment in joint arrangements primarily pertains to investment in HL Sunway JV Pte Ltd to acquire the land in Singapore for ICPH as well as funding the construction of buildings. It was agreed by both joint venture partners that there would not be borrowings under this joint venture.

NOTE 3: OTHER NON-CURRENT ASSETS

The other non-current assets in FY2025 mainly comprised the deferred construction consideration relating to the Group's two HAM projects in India, under which 60% of the construction value is recoverable upon completion and over the 15-year annuity period.

Management Discussion and Analysis

NOTE 4: TRADE RECEIVABLES

The trade receivables turnover for the construction segment was lower in FY2025 mainly due to the timing of billing and collections from data centre projects. As at December 2024, several data centre projects were at peak construction progress, resulting in substantial outstanding receivables, which were subsequently collected in FY2025. By December 2025, revenue from these projects had moderated as certain phases had been delivered earlier and payments had been collected, while new projects had yet to reach peak progress.

Trade receivables turnover for precast segment was slightly higher for FY2025, which was in line with higher delivery activities in the final two quarters of the year.

NOTE 5: TAX RECOVERABLE

Total tax recoverable amounted to RM18.7 million (2024: RM20.3 million). Out of this amount, RM9.2 million (2024: RM9.1 million) related to amounts recoverable from the Indian tax authorities, which remain under legal proceedings. SunCon continues to pursue the recovery of these taxes from the relevant authorities in India.

The remaining tax recoverable balance from the IRB mainly relates to tax overpayments arising from tax audit assessments. The Group has received written confirmation of settlement and is of the view that these amounts are recoverable in due course.

NOTE 6: INVENTORY

Inventory turnover for the Precast Segment mainly comprised finished goods, which accounted for 70% of total inventories in FY2025 (2024: 80%). The level of finished goods is largely dependent on clients' readiness to receive precast components as scheduled. In FY2025, inventory holding days increased from 97 days to 133 days. This increase was mainly due to the build-up of finished goods produced in advance to support the accelerated delivery schedule of certain fast-track projects.

NOTE 7: TRADE PAYABLES

Construction Segment

Payment terms to our creditors remained relatively the same (FY2025: 134 days; FY2024: 129 days).

Precast Segment

Despite the longer debtors turnover period, the segment paid its creditor obligation timely (FY2025: 68 days; FY2024: 49 days).

STATEMENT OF CASH FLOWS

CONDENSED CASH FLOW STATEMENT

	Financial Year Ended				
RM'000	**2025**	**2024**	**2023**	**2022**	**2021**
Dividend From Joint Venture	**12,026**	-	-	-	211
Other Operating Cash Flows	**1,607,029**	716,426	(299,388)	(215,024)	238,499
Total Operating Cash Flows	**1,619,055**	716,426	(299,388)	(215,024)	238,710
Acquisition of Property, Plant and Equipment	**(44,091)**	(9,409)	(18,453)	(27,114)	(34,819)
Disposal of Property, Plant and Equipment	**11,059**	12,719	2,459	25,208	3,290
Disposal/(Acquisition) of Investment	**10,983**	111,788	(26,118)	765,146	(147,550)
(Placement)/Withdrawal of Deposits Pledged to Licensed Banks	**(5,939)**	6,928	(2,477)	(45,695)	43,986
Other Investing Cash Flows	**(1,064)**	16,413	(18,289)	(109,404)	(56,961)
Total Investing Cash Flows	**(29,052)**	138,439	(62,878)	608,141	(192,054)
Dividend	**(274,818)**	(116,043)	(70,915)	(90,255)	(51,574)
Proceeds from Issuance of Shares Pursuant to Exercise of ESOS	**106,416**	-	-	-	-
Other Financing Cash Flows	**(439,187)**	(187,363)	408,355	48,574	(52,761)
Total Financing Cash Flows	**(607,589)**	(303,406)	337,440	(41,681)	(104,335)

Management Discussion and Analysis

Operating Cash Flows

The strong operating cash flow reflected effective working capital management, underpinned by improved receivables collection and prudent management of payables and inventory levels. This was further enhanced by annuity collections from the Group's India HAM projects, which commenced in FY2024.

Investing Cash Flows

Capital expenditure was higher in FY2025, mainly due to the acquisition of machine parts and solar panels used for specific renewable energy investment projects and plant and machinery for production at precast plants.

During the year, the Group also disposed of certain plant and machinery to a related company, Sunway Enterprise (1988) Sdn. Bhd. and its 40% equity interest in ENGIE-SUNWAY DCS Sdn. Bhd. to another related company, Sunway Property & Facility Management Sdn. Bhd.

Financing Cash Flows

The negative financing activities for FY2025 was mainly due to the repayment of borrowings previously drawn down for the precast operations and the India HAM projects. The repayments were made in line with the Group's capital management strategy, given the Group's strong cash position and the higher financing costs associated with the borrowings.

CAPITAL MANAGEMENT

RM'000	**2025**	**2024**	**2023**	**2022**	**2021**
Term Loans - Long Term	**142,535**	-	487,724	308,541	145,390
Term Loans - Short Term	**7,706**	496,624	115,550	82,352	-
Loan Bills Discounting	**150,000**	100,000	200,977	77,827	65,524
Revolving Credits	**-**	133,996	121,708	12,000	27,000
Total Borrowings	**300,241**	730,620	925,959	480,720	237,914
Total Finance Cost	**46,876**	65,163	47,917	18,025	4,583
Total Finance Income	**108,819**	75,664	26,444	13,874	4,153
Net Finance Income/(Finance Cost)	**61,943**	10,501	(21,473)	(4,151)	(430)
FINANCIAL RATIOS					
Net Gearing Ratio (times)	**Net Cash**	Net Cash	0.56	Net Cash	0.20
Interest Coverage Ratio (times)	**10**	4	5	14	35

SunCon maintains a disciplined capital management framework to preserve a healthy capital position and ensure sufficient liquidity to support its day-to-day operations. The Group's strategy is focused on enhancing shareholder value through the prudent management of excess funds, which are invested in a diversified portfolio comprising fixed income securities, money market instruments and selected fund placements. SunCon also seeks to optimise the use of internal funds while minimising reliance on external borrowings, and remains focused on securing competitive rates for both placements and financing.

The Group manages its liquidity through forward planning of payment obligations to maintain adequate minimum bank balances at all times. This allows excess funds to be deployed efficiently to generate better returns while optimising the differential between placement yields and borrowing costs. Payment and collection flows are primarily denominated in Ringgit Malaysia, Singapore Dollar for the precast business in Singapore, and Indian Rupee for the India projects. The Group closely monitors its foreign currency exposure and undertakes hedging, where appropriate, to manage related risks.

Management Discussion and Analysis

Debt Management

SunCon's short-term borrowings stood at RM157.7 million (FY2024: RM730.6 million), comprised of Loan Bill Discounting, Invoice Financing and Term Loan with monthly project progress certificates used as supporting instruments for financing with maturity tenure ranging from 30 to 120 days. These facilities were primarily utilised to manage receivables turnaround periods, support the initial capital requirements of new projects, fund capital expenditure, facilitate bulk purchases of materials to achieve better economies of scale and optimise interest rate differentials.

Apart from that, the Group's borrowings also included long-term loans for the financing of its India HAM projects.

Notwithstanding this, SunCon registered a net cash positive for two consecutive financial years.

Invoice Factoring

Effective cash flow management is critical in the construction industry. In this regard, SunCon remains committed to making timely payments to subcontractors and suppliers to support their cash flow needs and ensure uninterrupted progress at project sites. Any disruption to the financial position of key subcontractors or suppliers could have a knock-on effect on site execution.

In situations where earlier access to funds is required, the Group facilitates invoice factoring arrangements through Sunway Fintech Services (formerly known as Sunway Credit Factoring), enabling subcontractors to receive payment within three business days at competitive rates. As at December 2025, a total of RM178 million (2024: RM158 million) had been financed through this arrangement.

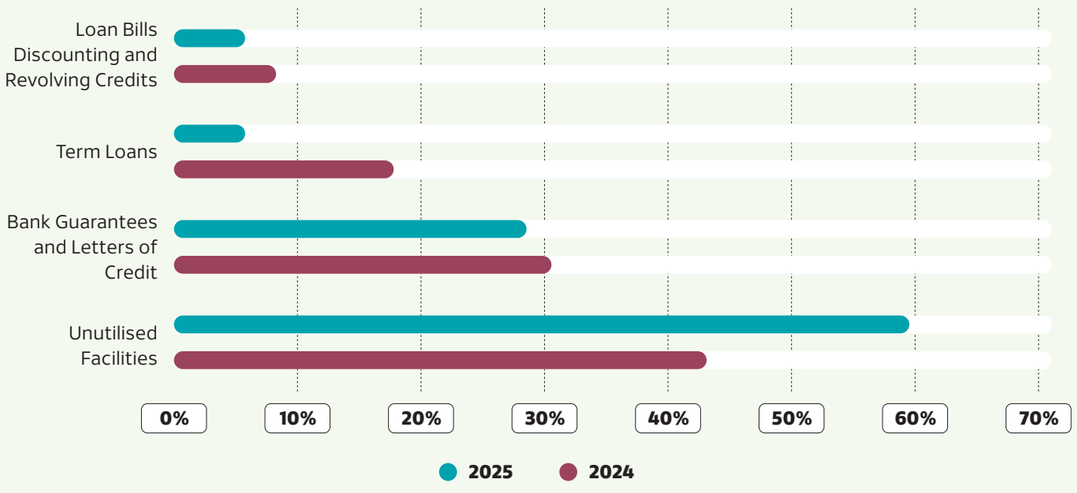
Shariah-Compliant Funds

SunCon held cash balances in conventional accounts and investments of RM1,224.3 million as at FY2025 (FY2024: RM551.4 million). This represented 18% of total assets (2024: 13%), remaining within the applicable compliance threshold that limits cash placed in conventional accounts and instruments to below 33% of total assets. Total assets as at 31 December 2025 stood at RM4,424.0 million (2024: RM3,596.2 million).

Credit Facilities

The Group maintains sufficient credit facilities to preserve financial flexibility and support the pursuit of project opportunities in the market. These facilities are utilised for the issuance of bank guarantees, including performance bonds, advance payment bonds, tender bonds and security bonds, as well as for loan bill discounting and revolving credit. In 2025, utilisation of the Group's credit facilities stood at 40%, compared with 57% in 2024.

Credit Facilities



Management Discussion and Analysis

VALUE CREATION

	2025		2024	
	RM'000	%	RM'000	%
VALUE ADDED				
Revenue	**5,338,714**		3,521,690	
Purchases of Goods and Services	**(4,416,477)**		(2,951,051)	
	922,237		570,639	
Share of Profits of Joint Ventures	**15,341**		298	
Adjustment Arising from MFRS 9	**(30,171)**		10,459	
Financing Cost	**(46,876)**		(65,163)	
Other Income and Expenses	**4,464**		35,630	
TOTAL VALUE ADDED	**864,995**		551,863	
RECONCILIATION				
Profit for the Year	**361,778**		186,906	
Add: Depreciation and Amortisation	**17,184**		17,276	
Finance Costs	**46,876**		65,163	
Staff Costs	**275,410**		196,462	
Taxation	**123,453**		75,941	
Minority Interests	**40,294**		10,115	
TOTAL VALUE ADDED	**864,995**		551,863	
VALUE DISTRIBUTED				
Employees				
Salaries and Other Staff Costs	**275,410**	**32**	196,462	35
Government				
Corporate Taxation	**123,453**	**14**	75,941	14
Providers of Capital				
Dividends	**274,818**	**32**	116,043	21
Finance Costs	**46,876**	**5**	65,163	12
Minority Interests	**40,294**	**5**	10,115	2
Reinvestment and Growth				
Depreciation and Amortisation	**17,184**	**2**	17,276	3
Income Retained by the Group	**86,960**	**10**	70,863	13
TOTAL VALUE DISTRIBUTED	**864,995**	**100**	551,863	100

Management Discussion and Analysis



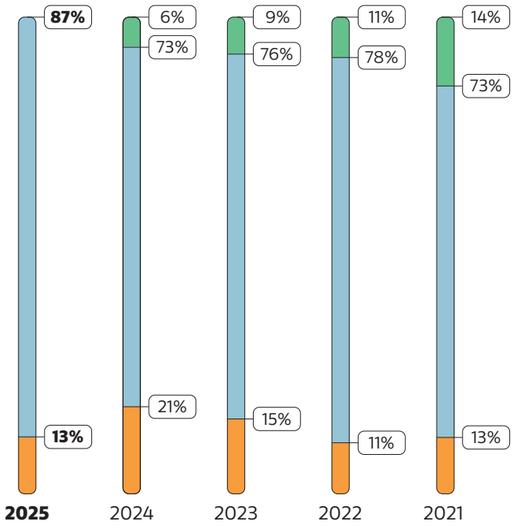
Sunway Square, Sunway City Kuala Lumpur

BUILDING CONSTRUCTION SERVICES

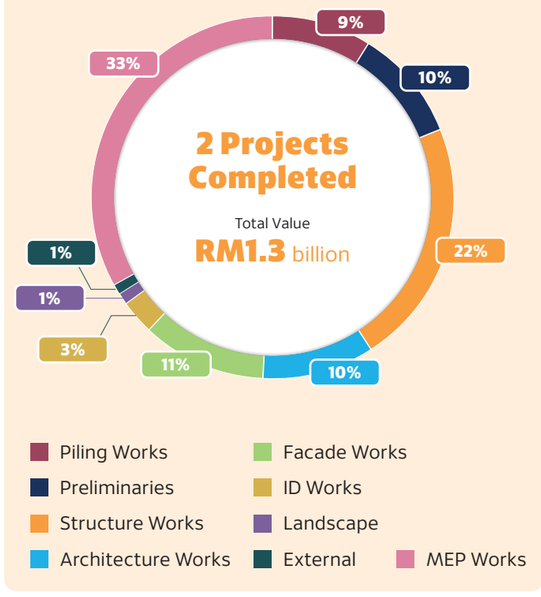
With a stellar track record in building construction spanning more than four decades, the Building Construction Services division continues to be a key contributor to SunCon. Its portfolio includes national landmarks such as the Kuala Lumpur Convention Centre, PETRONAS Leadership Centre, TNB Headquarters 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



Cost Components



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.

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.



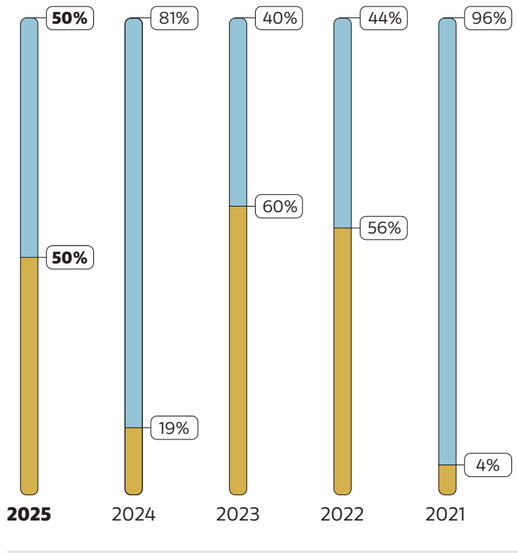
Rapid Transit System (RTS) Link, Package 5, Johor

CIVIL AND INFRASTRUCTURE SERVICES

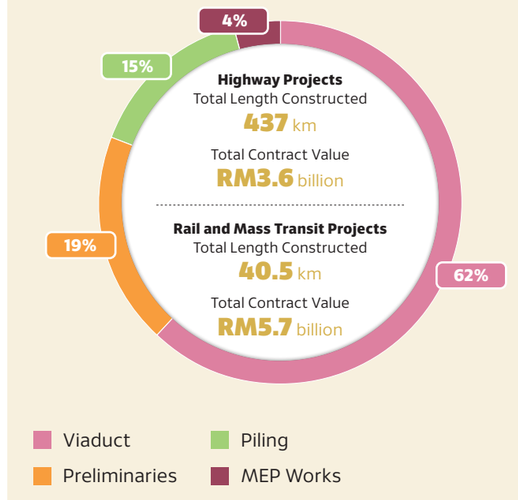
The Civil and Infrastructure Services division specialises primarily in civil and rail infrastructure construction and related services. With more than four decades of engineering excellence, our expertise spans the full project life cycle, from design to delivery. Our proven track record includes the 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.

Revenue Mix



Cost Components



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

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.

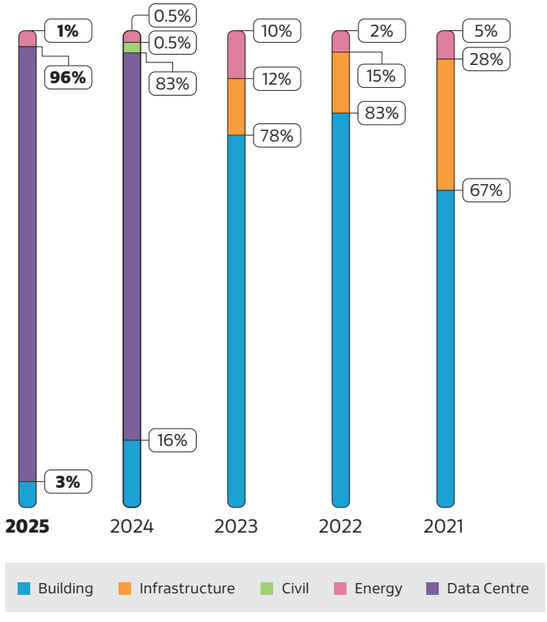
The division will also assess integrated infrastructure opportunities that closely fit its core strengths. To compete for larger tenders, SunCon will work with other divisions to develop coordinated and competitive joint proposals, leveraging the Group's experience in turnkey delivery, design and build,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

MECHANICAL, ELECTRICAL AND PLUMBING AND ADVANCED TECHNOLOGY FACILITIES

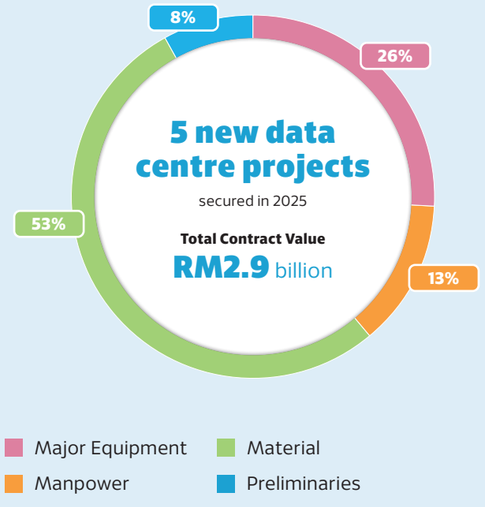
The Mechanical, Electrical and Plumbing (MEP) and Advanced Technology Facilities (ATF) division provides integrated MEP and ATF services as part of SunCon's fully integrated construction offering. It primarily supports the Building Construction and Civil and Infrastructure Services divisions in meeting 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



Cost Components



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.



Management Discussion and Analysis



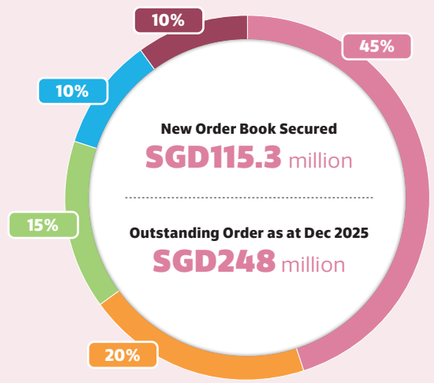
Integrated Construction and Prefabrication Hub (ICPH), Pulau Punggol Barat, Singapore

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

Cost Components



- Rebar and Mesh
- Mould
- Ready-mix Concrete
- Transportation
- Labour

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

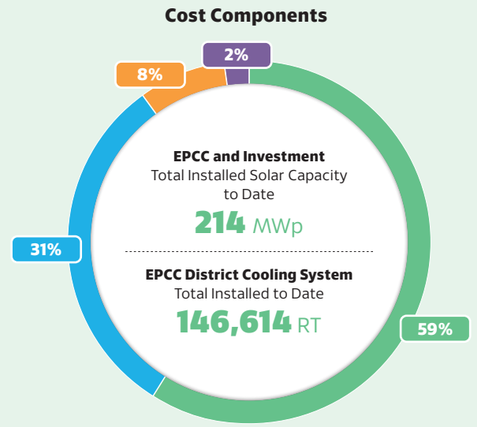


Solar Power Plant in Kapar, Klang, under the Corporate Green Power Programme (CGPP)

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

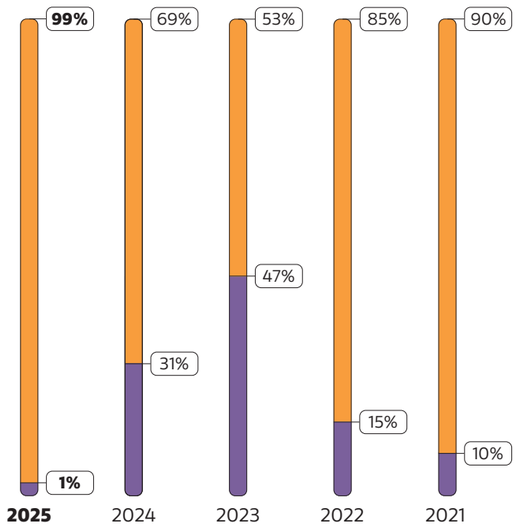
FOUNDATION AND GEOTECHNICAL ENGINEERING SERVICES

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.

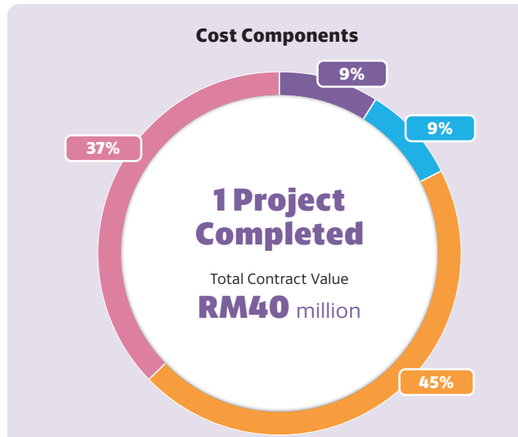
The division delivers integrated geotechnical solutions for a wide range of projects, from residential and commercial buildings to large-scale construction and civil infrastructure works.

Management Discussion and Analysis

Revenue Mix



Cost Components



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

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.

Value Creation Model

Value Creation Model

Sunway Construction Group Berhad creates value by translating its engineering expertise, disciplined execution and strong governance into sustainable financial and non-financial outcomes. Through the integrated deployment of financial, manufactured, intellectual, human, social and natural capital, the Group delivers complex construction and infrastructure projects that support national development while generating consistent returns for stakeholders.

Capital Inputs

FINANCIAL CAPITAL

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

Beginning of FY2025
- Share capital: **RM258.6 million**
- Retained profits: **RM660.9 million**
- Cash and bank balances: **RM1,015.8 million**
- Market capitalisation: **RM5.970 billion**

MANUFACTURED CAPITAL

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

INTELLECTUAL CAPITAL

All business and operational strategies, collective knowledge, skills, competencies and experience of SunCon, its subsidiaries and associate companies as well as its supply chain.
- SunCon's business model
- Divisional business strategies
- Intellectual property and proprietary business / industry knowledge i.e. Virtual Design and Construction, building management systems, software

HUMAN CAPITAL

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.
- High-performance work culture centred on merit, equality and diversity
- Talent focused, cultivating high performing culture
- Championing adoption of VDC as key technology enabler for all project implementation
- Talent mobilisation across different core businesses within SunCon
- **1,082** strong workforce (excluding direct workers)

SOCIAL CAPITAL

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.
- Financial and non-financial investments into stakeholder engagements including engagement strategies, programmes and activities
- Conducted **16** sessions in outreach programmes, participated by **1,700** university students
- **164** internship opportunities provided to young graduates
- CSR budget and expenditure on community infrastructure and services, community events

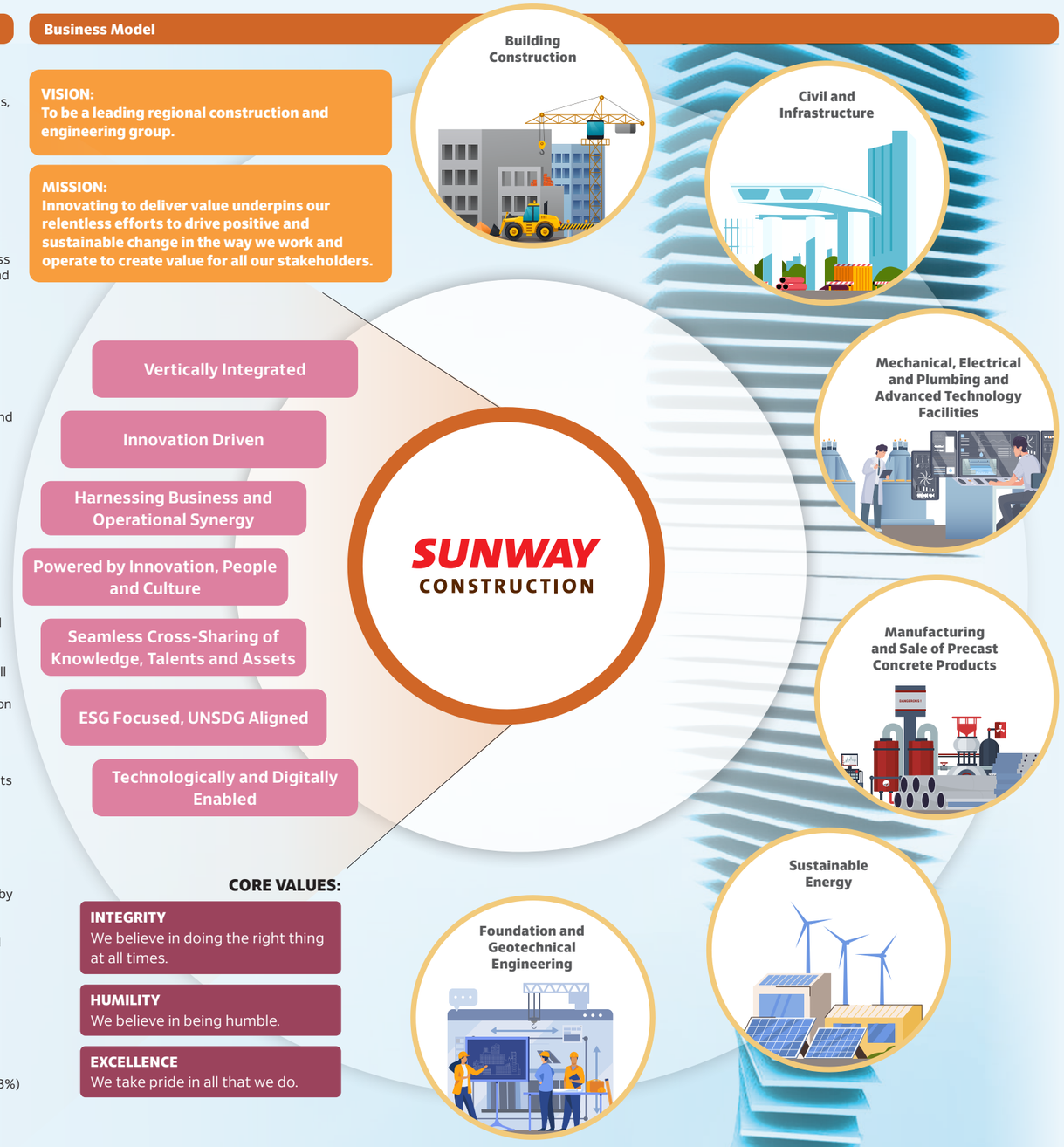
NATURAL CAPITAL

The pursuit of resource efficiency in the consumption of natural resources and materials required for the business model.
- Energy consumed **89,969 MWh**
- Consumed **87 MWh** solar energy
- **316,816 m³** of water consumption (Alternate water source: 39.3%)
- **RM11.12 million** in solar investment projects
- Established SunCon Sustainability Policy

Business Model

VISION:
To be a leading regional construction and engineering group.

MISSION:
Innovating to deliver value underpins our relentless efforts to drive positive and sustainable change in the way we work and operate to create value for all our stakeholders.



CORE VALUES:

INTEGRITY
We believe in doing the right thing at all times.

HUMILITY
We believe in being humble.

EXCELLENCE
We take pride in all that we do.

Outputs

FINANCIAL CAPITAL
- Revenue: **RM5,339 million**
- PBT: **RM525.5 million**
- PAT: **RM402.1 million**
- Cash and bank balances: **RM2,000.1 million**

MANUFACTURED CAPITAL
- **RM5.339 billion** in projects progress for FY2025
- Average QLASSIC score FY2025: **83% (vs industry average 79%)**
- Total **437 km** of highways and **40.5 km** of rail and mass transit projects constructed to date

INTELLECTUAL CAPITAL
- Improved communication channels via Autodesk Construction Cloud (ACC) platform
- **71** staff trained and developed with VDC competencies in FY2025 (FY2024: 133)
- **82.35%** of planners trained with 4D skills

HUMAN CAPITAL
- **41** project leaders across 6 core businesses
- Technology-enabled workforce capable of delivering and managing complex and advanced technology projects
- **83** VDC experts, and more than 40% operationally trained with VDC knowledge
- **19.4x** staff productivity

SOCIAL CAPITAL
- Improved stakeholder relationships **65%** buy calls from analysts and research houses
- Customer Satisfaction Score: **100%**
- **Zero** fines for labour law noncompliance
- Average SHASSIC score FY2025: **94.83%** (vs industry average of 86.81% in 2023)
- Engaged **224** new supply chain partners and subcontractors in the environmental and social assessment
- **2** awards & recognitions received

NATURAL CAPITAL
- **Zero** reported fines for environmental non-compliance
- Generated green attributes of **5,282** tonnes CO_2e avoidance from our solar investments

Outcomes

- **184%** dividend payout of PAT after minority interests
- **RM123.5 million** payable in income taxes
- **RM226.8 million** paid in wages
- Market capitalisation: **RM7.458 billion** as at end FY2025
- High Return on Equity **(FY2025: 44%; FY2024: 22%; FY2023: 19%) -** Best ROE for 7 consecutive years in the Construction Sector awarded by The Edge Billion Ringgit Club

- A wide range of socioeconomic multiplier effects arising from the successful completion of building and infrastructure projects
- Elevation of industry standards and benchmarks

- Enabling sustainable construction by managing resource consumption and carbon footprint while enhancing the Group's value proposition
- Continued strengthening of business processes and realisation of key business outcomes, including increases efficiency and productivity

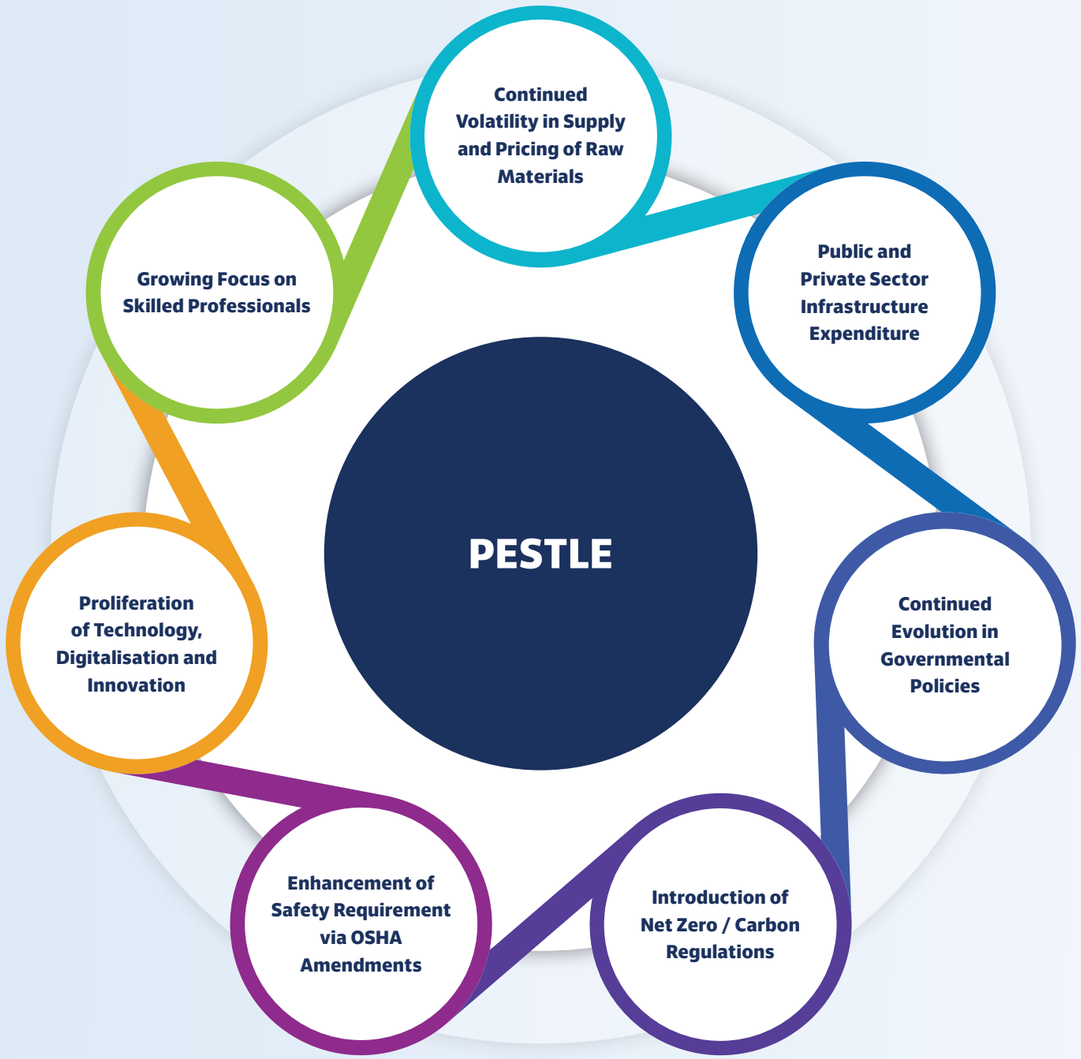
- Talent workforce that are mobile to vertically move across different core businesses
- Strong talent bench strength for key succession planning
- Technology enabled workforce capable of managing advanced technology projects

- **Zero** accidents involving the community or general public
- Development of talent pool that supports SunCon's human capital requirements
- Contribution of **more than RM2.53 million** for total amount invested for external beneficiaries 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 SunCon's business strategies and its operations
- On track in meeting SunCon's 2030 emission reduction targets

External Trends and Developments

SunCon applied integrated thinking to assess how external forces influence its business model, value chain and capital resources, using these insights to identify its most material sustainability matters.



External Trends and Developments

Material Matters:

- EC1 Product Quality and Responsibility
- EC2 Business Performance
- EC3 Supply/Value Chain Management
- EC4 Indirect Economic Impacts
- S1 Occupational Safety and Health
- S2 Customer Satisfaction
- S3 Talent Development and Retention
- S4 Labour Practices and Standards
- S5 Diversity, Equity and Inclusivity
- E1 Waste and Pollution Management
- E2 Water Management
- E3 Energy Management
- E4 Emissions Management
- E5 Materials Management
- E6 Physical Impacts of Climate Change
- E7 Protection of Biodiversity and Ecology
- G1 Ethical Business Conduct
- G2 Risk Management and Regulatory Compliance
- G3 Corporate Governance and Transparency
- G4 Brand Awareness and Reputation
- G5 Data Privacy and Cybersecurity
- G6 Crisis Management
- G7 Digital Transformation and Innovation

Principle Risks:

- R1 Bribery and Corruption Risk
- R2 Delay in Project Delivery
- R3 Cost Overruns
- R4 Reliability of Subcontractors
- R5 Collection Risk
- R6 Environmental Risk
- R7 Cyber Threats
- R8 Impact of SST on Construction
- R9 Talent Shortage in the Market
- R10 Negative Stakeholder Perceptions
- R11 Safety and Health

Positive
Negative
Neutral

Continued Volatility in Supply and Pricing of Raw Materials

1

HOW IT IMPACTED THE GROUP'S BUSINESS MODEL

The resurgence of global trade tensions in 2025, including higher U.S. tariffs on steel and aluminium imports, contributed to supply chain disruption, procurement uncertainty and cost volatility for some imported materials and components. These developments led to longer lead times, reduced pricing visibility and tighter sourcing conditions for certain internationally traded inputs, particularly for projects involving more complex systems and specialised building materials. More broadly, evolving trade policies and retaliatory measures also weighed on investment sentiment and decision-making across the supply chain.

IMPLEMENTED STRATEGIES

SunCon mitigated these fluctuations through proactive procurement strategies, including price lock-in arrangements with key suppliers to enhance cost certainty and supply visibility. In parallel, the Group adopted a disciplined, phased purchasing approach, with material purchases aligned to project requirements to avoid excessive inventory holding while maintaining execution flexibility. In addition, SunCon leveraged its strong supplier relationships to diversify its sourcing base, thereby reducing over-reliance on any single market affected by trade restrictions or other external disruptions.

IMPACT SEVERITY (1-10)

MATERIAL MATTERS

EC1 EC2 EC3 S2 E5 G2 G4

RELATED RISKS

R2 R3

External Trends and Developments

Public and Private Sector Infrastructure Expenditure

2

HOW IT IMPACTED THE GROUP'S BUSINESS MODEL

Public and private sector infrastructure spending remained disciplined throughout 2025. While the government continued to progress with major scheduled works, the private sector adopted a cautious approach to new capital expenditure, influenced by rising construction costs and a more stringent financing environment. This resulted in a competitive landscape for traditional civil engineering and building projects, necessitating a focus on high-growth and specialised segments.

IMPLEMENTED STRATEGIES

The Group sharpened its focus on high-value niche segments, particularly data centres and advanced manufacturing facilities, which remained resilient despite the broader market caution. By pivoting towards projects with higher technical entry barriers and robust commercial backing, SunCon maintained a strong order book. Additionally, the Group continued to pursue regional opportunities within Southeast Asia to diversify its project pipeline and complement its domestic operations.

IMPACT SEVERITY (1-10)

(+)

MATERIAL MATTERS

EC2 EC3 EC4 E5 G2 G3

RELATED RISKS

R3 R5

Continued Evolution in Governmental Policies

3

HOW IT IMPACTED THE GROUP'S BUSINESS MODEL

The operating environment in 2025 continued to evolve in response to several key policy developments affecting labour availability and operating costs. The full implementation of the RM1,700 minimum wage raised baseline labour costs, while the introduction of mandatory 2% EPF contributions for non-Malaysian employees from October 2025 added to foreign labour cost pressures toward year end. At the same time, tighter controls and the limited reopening of foreign worker recruitment reinforced the importance of labour productivity, workforce planning and execution efficiency. Changes to the electricity tariff structure also heightened the need for close monitoring of energy usage and operating costs across the Group's manufacturing and site operations.

IMPLEMENTED STRATEGIES

To address these challenges, SunCon strengthened workforce planning and labour deployment across projects to optimise manpower utilisation amid tighter foreign worker controls and rising employment costs. In parallel, SunCon intensified energy management efforts at its precast plants and construction sites through closer monitoring of electricity usage and operating efficiency under the revised tariff structure. The Group also maintained active engagement with relevant industry and regulatory bodies to stay aligned with evolving requirements and to provide feedback on policy-related impacts.

IMPACT SEVERITY (1-10)

(○)

MATERIAL MATTERS

EC2 EC4 S1 S4 G1 G2

RELATED RISKS

R2 R3

External Trends and Developments

Introduction of Net Zero/Carbon Regulations

4

HOW IT IMPACTED THE GROUP'S BUSINESS MODEL

The regulatory landscape for carbon and energy in Malaysia underwent a fundamental shift in 2025. The enforcement of the Energy Efficiency and Conservation Act 2024 (EECA), effective 1 January 2025, introduced mandatory energy audits and efficiency requirements for large commercial and industrial buildings. Furthermore, the Malaysian Government announced in Budget 2025 the introduction of a carbon tax on the iron, steel and energy industries by 2026. These developments, alongside the rollout of the National Sustainability Reporting Framework (NSRF), increased the necessity for rigorous data collection and the mitigation of potential pass-through costs from high-emission material suppliers.

IMPLEMENTED STRATEGIES

SunCon achieved a 39.7% reduction in carbon intensity in FY2025, largely through the strategic use of carbon credits and I-RECs. A key milestone was the awarding of an 11.8 MWac quota under the Corporate Green Power Programme (CGPP), with the Kapar plant commencing operations in November 2025. To manage the upcoming carbon tax and EECA requirements, the Group expanded its green building portfolio, which now accounts for 11% of total revenue. Additionally, the Group initiated a comprehensive supplier engagement programme to gather emissions data, ensuring readiness for the Scope 3 disclosure requirements of the NSRF.

IMPACT SEVERITY (1-10)

(○)

MATERIAL MATTERS

EC1 EC2 EC3 S2 E1 E4 E5 E6 G2 G3 G4 G7

RELATED RISKS

R3 R6

Enhancement of Safety Requirement via OSHA Amendments

5

HOW IT IMPACTED THE GROUP'S BUSINESS MODEL

The enforcement of the Occupational Safety and Health (Amendment) Act 2022 strengthened occupational safety and health requirements, resulting in higher compliance expectations and the need for more robust control measures at site.

IMPLEMENTED STRATEGIES

The Group strengthened Environmental, Safety and Health (ESH) initiatives across all project sites to ensure workers are informed and protected. All workers are required to complete site safety induction prior to commencing work, supported by regular ESH awareness campaigns to reinforce safety and compliance.

The Group also conducts periodic Urine Drug and Alcohol Tests (UDAT) to ensure workers are fit for duty and to safeguard workplace wellbeing. In addition, site access control systems have been enhanced to improve security, verify workforce compliance and maintain a safe and controlled working environment.

IMPACT SEVERITY (1-10)

(+)

MATERIAL MATTERS

EC1 EC2 S1 S4 G1 G2 G3

RELATED RISKS

R11

External Trends and Developments

Proliferation of Technology, Digitalisation and Innovation

6

HOW IT IMPACTED THE GROUP'S BUSINESS MODEL

The industry-wide move towards the Autodesk Construction Cloud (ACC) and real-time data integration redefined project management standards in 2025. Clients increasingly demanded high technology integration, from digital twins to automated progress tracking, to ensure transparency and efficiency.

IMPLEMENTED STRATEGIES

SunCon further institutionalised its VDC capabilities, applying them extensively within a DfMA framework. The Group also completed a feasibility assessment for a dedicated DfMA plant, aimed at shifting more site activities to a controlled factory environment. This approach is intended to optimise assembly processes, reduce waste and improve overall cost efficiency across the Group's larger projects.

IMPACT SEVERITY (1-10)

MATERIAL MATTERS

EC2 S2 S3 S5 G3 G5 G7

RELATED RISKS

R3 R7

Growing Focus on Skilled Professionals

7

HOW IT IMPACTED THE GROUP'S BUSINESS MODEL

The rapid digitalisation of the sector and the complexity of new segments like data centres increased the demand for tech-proficient talent. Attracting and retaining skilled engineers and project managers remained a challenge in a competitive talent market, directly impacting the Group's ability to scale operations.

IMPLEMENTED STRATEGIES

SunCon prioritised internal upskilling to bridge the technical gap, recording 34,678 training hours in 2025, representing an average of 32.1 hours per employee. The Group's training programmes focused on VDC, sustainability reporting and advanced project management. By fostering a culture of continuous learning, SunCon reduced its reliance on external hires and ensured its workforce remained capable of delivering increasingly complex projects.

IMPACT SEVERITY (1-10)

MATERIAL MATTERS

EC4 S3 S4 S5 G1 G3 G4 G7

RELATED RISKS

R9

Stakeholder Engagement

In IAR2025, SunCon has enhanced its stakeholder engagement disclosures. The inclusion of the extent of stakeholders' influence and impact provides more insight on how the role and significance of stakeholders as part of the SunCon value creation narrative.

SG1 CLIENTS

ABILITY TO INFLUENCE THE COMPANY
(or its objective, project or business line)
High Influence / Formal Power

DEPENDENCE ON THE COMPANY
(or likelihood to be impacted by the company's actions)
High

Why We Engage
- Clients commission SunCon to execute construction and infrastructure projects, driving the Group's revenue and growth
- Project requirements imposed by clients directly or indirectly impact project execution plans
- Clients' imposition of use of specific technologies & green requirements for projects directly impacts resource planning activities

Risks
- Unhappy clients can damage SunCon's reputation and future prospects
- Delays, cancellations and financial instability can disrupt resource allocation planning and cash flows

Opportunities
- Understanding clients' evolving needs can lead to opportunities for offering additional services
- Diversified client base across sectors and geographical regions can provide new revenue streams

Key Indicators

CSS Response Rate
2025: 100%
2024: 100%
2023: 100%

Average QLASSIC Score
2025: 83%
2024: 84%
2023: 82.3%

Methods of Engagement
- Annual Client / Consultant Satisfaction Survey (CSS)
- Scheduled progress meetings, site visits and updates
- One-off Quality Assessment System in Construction (QLASSIC) by Construction Industry Development Board (CIDB) Malaysia upon project completion
- Dissemination of information on our website

Stakeholder Expectations
- Delivery of products within time, cost, quality and compliance with relevant standards
- Provide expertise and knowledge in constructability solutions
- Conduct business with professionalism and good business ethics
- Highest level of legal compliance throughout construction process

Our Value Proposition
- Consistent track record of completing projects on time, within budget and within specifications
- Leveraging cutting-edge technologies and sustainable practices to meet contemporary construction challenges
- Strong focus on safety, quality, regulatory compliance and eco-friendly practices
- Collaborative and long-term mutually beneficial relationships with our clients

Our Response:
- Conduct scheduled internal inspections and audits through Sunway Quality Merit System (SQMS) and Progressive Quality Assessment (PQA) by internal experts
- Ensure workers are trained and skilled in their scope of works
- Conduct annual CSS to assess customers' satisfaction in our deliverables for further improvement
- Emphasis on good governance and business ethics within the workforce
- Established internal target of average annual QLASSIC score of 83% and above
- SunCon continues to adopt latest technologies and green requirements and also focuses on people competencies via talent development
- Establish joint ventures with specialists to deliver technological capabilities and market knowledge as required, notably for advanced technology facilities (ATF) projects

For more details, please refer to Product Quality and Responsibility on page 109-112.

Related Material Matters:
EC1 Product Quality and Responsibility
EC3 Supply/Value Chain Management
S1 Occupational Safety and Health
S2 Customer Satisfaction
G1 Ethical Business Conduct
G3 Corporate Governance and Transparency

Stakeholder Engagement

SG2 GENERAL PUBLIC AND COMMUNITIES

ABILITY TO INFLUENCE THE COMPANY
(or its objective, project or business line)
High Influence / Formal Power

DEPENDENCE ON THE COMPANY
(or likelihood to be impacted by the company's actions)
High

Why We Engage
- The general public and communities are affected by the environmental and socioeconomic impacts of SunCon's project and the Group's corporate social decisions

Risks
- Poor public perception impacts SunCon's license to operate
- Noise and dust pollution, safety risk and traffic congestion due to construction projects can be a nuisance to the public
- Inadequate environmental mitigation can result in public backlash and legal challenges

Opportunities
- Proactive engagement strengthens community relations and minimises opposition and delays to projects
- Contribution to social impact and community outreach programmes engenders goodwill

Key Indicators

Accidents Involving Public
2025: Nil
2024: Nil
2023: Nil

Social Impact Projects and Initiatives
2025: RM2.53 million
2024: RM2.86 million
2023: RM2.63 million

- Zero environmental incidents with severe environmental damage for 2022-2024
- 49% new hires in 2025 are below 30 years old, with opportunity for 164 interns

Methods of Engagement
- SunCon Hotline
- Dialogues and announcements to inform public members on inconveniences caused due to our operations within the locality
- Strategic collaboration with local social entrepreneurs and non-profit organisations for community outreach programmes
- Dissemination of information on our website and social media platforms such as LinkedIn, Instagram and YouTube
- Traffic Management Plan implemented at all operating sites

Stakeholder Expectations
- Responsible corporate citizen which gives back to the community
- Responsible for the livelihood of the surrounding community throughout the construction phase
- Safeguarding public safety
- Indirect economic impact through job creations and spent on local suppliers

Our Value Proposition
- Infrastructure improvements and employment opportunities from SunCon's projects
- Promote responsible and sustainable construction practices

Our Response:
- Proactively seek to safeguard the health and safety of public members and local communities where we operate through emphasis on hazard identification, risk assessment and risk control
- Provide employment opportunities for young graduates
- Provide a learning platform for pre-graduates to gain hands-on experience for better preparation to launch into the working community
- Provision of sponsorships and volunteers through the #SunwayforGood corporate social responsibility (CSR) initiatives
- Continual support for the Jeffrey Cheah Foundation championing the need for quality education
- SunCon's construction practices is always centred on ensuring the safety and wellbeing of the general public and local communities
- Continued creation of positive social impacts and outcomes via strategic CSR and other community outreach and empowerment activities
- Emphasising community branding strategies

For more details, please refer to Community Enrichment on page 113-118.

Related Material Matters:
EC1 Product Quality and Responsibility
EC4 Indirect Economic Impacts
S2 Customer Satisfaction
E1 Waste and Pollution Management
G1 Ethical Business Conduct

Stakeholder Engagement

SG3 AUTHORITIES AND REGULATORS

ABILITY TO INFLUENCE THE COMPANY
(or its objective, project or business line)
High Influence / Formal Power

DEPENDENCE ON THE COMPANY
(or likelihood to be impacted by the company's actions)
High

Why We Engage
- Authorities and regulators set standards and regulations, facilitate project approvals, and conduct inspections to enforce regulatory adherence

Risks
- Failure to comply with evolving regulations can lead to fines, suspension of operations, and reputational damage
- Slow bureaucratic approval processes can result in project delays

Opportunities
- Building strong relationships with regulatory bodies can facilitate smoother bureaucratic processes
- Capitalise on project opportunities and incentives arising from national policy directive

Key Indicators

Lost-time Incident Rate (LTIR)
2025: 0.26
2024: 0
2023: 0.15

No compounds and fines received on environmental non-compliance in FY2025

Methods of Engagement
- Regular reporting, engagement and timely updates
- Active participation and contribution to the industry through dialogues and forums, workshops, working groups and partnerships
- Unscheduled site inspections and visits
- Thematic events and initiative launches

Stakeholder Expectations
- Compliance to regulatory requirements and guidelines
- Ensure balance between stringent compliance controls and safeguarding clients' needs
- Cultivate a risk-aware culture where the potential risks to our business operations have been assessed and mitigated

Our Value Proposition
- Drive initiatives outlined in the national agenda and becoming the standard-bearer of new regulations
- Responding to government consultations and inquiries to help shape construction policies and legislative frameworks
- Tax contributions

Our Response:
- Continual review and enhancement of our system and processes as our first impediment on risk management
- Implement best management practices for environmental, safety and health management
- Conduct scheduled internal inspections and audits as required in SunCon QESH Management System
- Establish internal targets for Environmental, Safety and Health performance
- Ensure business operations meet all regulatory requirements while pursuing business objectives and targets
- Consistently review and update SunCon's management systems to ensure optimal compliance

For more details, please refer to the Environmental section on pages 74 to 94 and Occupational Safety and Health section on pages 104 to 109 of the Sustainability Statement.

Related Material Matters:
S1 Occupational Safety and Health
S3 Labour Practices and Standards
E1 Waste and Pollution Management
G1 Ethical Business Conduct
G2 Risk Management and Regulatory Compliance
G3 Corporate Governance and Transparency

Stakeholder Engagement

SG4 SHAREHOLDERS, INVESTORS AND ANALYSTS

ABILITY TO INFLUENCE THE COMPANY
(or its objective, project or business line)
Moderate to High Influence

DEPENDENCE ON THE COMPANY
(or likelihood to be impacted by the company's actions)
Low to Moderate Dependence

Why We Engage
- Shareholders and investors are capital providers while analysts evaluate and report on SunCon's performance and prospects

Risks
- Unclear communication can lead to misaligned expectations and misunderstanding of the Group's strategic direction
- Poor market perception can lead to a decline in investor confidence, stock price, and SunCon's ability to raise capital and pursue growth opportunities

Opportunities
- Valuable market insights can help SunCon to refine strategies aligned with market expectations
- Strong strategic support from institutional investors facilitate smoother implementation of business plans
- Demonstrating resilience and sustainable growth prospects can attract a broader investor base

Key Indicators

PBT
2025: RM526 million
2024: RM273 million
2023: RM189 million

Dividend Payout Ratio
2025: 184%
2024: 59%
2023: 53%

Methods of Engagement
- Statutory announcements (when required)
- AGM and EGM
- Corporate events
- Ad-hoc one-on-one meetings with management
- Annual and quarterly reports
- Dissemination of information on our website

Stakeholder Expectations
- Sustainable earnings generated and stable dividend stream
- Robust direct and indirect economic performance and impact
- Stay ahead of emerging opportunities and create competitive edge
- Timely and transparent reporting
- Strong corporate governance
- Prudent risk management strategies
- Embed sustainability considerations into business operations and practices

Our Value Proposition
- Attractive returns and growth underpinned by strong ESG principles
- Track record of good governance and transparent disclosures
- Dividend policy to return at least 35% of net profit to shareholders annually

Our Response:
- Create sustainable value leveraging on diversified portfolio across regions where we operate
- Emphasis on strong liquidity and capital management to preserve financial viability
- Creating potential business opportunities and new ventures
- Established SunCon Carbon Reduction Policy and 2030 reduction targets which describes our commitment towards sustainability
- Provide timely updates of business performance (quarterly results review and flashnotes on new projects is disseminated to the investment community via email, as well as timely disclosure on our website)

For more details, please refer to Management Discussion and Analysis on pages 16 to 39.

Related Material Matters:
EC2 Business Performance · S2 Customer Satisfaction · E6 Physical Impacts of Climate Change · G1 Ethical Business Conduct · G2 Risk Management and Regulatory Compliance · G3 Corporate Governance and Transparency

Stakeholder Engagement

SG5 EMPLOYEES

ABILITY TO INFLUENCE THE COMPANY
(or its objective, project or business line)
Moderate Influence

DEPENDENCE ON THE COMPANY
(or likelihood to be impacted by the company's actions)
Low to Moderate Dependence

Why We Engage
- Employees' skills, knowledge and dedication directly contribute to SunCon's operational effectiveness and long-term success

Risks
- Unmotivated workforce can decrease productivity and quality
- Loss of intellectual capital due to competition for talent
- Mismatched expectations between different generations of employees

Opportunities
- A diversified workforce can foster innovation that enhances SunCon's adaptability in a changing market
- Adoption of flexible work arrangements and improving cultural sensitivities can enhance SunCon's talent attraction and retention ability
- Strengthening governance and ethical practices can enhance stakeholder trust and long-term value creation

Key Indicators

Employee Turnover
2025: 15.3%
2024: 19.8%
2023: 18.5%

Average Man Days of Training per Employee
2025: 4.01
2024: 4.70
2023: 4.47

Methods of Engagement
- Biennial Employee Engagement Survey
- Triennial materiality survey
- Regular electronic and printed communication (e.g. email, safety alerts, Knowledge Management portal)
- SunCon Social Club activities
- Initiated Myvoice 2024 Employee Engagement Survey. Results showed an improvement in overall ratings by employees
- Regular training programmes on ethical standards, including Anti-Bribery and Corruption (ABC) supported by annual declarations and adherence to the Code of Conduct

Stakeholder Expectations
- A safe, healthy and conducive work environment
- Fair remuneration
- Equipped with future-ready skills and capabilities to remain relevant within the job market
- A diverse and inclusive workplace built on integrity and ethical conduct

Our Value Proposition
- SunCon distinguishes itself as an employer of choice through competitive remuneration, comprehensive professional development opportunities and a strong commitment to sustainability values, including integrity, diversity, equality and inclusivity

Our Response:
- Emphasising on hazard identification, risk assessment and risk control to prevent undesirable events and to safeguard the health, safety and welfare of our people
- Crafting holistic approach to learning with the clear focus to strengthen our organisational capabilities, curating flexible and forward-looking learning strategies that support our talent pipeline
- Embracing diversity and inclusion in the workplace where our people are treated fairly with empowerment to have the opportunities for career progression and enhanced employability
- Foster a culture of integrity by enhancing Anti-Bribery and Corruption (ABC) awareness and reinforcing professional conduct through regular training, communication and adherence to ethical standards

For more details, please refer to Employee Management on pages 96 to 101.

Related Material Matters:
EC2 Business Performance · S1 Occupational Safety and Health · S3 Talent Development and Retention · S4 Labour Practices and Standards · S5 Diversity, Equity and Inclusivity · G1 Ethical Business Conduct · G3 Corporate Governance and Transparency

Stakeholder Engagement

SG6 SUPPLIERS AND SUBCONTRACTORS

ABILITY TO INFLUENCE THE COMPANY
(or its objective, project or business line)
Low to Moderate Influence

DEPENDENCE ON THE COMPANY
(or likelihood to be impacted by the company's actions)
Moderate to High Dependence

Why We Engage
- Suppliers and contractors are integral project delivery partners, providing essential materials, services and specialised skills to meet project requirements

Risks
- Supply disruptions can cause project delays
- Non-compliance with regulations, including corruption, environmental, OSH and labour laws
- Cost volatility affects budgets and profitability

Opportunities
- Strategic partnerships provide intellectual capital and technological advantage, reliability, more favourable terms, and potential expansion into new markets or sectors

Key Indicators

Proportion of Spending on Local Suppliers
2025: 85%
2024: 99%
2023: 61%

Environmental Assessment of New Suppliers
2025: 100%
2024: 100%
2023: 100%

Social Assessment of New Suppliers
2025: 100%
2024: 100%
2023: 100%

Methods of Engagement
- Biennial Business Partner Satisfaction Survey
- Annual Subcontractors and Suppliers Performance Evaluation
- Triennial materiality survey
- Subcontractor, Suppliers and Consultants Sustainability Risk Assessment (when required)
- Monthly Environmental, Safety and Health (ESH) Committee at project site level
- Regular engagement with subcontractors and suppliers to communicate latest updates on emerging legal requirements
- Conduct regular Anti-Bribery and Corruption (ABC) training for all subcontractors and suppliers to strengthen awareness, professional conduct and compliance with ethical standards

Stakeholder Expectations
- Sustainable procurement practices and supply chain management
- Professional and transparent procurement process
- Timely payment
- Knowledge sharing and capacity building
- A safe, healthy and conducive work environment

Our Value Proposition
- Stable and continual stream of project pipeline due to SunCon's strong market position and diversified construction portfolio
- Fair and timely payment
- Insight into industry best practices on human rights, occupational health and safety, and environmental management

Our Response:
- Proactively seek to create and sustain synergistic partnership with our value chain partners
- Emphasis on provision of transparent supply chain and contract management processes and continually review these processes to achieve win-win solution
- Continual implementation of e-bidding system to ensure transparency and paperless transactions
- Continual implementation of Esker software for payment processes to ensure timely payments
- Emphasis on the provision of a safe, healthy and conducive workplace for our subcontractors' workers through active participation and consultation in our monthly site ESH Committee meetings
- To further develop the existing pool of suppliers / contractors in terms of competence, capabilities and capacity and in a driving further pivot towards green procurement
- Improving ability to advance plan for on procuring long lead equipment
- Establishing clear performance criteria to assess supplier quality and green credentials
- Continuously scan the performance of the suppliers / subcontractors through market intelligence progression and enhanced employability

For more details, please refer to Responsible Supply Chain on pages 72-73.

Related Material Matters:
EC2 Business Performance; EC3 Supply/Value Chain Management; EC4 Indirect Economic Impacts; S2 Customer Satisfaction; S4 Labour Practices and Standards; E5 Materials Management; G1 Ethical Business Conduct; G3 Corporate Governance and Transparency; G5 Data Privacy and Cybersecurity

Our Materiality Matters

Materiality assessments are integral to our sustainability journey, serving as a tool that informs our understanding of risks and opportunities.

In FY2024, SunCon participated in a materiality assessment led by Sunway Group, which reviewed the material matters across its three listed entities, including SunCon.

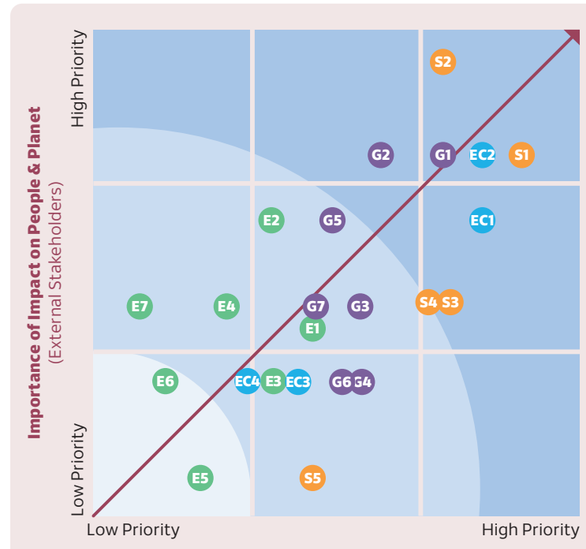
The assessment aimed to identify existing and emerging risks and opportunities for the prioritised material matters.

It involved gathering views and insights from relevant key stakeholder groups via an online survey, in-depth interviews and focus group discussions with the C-Suite. The process also evaluated financial materiality and impact materiality, in line with the requirements of the IFRS Sustainability Disclosure Standards.

In FY2025, SunCon maintained the outcomes of the materiality assessment and the prioritised material matters, which continued to be relevant to the organisation.



Following thorough management review, the Group concluded that the existing framework continues to align with the Group's operating landscape, business model, and long-term aspirations.



Alignment of material issues along the diagonal signifies the degree of shared priorities between internal and external stakeholders.

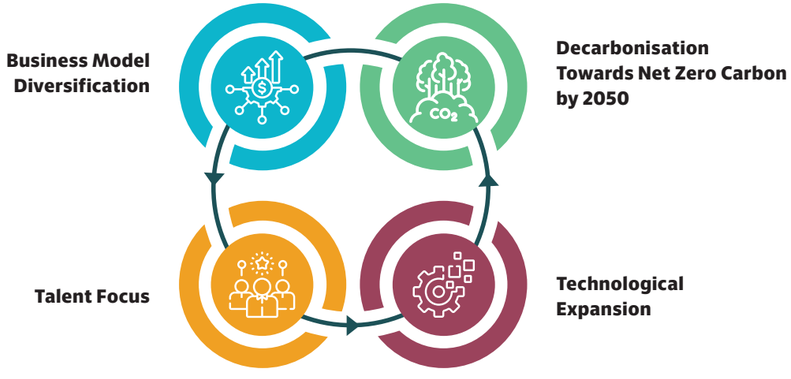
Shade gradations of a circular radius indicate the level of importance of a material issue. The darker the shade, the more important the issue.

Economic
Environment
Social
Governance

Strategic Priorities and Future Orientation

SunCon's forward-looking priorities act as a guide in driving SunCon's business model and strategies, including future shifts in capital needs and allocation priorities. This is supported by an operating approach that adapts to changing requirements.

The following section outlines the Group's strategic priorities, with division-specific details presented in the Management Discussion and Analysis of IAR2025.



BUSINESS MODEL DIVERSIFICATION

SunCon continued to broaden its business exposure by leveraging its vertically integrated model to capture opportunities across the value chain and in adjacent growth sectors.

In Singapore, the Group is expanding beyond its existing HDB projects by exploring a wider range of opportunities, including private sector developments such as nursing homes and data centres, with the aim of diversifying its project portfolio and strengthening its presence across different end-market segments.

Advanced technology facility (ATF) developments remained a key regional growth area, supported by ongoing investments in infrastructure to drive economic growth and attract foreign investment. With its established ATF track record, SunCon is well-positioned to pursue upcoming opportunities in this segment.

Apart from that, Renewable energy continues to offer growth potential as both public and private sectors increased RE capacity and decarbonisation plans. These projects allowed SunCon to generate carbon credits that helped offset its existing emissions.

The Group is also exploring opportunities in new renewable energy, as part of its efforts to extend its capabilities beyond core construction into adjacent solutions that support the evolving needs of data centre clients.

CAPITALS LEVERAGED

RELATED MATERIAL TOPICS
EC1 EC2 EC3 S2 S3 S5 G7

RISKS
R2 R3 R6

OPPORTUNITIES
- Expand the order book and business pipeline
- Extend geographic and sector reach
- Optimise vertical integration capabilities
- Build internal capabilities and value proposition

Strategic Priorities and Future Orientation

TALENT FOCUS

The need for technically competent, digitally proficient talent continued to increase across the construction industry.

SunCon has strengthened its human capital development efforts by prioritising digital skills across all levels, supported by targeted recruitment, retention and development initiatives that emphasise technological capability and critical thinking.

Internship programmes included structured exposure to digital construction tools, allowing earlier identification of high-potential individuals and ensuring new entrants met rising competency requirements.

SunCon adopted a cross-divisional development approach that gave employees broader exposure to different parts of the business, building wider skillsets and preparing leaders with both technical depth and enterprise-level perspective.

Supported by its 1,747 strong workforce, SunCon continued developing talent at all levels, moving away from approaches that prioritised management roles.

CAPITALS LEVERAGED

RELATED MATERIAL TOPICS
S1 S3 S4 S5 G1 G7

RISKS
R9

OPPORTUNITIES
- Lower workforce turnover rates
- Enhance workforce skillsets to increase productivity, efficiency and competitive edge
- Expand R&D capacity
- Strengthen talent acquisition, safeguard organisational expertise and foster a motivated workforce.

TECHNOLOGICAL EXPANSION

Technology adoption accelerated across SunCon, with AI, drones and other digital solutions integrated into daily operations. SunCon also explored new applications and solutions to improve operational efficiency.

At SunCon's ICPH, software-based machine control automated between 60% and 70% of carousel plant processes, improving production precision, increasing speed and reducing waste and errors.

Digital design and coordination tools were central to SunCon's approach. VDC improved design accuracy, enabled early detection of design clashes and enhanced resource planning, while ACC facilitated real-time collaboration across teams.

As cloud-based systems and other digital tools became more embedded in workflows, SunCon widened stakeholder access to project information and enabled more decentralised involvement. These capabilities were critical in ATF projects where digital platforms helped manage complex interfaces and ensured effective design coordination before construction began.

CAPITALS LEVERAGED

RELATED MATERIAL TOPICS
EC1 S2 G5 G7

RISKS
R2 R3 R7 R10

OPPORTUNITIES
- Expand the order book and business pipeline
- Extend geographic and sector reach
- Optimise vertical integration capabilities
- Build internal capabilities and value proposition

Strategic Priorities and Future Orientation

DECARBONISATION TOWARDS NET-ZERO CARBON BY 2050

SunCon recorded a reduction of 23,160 tCO_2e after carbon offset in 2025 compared to 2024 and continued to further enhance its decarbonisation agenda. This is essential in managing transitional climate risks such as carbon taxes, higher electricity costs and the embodied carbon of construction materials.

The shift towards lower-carbon products such as precast components gave SunCon the advantage in climate-conscious markets while replacing diesel forklifts with electric models supported ongoing emissions reduction.

These decarbonisation efforts generated revenue through the Corporate Green Power Programme (CGPP) and built stronger internal capabilities for sustainability-driven projects, including green buildings and data centres.

The following section outlines SunCon's Carbon Reduction Strategy.

Energy Optimisation

- Upgrade to energy efficient equipment.
- Broaden renewable energy use across operations.
- Replace diesel machinery with cleaner or electric alternatives (where viable).
- Evaluate low-carbon fuel options.

Advocacy

- Conduct sustainability workshops and awareness training.
- Engage with key commodity suppliers on low-carbon plans and targets.
- Strengthen procurement with sustainability and climate criteria.
- Prioritise local suppliers to reduce transport-related emissions.

Carbon Market

- Monetise green attributes from solar investments and CGPP.
- Explore potential renewable energy projects with credit trading.

Product Stewardship

- Use technologies, including BIM and IBS, to reduce energy use and embodied carbon.
- Adopt low-carbon and recycled content materials (where feasible).
- Reduce waste through stronger design efficiency and improved processes.

CAPITALS LEVERAGED

RELATED MATERIAL TOPICS

EC1 EC2 EC3 S2 E1 E2 E3 E5 E6 G2

RISKS

R3 R6 R10

OPPORTUNITIES

- Expand the order book and business pipeline
- Extend geographic and sector reach
- Build stronger local partnerships and value chains.
- Mitigate ESG exposure by addressing climate-related vulnerabilities and raising environmental and social performance

Risk and Mitigation Strategies

SunCon continues to operate in a dynamic environment shaped by shifting market conditions, supply chain volatility, cost pressures and evolving stakeholder expectations.

These factors have influenced the Group's overall risk profile, resulting in a recalibration of several key risks in 2025. While certain risks have reduced in severity due to stronger controls and improved market conditions, others have risen in significance, particularly those linked to project economics, stakeholder sentiment, talent availability and external cost impacts.

The Group manages these risks through structured oversight mechanisms embedded within the Enterprise Risk Management framework. The dedicated Risk Unit drives the assessment process and maintains a comprehensive Risk Register that is updated quarterly based on inputs from business divisions. Findings are reviewed by Management and tabled to the Board Risk Management Committee to ensure sound evaluation, timely response and alignment with the Group's risk appetite.

SunCon's risk management approach remains grounded in the ISO 31000:2018 principles. This includes continuous monitoring of internal and external developments, strengthening controls where vulnerabilities exist and incorporating ESG considerations such as environmental compliance, climate risks and reputational impacts. Through these measures, the Group aims to safeguard operational continuity and maintain resilience in an increasingly complex operating landscape.

Likelihood Parameters

Rare	**Unlikely**	**Possible**
Event may occur only in exceptional circumstances, typically below a 5% chance of occurring.	Event could occur at some time, generally above 5% but below 25% likelihood.	Event might occur at some time, generally above 25% but below 50% likelihood.
Likely	**Almost Certain**	
Event will probably occur in most circumstances, generally above 50% but below 95% likelihood.	Event is expected to occur in most circumstances, typically above a 95% probability	

Control Parameters

Satisfactory

Controls are strong and operating properly providing a reasonable level of assurance that risks are mitigated.

Some weaknesses

Some control weakness / inefficiencies identified. Risk mitigation requires additional or improvements towards operations or SOPs.

Weak

Controls do not meet an acceptable standard, as weaknesses / inefficiencies exist. Controls do not provide reasonable assurance that risks can be mitigated.

Risk Category	Risk Appetite Year 2025
External	Moderate
Regulatory	Low
Legal	Zero - Low
Corporate Governance	Low
Financial	Low
Customers	Low - Moderate
Suppliers	Low - Moderate
Products and Services	Low - Moderate
Human Capital	Moderate
Operations	Low

Risk and Mitigation Strategies

R1 Bribery and Corruption Risk

Likelihood: Unlikely

Risk category:

The Company obtained the ISO 37001:2016 Anti-Bribery Management System certification in 2025. This shows the Group's commitment to an effective anti-bribery management system and ethical business conduct.

SunCon's Anti-Bribery and Corruption Policy requires the Group to comply with all applicable laws, rules and regulations relating to corruption and to uphold a strict zero-tolerance stance towards bribery and corrupt practices at all times. The Policy applies across the Group and extends to its supply chain and other relevant stakeholders. The scope of the Policy covers the following:

- Awards of Contracts to Subcontractors / Suppliers / Consultants.
- Gifts, entertainment and hospitality, donations, sponsorships, corporate responsibilities, facilitation payments and contributions appreciation tokens from external parties.
- Hosting of customers, clients, suppliers & service providers.
- Appointment of third parties as intermediaries (for liaison with authorities and service providers).
- Direct hiring through recommendations without going through due process and direct liaison with employees.
- Early / premature certification of payment to subcontractors / suppliers.
- Kickbacks and money laundering.

Mitigation and controls

SunCon applies a zero-tolerance stance on bribery and corruption, backed by:

- ISO 37001-certified ABMS and a revised ABC Policy that codifies expectations for employees, management and relevant third parties.
- Strengthened procurement and subcontractor award processes, including open tender where appropriate, pre-qualification, enhanced ABC clauses and controlled use of the MetaBuyer eBidding platform to reduce tender price leakage.
- Structured screening and approval for hiring and payment-related processes and disciplinary procedures aligned with Group HR policies.
- Continuous awareness and training, supported by internal audits and an independent assessment advisor engaged to review and enhance the ABC framework and procurement procedures.

R2 Delay in Project Delivery

Likelihood: Unlikely

Risk category:

Project delivery timelines may be affected by a range of internal and external factors, including inclement weather conditions, supply chain constraints, material and labour shortages, occupational safety incidents and other unforeseen site-related challenges. Such delays could impact revenue recognition and expose the Group to liquidated ascertained damages, penalties or potential breaches of contractual obligations.

Mitigation and controls

- SunCon sets realistic project timelines based on industry experience and project management skills.
- Buffer time and costs are included where needed to manage potential delays.
- Project sites maintain records of site conditions and work progress for early issue detection.
- For delays caused by uncontrollable events, the Group seeks extensions from clients or authorities per contract.
- Subcontractors are contractually required to address delays in their scope of work.
- Large or complex projects may be split across multiple subcontractors to reduce risk and minimize delays.

Risk and Mitigation Strategies

R3 Cost Overruns

Likelihood: Unlikely

Risk category:

Cost overruns remain a key industry exposure driven by material price fluctuations, logistics constraints and delays in authority approvals or project sequencing. In 2025, enforcement of the BDM weight limit for heavy vehicles led to higher logistics costs and a uniform concrete price increase. SunCon mitigated part of this impact through negotiation, reducing the effective increase depending on supplier and location. Steel bar prices stabilised during the year, lowering cost pressure for that category. Nevertheless, prolonged activities, variation works and defects rectification continue to create risks that may erode project margins.

Mitigation and controls

- Projects undergo continuous monitoring of material costs, with early identification of variances and timely submission of variation claims where contractually allowed.
- Procurement teams benchmark key materials across suppliers and negotiate revised rates.
- Considered forward purchasing strategies for high-value items.
- Project teams also reassess estimates, monitor preliminaries and review supplier performance to avoid further cost escalation.

R4 Reliability of Subcontractors

Likelihood: Unlikely

Risk category:

Project delivery is dependent on subcontractors with the required technical capabilities, labour resources and financial capacity. Market competition and uneven availability of skilled subcontractors heighten the risk of delays, quality issues or pricing pressure. Performance assessments conducted across divisions have resulted in the blacklisting of subcontractors and suppliers, while a smaller pool has undergone ABC-related due-diligence screening. These measures indicate ongoing variability in the reliability of subcontractors engaged across different work scopes.

Mitigation and controls

SunCon applies a structured subcontractor management framework, including pre-qualification, annual performance reviews and active monitoring at project level. Underperforming subcontractors are removed from future tenders, while new entrants undergo technical, financial and integrity screening. Work scopes may be split between multiple subcontractors to reduce dependency on a single party. Project teams maintain close coordination and conduct periodic reviews to identify performance gaps early.

R5 Collection Risk

Likelihood: Possible

Risk category:

The Group may face collection risk arising from the inability or unwillingness of clients to meet contractual payment milestones. This may be due to contractual disputes, cash flow constraints on the client's side or unforeseen circumstances that delay certification or settlement of claims.

Mitigation and controls

Payment milestones and related commercial terms are clearly defined within project contracts to establish transparency and enforceability. The Group works closely with clients throughout the project lifecycle to monitor billing status, address issues promptly and facilitate timely settlement of payments.

Risk and Mitigation Strategies

R6 Environmental Risk

Likelihood: Unlikely

Risk category:

Construction activities carry risk of environmental non-compliance, including erosion, sedimentation, improper waste handling and pollution events. Such incidents may lead to regulatory action, project delays or reputational impact.

Mitigation and controls

Environmental management plans are implemented across projects, covering key areas such as erosion control, water quality monitoring, proper waste segregation and hazardous material management. Climate-related risks are assessed and incorporated into project planning. Teams prioritise renewable energy options where feasible and promote the use of local and certified sustainable materials in line with project requirements. Regular inspections and compliance checks ensure prompt corrective action.

R7 Cyber Threats

Likelihood: Unlikely

Risk category:

Increasing digitisation across project planning, collaboration platforms and data management elevates exposure to cyber incidents. Threats include system vulnerabilities, ransomware, social engineering and AI-enabled attacks. The Cybersecurity Act 2024 reinforces expectations for organisations to safeguard digital assets, and any compromise may disrupt operations, affect confidential information or trigger regulatory consequences.

Mitigation and controls

SunCon operates within the Sunway Group cybersecurity framework, supported by Digital Hub's ISO/IEC 27001 certification. Key controls include endpoint protection, vulnerability assessments, data backup and restoration testing, and 24/7 monitoring through the Security Operations Centre. Employees undergo annual awareness and phishing simulation exercises. Internal and external audits are conducted to validate compliance with ISO 27001 requirements and strengthen IT infrastructure.

R8 Impact of SST on Construction

Likelihood: Unlikely

Risk category:

Construction work services are subject to service tax. The expansion of the Sales and Service Tax regime to include construction services may result in higher operating and material costs, particularly in the absence of an input tax credit mechanism. This may lead to margin compression and increased compliance requirements across ongoing and future projects.

Mitigation and controls

The Group reviews project contracts for SST-related clauses and consults tax advisors to ensure compliance. ERP systems with tax management features are used to manage SST and cost estimation models are updated to account for non-recoverable taxes. Project budgets are regularly reviewed to monitor the financial impact of SST. Construction services are taxed at 6%, while construction materials are exempt from service tax.

Risk and Mitigation Strategies

R9 Talent Shortage in the Market

Likelihood: Likely

Risk category:

Demand for specialised data centre and advanced technology facility talent has risen sharply, with each project requiring an additional 150–200 skilled personnel. In 2025, 53% of SunCon's operational workforce was deployed to such projects, rising to a projected 68% in 2026. Competition for experienced engineers, supervisors and technical specialists may slow mobilisation, reduce productivity and increase exposure to delays or rework. Replacement cycles are also lengthy due to the specialised competencies involved.

Mitigation and controls

Workforce planning is integrated with the project pipeline to anticipate staffing requirements early. Competitive remuneration benchmarking, including ESOS programmes, helps improve retention. Cross-training and upskilling programmes prepare internal employees for specialised roles.

R10 Negative Stakeholder Perceptions

Likelihood: Possible

Risk category:

Negative perceptions among stakeholders—such as clients, consultants, investors, authorities, and business partners—can affect the Group's ability to win new projects, especially in the data centre market where reputation, track record, ESG performance and stakeholder confidence are important in tender evaluations. These perceptions may result from project delays, quality issues, disputes, safety incidents, negative publicity or concerns about labour practices in the supply chain, including subcontractors. A decline in stakeholder confidence may lower tender scores, reduce repeat business and weaken the project pipeline, potentially leading to loss of market share.

Mitigation and controls

The Group mitigates this risk by strengthening project governance, stakeholder engagement and reputation management practices. This includes implementing structured dispute management processes and early issue resolution mechanisms to address project or contractual concerns promptly, as well as maintaining clear and consistent corporate communication to manage stakeholder expectations and protect the Group's reputation. The Group also conducts post-project reviews to identify lessons learned and drive continuous improvement in project delivery, while ensuring strong governance, transparency and timely reporting to reinforce stakeholder confidence and maintain high standards of accountability.

R11 Safety and Health

Likelihood: Unlikely

Risk category:

SunCon is committed to strengthening the Social Pillar of its ESG framework by ensuring the safety, health, and wellbeing of its workforce and business partners are effectively protected through robust Occupational Safety and Health (OSH) management, proactive risk prevention, and a strong safety culture across all construction sites. SunCon recognises inadequate management of Occupational Safety & Health risks during construction activities may result in serious injuries or fatalities, regulatory penalties, project delays, financial losses, and reputational damage.

Mitigation and controls

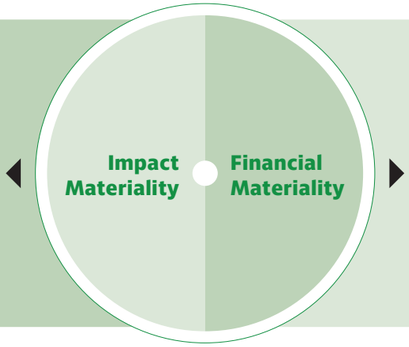
The Group mitigates Safety and Health risks by implementing a structured ESH management framework across its project sites. This includes proper hazard identification and risk assessment, strict controls for high-risk activities, and regular monitoring through inspections and audits to ensure compliance with safety regulations and standards. The Group also promotes safety awareness among employees and subcontractors, while ensuring competent supervision and effective planning of site activities to minimise accidents and maintain a safe working environment.

Progressing on the Sustainability Journey

Driven by our vision to be a leading regional construction and engineering group, we deliver infrastructure and built environments that enable economic progress while recognising our responsibility to minimise environmental impacts, protect our people and contribute positively to communities and stakeholders. Our mission, innovating to deliver value, guides how we embed sustainability into the way we plan, operate and deliver projects. By integrating responsible practices and forward-looking solutions across our business, we support sustainable growth, strengthen long-term resilience and create shared value for all stakeholders.

To translate these commitments into action, we undertook a double materiality assessment in 2024 to assess how sustainability matters affect our financial performance and how our activities impact the environment and society. This approach informs our decision-making and strategic priorities, enabling us to improve operating efficiency, reduce risk exposure, enhance access to financing and markets and reinforce supply chain resilience.

- Mitigating environmental and social impacts and serving as a positive change catalyst, consistent with our business model and philosophy of sustainable value creation
- Contributing to global efforts addressing climate change, pollution and human and labour rights



- Leveraging sustainability as a strategy to strengthen resilience against existing and emerging risks that could materially impact Financial, Business and Operational (FBO) performance
- Leveraging ESG to capitalise on opportunities for business development and value creation

At the same time, we closely monitor the evolving sustainability landscape, including regulatory developments, reporting requirements and disclosure standards that shape stakeholder expectations and industry practices. Our approach includes strengthening our disclosures and data management processes to ensure transparency, comparability and decision-useful information.

As part of these efforts, we have enhanced our climate change disclosures since 2024 by adopting updated emission factors and expanding our Scope 3 coverage to six categories of GHG emissions. This enabled us to align with IFRS S2 disclosure standards by 2025, in compliance with the NSRF requirements for Group 1 listed companies on the Main Market of Bursa Malaysia.

During the year, we have aligned with IFRS S1 disclosure standards. We have also set project-level KPIs based on our current targets to ensure all projects are monitored and tracked on their sustainability progress.



Progressing on the Sustainability Journey

SunCon ESG Framework

Vision
To be a leading regional construction and engineering group

Mission
Innovating to deliver value underpins our relentless efforts to drive positive and sustainable change in the way we work and operate to create value for all our stakeholders

Our Strategic Thrust

Striving in low carbon economy
Forging sustainable practices to remain competitive in the net-zero transition

Encouraging inclusive growth
Promoting inclusive growth by being a responsible employer and partnering for regional growth

Guaranteeing safety
Zero accidents objective for all people working in our workplaces remains the topmost priority for the Group

Respecting ethical principles
Adopting strong governance framework for employees to contribute effectively in upholding the Group's core values of Integrity, Humility and Excellence

ESG Focus Areas

Environmental
- Climate Action
- Circular Economy
- Water Protection
- Biodiversity

Social
- Employee Management
- Occupational Safety and Health
- Product Quality and Responsibility
- Fair Labour Practice
- Community Enrichment

Governance
- Governance and Ethical Business
- Risk and Regulatory Compliance
- Anti-Corruption and Anti-Bribery
- Data Privacy and Security
- Responsible Supply Chain

Key Enablers

Collaboration **Innovation** **Digitalisation**



Progressing on the Sustainability Journey



SunCon's ESG Framework serves as the Group's overarching strategy for defining sustainability focus areas, setting strategic priorities and embedding sustainability across our business strategies, operations and organisational culture. It provides a structured approach for integrating ESG considerations into decision-making while guiding the development of a practical, high-impact sustainability roadmap that supports sustained and enhanced value creation.

Aligned with our Vision and Mission, the framework brings sustainability into the core of our business philosophy and corporate ethos. Our Strategic Thrust establishes broad-based pillars that guide the identification of relevant and material ESG Focus Areas. From these areas, we systematically identify, categorise and monitor associated risks and opportunities.

Building on these insights, we develop management approaches and tactical strategies to mitigate risks and capture opportunities, with performance tracked against defined KPIs and targets. We continuously refine execution to drive improved outcomes and strengthen performance over time.

To accelerate implementation and drive meaningful progress, our framework is supported by three Key Enablers: Collaboration, Innovation and Digitalisation. Through Collaboration, we strengthen alignment across business divisions and work closely with external stakeholders. Innovation enables us to adapt and evolve in response to a changing operating environment, while Digitalisation allows us to leverage technology to enhance performance and drive operational improvements.

Collectively, our framework supports the achievement of our overarching Sustainability Goals under our Sustainability Roadmap: enabling sustainable construction, investing in a fair, safe and inclusive workplace and ensuring compliance while embracing transparency. It also contributes to the advancement of our selected United Nations Sustainable Development Goals (UN SDGs), including supporting the transition to a low-carbon economy, promoting inclusive growth, safeguarding safety and upholding ethical principles.

AWARDS AND RECOGNITION

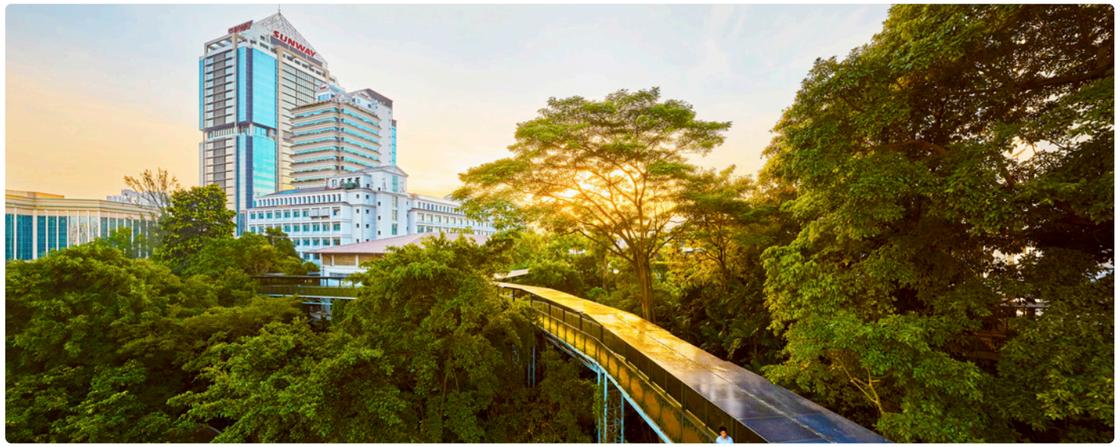
Our continued progress in sustainability is reflected in the recognition we received from leading ESG and financial indices during the reporting year. We maintained our **MSCI AA ESG Rating**, demonstrating consistent performance across environmental, social and governance practices. In addition, we improved our **FTSE4Good ESG rating from 3 stars to 4 stars** and we continued to be listed in the FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Malaysia Shariah Index, highlighting the sustained recognition of our growing market presence and investor confidence.

We are also proud to have been named **runner-up in SWCorp's PROBINA Award Year 2025** for our waste management practices at our data centre project in Bukit Jalil. This award highlights our strong efforts in implementing sustainable practices at our construction sites.

Progressing on the Sustainability Journey

CONTRIBUTION TO THE UN SDGS AND UNITED NATIONS GLOBAL COMPACT (UNGC)

Through alignment with selected UN SDGs and the Ten Principles of the UNGC, we advance ESG initiatives that support low-carbon transition, inclusive growth, workplace safety and responsible business conduct.



MEMBERSHIP OF ASSOCIATIONS

As active members of various industry bodies and professional associations, we advocate for stronger ESG practices within the industry. This includes advancing responsible supply chain practices, supporting human and labour rights, improving employment conditions and promoting decarbonisation, resource efficiency, as well as recycling and waste management.

Association	Our Membership & Contribution
Construction Industry Development Board (CIDB)	• Support CIDB's efforts to strengthen the capacity and capability of the construction industry through participation in industry programmes and adoption of established standards and best practices, particularly in quality, safety and health performance
Master Builders Association Malaysia (MBAM)	• Collaborate with industry stakeholders to enhance construction standards, strengthen workforce competencies, drive innovation and advocate for regulatory improvements through active participation in MBAM committees and workshops
Human Resource Development Corporation (HRDC)	• Facilitate the development of a skilled, knowledgeable and future-ready construction workforce via participation in HRDC-certified training and development programmes

Governance

GRI 205, 206, 308, 414, 415, 418

As our operating environment grows more complex, the importance of strong governance becomes even more pronounced amid rising stakeholder expectations, heightened regulatory requirements, and interconnected risks, as we advance our sustainability agenda. We are strengthening our governance framework through improved processes, controls, and oversight, with integrity as the foundation guiding our decisions, risk management, and ESG impact. We also extend these expectations to our supply chain, using enhanced due diligence and clear behavioural standards to promote responsible conduct across our operations.

Governance Focus Area:

- Governance and Ethical Business
- Responsible Supply Chain
- Data Privacy and Security
- Anti-Corruption and Anti-Bribery
- Risk and Regulatory Compliance

Performance on Governance KPIs and Targets

ESG Focus Areas	Target	2023	2024	2025
Governance and Ethical Business	No confirmed major non-compliance with all SunCon Codes of Conduct	Zero non-compliance	Zero non-compliance	**Zero non-compliance[1]**
Anti-Corruption and Anti-Bribery	Maintain 100% employees awareness on Anti-Corruption and Anti-Bribery	100%	100%	**100%**
	Zero confirmed bribery and corruption incidents	Zero confirmed incident	Zero confirmed incident	**1[2]**
	Achieved 100% compliance rate in due diligence for all new employees and associates	N/A	N/A	**100%**
Data Privacy and Security	Zero confirmed incidents of breach of customer privacy and losses of customer data	Zero confirmed incident	Zero confirmed incident	**Zero confirmed incident**
Responsible Supply Chain	Suppliers and subcontractors to complete Environmental and Social Assessment	Work in progress	330 responses	**To be conducted in FY2026**
	100% of new suppliers/ subcontractors screened using environmental and social criteria	Achieved	Achieved	**Achieved**
Risk and Regulatory Compliance	Zero non-compliance with all regulatory requirements and guidelines	33 notices received from authorities. All closed	16 notices received from authorities. All closed	**12 notices received from authorities. All closed**

[1] Excluding bribery and corruption cases, which have been reported under the Anti-Corruption and Anti-Bribery targets.
[2] A former employee was investigated in a corruption case. The Malaysian Anti-Corruption Commission (MACC) has cleared SunCon of any wrongdoing.

GOVERNANCE AND ETHICAL BUSINESS

SUSTAINING GOVERNANCE RESILIENCE THROUGH RIGOROUS POLICY MANAGEMENT

At SunCon, we uphold governance resilience through well-defined policies that guide conduct, internal controls and operational processes across the organisation. These policies are reviewed periodically, as prescribed under the relevant policies, with key updates presented to our Board to ensure continued alignment with regulatory requirements, stakeholder expectations, and industry trends.

Board Policies

- Remuneration Policy for Directors and Senior Management
- Policy on Selection and Assessment of the Board
- Policy on Selection of External Auditors
- Non-Audit Services Policy
- Fit and Proper Policy

Corporate Policies

- Code of Conduct and Business Ethics (CCBE)
- Whistleblowing Policy and Procedures
- Anti-Bribery and Corruption Policy
- Anti-Money Laundering, Countering Financing of Terrorism and Countering Proliferation Financing Policy
- Associates Code of Conduct
- Gifts, Entertainment and Hospitality Policy
- Quality, Environmental, Safety and Health Policy
- Sustainability Policy

Alignment with Sunway Berhad's Policies

- Human Rights Policy
- Diversity and Inclusion Policy
- Employees Grievance Procedure
- Anti-Sexual Harassment Policy
- Water Management Policy
- Sustainable Procurement Policy

In 2025, we implemented a new Sustainability Policy that embeds ESG considerations into our decision-making and operational practices, aligning with Sunway Group's Sustainability Policy and its commitments to the UN SDGs and Net Zero emissions by 2050. The policy serves as the foundation of SunCon's sustainability governance and strategy, guiding our initiatives and reinforcing responsible conduct across our subsidiaries and value chain, while driving long-term sustainable value for our stakeholders.

The policy is accessible here: https://ir2.chartnexus.com/suncon/doc/cg/Sustainability-Policy.pdf

As a member of Sunway Group, we further align our practices with group-level policies to maintain consistent governance standards across all entities. Our policies and corporate governance framework are accessible via our corporate website at https://www.sunwayconstruction.com.my/corporate-sustainability/governance.

Governance

SUNCON ESG GOVERNANCE STRUCTURE

Our approach to governance is driven by tone from the top, with our Board of Directors providing direct and active leadership through rigorous oversight, sound deliberation and informed decision making. This establishes a consistent organisational tone and supports the effective execution of our strategic priorities.

To embed sustainability into core business performance, we have linked ESG-related elements to GMD's and Senior Management's remuneration and KPIs since 2022. These topics include reducing carbon emissions, enhancing occupational safety and health performance, increasing waste diversion from landfills and improving ESG ratings.

Additionally, we maintain Board effectiveness by ensuring the Board receives regular updates on emerging issues and evolving trends, including climate change. We also uphold a balanced Board diversity, with female directors representing 43% of its seven members as of 31st December 2025 in line with the Malaysian Code on Corporate Governance guidelines.

Specific roles and responsibilities of the Board are outlined along with key elements of our governance structure in the Corporate Governance Overview Statement in this report. These details are further supported by the Terms of Reference for the Board and the Sustainability Committee (SC).

Scan the QR code to view our Sustainability Committee Terms of Reference:
https://ir2.chartnexus.com/suncon/doc/cg/GS05.%20TOR%20Sustainability%20Committee.pdf

Sustainability Governance Structure

Board of Directors ▸ The Board provides strategic direction for SunCon and its subsidiaries, ensuring that we remain on track to achieve our objectives. It shapes and reviews our overall strategy, upholds core values and maintains strong governance standards. The Board also oversees management to ensure that operations are conducted with integrity and in full compliance with applicable laws and regulations.

Sustainability Committee ▸ The Sustainability Committee (SC) oversees our sustainability strategy and key ESG priorities by reviewing targets, performance and overall sustainability progress. The SC also reviews the sustainability initiatives and provides recommendations to ensure they align with the business and sustainability strategies. It meets at least twice a year and submits recommendations to the Board on related matters.



TAN LER CHIN (CHAIRPERSON)



DR SARINDER KUMARI A/P OAM PARKASH



DATUK KWAN FOH KWAI



ERIC TAN CHEE HIN[1]

Governance

Risk Management Committee ▸ The Risk Management Committee (RMC) oversees SunCon's risk management framework and processes, including sustainability-related risks. It monitors, reviews, and deliberates on corporate and operational risks, ensuring appropriate mitigation plans are in place and effective. The RMC meets at least quarterly each year and all SC members serve on the RMC.

Nomination and Remuneration Committee ▸ The Nomination and Remuneration Committee (NRC) oversees all matters pertaining to remuneration, including that of SunCon's senior management. The NRC tracks the sustainability-related KPIs cascaded to senior management and meets at least quarterly every year.

Sustainability Department ▸ The Sustainability Department supports the Board and the SC in meeting regulatory requirements for ESG disclosures via policy recommendations and alignments. Moreover, the department tracks and monitors sustainability-related data and initiatives across SunCon to ensure accurate and transparent reporting. The department works closely with project directors across all business operations at SunCon to ensure the effective implementation of sustainability strategies and initiatives.

[1] Appointment of Mr Eric Tan Chee Hin as a member of SC in place of Mr Liew Kok Wing, effective on 3 March 2025.

ANTI-CORRUPTION AND ANTI-BRIBERY

ZERO TOLERANCE APPROACH TO CORRUPTION

We enforce a strict zero-tolerance stance on all forms of bribery and corruption, recognising them as a serious and material threats to our integrity, competitiveness, long-term value and stakeholder interests. Guided by impact materiality considerations, we acknowledge that corruption undermines governance, distorts decision-making and elevates operational and financial risk, while eroding the trust our clients, partners, and investors place in us.

Our Anti-Bribery and Corruption (ABC) Policy aimed to prevent any corruption and bribery practices within our operations and across our value chain.

Our approach is reinforced through the following policies and frameworks, which help safeguard our organisation and uphold the highest standards of conduct:

- Anti-Money Laundering Policy
- Gift, Hospitality and Entertainment Policy
- Code of Conduct and Business Ethics
- Associates Code of Conduct
- Anti-Bribery Manual (implemented as part of the ABMS certification)

The ABC Policy is reviewed and approved by the Board and the Board-level Audit Committee, which periodically assesses its relevance, effectiveness and compliance with regulatory requirements. It has been developed in line with local laws, including Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 and its 2018 amendment. In addition, our standard operating procedures and internal controls are similarly aligned with the Act. The policy is publicly available on our website and can be accessed via the QR code.

Scan the QR code to view our policies and corporate governance framework:
https://www.sunwayconstruction.com.my/investor-relations/corporate-governance

In May 2025, we attained the ISO 37001:2016 Anti-Bribery Management Systems (ABMS) certification, reinforcing our robust systems, controls and procedures against bribery and corruption. This includes maintaining a whistleblowing channel, an active Internal Audit function, access for external auditors and a Compliance Officer supported by the Compliance Function Team (CFT) to ensure the effective implementation of our anti-bribery controls.

Governance

Employee Anti-Corruption Training and Compliance

During the reporting period, we continued our annual Anti-Bribery and Anti-Corruption (ABC) compliance declaration, accompanied by briefing videos on ABC and a mandatory assessment. This is in addition to our anti-corruption briefing and training sessions for all employees, with new joiners receiving dedicated onboarding briefings on our ABC Policy. These initiatives are supported by our Employee Handbook, available on the company intranet, which outlines our principles on anti-corruption, good governance, corporate integrity, and ethical business conduct.

We also organise periodic refresher programmes to maintain awareness and reinforce employees' understanding of our anti-corruption expectations. These are regularly updated via quarterly emails, notice boards, and other internal communication channels, such as TV screens in our offices.

As of 31 December 2025, 100% of our employees, including new joiners, completed ABC training. All employees also signed the annual Code of Conduct and Business Ethics (CCBE) and the ABC Declaration Form.

Supply Chain Integrity and Anti-Corruption Compliance

All new business partners are required to register in our e-Supplier Registration and Evaluation (e-SRE) portal, where they must submit Anti-Corruption declarations. These declarations are mandatory for tender participation because they form part of the subsequent onboarding process and are incorporated into the contract upon award. Prior to onboarding, we conduct due diligence to assess the integrity and risks of potential vendors, suppliers, and contractors.

We also provide mandatory ABC onboarding briefings to all appointed suppliers, vendors and contractors, which require formal acknowledgement and acceptance of our policies and procedures. They are regularly reminded to comply with our zero-tolerance policy and uphold ethical practices aligned with our standards. This is also emphasised in all subcontractor-related documents, whose language was enhanced in 2025 to highlight the requirement for business associates to uphold the same standards in their conduct and activities. Any non-compliance may result in corrective action, including termination and/or blacklisting from future tenders.

Subsequently, we issued our Associates Code of Conduct, applicable to subcontractors, suppliers and consultants. Effective 20 August 2025, the code formally sets out the ethical standards expected of all parties conducting business with us.

Supply Chain Due Diligence

As part of our due diligence process, we assess active subcontractors and suppliers for bribery and corruption risks. Identified high-risk and medium-risk partners are subjected to further review by the CFT.

In 2025, we conducted internal audits and risk assessments to assess ABMS compliance and evaluate bribery risks across the departments and projects reviewed. During our annual assessment through internal audits, we have assessed 100% of our operations and identified the following significant corruption-related risks:

Supply Chain Bribery and Corruption Risk Areas

- Awarding contracts to subcontractors, suppliers or consultants

Risks Level



Mitigation Measures

- Enhanced digital onboarding system (eSRE)
- Strengthened required declarations to include Conflict of Interest
- Enhanced Letter of Award provisions
- Conducted third party review
- Performed integrity risk assessment for active subcontractors and suppliers

Supply Chain Bribery and Corruption Risk Areas

- Hiring without adequate due diligence

Risks Level



Mitigation Measures

- Enhanced Due Diligence for high-risk positions

Governance

Anti-Corruption Performance Data

In 2025, we recorded a corruption incident involving an employee. We took stringent measures against the said employee who was investigated by the MACC and subsequently terminated from employment. On 18 August 2025, the MACC confirmed in a letter that the investigation did not involve Sunway Construction Sdn. Bhd. and Sunway Engineering Sdn. Bhd.. The MACC also confirmed that the individual acted in a personal capacity and not on behalf of either company.

Whistleblowing Policy and Procedures

We maintain an established whistleblowing channel that enables all stakeholders to raise concerns through secure and confidential hotlines. All submissions are reviewed and investigated in accordance with our Whistleblowing Policy.

Whistleblowing Hotlines

Telephone: **(603) 5639 8033**

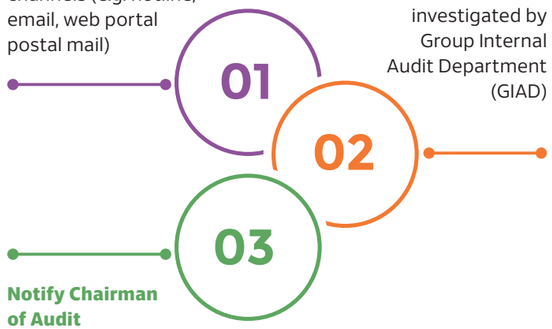
Email: **whistleblowing.SCG@sunway.com.my**

Report Received

Reported via whistleblowing channels (e.g. hotline, email, web portal postal mail)

Independent Review

Reviewed and investigated by Group Internal Audit Department (GIAD)



Notify Chairman of Audit Committee

All cases will be notified to the Chairman of the Audit Committee

Our Whistleblowing Policy enables whistleblowers and anyone who submits a report to remain anonymous while protecting them against any form of retaliation. All reports are handled with the highest level of confidentiality, with details disclosed only when required by law or essential for legal proceedings.

During FY2025, there was one whistleblower case reported through the whistleblowing channel. However, the case was unrelated to the Company. As such, no confirmed whistleblowing incidents were recorded for SunCon during the year.

DATA PRIVACY AND SECURITY

Data privacy and security are fundamental to our operations, as we manage a substantial volume of personal and confidential stakeholder information. We remain fully compliant with the Personal Data Protection Act (PDPA) 2010 and adhere to our Risk Management Framework (ISO 31000 principles).

Our protocols safeguard confidentiality at every stage, from data collection and processing to use and storage. We maintain stringent access controls so that data is used solely for its intended purpose. We grant access only to authorised personnel for a defined period, with the data owner's prior consent. We continuously enhance our data protection capabilities by investing in and upgrading our infrastructure, thereby strengthening our resilience against both current and emerging cybersecurity threats. In 2025, we received zero substantiated complaints regarding customer breaches.

Going forward, we will advance our data protection and cybersecurity posture by moving beyond baseline compliance and adopting more proactive, intelligence-driven safeguards. We will continue to uphold strict PDPA governance and reinforce our access controls to ensure that personal data is always handled responsibly, transparently and with clear consent.

SunCon's digital infrastructure is supported by Sunway Digital Hub, which is ISO 27001:2022 certified and oversees our cybersecurity strategies and implementations for SunCon under the direction of its Chief Information Officer. We maintain strong security governance and plan to further enhance our security measures, including more frequent stress testing, real-time threat monitoring, and strengthened incident response capabilities.

We will also continue to nurture a resilient cybersecurity culture across our workforce, partners, and vendors. By enhancing ongoing training, strengthening accountability and ensuring robust adherence to our Sunway E-Policy, we will make cybersecurity a shared responsibility across the organisation, ensuring secure, uninterrupted operations as we accelerate our digital transformation.

Governance

RISK AND REGULATORY COMPLIANCE

As a company operating in a highly regulated environment, we uphold strong compliance practices to minimise legal, financial and operational exposure that could disrupt our projects or affect our profitability. This also safeguards our reputation, which is critical to securing new opportunities, maintaining industry credibility and building trust with clients, regulators and investors.

We apply our Enterprise Risk Management (ERM) framework to identify, assess, monitor and mitigate risks related to strategy, operations, finance and compliance. This framework enables us to respond effectively to an evolving landscape of risks and regulatory expectations. The Board and Risk Management Committee provides oversight to ensure that risk management remains embedded in our decision-making processes and aligned with the organisation's strategic direction.

To support consistent and disciplined operations across the organisation, we maintain ISO-certified management systems, including ISO 9001 for Quality Management, ISO 14001 for Environmental Management and ISO 45001 for Occupational Health and Safety. These standards strengthen our approach to risk identification, regulatory compliance, incident prevention and continuous improvement. Furthermore, we emphasise good governance and uphold high standards of ethics and integrity across our operations by complying with our ISO37001:2016 Anti-Bribery Management System. This reinforces our zero-tolerance stance on bribery and corruption, ensuring that we conduct our business ethically and transparently.

In 2025, we recorded 12 notices from authorities, all of which have been closed. These outcomes were achieved through immediate corrective actions, strengthened process controls, targeted retraining, updates to risk assessments and SOPs and closure of all required action items in compliance with regulatory requirements.

RESPONSIBLE SUPPLY CHAIN

A responsible supply chain is fundamental to our credibility and to creating sustainable value. Our projects rely on a wide network of suppliers whose practices directly influence our environmental footprint, social impact and the quality of our products and services. When suppliers uphold strong standards, it enhances the quality of our delivery and reinforces stakeholder trust.

We are aligned with Sunway Group's Sustainable Procurement Policy, as well as our Code of Conduct and Business Ethics Policy. In 2025, we introduced the Associates Code of Conduct to further strengthen supply chain governance across the company.

Scan the QR code to view Sunway Group's Sustainable Procurement Policy:
https://www.sunway.com.my/wp-content/uploads/sustainability-policies/Sunway-Berhad-Sustainable-Procurement-Policy-240425.pdf

Scan the QR code to view our Code of Conduct and Business Ethics Policy:
https://ir2.chartnexus.com/suncon/doc/cg/Policy%2005.%20Code%20of%20Conduct%20&%20Business%20Ethics%20Policy%20(CCBE)%20R2%20-%20Website%20Version%201.pdf

Scan the QR code to view our Associates Code of Conducts:
https://ir2.chartnexus.com/suncon/doc/cg/16.%20Associates%20Code%20of%20Conduct%20(Upd%2020012026).pdf

Recognising the need to build a responsible supply chain and broader value chain, we are committed to fostering sustainable practices among our suppliers to support long-term value creation. This includes assessing all risks associated with all potential suppliers and contractors during the due diligence phase. All newly appointed suppliers are screened through our onboarding system to ensure they meet our requirements and expectations. In 2025, we screened 100% of new suppliers for environmental and social criteria through our onboarding system.

In addition, we conducted audits of selected supply chain partners and no material non-compliance was identified in 2025.

Should a non-compliant supplier fail to respond or satisfactorily address the non-compliance, we will enforce measures in line with our policies and contractual obligations. These may include removal from our approved list and disqualification from future engagement with us. Moving forward, we intend to expand our audit scope to include broader environmental and social areas as we continue to enhance our oversight.

For more information about anti-bribery and corruption in our tender process, please refer to the Anti-Bribery and Corruption section on pages 69-71.

Governance

Sourcing Materials Responsibly

We are cognisant that the construction industry's sustainability maturity is still developing, and this presents challenges in sourcing cost-effective green materials at scale. Within this context, we operate under defined project specifications that shape the materials we procure, including the extent to which green alternatives can be incorporated.

We acknowledge these challenges and continue to strengthen our approach to responsible sourcing, working toward integrating more sustainable options. In 2025, our top construction materials by tonnage and low-carbon construction materials implemented are as follows:

Top Construction Materials by Tonnage

Ready-Mixed Concrete (RMC)	Quarry Product	Steel Bar	Steel Mesh
609,391 Tonnage	**124,931 Tonnage**	**30,805 Tonnage**	**9,144 Tonnage**

Low-Carbon Construction Materials Implemented

Material	Initiatives	Benefits
Steel	• Use recycled steel in projects for reinforcement works where deemed suitable after assessment	• Reduces consumption of raw materials • Lowers carbon emissions associated with steel production
Green Concrete	• Use eco-friendly concrete containing Pulverised Fuel Ash (PFA) and Ground Granulated Blast-furnace Slag (GGBS) • Use Aerated Concrete (AAC)	• Enhances the sustainability of concrete and reduces environmental impact • Provides good workability and efficiency with a lower carbon footprint
Bamboo	• Use as a reinforcement material for soil stabilisation	• Provides a sustainable alternative to conventional methods due to its low environmental impact • Enhances the load-bearing capacity of soil

Prioritising Local Suppliers and Vendors

We remain committed to supporting local industries by engaging suppliers located near our project sites, wherever feasible. This enables us to contribute to the local economy, support surrounding businesses and foster broader community development. Local sourcing also means shorter transport distances, which improves delivery efficiency and reduces our carbon emissions. In 2025, 85% of our procurement spend was directed to local suppliers. While we continue to prioritise and optimise local sourcing, the expansion of our data centre portfolio may require procuring certain materials from overseas.

Environmental

GRI 301, 302, 303, 304, 305, 306

Environmental stewardship remains a defining benchmark for an organisation's long-term business resilience and national development. Climate volatility, declining natural capital, rising temperatures and tightening global regulations are reshaping expectations for responsible construction worldwide. These shifts require companies to improve efficiency, reduce environmental impact and maintain alignment with national and global sustainability pathways.

For SunCon, the environmental agenda informs how we safeguard project continuity, manage operational risks and support Malaysia's transition towards a low-carbon, resource-efficient economy. Strong environmental performance supports our licence to operate, helps protect local ecosystems and positions us to contribute to infrastructure that is more adaptive and climate-resilient. As one of Malaysia's leading construction companies, environmental stewardship remains an important enabler of our long-term operational and strategic performance.

Environmental Focus Area:

- Climate Action
- Circular Economy
- Water Protection
- Biodiversity

Performance on Environmental KPIs and Targets

ESG Focus Areas	Target	Interim Target 2025	2023	2024	2025	Progress Tracking
Climate Action	Reduce Scope 1 emissions by 40% by 2030 compared to 2020 levels (2020: 9,713 tCO_2e)	7,285 tCO_2e (25% reduction)	7,440 tCO_2e	12,283 tCO_2e	**13,402 tCO_2e *7,285 tCO_2e after offset**	
	Reduce Scope 2 emissions by 40% by 2030 compared to 2020 levels (2020: 3,724 tCO_2e)	2,793 tCO_2e (25% reduction)	6,997 tCO_2e *3,692 tCO_2e after offset	6,729 tCO_2e *2,327 tCO_2e after offset	**20,400 tCO_2e *2,793 tCO_2e after offset**	
	Zero non-compliance on ambient air quality	Achieved	Achieved	Achieved	**Achieved**	
	Zero non-compliance on noise quality	Achieved	Achieved	Achieved	**Achieved**	
	Zero non-compliance on vibration level	Achieved	Achieved	Achieved	**Achieved**	
	Achieve environmental monthly inspection score of 80%	Achieved	83.8%	83.8%	**86.2%**	
Circular Economy	20% waste diversion from landfill by 2030	11%	19.9%	26%	**63.2%**	
Water Protection	Reduce potable water consumption by 30% by 2030 from 2020 levels (2020: 392,726 m^3)	333,817 m^3 (15%)	298,366 m^3 (24.0%)	264,628 m^3 (32.6%)	**238,364 m^3 (39.3%)**	
	Alternative water sources (rainwater harvesting/water recycling) of at least 10% of the total water withdrawn by 2030	8%	12.3%	16.0%	**24.8%**	
	Zero non-compliance on water discharge quality	Zero non-compliances	Not achieved	Not achieved	**Achieved**	

Performance on Governance KPIs and Targets

Sustainability Matters	Target	Interim Target 2025	2023	2024	2025	Progress Tracking
Biodiversity	Zero environmental incidents with adverse environmental damage	Zero non-compliances	Achieved	Achieved	**Achieved**	

Legend: Progress Tracking

- Meeting the interim target, maintain performance towards meeting the 2030 target
- Falling short of the interim target for one year, review current practices
- Falling short of the interim target for more than two years, review and revise the target (if necessary)

CLIMATE ACTION

Climate action is a material topic for us at SunCon and our stakeholders, as it helps us protect the environment, strengthen business continuity and create long-term value. Our stakeholders expect us to manage our carbon footprint and embed sustainable practices across our operations and projects, in line with evolving regulatory, market and investor expectations.

By taking proactive climate action, we deliver measurable environmental, economic and governance outcomes. We have adopted solar energy at multiple facilities, reducing our operational carbon footprint while achieving significant energy savings and emissions reductions. We also use lower embodied carbon materials, such as green concrete and Electric Arc Furnace (EAF) steel, further supporting sustainable construction practices. These initiatives help us stabilise long-term costs, enhance our reputation and maintain investor confidence, as reflected in our continued inclusion in the FTSE4Good Bursa Malaysia Index and strong ESG ratings.

Through robust governance, we align our efforts with national and global Net Zero targets, including the Paris Agreement, and ensure transparency and accountability via enhanced sustainability reporting. As we expand into energy-intensive developments, such as data centres, our climate action approach supports progress towards our Scope 1 and 2 emissions reduction targets, which are aligned with the Science Based Targets initiative (SBTi), enabling responsible management of emissions growth.

Our Sustainability Policy guides our approach and is supported by SunCon's Net Zero Carbon by 2050 roadmap, which aligns with the Sunway Group's Net Zero aspirations. Since 2024, our decarbonisation roadmap has set out clear actions and timelines across all emissions scopes, providing a detailed path for how we intend to achieve our long-term climate goals:

2030: Mid-term

Scope 1	Scope 2	Scope 3
• Transition from diesel-powered equipment wherever possible • Replace aged machinery • Review sub-contracting strategy	• Define carbon offset credits generated by solar investment projects	• Engage major commodity suppliers on managing supply chain ESG • Complete full Scope 3 emissions accounting and establish a viable reduction target by 2027 • Incorporate environmental and social assessments as part of the supply chain selection process by 2026 • Review business strategy

2045: Long-term

Scope 1	Scope 2	Scope 3
• Tap technological solutions to advanced machinery fleet • Explore alternative fuel sources	• Tap technological solutions on electricity consumption	• Tap technological solutions to reduce emissions • Explore viable carbon credits to offset residual carbon • Promote low-carbon transportation for materials deliveries and business travels

Moving forward in 2026, we are looking into updating our Scope 1 and Scope 2 targets and re-baseline them due to improvements in data.

Environmental

EMISSIONS MANAGEMENT

We are steadfast in delivering measurable reductions in our carbon footprint. This commitment is underscored by a target of a 5% annual reduction in Scope 1 and Scope 2 emissions, exceeding the SBTi's recommended rate of 4.2%.

We also ensure alignment with industry best practices and international standards for our greenhouse gas (GHG) inventory and accounting by applying the GHG Protocol to define our boundary and methodology. Additionally, we adopt both financial control and equity share approaches for our carbon emissions reporting, recognising 100% of our carbon emissions from our direct subsidiaries and accounting for emissions from Joint Ventures (JVs) based on the Group's equity ownership.

The following are the sources of emission factors applied in our methodology:

DEFRA (United Kingdom)	Suruhanjaya Tenaga (Malaysia) Grid Emission Factor	Energy Market Authority (EMA) Singapore Grid Emission Factor

SunCon's Scope 3 categories

- Category 1: Purchased Goods and Services
- Category 4: Upstream Transportation and Distribution
- Category 5: Waste Generated in Operations
- Category 6: Business Travel (Land and Air)
- Category 7: Employee Commuting
- Category 9: Downstream Transportation and Distribution

Scope 1

Activity data (litre) ×
Emission factor (tCO_2e/litres)

Scope 2

Activity data (kWh) ×
National Grid Emission Factor (tCO_2e/kWh)

Scope 3

Category 1:
Emission ($kgCO_2e$) = Activity Data (tonnes) × Emission Factor ($kgCO_2e$ / tonnes)

Category 4:
Emission ($kgCO_2e$)
= Activity Data (km) × Conversion Factor (litre / km)
× Emission Factor ($kgCO_2e$ / litre)

Category 5:
Emission ($kgCO_2e$) = Waste (tonnes) × Emission Factor ($kgCO_2e$ / tonnes per waste type)

Category 6:
Fuel-based: Emissions ($kgCO_2e$) = Activity data (litre) × Emission factor (tCO_2e/litres)
Distance-based: Emissions ($kgCO_2e$) = Activity data (km) × Emission factor (tCO_2e/km)

Category 7:
Emission ($kgCO_2e$)
= Distance (km) × Emission Factor (kg CO_2e / km per vehicle type)
× Working Days per Year

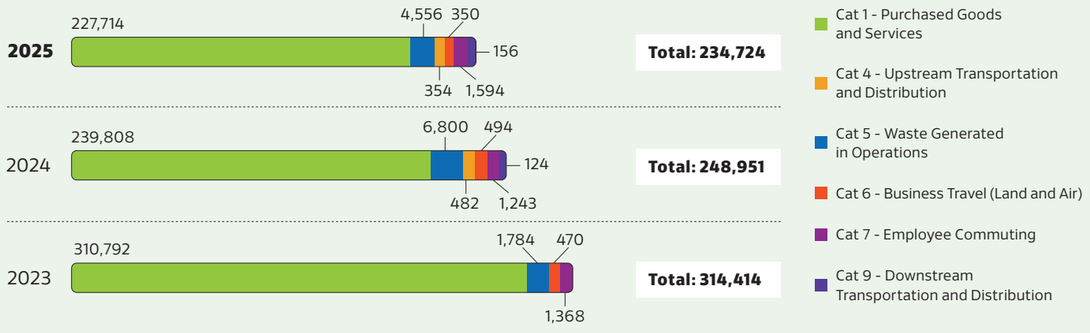
Category 9:
Emission ($kgCO_2e$)
= Activity Data (km) × Conversion Factor (litre / km)
× Emission Factor ($kgCO_2e$ / litre)

1. *Average-data method: Estimating emissions for goods and services by collecting data on the mass (e.g. kilograms), or other relevant units of goods or services purchased and multiplying by the relevant secondary (e.g. industry average) emission factors (e.g. average emissions per unit of goods or services)*
2. *Distance-based method: Determining the distance and mode of travel, then applying the appropriate emission factor for the mode used*

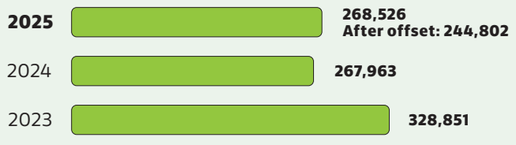
Environmental

Emissions Scope	Energy Sources	Boundary	Data (tCO_2e) 2023	2024	2025
Scope 1	Fossil fuel consumption comprising diesel, petrol, both for stationary and mobile combustion from vehicles and mobile equipment.	Project sites and precast plants owned or controlled by SunCon.	7,440	12,283	**13,402**
Scope 2	Primarily purchased energy, sourced from the national energy utility provider consumed by SunCon.	SunCon's head office, project worksites, company assets and precast plants.	6,997	6,729	**20,400**
Scope 3	Upstream and downstream emissions arising from the following categories:				
	1. Purchased Goods and Services	Construction & Precast Division - Average Data	310,792	239,808	**227,714**
	4. Upstream Transportation and Distribution	Construction - Fuel Based	-	482	**354**
	5. Waste Generated in Operations	Construction & Precast Division - Average Data	1,784	6,800	**4,556**
	6. Business Travel (Land and Air)	SunCon Group - Distance - Based	470	494	**350**
	7. Employee Commuting	SunCon Group - Distance - Based	1,368	1,243	**1,594**
	9. Downstream Transportation and Distribution	Precast Division - Fuel - Based	-	124	**156**

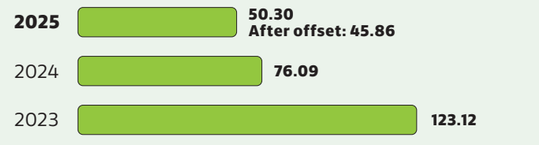
Total Scope 3 tonnes CO_2e Emissions Breakdown



Total GHG Emission (tCO_2e)



Emission Intensity (Scope 1, 2 and 3)
(tonnes CO_2e / RM million)



1 *Scope 3 emissions categories are based on the categories provided under the IPCC GHG Protocol.*
2 *Average-data method: Estimating emissions for goods and services by collecting data on the mass (e.g. kilograms), or other relevant units of goods or services purchased and multiplying by the relevant secondary (e.g. industry average) emission factors (e.g. average emissions per unit of goods or services).*
3 *Distance-based method: Determining the distance and mode of travel, then applying the appropriate emission factor for the mode used.*

Environmental

Emissions Scope	Total GHG Emissions (tCO_2e) 2023	2024	2025
Scope 1 (after offset)	7,440	12,283	**13,402 (7,285)**
Scope 2 (after offset)	6,997 (3,692)	6,729 (2,327)	**20,400 (2,793)**
Scope 3	314,414	248,951	**234,724**

Emissions Intensity (tCO_2e/RM million)



FY2023 123.12

FY2024 76.09

FY2025

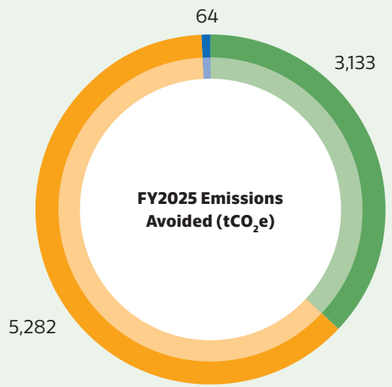
45.86 (after offset)

In 2025, our ventures into data centre projects caused an increase in our Scope 1 and 2 emissions. This increase aligns with the higher turnover of our FY2025 revenue. As such, we have purchased and retired carbon credits and I-RECs to offset Scope 1 and 2 emissions respectively, to meet our annual targets for this reporting year. After offsetting, we achieved a carbon reduction of 39.7% compared to the 2024 figure.

We acknowledge the value of having our disclosures independently verified to maintain accuracy and credibility. For this purpose, we have appointed an external auditor to carry out a limited assurance review of our GHG emissions data. The assurance work was performed in line with ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, as issued by the International Auditing and Assurance Standards Board (IAASB).

For further details on the assurance, please refer to the assurance statement on pages 368-377 of the IAR2025.

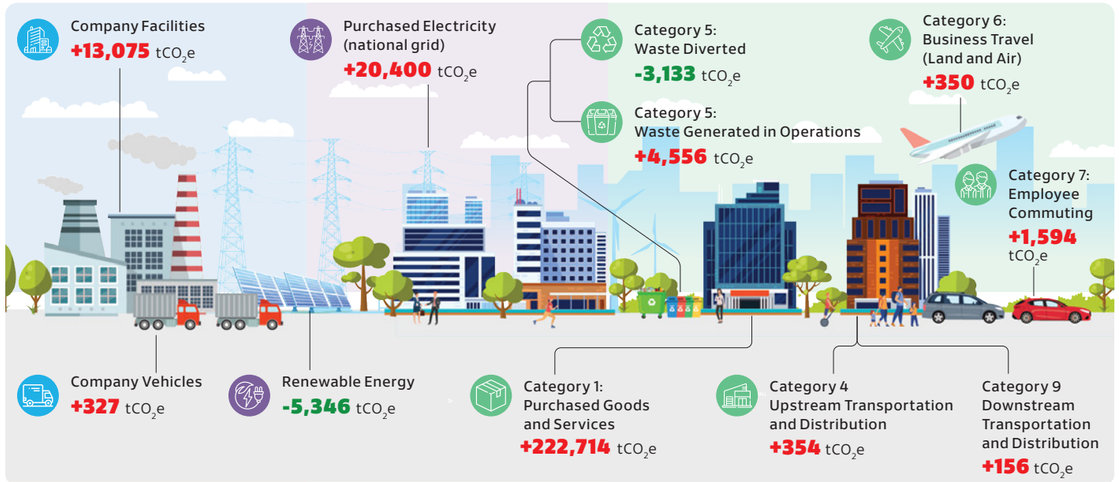
Emissions Avoidance



Category

- Waste diverted from landfill (includes reuse, recycle and reduce)
- Green attribute from solar investment projects
- Electricity generated from renewable sources

Environmental



Scope 1: Direct Emissions	Scope 2: Indirect Emissions	Scope 3: Indirect Emissions
5% of total CO_2e Emissions	**8%** of total CO_2e Emissions	**87%** of total CO_2e Emissions

Carbon Reduction Strategy

We continue to be guided by our Carbon Reduction Strategy, which provides organisational impetus for addressing our carbon footprint and is centred on four key focus areas:

Our Carbon Reduction Strategy

Energy Optimisation	• Upgrade to energy efficient equipment • Increase renewable energy adoption in operations • Transition from diesel-powered equipment to low-emission or electric alternatives where feasible • Explore the use of alternative fuels
Advocacy	• Conduct sustainability workshop for key project personnel and awareness training for staff • Engage major commodity supply chains for low-carbon plans and targets • Enhance procurement strategies to include sustainability and climate considerations • Prioritise local suppliers to reduce transportation emissions from materials deliveries
Carbon Market	• Trade green attributes from solar investment projects and Corporate Green Power Programme (CGPP) to generate income for the near term while operations remain focused on enhancing energy efficiency initiatives • Continue to explore potential renewable energy (RE) projects with carbon credit trading
Product Stewardship	• Utilise current and emerging technologies, such as Building Information Modeling (BIM) and Industrialised Building System (IBS) to optimise energy use and reduce embodied carbon of projects • Prioritise low-carbon options, such as products with recycled content (where feasible) • Minimise waste generation through design and process optimisation

Scope of Emissions Addressed

- Scope 1
- Operational scope 3
- Scope 2
- Embodied scope 3

Environmental

ENERGY MANAGEMENT

We are committed to expanding our sustainable energy portfolio beyond solar by delivering advanced energy infrastructure that improves efficiency and reduces environmental impact. This commitment guides our efforts to strengthen energy management practices across all our project sites.

Our District Cooling System (DCS) at Sunway Square in Sunway City Kuala Lumpur, is one of our sustainable energy projects, which optimises cooling efficiency. Built in collaboration with ENGIE Southeast Asia and completed in April FY2025, the system leverages Thermal Energy Storage (TES), which stores chilled water produced during off-peak hours. This improves chiller efficiency, reduces energy consumption and operational costs, lowers CO_2e emissions by thousands of tonnes annually and eases pressure on the electricity grid, potentially deferring the need for costly infrastructure expansions.

In 2025, we implemented broader energy management initiatives that included equipment upgrades, energy monitoring and site-level energy efficiency improvements. These efforts enabled us to reduce our reliance on fossil fuels, lower our emissions and embed long-term, low-carbon performance across all project sites.

Emissions Reduction/Energy Efficiency Initiatives

Electrical Machinery and Equipment Utilisation

- Utilising electrical bar-bending machines and EV forklifts as part of ongoing efforts to reduce reliance on diesel and support the transition towards electrified equipment



Energy-Efficient Equipment Adoption

- In FY2025, all project sites transitioned to LED light fixtures in site offices, pantries and meeting rooms, totalling approximately 2,261 units, resulting in an estimated reduction of 73.5 tCO_2e of emissions
- Installed 101 units of inverter-type air conditioners to reduce start-up energy load for each Air Handling Unit (AHU) across eight project sites
- Replaced halogen floodlights with energy-efficient LED floodlights



Site Sustainability Practices Inspections

- Conducted site sustainability practices inspections across our Klang Valley sites, focusing on energy management measures such as lighting, HVAC systems and solar energy utilisation
- Planned to fully implement these inspections across all project sites and establish a periodic monitoring schedule to ensure continuous improvement in energy efficiency and sustainable site operations

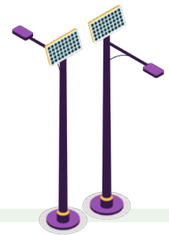


Environmental

Renewable/Clean Energy Initiatives

Diesel-Powered Machinery to Electric or Solar Alternatives Transition

- Continued advancing the electrification of our operations to phase out fossil fuels and reduce Scope 1 and 2 emissions
- Included deploying solar-powered floodlights and tower lights, EV forklifts, electrified bar-bending machines and electric water pumps



Electric Vehicle Charging Station

- Rented a satellite office and site office near an electric vehicle charging station (EVCS), that is accessible to all, at one of the data centre projects, encouraging the use of electric vehicles (EVs) and helping to reduce greenhouse gas emissions



Battery Energy Storage System at Precast Plant

- Implemented a Battery Energy Storage System (BESS) connected to a diesel genset that reduces diesel consumption at the ICPH plant in Singapore through storing additional energy generated by the genset



Renewable Energy Integration

- Installed on-site solar lighting systems, including solar panels for self-consumption at the precast plant in Senai, Johor
- Implemented solar installations at several commercial and industrial properties





Solar-powered tower light



Electric-powered bar-bending machine



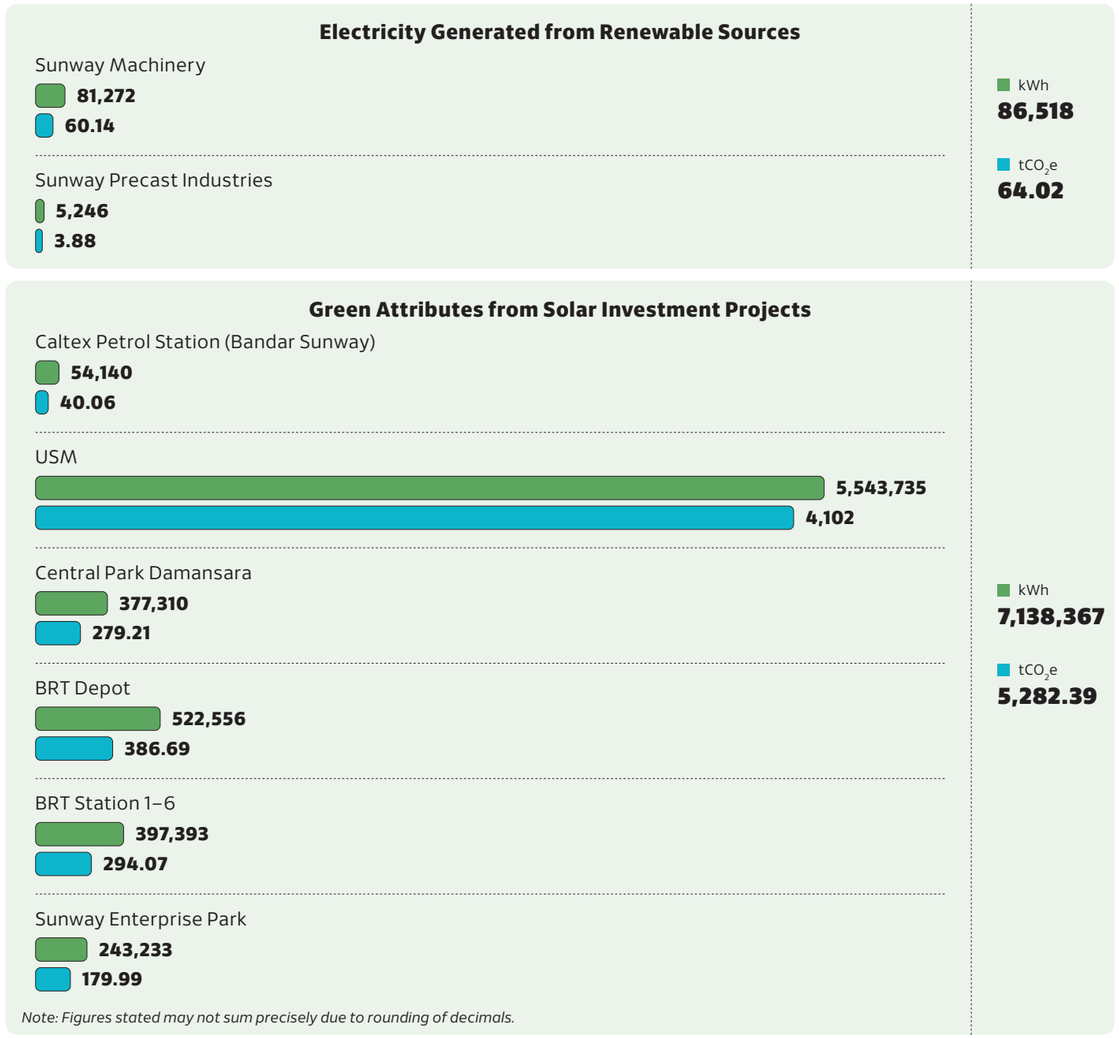
Electric vehicle charging station near the site office

Environmental

Maximising Our Renewable Energy Solutions

With a total installed solar capacity of 5,475 kWp, our system generates approximately 7,138 MWh of renewable electricity annually, enabling the avoidance of 5,282 tCO_2e each year. During the reporting period, we increased our solar capacity by 9% compared to 2024, driven by the commencement of operations at the BRT Depot and the six BRT stations in January 2025.

In 2025, our Renewable Energy division reached a major milestone by securing an 11.8 MWac quota under the Corporate Green Power Programme (CGPP) from the Energy Commission. The CGPP Kapar plant, which commenced operations in November 2025, is expected to generate approximately 24,000 MWh of renewable energy annually, avoiding approximately 18,576 tCO_2e of emissions each year. Together with our existing solar installations, this initiative is expected to increase our total solar capacity to 5.48 MWp.



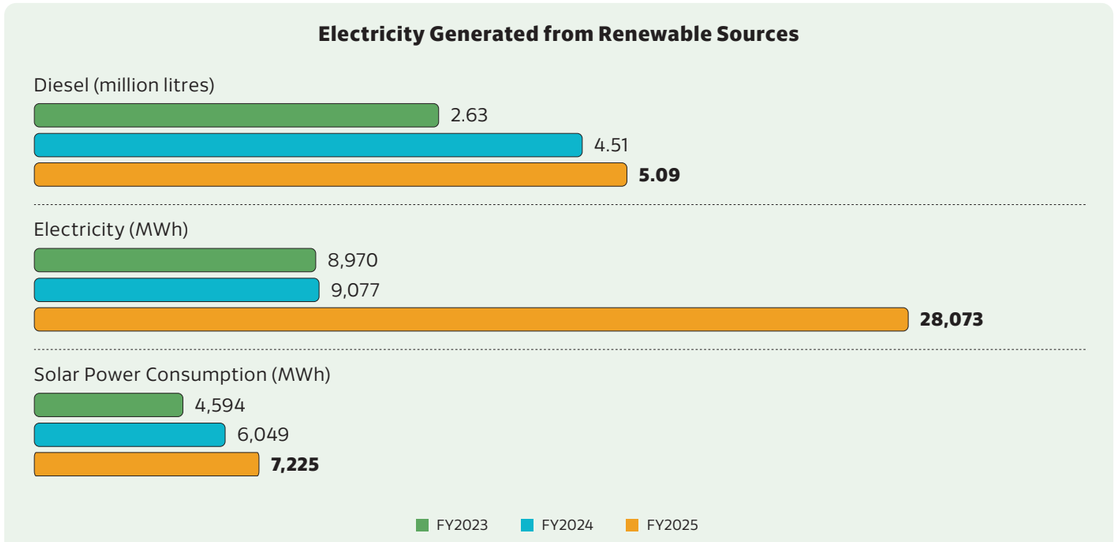
Note: Figures stated may not sum precisely due to rounding of decimals.

Environmental

Energy Consumption

Through SunCon's Sustainability Dashboard, we continuously monitor all our energy usage, including fuel and electricity, throughout the reporting year. The dashboard provides real-time data, which we review during weekly project meetings to make informed decisions and drive progress towards our sustainability targets.

Diesel consumption in 2025 increased substantially compared to 2023 and 2024, due to the awarding of more projects than in the two previous financial years. These awarded projects are carbon-intensive and we are working on initiatives to reduce diesel consumption at project sites. Electricity consumption, however, recorded a significant increase compared to previous years due to testing and commissioning work at one of our data centre projects.



Moving forward, we are actively exploring several initiatives to enhance both our emissions and energy management. We will focus on digitalising core processes to improve workflow efficiency, strengthen governance and improve data integrity. We plan to implement policies and procedures relating to energy efficiency across all project sites to ensure consistent adoption of emission-reduction practices, supporting operational efficiency and long-term sustainability.

We also plan to develop Scope 1 and Scope 2 energy management KPIs for all project sites to strengthen energy-use tracking, improve transparency and drive consistent performance improvements. To reduce direct emissions, we intend to initiate a Battery Energy Storage System (BESS) implementation study to assess its potential to enhance energy efficiency and reduce diesel consumption across our construction sites. The BESS is designed to support intermittent, high-current loads, such as passenger hoists, generators, tower cranes and bar-bending machines, by acting as a power amplifier during peak demand, easing generator strain and improving energy stability.

Our endeavours extend to strengthening engagement with critical suppliers, incorporating sustainability-related clauses into all subcontractor and supplier agreements, as well as conducting on-site performance testing to enhance operational energy efficiency. In alignment with the National Sustainability Reporting Framework (NSRF), our goal is to obtain reasonable assurance for Scope 1 and 2 GHG emissions and to commence the collection of sustainability-related data from key suppliers to improve the completeness of Scope 3 disclosures and strengthen supply chain visibility.

Environmental

Green Building Delivery

SunCon is committed to advancing green building practices by adhering to all relevant building codes and standards, particularly in material selection. This approach helps ensure our construction practices meet industry benchmarks while enabling us to deliver sustainable, eco-friendly urban developments that reduce environmental impact and support our climate goals.

We continue to leverage our expertise to drive green building solutions and are on track to complete 10 green buildings, contributing 11% of our total revenue. These projects align with our climate ambitions by reducing carbon emissions through energy-efficient design, the use of sustainable materials and lower-impact construction methods, reinforcing our role in delivering climate-friendly built environments.

List of Green Building Projects

	Project	Certification
1	Sunway Belfield	Green RE — Platinum
2	Sunway Square, Sunway City Kuala Lumpur — Retail and Cinema	Green RE — Platinum
3	Sunway Square, Sunway City Kuala Lumpur — Sunway University and the Performing Arts Centre	Green RE — Gold
4	Sunway Square, Sunway City Kuala Lumpur — Office Tower 1	LEED — Gold Green RE — Platinum
5	Sunway Square, Sunway City Kuala Lumpur — Office Tower 2	LEED — Gold Green RE — Platinum
6	Sunway Flora	Green RE — Platinum
7	Sunway Medical Centre Ipoh (SMCI)	Green RE — Silver
8	Sunway Medical Centre Phase 4	Green RE — Bronze
9	Sunway Carnival Mall, Penang (SCMR)	GreenMark — Gold Plus Green RE — Gold
10	Sunway Medical Damansara (SMCD)	In progress

We are also enhancing our materials management by prioritising the use of sustainable and low-carbon materials throughout our supply chain.

For more information, please refer to the Responsible Supply Chain section on pages 72-73.

Environmental

CIRCULAR ECONOMY

As one of the leading construction companies in Malaysia, our sector depends heavily on materials such as steel, cement and aggregates, which makes efficient resource use critical to reducing our environmental footprint. Circular economy principles help us to reduce waste to landfill by keeping materials in circulation for as long as possible through reduction, reuse, recycling and repurposing.

The broader industry and market landscape further reinforces the importance of advancing circularity across our operations. For example, processing capacity for construction and demolition waste is still developing, particularly for concrete, aggregates, bricks and asphalt, which highlights the value of maximising resource efficiency at our project sites.

Certified low-carbon materials, such as EAF steel, continue to command a price premium, underscoring the role of thoughtful procurement strategies that support the sector's transition to lower-carbon options. In addition, uneven market availability of low-carbon materials requires more deliberate planning to manage timelines effectively. These conditions illustrate a maturing ecosystem and emphasise the urgency of circular practices as the industry moves towards more sustainable construction methods.

APPLYING CIRCULARITY ACROSS OUR OPERATIONS

We maintain our commitment to applying circular economy practices, recognising the long-term value of reducing waste and extending material life cycles. Our approach focuses on reducing, reusing and recycling materials to minimise landfill disposal and maximise resource efficiency.

The Quality, Environmental, Safety and Health (QESH) Policy

Sustainability Policy

We are guided by these two policies in implementing responsible waste management and material usage practices across our project sites.

The following process flowchart summarises our waste management process, which is implemented across all operational sites:

SunCon's Waste Management Process

1. **Waste Segregation**
   Segregated into:
   - Hazardous Waste
   - Non-Hazardous Waste
2. **General Waste**
   - Hazardous Waste
   - Reusable and Recyclable Waste
   - General Waste
   - Construction Waste
3. **Waste Transport**
   - Waste is transported by appointed licensed waste collectors to approved landfills or recovery centres
4. **Waste Treatment**
   - Recovery of Waste Stream
   - Recycling Facilities
5. **Waste Disposal**
   - Incineration
   - Landfill

We aim to divert at least 20% of our waste from landfills by 2030 through several methods, including closing the waste loop with recycled construction materials, such as timber, steel and concrete, wherever feasible. Since landfill waste contributes significantly to our Scope 3 emissions, specifically Category 5: Waste Generated in Operations emissions, waste reduction and diversion are central to reducing our indirect emissions. To address this, we continue to divert recyclable waste from landfill and keep materials in use for as long as possible. This approach minimises environmental impacts, reduces our dependence on virgin inputs, limits cradle-to-gate waste generation and offers a more sustainable alternative to the linear model of extraction, consumption and disposal.

Environmental

WASTE MANAGEMENT PRACTICES

We apply the Reduce, Reuse and Recycle (3Rs) approach as the foundation of our waste management practices. We minimise waste generation through segregation at source and responsible material planning. The following table provides an overview of the material categories within our operations and the ongoing initiatives implemented in 2025 to reduce, reuse and recycle the respective materials.

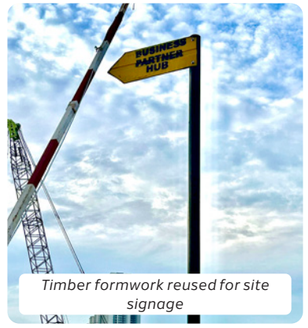
Category	Waste Material	How We Manage Waste Material Using This Approach
Construction Materials	• Timber • Concrete • Steel	• Separate construction materials at source to minimise waste • Reuse timber offcuts for signage, storage structures and other site facilities • Repurpose concrete waste for work platforms, sub-base layers and temporary access roads • Deliver steel bars to mills or foundries for recycling • Incorporate recycled construction materials, including recycled steel and concrete, wherever feasible
General Recyclable Materials	• Aluminium • Paper • Plastic • Glass • Cardboard • Bottles	• Separate recyclable materials at source to minimise waste • Channel aluminium, paper, cardboard and bottles to authorised recycling centres



Concrete waste repurposed as crusher run



Timber formwork repurposed into directional site signages



Timber formwork reused for site signage



Concrete waste repurposed for walkways and safe site access



Excess concrete repurposed into water tank bases

Environmental

We also collaborate across internal projects to reduce overall waste and promote circular economy practices. Through sharing of resources and leveraging common waste streams, materials that would otherwise be discarded can be repurposed across different sites. For example, construction debris, excess soil and unused cabin containers from one project can be reused as resources in another project. This approach minimises landfill disposal, improves resource efficiency, lowers costs and reinforces a culture of sustainable operations across our projects.

To ensure these practices are consistently implemented, we maintain comprehensive monitoring and strict compliance controls. We track waste monthly by type, quantity, disposal method and collector category to conduct trend analyses that are then presented during the weekly meetings of projects for management review and decision-making.

In addition, we record recycling data based on waste dockets issued by the transfer station or recycling centre. Our appointed waste contractor submits these dockets to the project team, which reviews and verifies them before approving any payment. This process ensures the integrity and traceability of our data. We only appoint National Solid Waste Management Department (JPSPN)-licensed contractors for construction solid waste and Department of Environment (DOE)-licensed contractors for hazardous (scheduled) waste, to ensure that all waste is managed and disposed of in accordance with regulatory requirements.

We also build internal capabilities by ensuring our people are certified and trained in operational waste management. As of 2025, we have 11 employees certified as Environmental Professionals in Scheduled Waste Management (CePSWaM) and delivered ISO 14001:2015 awareness training to 40 employees. These initiatives also played a key role in embedding responsible waste practices into our daily operations.

WASTE MANAGEMENT COSTS

In FY2025, we recorded RM 3.13 million as the total cost for waste management across our project sites. The following table provides a breakdown of these costs by category:

Category	Cost Incurred (RM mil)
Waste directed to disposal (Landfill waste)	3.07
Hazardous (scheduled) waste	0.06
Total	3.13

HAZARDOUS WASTE MANAGEMENT

Hazardous waste, also referred to as scheduled waste, includes materials that pose potential risks to human health and the environment if not managed properly. We are committed to ensuring the responsible and compliant management of such waste.

We prioritise the proper management of hazardous waste by engaging licensed DOE-registered contractors. We also leverage the DOE's Electronic Scheduled Waste Information System (eSWIS) to track waste data from generation to final treatment and disposal. In 2025, we generated the following scheduled waste:

Scheduled Waste Code (Type)	Quantity (kg)
SW305 (Spent lubricating oil)	**124**
SW307 (Spent mineral oil-water emulsion)	**46,391**
SW311 (Waste oil/Oil sludge)	**260**
SW408 (Contaminated soil, debris/ matter)	**7,237**
SW409 (Disposed containers contaminated with chemicals, pesticides, mineral oil or other scheduled waste	**8,407**
SW410 (Rags, plastics, papers or filters contaminated with scheduled wastes)	**3,106**



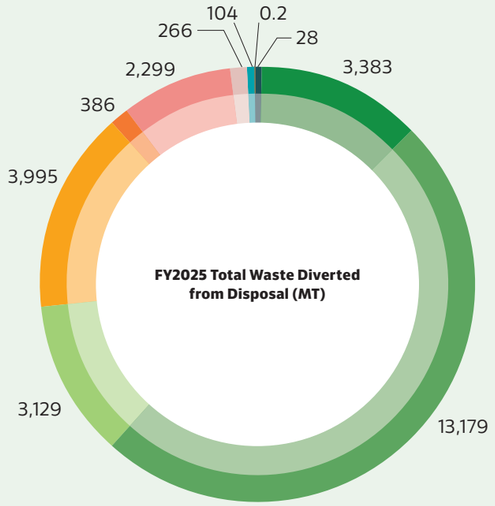
On-site recycling station for waste segregation

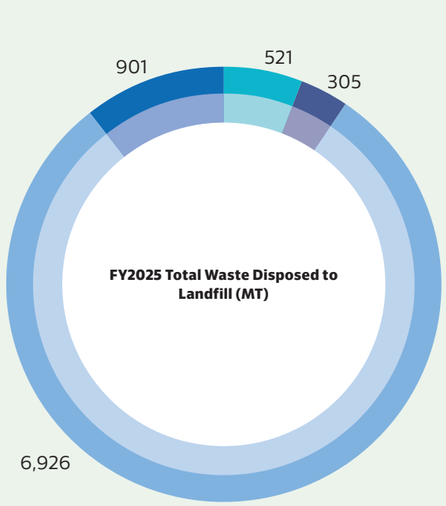
Environmental

WASTE GENERATED

In FY2025, our total waste generated was approximately 35,420 tonnes, comprising 26,769 tonnes of waste diverted from landfills and 8,652 tonnes of waste disposed to landfill. From this, we achieved a 63.2% reduction of construction waste to landfill by reusing materials, which collectively prevented 3,133 tCO_2e. The diversion rate excludes mixed construction and general waste. Our reporting follows a cradle-to-gate approach, ending at the point of delivery to sorting facilities. Therefore, any further recycling beyond that point falls outside our reporting boundary.

Waste Type





Note: Figures stated may not sum precisely due to rounding of decimals.

Looking ahead, we aim to reduce waste at source through enhanced planning, process optimisation and material controls. We plan to expand the approach of reuse across projects by repurposing salvageable materials, such as timber, concrete and steel, while maintaining recycling efforts through strict segregation and dedicated bins for construction and general waste.

In addition, we will reinforce subcontractor oversight through handling requirements and evidence-based documentation, supported by improved digital tracking to enhance data accuracy and drive continuous improvement. We also intend to broaden inter-project collaboration to repurpose waste streams and establish closed-loop systems that maximise resource efficiency.

Moreover, we endeavour to roll out more waste-related training and communication sessions to improve awareness and accountability, while regular reviews of lessons learnt and industry best practices will inform our ongoing refinement of our waste management approach.

Environmental

WATER PROTECTION

Water is a key resource across our operations at SunCon, particularly for construction activities such as concreting, curing, dust suppression, site cleaning and worker amenities. Inefficient water use increases our exposure to rising potable water tariffs and the risk of disruptions at project sites with supply limitations. By managing and reducing our potable water consumption, we strengthen cost control, maintain project continuity and reduce our reliance on municipal water supplies. Responsible water management also minimises pressure on local water infrastructure at our project locations, supporting regulatory compliance, community relations and long-term operational resilience.

DRIVING EFFICIENT AND RESPONSIBLE WATER USE

We remain steadfast in our conservative approach to water management, recognising that water is a finite and shared resource. We focus on efficient consumption, diversified sourcing and rigorous monitoring. We comply with the QESH Policy and Sustainability Policy, which guide these expectations across all project sites for efficient water use, regulatory compliance and responsible stewardship.

Water is consumed across construction and operational activities, including concrete mixing and curing, dust suppression, testing and commissioning, equipment washing and general housekeeping. Our primary water supply is sourced from state water operators in Malaysia and from local utility providers at our international project sites. Across Klang Valley, we source most of our water from state operators such as Air Selangor and supplement this with rainwater harvested on-site and surface runoff stored in sedimentation basins. We discharge water from soil boring work, wheel washing and surface runoff as well as grey water, canteen operations and sewage.

We continue to reduce reliance on potable water by expanding rainwater harvesting and recycling water practices. We also act swiftly to resolve issues identified at our sites, including non-revenue water losses caused by leakages or unauthorised consumption. This includes conducting routine monitoring at project sites to identify irregular usage, detect leakages and address potential water theft.

As outlined in our Environmental KPIs and Targets on page 74, we have set a target to reduce potable water consumption by 30% from 2020 levels by 2030. The target is supported by expanded rainwater harvesting and recycling initiatives. Since 2024, we have tracked the volume of harvested rainwater and recycled water by installing water meters across our project sites, enabling us to improve water data accuracy, enhance optimisation efforts, and reduce reliance on municipal water supplies.

WATER STRESS RISK

Recognising the potential impact of water-related risks on project viability, community wellbeing and operational resilience, we assess these risks using the Aqueduct Water Risk Atlas developed by the World Resources Institute (WRI), which identifies water-stress levels across the geographic areas of our project sites. We also integrate water risk into our planning process, enabling us to use water resources more responsibly, avoid operating in high-stress areas where possible, and ensure our projects do not place additional pressure on local supplies. For Malaysia and Singapore, the assessment indicates low to medium overall water risk, including seasonal variability and drought exposure.

Environmental

WATER MANAGEMENT PRACTICES

While our operating regions generally face a low water scarcity risk and benefit from affordable non-residential tariffs, we remain proactive in water management practices by reinforcing water security across our sites. This includes sourcing alternative supplies such as harvested rainwater, tanker deliveries and approved groundwater extraction during municipal supply disruptions.

In 2025, we continue to implement rainwater harvesting and recycled water initiatives to reduce potable water use across our operations, achieving the following outcomes:

Rainwater Harvesting

- Sanitary system (toilet flushing/cleaning)
- Wash trough and wheel washing
- Boot washing / non portable usages

FY2025 Harvested Rainwater:

2,695 m³

Recycled Water

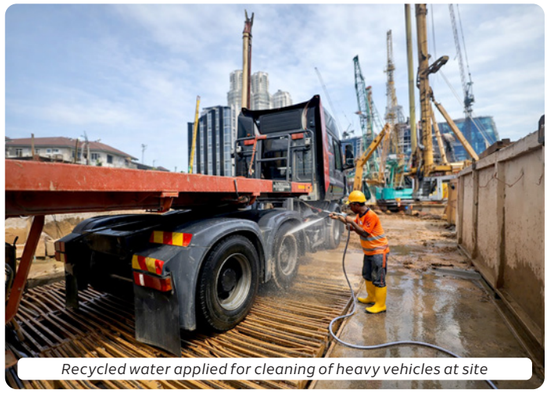
- Truck wheel washing and cleaning construction vehicles at the wash-trough area
- Dust control by moistening access roads with a water bowser

FY2025 Recycled Rainwater:

75,758 m³



Wheel washing bay supporting on-site water reuse for vehicle cleaning


Recycled water applied for cleaning of heavy vehicles at site



Road and perimeter cleaning using recycled water to maintain site surroundings



Dust control measures implemented using recycled water

Environmental

We install water meters at various sites to consistently reduce our water footprint. In addition, we have site personnel in place to review monthly usage, report significant variances during projects' weekly meetings and propose recommended actions to reduce usage.



Rainwater harvesting system collecting runoff from site office roofs



Condensate water for non-potable purposes

At Iskandar precast plant, wastewater recycling forms an additional pillar of our conservation strategy. The batching plant's treatment system processes wastewater and produces up to 111 m³ of recycled water daily for non-potable use, reinforcing our commitment to water efficiency across our operations.


Wastewater treatment system at Iskandar batching plant supporting water reuse

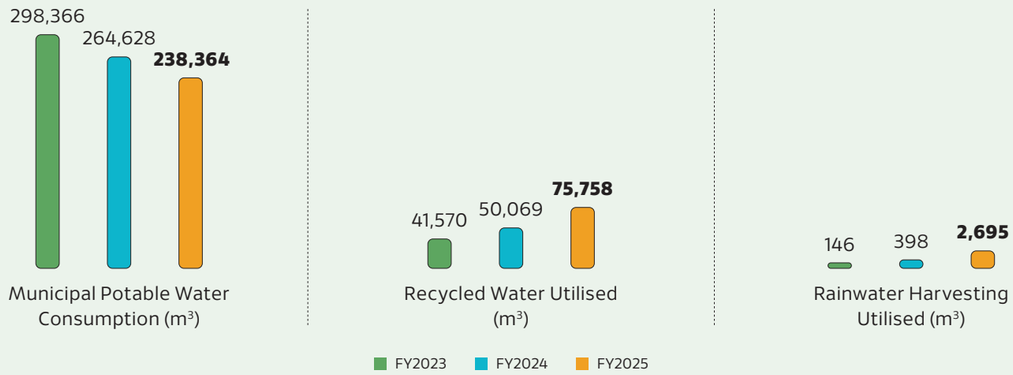
During the reporting year, we successfully reduced municipal water consumption by 24.8%, resulting in an estimated cost savings of RM263,409. Moving forward, our long-term goal is to become a 'water-positive' organisation.

Environmental

WATER WITHDRAWAL AND CONSUMPTION

In 2025, we recorded a significant reduction in overall water consumption compared to 2024. This improvement demonstrates the effectiveness of our water management practices and initiatives across our construction sites and precast plants.

Water Withdrawal and Consumption



Water Consumption Data (m³)	2023	2024	2025
Water Withdrawal by Source			
Surface water withdrawal (lakes, rivers, natural ponds)	0	0	**0**
Groundwater withdrawal (wells, boreholes)	0	0	**0**
Used quarry water withdrawal	0	0	**0**
Municipal potable water withdrawal	298,366	264,628	**238,364**
External wastewater withdrawal	41,570	50,069	**75,758**
Harvested rainwater withdrawal	146	398	**2,695**
Ocean / seawater withdrawal	0	0	**0**
Total Water Withdrawal (m³)	340,082	315,095	**316,816**
Water withdrawal from water-stressed region	0	0	**0**
Total Water Consumption (m³)	340,082	315,095	**316,816**
Water Discharged by Destination			
Ocean water total discharge	N/A	0	**0**
Surface water total discharge	N/A	0	**0**
Subsurface water / well total discharge	N/A	0	**0**
Off-site water treatment total discharge	N/A	376	**4,980**
Beneficial / other use total discharge	N/A	27	**1,899**
Total Effluent Discharged (m³)	N/A	403	**6,879**

Note: Figures stated may not sum precisely due to rounding of decimals.

Environmental

WASTEWATER MANAGEMENT

We manage our wastewater responsibly to protect local waterbodies and ensure full compliance with all applicable regulations. Our appointed environmental consultant determines the required water quality standards for each project site in line with the Environmental Quality Act 1974 and its subsidiary regulations, including the Environmental Quality (Industrial Effluent) Regulations 2009 and the Environmental Quality (Sewage) Regulations 2009.

In addition, we operationalise these regulatory obligations through our Environmental Instruction, which provides construction-specific guidance for water quality control and embeds sector expectations into day-to-day operations. To apply targeted controls, we manage two categories of wastewater, each with dedicated measures:

Construction-related Activities

Source:
Wheel washing, surface runoff, soil boring work

Strategy
- Use of silt fences, silt traps, temporary perimeter drainage, check dams and slope protection measures
- Utilise an in-house wastewater treatment system to remove total suspended solids (TSS) from construction surface water runoff and monitor treated effluent for TSS and turbidity to ensure compliance with DOE requirements before final discharge

Non-Construction Activities

Source:
Grey water, canteen operations, sewage

Strategy
- Employ service providers to routinely maintain sewage storage tanks for portable and temporary toilets
- Manage waste from the site canteen by installing a grease trap at the sink outlet and disposing of collected grease separately

Any water discharged into receiving waterbodies is assessed to ensure compliance with all applicable legal requirements. The Environmental Quality Act 1974 and its subsidiary regulations, including the Environmental Quality (Industrial Effluent) Regulations 2009 and the Environmental Quality (Sewage) Regulations 2009, govern the identification of priority substances and the allowable limits for discharge.

These requirements, administered by the Department of Environment (DOE), complement the National Water Quality Standards (NWQS), which classify waterbodies from Class I to Class V based on their intended use, such as drinking water supply, fishery and recreation. These classifications define the waterbody criteria that must not be compromised by any project discharge. We treat any substance that could compromise these criteria as a priority concern and set project-specific discharge limits accordingly. This is done by our appointed environmental consultant, who references the relevant legal obligations, the EIA Conditions of Approval, the NWQS parameters, and any client requirements, and upholds the quality thresholds that must be met before discharge occurs.

Additionally, we apply Best Management Practices (BMPs) across all sites, including sediment control, proper runoff management and treatment measures, to ensure that all discharges meet regulatory standards and minimise environmental impact. For discharges from sediment basins or silt traps, we monitor Total Suspended Solids (TSS) and turbidity as the primary parameters to ensure compliance with the prescribed limits. In FY2025, we recorded zero water quality non-compliance incidents issued by the authorities.


Silt trap for sediment control and runoff management



On-site wastewater treatment system

BIODIVERSITY

Construction activities can impact local ecosystems through temporary disturbances such as noise, dust and soil runoff, as well as indirect impacts linked to raw material extraction and transportation within the supply chain. These pressures, if unmanaged, can affect local habitats, surrounding communities and long-term environmental quality, making disciplined oversight essential.

Environmental

BUILDING CONSISTENT BIODIVERSITY OVERSIGHT

We acknowledge biodiversity as a material consideration that influences project feasibility, environmental performance and community acceptance. Our biodiversity management is anchored in the QESH Policy, which sets expectations for preventing ecological disturbance and ensuring compliance with contractual and Environmental Impact Assessment (EIA) requirements. These principles are reinforced through our Sustainability Policy, which guides responsible construction practices across procurement, design and site operations.

Scan the QR code to view our QESH Policy:
https://ir2.chartnexus.com/suncon/doc/cg/QESH%20Policy%20(20241111)%20(English).pdf

Scan the QR code to view our Sustainability Policy:
https://ir2.chartnexus.com/suncon/doc/cg/Policy%2009.%20Sustainability%20Policy.pdf

We remain responsible for identifying and monitoring biodiversity risks across our construction activities. We verify each project's EIA status before work begins and conduct assessments in line with regulatory expectations. Biodiversity risks are further managed through adherence to EIA-driven controls, ISO 14001 environmental management requirements and the implementation of site-specific mitigation plans.

In 2025, EIA assessments were conducted for eight of our 16 active project sites prior to receiving project approval and commencing work. Among these sites, biodiversity risks were assessed and found to have no significant biodiversity impacts, as indicated in their corresponding EIA. In addition, all six (100%) of our operations were certified to ISO 14001:2015 during the reporting year.

We strive to apply a 'do no harm' principle wherever feasible and maintain strict controls to prevent air and water pollution. We are aware of project sites that may contain species listed on the International Union for Conservation of Nature (IUCN) Red List. If any IUCN Red List plant are present on site, we will work with the project owners on the appropriate next steps.

For projects that do not require EIA, we formalise justifications and obtain statements from the relevant authorities to confirm exemptions under the Environmental Quality (Prescribed Activities) (EIA) Order 2015, ensuring transparency and audit readiness. To support consistent oversight, we maintain a live EIA tracking table that monitors biodiversity risks and compliance obligations across ongoing and upcoming projects.

As part of SunCon's environmental responsibility, we partnered with the Malaysian Nature Society (MNS) during the reporting year to organise mangrove tree-planting activities. This initiative is part of our Corporate Social Responsibility (CSR) efforts, supporting ecosystem restoration and contributing to local biodiversity. Through this collaboration, 500 mangrove trees were planted, which are estimated to sequester approximately 10.50 tCO_2e throughout their growth cycle.



Mangrove tree planting initiative with MNS, with 500 trees planted supporting biodiversity and carbon sequestration

Social

GRI 203, 204, 401, 402, 403, 404, 405, 406, 407, 408, 409, 413, 414

The design and construction of buildings and assets can present socioeconomic opportunities that support community well-being and promote investment and economic growth. At SunCon, we recognise that delivering these outcomes requires responsible business practices, particularly in managing key social matters such as human and labour rights. This includes risks relating to modern slavery, occupational safety and health, fair compensation and the environmental and social impacts of construction activities on local communities.

In 2025, we introduced the Labour Standards Policy to align with the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. This policy reinforces our commitment to ethical practices that respect human rights, uphold dignity and comply with applicable laws across our operations. The policy covers 15 key commitments.

In the same financial year, we established a Foreign Worker Management System (FWMS) with a strong focus on safeguarding worker rights, welfare and dignity. The system supports fair recruitment practices, appropriate employment conditions, access to basic needs, and responsible management of our direct foreign workers, thereby improving well-being and social outcomes across our workforce and project communities.

- Child Labour
- Forced Labour
- Zero Debt Bondage
- Fair Recruitment and Selection Process
- Overtime Management
- Wages, Working Hours, and Benefits
- Non-Discrimination and Non-Harassment
- Freedom of Association
- Workplace Safety and Health
- Medical Insurance
- Accommodation
- Learning and Development
- Performance Management and Career Progression Opportunities
- Levy, Visa, Security Bond and FOMEMA
- Grievance Mechanism

We are committed to safeguarding the rights of all stakeholders, including vulnerable groups, across our activities. Our approach to social performance covers both our internal operations and the wider network of local and international suppliers that support our work:

Social Focus Areas:

- Employee Management
- Occupational Safety and Health
- Community Enrichment
- Fair Labour Practice
- Product Quality and Responsibility

Performance on Social KPIs and Targets

ESG Focus Areas	Target	2023	2024	2025
Employee Management	Average learning and development (L&D) hours of 32 hours per employee	35.7	37.6	**32.1**
Fair Labour Practice	100% engagement with direct workers annually (related to terms of employment)	100	100	**100%**
	Zero confirmed incidents on human rights violation	Zero	Zero	**Zero**

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Sustainability Matters	Target	2023	2024	2025
Occupational Safety and Health*	Zero fatalities from construction work activities at all work sites for employees and subcontractors	1	0	**0**
	Accident Rate less than 0.3	0.15	0	**0.26**
	90% worker consultation & participation in ESH related events	100	100	**100**
	Safety & Health monthly inspection score of 80%	84.1%	85.1%	**85.9%**
Product Quality and Responsibility	Zero incidents of non-compliance with regulations concerning quality of our products and services	Zero	Zero	**Zero**
	QLASSIC score: 83% and above for all relevant building projects	82% (3 projects assessed)	84% (3 projects assessed)	**83% (1 project assessed)**
	Achieve the following score on the annual client / consultant satisfaction survey: (a) a minimum average score of 80% (b) a minimum average score of 93% for "satisfaction of product and services" category (c) to achieve a minimum response rate of 85% in annual client/ consultant satisfaction survey	(a) 80.83% (b) 100% (c) 100%	(a) 83.28% (b) 100% (c) 100%	**(a) 83.22%** **(b) 98.9%** **(c) 100%**
	Complete a project within contractual or approved extension of time (EOT) period	Achieved	Achieved	**Achieved**
	Complete construction activities within budgeted costs	Achieved	Achieved	**Achieved**
	Achieve a 90% of subcontractors rated Grade C and above	Achieved	Achieved	**Achieved**
Community Enrichment	Supports communities through social impact projects and initiatives in encouraging inclusive growth	RM2.63 million distributed	RM2.86 million distributed	**RM 2.53 million distributed**

* *Our data only covers Malaysia operations, it excludes all overseas subsidiaries. Moving forward, we will be including data of all overseas subsidiaries.*

EMPLOYEE MANAGEMENT

Effective employee management is vital to our business growth, as the recruitment, development, engagement and retention of employees can impact productivity, stakeholder confidence and long-term sustainability. We are cognisant that effective employee management enhances work quality, reduces turnover, and supports compliance, thereby strengthening our relationships with clients, investors, and suppliers. Conversely, ineffective employee management may lead to lower productivity, increased safety risks and operational or legal issues that undermine service delivery and stakeholder trust.

Our approach to employee management is centred around the following policies and guidelines:

Code of Conduct and Business Ethics (CCBE)	**Employees Grievance Procedure**	**Diversity and Inclusion Policy**
Labour Standards Policy	**Human Rights Policy**	**Malaysian Employment Act 1955 and its equivalents in other countries and jurisdictions**

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We also adhere to the UNGC Principles:

Global Compact Principles	Associated Material Matters
Businesses should support and respect the protection of internationally proclaimed human rights Businesses should make sure that they are not complicit in human rights abuses Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining Businesses should uphold the elimination of all forms of forced and compulsory labour Businesses should uphold the effective abolition of child labour	• **Labour Practices and Standards** • **Supply / Value Chain Management** • **Ethical Business Conduct**
Businesses should uphold the elimination of discrimination in respect of employment and occupation	• **Talent Development and Retention** • **Diversity, Equity and Inclusivity**
Businesses should support a precautionary approach to environmental challenges Businesses should undertake initiatives to promote greater environmental responsibility Businesses should encourage the development and diffusion of environmentally friendly technologies	• **Physical Impacts of Climate Change** • **Waste and Pollution Management** • **Water Management** • **Protection of Biodiversity & Ecology** • **Energy Management** • **Emission Management**
Businesses should work against corruption in all its forms, including extortion and bribery	• **Ethical Business Conduct** • **Risk Management and Regulatory Compliance**

Diversity, Equality and Inclusion

We remain committed to upholding diversity, equality and inclusion (DEI) in the workplace by creating an environment that respects individuals and values their contributions. To deliver on our commitment, we implemented awareness and engagement initiatives across the Group, namely:

Enhanced our recruitment and interview process by introducing a feedback form to help reduce potential workplace biases	**Continued to listen to and recognise the contributions and achievements of our people and shared their stories through SunCon's official platforms**
Introduced contract documents and a foreign worker handbook translated into the native languages of our foreign worker to support clearer communication and improved mutual understanding	**Strengthened awareness of our Labour Standards Policy and Human Rights Policy in line with the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights to promote respect, dignity and inclusion across the workforce**

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Recruitment, Retention and Succession Planning

We uphold a recruitment and retention approach based on fairness, transparency and equal opportunity. Our selection process focuses on qualifications, experience and aptitude and is supported by recruitment materials aligned with DEI principles. This approach extends into employment through performance-based appraisals that guide salary adjustments, bonuses and development needs. New employees receive information on statutory rights and participate in induction programmes that help them adapt to our culture.

We encourage applications from diverse backgrounds and adopt structured screening to minimise bias and ensure balanced decisions. Employees then advance through a learning and development framework designed to support long-term career growth, which is further reinforced by merit-based increments, bonuses and performance-based promotions. Additionally, the findings from our Pulse survey, conducted every two years, help us refine initiatives that shape the employee experience.

Our talent development and succession planning framework operates in tandem to identify high-potential employees through an Annual Talent Review (ATR) conducted with senior leadership. This review assesses employees' readiness and potential for key roles over a five-year horizon, covering senior leadership and two levels below within project leadership. Individual development plans are subsequently established to strengthen leadership capabilities and support the progression of identified talent.

In 2025, we continued to offer internship opportunities to tertiary students, providing exposure to real-world work conditions across different areas of the construction sector. Interns are assigned to a job rotation schedule to support on-the-job learning in office settings and, where relevant, on-site. Those who show strong performance and interest are considered for full-time roles upon completion of their internship. In 2025, we offered internship opportunities to 164 tertiary students.

Competitive Remuneration and Benefits

To ensure we provide competitive remuneration and benefits to our employees, we:

Provide market competitive compensation that reflects employees' contributions to organisational performance. The Group's remuneration approach supports the retention of high-performing talent and strengthens our ability to attract skilled professionals

Comply with regulatory requirements, including the Minimum Wages Order 2024 (effective in 2025) and the Employment (Amendment) Act 2022 (EA 2022) on overtime compensation. Beyond compliance, our Human Resources department conducts regular salary benchmarking to assess SunCon's compensation levels against industry practices and direct competitors to ensure continued competitiveness

Gather employee perspectives through various feedback channels to align compensation structures and employment benefits with workforce expectations. To complement our initiative, the Group's benefits portfolio provides a broad range of provisions that exceed statutory requirements and reflects our commitment to employee well-being and their role in supporting organisational success



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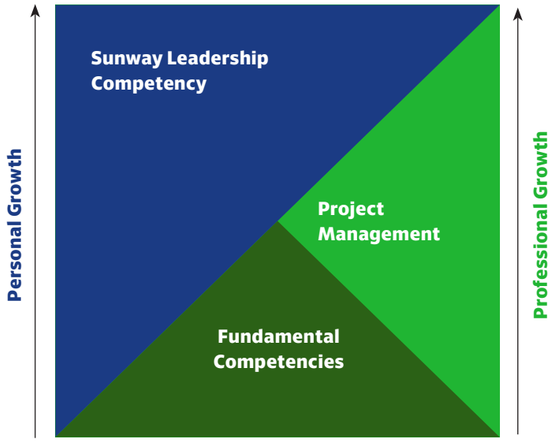
Our remuneration and benefits are as follows:

Remuneration and Benefits



Employee Training

The SunCon Learning Framework provides an approach to talent development across three areas:



Senior Management	Senior Managers to General Managers
Assistant Managers to Managers	Non-Executives to Senior Executives

Fundamental Competencies

Essential skills required to be technically competent and to effectively perform role-specific tasks.

Project Management

Strengthen project management capabilities to lead and manage projects productively

Sunway Leadership Competencies

Developed by Sunway Group to help all employees grow and maximise their potential by learning new skills that enable them to excel in all aspects of their work and lives.

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The framework allows employees to progress in line with the competencies expected at each level. To support this progression, training is provided at both personal growth and professional development levels, namely:

Personal Growth

- Personal Leadership: LEAP (Learning, Execution, Agility, Performance)
- 7 Habits of Highly Effective People
- Building a High-Performance Team

Professional Development

- Fundamental Skills - Microsoft Excel (Intermediate / Advanced)
- Environment, Safety & Health (ESH) - HIRADC (Hazard Identification, Risk Assessment & Determining Controls)
- Quality Assurance / Quality Control (QAQC) - ISO 31000:2018 Risk Management
- Other Technical & Professional Subjects
  - FIDIC Contract Courses
  - Certified Data Centre Professional (CDCP) Course
  - Construction Design & Management (CDM) Professional Course

In 2025, we continue to strengthen our Learning and Development strategy by aligning training programmes with project requirements and industry developments to maintain competency as our operations expand in the data centre sector. Key initiatives include specialised data centre training, such as the Certified Data Centre Professional (CDCP) Course, and sustainability-related programmes, such as the Green Building Index (GBI) Facilitator Course and the Carbon Accounting and Footprint Assessment Course.

Employee Management Performance

Our data for employee management in 2025 are as follows:

		2023	2024	2025
Number of Employees		1,820	1,887	**1,747**
Gender	Male	1,538	1,576	**1,429**
	Female	282	311	**318**
Employee Category - Male	Senior Management	17	16	**14**
	Management	108	109	**118**
	Executive	347	423	**450**
	Non-Executive	1,066	1,028	**847**
Employee Category - Female	Senior Management	1	2	**3**
	Management	45	53	**54**
	Executive	193	213	**227**
	Non-Executive	43	43	**34**
Ethnicity	Malay	502	575	**554**
	Chinese	369	385	**368**
	Indian	133	134	**104**
	Others	12	13	**9**
Nationality	Local	1,016	1,107	**1,049**
	Foreigner	804	780	**698**

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		2023		2024		2025	
		Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Total New Hire		264	26	293	26	**204**	**19**
Gender	Male	195	74	222	76	**151**	**74**
	Female	69	26	71	24	**53**	**26**
Age	<30	153	58	165	56	**99**	**49**
	30 – 50	98	37	120	41	**96**	**47**
	>50	13	5	8	3	**9**	**4**
Total Employee Turnover		180	19	208	20	**161**	**15**
Gender	Male	139	77	166	80	**122**	**76**
	Female	41	23	42	20	**39**	**24**
Age	<30	66	37	67	32	**51**	**32**
	30 – 50	80	44	104	50	**94**	**58**
	>50	34	19	37	18	**16**	**10**
Employee Category	Senior Management	1	1	2	1	**4**	**2**
	Management	20	11	25	12	**16**	**10**
	Executive	111	62	108	52	**96**	**60**
	Non-Executive	48	27	73	35	**45**	**28**
Voluntary Turnover		170	18	199	19	**140**	**13**

		2023	2024	2025
Total Spent on Training (RM)		780,605	1,046,690	**889,854**
Total Employee Participated in Training		1,239	1,297	**1,189**
Total Training Hours		37,769	43,203	**34,678**
Average Training Hours per Employee		35.7	37.6	**32.1**
Training Hours by Employee Category	Senior Management	689	664	**570**
	Management	7,036	7,156	**6,418**
	Executive	22,360	26,325	**22,560**
	Non-Executive	7,684	9,058	**5,130**

The Group remains committed to strengthening workforce capability through continuous training, skills development and regular performance reviews to enhance productivity, work quality and talent readiness. We will also improve employee engagement and retention by implementing onboarding programmes, recognition initiatives and engagement activities that support morale and reduce turnover. Workplace safety and compliance will be reinforced through mandatory safety training, routine site inspections, and strict PPE enforcement to minimise accidents and ensure regulatory compliance. Operational efficiency will be improved through workforce planning, clear SOPs and the use of digital tools for scheduling and performance monitoring to prevent disruptions and support timely project delivery. Ethical conduct and governance will be upheld through updated HR policies, Code of Conduct and Business Ethics training, and confidential grievance and whistleblowing channels to ensure fairness and transparency.

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FAIR LABOUR PRACTICE

Fair labour practices are fundamental to maintaining safe working conditions, regulatory compliance and trust among employees, clients and the community. Ensuring fair treatment and appropriate compensation supports workforce well-being, enhances productivity and strengthens our relationships with stakeholders. Conversely, shortcomings in labour practices may result in operational disruptions, increased costs and reputational risks that could undermine stakeholder confidence.

Upholding Labour and Human Rights

Our approach to fair labour practice is centred around safeguarding the rights and well-being of all workers through the Sunway Construction Human Rights Policy and the Labour Standards Policy, which align with local legislations and reflect the UN Global Compact's 10 Principles:

Safe Working and Living Conditions	• We provide safe working and living conditions and ensure that workers' accommodations comply with the Workers' Minimum Standards of Housing, Accommodations and Amenities (Amendment) Act 2019 (Act 446). • We conduct periodic inspections to assess workers' living conditions and monitor the status of Certificate of Accommodation (CFA) applications submitted by contractors. • We provide free accommodation for all workers, along with free transportation to the site.
Fair Compensation	• We ensure fair compensation for all workers by meeting Malaysia's Minimum Wage Order 2024 (effective in 2025) requirements and providing equitable pay for overtime hours.
Excessive Working Hours	• We comply with the statutory requirements on working hours, overtime and rest days under the EA 2022.
No Forced Labour	• We prevent forced labour and the exploitation of migrant workers by ensuring that workers retain possession of their personal identification documents, including passports. • We allow workers to return to their home countries upon completion of their contracts or earlier upon resignation with reasonable notice, and to apply for holiday leave during their tenure.
Zero Debt Bondage	• We do not require workers to pay any recruitment or agent fees. • We do not withhold workers' wages or passports. • We cover all passport renewal fees. • We bear all recruitment-related expenses, including Malaysia's Foreign Workers Medical Examination Monitoring Agency (FOMEMA) check-ups, annual permit renewal fees and levy payments.
No Child Labour	• We strictly prohibit child labour at all workplaces and enforce this through our site entry requirements, where all workers must hold a valid work permit and a Construction Personnel Registration Card, both of which require age verification.
Collective Bargaining	• We have not received any request to establish a trade union and, in the absence of one, our HR department engages with foreign workers and holds regular sessions to address employment matters. • We conduct townhall sessions with foreign workers directly hired by SunCon to brief them on company policies, their rights, benefits and career progression plans and to address any grievances regarding working conditions or employment terms.
Freedom of Association	• We respect employees' right to join or affiliate with any legal political party, non-governmental organisation (NGO) trade or professional association. • We uphold employees' right to form unions of their choice without fear of reprisal or harassment.

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Our Foreign Worker Management System (FWMS) strengthens our commitments and promotes fair recruitment, ethical employment practices, safe and decent working conditions and worker welfare. Together, these efforts support Decent Work and Economic Growth (SDG 8) and Reduced Inequalities (SDG 10). They cultivate inclusive, equitable, and dignified work for local and foreign workers across our operations.

In 2025, we engaged our direct foreign workers through town halls at 19 project sites. We achieved a 100% participation rate. During these sessions, we briefed them on their employment terms to ensure transparency, integrity and compliance with labour standards. The topics included mandatory EPF contributions in accordance with the latest regulations and the foreign worker handbook. We translated the handbook into their native languages so they are informed about our standards, procedures and benefits. We also drafted and provided employment contracts in their native languages for clarity of terms and conditions. In addition, we offered skills training and supported them in obtaining CIDB Trade Certification, with no salary deductions.

Our policies outline key expectations for labour and human rights protection across our operations, covering local and foreign workers whom SunCon or third-party contractors employ directly. We require all suppliers to comply with our policies as a condition for bidding and securing contracts. The Labour Standards Policy is accessible exclusively via our internal portal.

Minimum Notice Period for Operational Changes

We also provide advance notice when making significant changes to employment conditions such as working schedules, job responsibilities, work locations, or other material adjustments. This supports clear communication and helps employees prepare for operational changes.

Although this is the usual practice, some situations may require immediate action, particularly where occupational safety or essential business needs are involved. To this end, we have established notification procedures for key employment transitions, including probation and termination.

The procedures also allow set periods for employees to share feedback or raise concerns about proposed changes. We review these inputs and where feasible, address them to ensure clear communication during operational changes.

Maintaining a Safe Workplace and Grievance Mechanism

We uphold a zero-tolerance policy on any form of harassment, including sexual harassment. This commitment applies to conduct involving colleagues, supervisors, suppliers or any external stakeholder. We also adopt the Sunway Group Anti-Sexual Harassment Policy, which defines actions, gestures and behaviours that constitute harassment, covering verbal communication and other forms of inappropriate conduct.

The policy also addresses workplace concerns beyond sexual harassment, including undue pressure, coercion, bullying, denial of rights and discriminatory practices. Employees may raise concerns through several channels, including anonymous whistleblowing and formal grievance mechanisms managed by Group Human Resources (GHR) under the Sunway Group Employee Grievance Policy.

All harassment allegations are handled by trained HR instead of GHR personnel who have undergone training to manage such issues. Employees may file formal grievance through procedures established by GHR. These fundamental principles of the policy include:

- **Comprehensive review of all reported grievances with detailed investigation when required**
- **Equal opportunity for all parties to present their views to ensure procedural fairness**
- **Impartial and objective handling of grievances to support fair resolution**

Both local and international employees, including foreign workers, are encouraged to use these grievance mechanisms without fear of reprisal. Grievances may be submitted to immediate supervisors, Department Heads or directly to HR representatives. Foreign workers can contact their assigned HR personnel directly via a dedicated WhatsApp channel. All reported grievances are recorded with resolution details to ensure transparency and effective follow-up.

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Employee Satisfaction

The 2024 survey prompted briefings for the designated change enablers to ensure they understood the issues employees highlighted and could address them within their scope. Subsequent roadshows were organised to update employees on the survey results and reinforcing transparency. Around six months later, a pulse survey was conducted to gauge the extent of progress made by the change enablers. The results showed improvement in several areas, although some matters still needed attention. To examine the matters in detail and consider workable options, focus group sessions were held with selected employee groups.

In 2025, we recorded zero complaints related to human or labour rights infringements through the whistleblowing channel or grievance mechanisms. We have also received zero censures, fines, notices or warnings from regulatory authorities regarding human and labour rights matters.

Moving forward, we will prepare employment contracts for foreign workers in Bahasa Melayu and Bahasa Indonesia to facilitate understanding and introduce a dedicated staff handbook to guide them on their rights and welfare while employed by SunCon.

OCCUPATIONAL SAFETY AND HEALTH

Occupational Safety and Health (OSH) remains a strategic priority for our organisation, as it safeguards our workforce and supports seamless project execution across all operations. A strong OSH foundation minimises operational disruptions, mitigates project-related costs and protects the physical and mental well-being of our employees. Maintaining these high safety standards also enhances our credibility as a trusted industry partner and reinforces our commitment to delivering consistent and sustainable business performance.

Our approach to OSH is anchored in our comprehensive Quality, Environmental, Safety and Health (QESH) Policy, which governs how we manage safety across all operations. In addition to our overarching QESH policy, we maintain specific, measurable targets to drive continuous improvement in workplace safety. These include:

Scan the QR code to view our QESH Policy: https://ir2.chartnexus.com/suncon/doc/cg/QESH%20Policy%20(20241111)%20(English).pdf

Target	Description
Achieve zero fatalities during construction work activities at all worksites for employees and subcontractors	We commit to achieving **zero fatalities** during all construction activities at all worksites for both employees and subcontractors.
Achieve an accident rate of less than 0.3	We aim to maintain an **Accident Rate of less than 0.3**, reflecting our focus on minimising workplace injuries and incidents.
Achieve 90% worker consultation and participation in events related to Environment, Safety and Health (ESH)	We aim to achieve at least **90% worker consultation and participation** in ESH-related activities, including awareness sessions, meetings, site walkabouts and other engagement programmes.
Achieve a Safety and Health monthly inspection score of 80%	We commit to achieving a **minimum Safety and Health monthly inspection score of 80%**, ensuring consistent compliance and strong safety management practices across all sites.

In delivering on these commitments, we maintain full compliance with Malaysia's Occupational Safety and Health Act 1994 (OSHA 1994), the Construction Industry Development Board Act 1994 (Act 520) and all other applicable legal and regulatory requirements. We also uphold the relevant regulatory standards in every jurisdiction in which we operate.

In addition, we communicate our OSH requirements to contractors and subcontractors through detailed briefings on our QESH Policy and ESH objectives and targets during contractor kick-off meetings and Site Safety Induction programmes. They are required to comply with our safety standards at all times, and their operations are subject to the same level of scrutiny and performance expectations as our own.

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Integrated Leadership and Oversight in OSH

The Board of Directors oversees all OSH matters, while the Group Managing Director (GMD) and senior management lead day-to-day implementation. The GMD is fully responsible for preventing occupational injuries and health risks and ensuring safe working conditions across all sites, supported by the senior leadership team.

We provide the Board and GMD with regular OSH performance updates, ensuring they have clear visibility of major issues, such as Lost Time Injuries (LTIs), other injuries and any fatalities. In addition, we report all OSH matters to the Sustainability Committee (SC), which oversees the implementation of our Sustainability Policy and the management of safety and health risks.

In the event of a significant OSH incident, whether an LTI, a serious injury requiring hospitalisation or a fatality, we immediately initiate a detailed investigation and fully cooperate with the relevant authorities. OSH Committee reviews the investigation findings, including the root cause analysis, preventive measures and lessons learnt, prior to recommending the required corrective actions. Both the consolidated findings and recommended actions are escalated to the Board for oversight, deliberation and endorsement.

SunCon's oversight structure is further reinforced by defined accountability placed on senior leadership, where C-suite leaders are assigned OSH KPIs. These percentage weightings link directly to remuneration, supported by detailed scorecards that set out how SunCon's OSH performance is assessed and translated into pay outcomes.

Percentage of remuneration apportioned to safety and health performance:

Group Managing Director (GMD)	Group Deputy Managing Directors (GDMD)	Employees based at project sites:
5%	10%	25%

Our OSH Committees across all project sites include representation from both local and foreign workers. The committees meet monthly to review environmental, safety and health performance, consider matters raised during site activities and support collaborative decision-making on worker-related safety issues.

OSH Management System

Aside from our QESH Policy and OSH governance structure, we have implemented an OSH Management System certified under ISO 45001:2018, which applies to 100% of site personnel and covers all work activities and work areas under our control to ensure compliance with international best practices.

The system is established in accordance with all applicable legal requirements, which are identified, documented and reviewed for each project using the Legal and Other Requirements Register and Evaluation Compliance (LORR-EC) Form.

In line with our ISO 45001:2018-compliant OSH Management System, we continue to implement the following measures:

- **Hazard Identification and Risk Assessment, prior to the commencement of construction activities**
- **Risk and Opportunity Register (ROR) for identifying, managing and documenting both overall and ESH-related project-specific risks and opportunities**
- **SunCon Minimum Requirement (SCMR) for essential controls**
- **Critical Management Procedures, covering emergency response, incident reporting, training, inspections and audits**
- **The migration of the ESH Department to Autodesk Construction Cloud (ACC) to streamline project management and the sharing of ESH knowledge and related information across teams**

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HAZARD IDENTIFICATION, RISK ASSESSMENT AND INCIDENT INVESTIGATION

We identify work-related hazards and assess risks for routine and non-routine activities through three key assessments, namely:

- **Hazard Identification, Risk Assessment and Risk Control (HIRARC)**
- **Chemical Health Risk Assessment**
- **Noise Risk Assessment**

We further conduct hazard identification prior to the commencement of work, throughout work execution and whenever changes occur at the worksite. The hierarchy of controls is applied to eliminate hazards and minimise risks across all work areas under our control. These processes are reinforced through our competent ESH personnel, including Safety and Health Officers (SHO) and Site Safety Supervisors (SSS), who perform hazard assessments, site inspections and risk evaluations in accordance with statutory and internal requirements.

We investigate all work-related incidents through established internal procedures governing incident reporting, hazard and risk assessment and the determination of corrective actions using the hierarchy of controls. As part of this process, we undertake the following approaches:

Corrective and Preventive Measures

We implement corrective and preventive measures, including updating the HIRARC document, revising procedures or work method statements and sharing of lessons learnt with project teams.

Management of Significant OSH Incidents

We initiate incident investigations for significant OSH incidents, such as an LTI or a fatality. We also cooperate with regulatory authorities throughout the process.

We then present our investigation findings to the SC and the main Board. The findings include the root cause analysis, preventive measures implemented and lessons learnt, which we share with other sites to reinforce improved work practices.

We consolidate incident investigations, HIRARC reviews and site performance assessments to evaluate the effectiveness of our occupational health and safety (OHS) management system. These outcomes are presented during the annual Management Review Meeting, guiding informed decision-making when updating company guidelines, Safety and Health Instructions and other ESH documents, which strengthens our OHS management system across our operations.

Monitoring and Assessment

To maintain compliance with regulatory requirements and our QESH Policy, we carry out inspections across all operational sites throughout the reporting year. These inspections establish the compliance status of each site and provide an overall view of performance across our operations.

The following table summarises the assessment scores over the three-year period:

Safety Inspection	2023	2024	2025
Internal monthly Sunway Safety Merit System (SMSS)	84.6%	84.9%	**86.5%**
External audits by certification bodies (at the Construction segment)	Track record of zero non-conformance Request (NCR) for more than 10 years		
Safety and Health Assessment System in Construction (SHASSIC) assessments	• Sunway Belfield 5-star rating at 94.79%; • SMCD 4-star rating at 83.24%	• Sunway Medical Centre Ipoh 4-star rating at 87.46%	• **Sunway Flora 5-star rating at 94.83%**

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All project worksites under our control are required to maintain an Risk and Opportunity Register (ROR). The ROR process identifies risks and opportunities linked to environmental, safety and health factors, operational conditions and applicable legal and other requirements.

Strengthening OSH Competency Through Training and Engagement

We communicate the importance of prioritising OSH across our operations and provide training to ensure our employees understand their responsibilities and maintain safe work practices. Our training covers classroom sessions, presentations and practical instruction on the safe use of machinery and equipment, as well as essential medical training, such as first aid and fire drills.

Our employees and workers also contribute to the development, implementation and evaluation of our OSH Management System. Our engagement platforms, such as the ESH Committee Meetings, Toolbox Talks, Pre-Task Talks and ESH awareness campaigns enable our employees to share feedback, highlight site conditions and obtain information that supports safe and compliant work practices.

Where non-compliance with OSH requirements is identified through inspections, audits, observations or other reporting mechanisms, we ensure that appropriate corrective and enforcement actions are taken to promptly address OSH risks.

These actions include:

- **The issuance of Non-Conformance Reports (NCRs), which formally document deviations from established safety requirements that require corrective actions.**
- **The issuance of Stop Work Orders (SWOs), which are issued to immediately halt unsafe activities until hazards are controlled.**
- **The application of penalties where necessary to reinforce accountability and compliance with OSH standards.**

To further reinforce these efforts, we implement comprehensive safety and health management programmes for our employees, business partners and contractors. These programmes ensure that all relevant stakeholders are equipped to effectively identify hazards, assess risks and manage work-related safety and health matters in day-to-day operations.

Among the programmes implemented are:

Target	Description
ESH Induction	As and when required
Toolbox Talk	Weekly
ESH Awareness Campaign	Once every two months
Sunway Safety Merit System (SSMS) Inspection	Monthly
COMBI Initiatives (Fogging, Larvaciding, Search and Destroy, Gotong-Royong Programme)	Weekly
Health Screening and Random Drug Test	As and when required
Emergency Response Drill	As per training plan
Chemical Health Risk Assessment	During start-up and as and when required
Noise Risk Assessment	During start-up and as and when required

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We are pleased to report strong engagement in our ESH awareness initiatives across our project sites. With a participation target of over 90% among workers and subcontractors, the initiatives achieved participation levels that exceeded expectations. In 2025, these programmes collectively recorded 43,269 participation instances, demonstrating the strong commitment of our workforce and business partners towards fostering a proactive Environmental, Safety and Health (ESH) culture and reinforcing safe and responsible work practices across our operations.



Strong workforce participation in ESH awareness initiatives

Promoting Employees' Health

Beyond OHS, we advocate for healthy lifestyles among employees by organising various activities to raise awareness of the importance of well-being. During the reporting period, we collaborated with Sunway Medical Centre to organise a voluntary Health Screening Programme from May to August 2025. The programme identifies occupational and communicable diseases at an early stage and aligns with national regulations, industry best practices and the UN SDG 3: Good Health and Well-Being. A total of 3,484 foreign workers including subcontractors who work at our construction sites, participated in this health screening programme. Only 0.3% of the screened participants required follow-up consultations.

Implementing Communication for Behavioural Impact

SunCon implements Communication for Behavioural Impact (COMBI) across its project sites as part of its Zero Larvae, Zero Dengue initiative, aimed at raising awareness by educating workers and surrounding communities about dengue prevention. The approach focuses on changing behaviours to eliminate mosquito breeding grounds and reduce the risk of dengue outbreaks. COMBI is implemented at all sites through a four-pronged strategy:

Fogging

Search and Destroy

Larvaciding

Gotong-Royong Programme

Further information can be found in the Community Enrichment section on page 113-118.

OSH Performance

We maintain rigorous processes to safeguard the accuracy and reliability of our OSH data. Our data is consolidated through a monthly cycle of reporting that draws on site-level ESH committee meetings, departmental ESH meetings and management review deliberations. To reinforce trust and transparency, our OSH data continues to be assured externally by SIRIM QAS International Sdn. Bhd.

Social

Separately, an accident involving a contractor's foreign worker occurred at the ICPH plant. A detailed investigation was undertaken by the ICPH team, and corrective as well as preventive measures were implemented to strengthen on-site safety controls. The Ministry of Manpower Singapore has since permitted work to resume.

Our Accident Rate (AR) for FY2025 was 0.26 per 1,000 workers.

	2023	2024	2025
Worked man-hours*	16,156,813	23,187,220	**21,997,334**
Fatalities			
Employees	0	0	**0**
Temporary employees	0	0	**0**
Contractors	1	0	**0**
Lost Time Injury (LTI) Accidents			
Employees	0	0	**0**
Temporary employees	0	0	**0**
Contractors	0	0	**2**
Total number of reportable accidents[1]	2	1	**3**
Lost Time Incident Rate (LTIR)[2]	0.15	0	**0.26**
Accident Frequency Rate (AFR)[3]	0.06	0	**0.09**

[1] *Defined as total number of fatal and dangerous occurrences and lost time incidents*
[2] *Lost Time Incident Rate covers both employees and contractors (per 1,000 workers, based on DOSH Malaysia JKKP 8)*
[3] *Accident Frequency Rate covers both employees and contractors (per 1,000,000 hours, based on DOSH Malaysia JKKP 8)*
* *Our man-hours boundary is only for Malaysia operations; it excludes any incident occurred at all overseas subsidiaries. Moving forward, we will be including man-hours and incidents of all overseas subsidiaries.*

Moving forward, we will continue to strengthen our OSH practices through the formalisation of procedures, seamless reporting and enhanced digital processes to improve efficiency and compliance across our operations. Planned initiatives include ongoing ESH awareness campaigns, regular ESH sharing sessions, systematic documentation and dissemination of lessons learnt. We will also focus on proactive risk identification, continuous improvement of safety management systems and the fostering of greater engagement and ownership of safety practices among employees, contractors and business partners.

PRODUCT QUALITY AND RESPONSIBILITY

Product quality and responsibility shape the safety, reliability and long-term performance of construction outcomes. For SunCon, these requirements guide project delivery and reflect the Group's operational standards. Effective quality management supports client satisfaction, strengthens prospects for repeat work, reduces rework, improves cost efficiency, maintains regulatory compliance and reinforces SunCon's reputation. Conversely, poor quality management and lapses in responsibility can lead to delays, increased rework, client dissatisfaction, compliance risks and reputational harm. If prolonged, such risks may weaken business opportunities, reduce stakeholder trust and lower employee's morale.

Social

We acknowledge that product quality and responsibility can be affected by factors such as unsuitable materials, deviation from design specifications, workmanship gaps, limited supervisory capability and weak quality control. These factors can affect project results and influence stakeholder confidence.

At SunCon, we uphold product quality and responsibility by adopting recognised frameworks and clear operational policies. SunCon is certified under ISO 9001:2015 and adopts the Construction Industry Standard CIS 7, better known as QLASSIC, by Construction Industry Development Board (CIDB) Malaysia to support quality assurance across building works including data centres. These frameworks guide consistent delivery and reinforce accountability throughout project execution.

Our quality management is governed by the QESH Policy, which outlines requirements for quality, safety, health, well-being and environmental management. An annual review held in 2025 confirmed that the policy remained effective and that the supporting quality objectives had been strengthened. Additionally, we increased our client satisfaction target to drive higher service standards and introduced a new target of zero non-conformance notices to ensure full compliance with legal and regulatory obligations. These enhancements reinforce operational discipline, reduce project risks and support SunCon's broader commitment to continual improvement and sustainable performance.

Ensuring Excellence in Quality

Quality serves as a key indicator of SunCon's technical capability and market reputation, extending beyond the final build to include design innovation, material integrity, structural resilience and the strategic intent of project planning. Each stage of the project cycle, from design to material sourcing and construction, contributes to the overall outcome and supports customer satisfaction, brand strength, safety and reduced environmental impact.

Our commitment to quality aligns with the National Construction Policy 2030 Thrust 1, which promotes stronger project quality and safety standards and is consistent with UN SDG 8, 9 and 11. The Group continues to apply established guidelines and initiatives to ensure consistent quality across all projects and maintain high levels of customer confidence.

To achieve the required quality standards, we have set in place a comprehensive Quality Strategy built around six key focus areas:

6 Key Focus Areas of SunCon's TQM Strategy

INNOVATION Creating greater value and setting a benchmark for businesses	**EMPLOYEE** Ensuring total involvement and employee satisfaction	**PRODUCTS AND SERVICES** Passionately ensuring the highest standards in products and services
CONTINUOUS IMPROVEMENT Creating greater value and setting a benchmark for businesses	**CUSTOMER** Striving to satisfy customers' needs and expectations	**CORPORATE SOCIAL RESPONSIBILITY** Enriching the community and preserving the environment

Social

PRODUCT QUALITY AND RESPONSIBILITY

We have set out the following key measures to support the Quality Strategy and uphold consistent standards during project execution:

Each role is filled by individuals with the right expertise so that responsibilities are carried out effectively. This includes appointing qualified consultants and dependable partners to oversee specialised areas, ensuring that all project components are managed by capable professionals

Critical materials undergo a mandatory Pre-Delivery Inspection (PDI) before reaching the site or designated location. This allows any defects or non-compliance issues to be addressed in advance, ensuring that only approved materials are used and reducing the risk of rework, delays and quality shortcomings

Material selection follows the requirements set under Lembaga Pembangunan Industri Pembinaan Malaysia 1994 (Act 520) and is aligned with relevant Environmental, Social and Governance expectations and client need

The First of Kind process requires initial samples, prototypes or early-stage work to be assessed and approved before full implementation. This creates a clear quality reference that guides subsequent construction activities and promotes consistent outcomes

The testing and commissioning stage is conducted with strict adherence to specifications and established procedures to confirm that systems and installations operate correctly

All project teams, led by the respective Person-In-Charge (PIC), are accountable for quality and customer satisfaction. They are supported by the Total Quality Management (TQM) Department, which may assign full-time personnel to the project team and carry out site visits, assessments, training and other quality improvement activities from the Head Office.

Furthermore, we also conduct three quality management assessments to safeguard and uphold standards throughout the build process. These assessments cover the full cradle-to-gate scope, including the quality of raw materials, the logistics involved in transporting materials to site, the condition and suitability of machinery and equipment, the construction methods used and the quality of the completed works. The assessments are also used to evaluate performance and identify areas for further improvement.

SQMS (Sunway Quality Merit System):

Internally developed system to drive continuous quality improvement across Group operations.

Assessment is based on the following three categories:
- Product workmanship
- Inspection and testing
- Site arrangements

CSS (Client / Consultant Satisfaction Survey):

Measures clients' and consultants' satisfaction levels across the build process, thereby providing crucial feedback on ongoing work.

Criteria covered:
- Quality of works
- Planning
- Job knowledge
- Timely completion
- Responsiveness
- Resources
- Environment
- Safety and health
- Communication
- Subcontractor performance
- Overall performance

QLASSIC (Quality Assessment System in Construction):

External industry benchmark standard developed by CIDB to assess the quality of our completed projects.

Social

To ensure these quality measures are upheld, performance is reviewed annually at the Management Review Meeting chaired by the GMD with department and division heads. Quality targets are embedded in project KPIs and cascaded to individual employee during performance appraisal, with remuneration linked to their achievement. The Sunway Quality Merit System (SQMS) and Client/Consultant Satisfaction Survey (CSS) scores are also integrated into performance KPIs, with allocations set at 5% for the GMD, 10% for both GDMDs and 25% for site-based employees to reflect operational responsibility and the importance of meeting quality expectations.

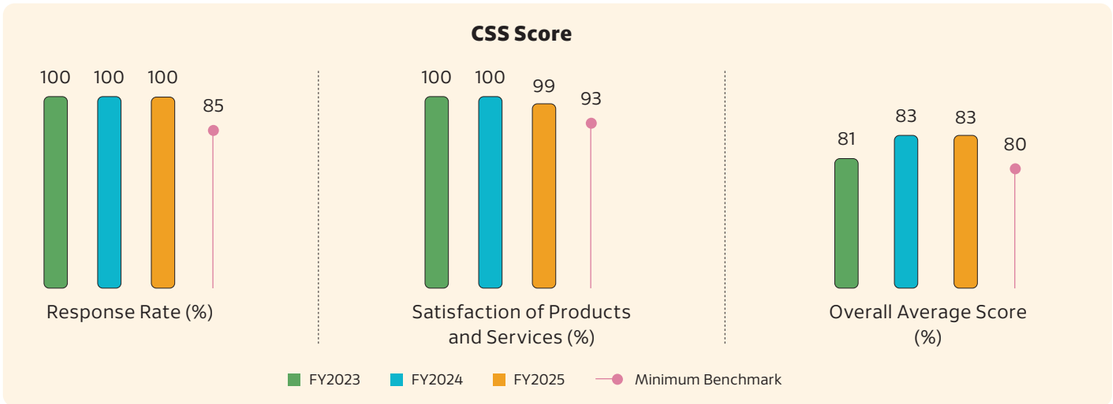
Furthermore, we are carrying out continuous monitoring of quality data to address non-conformance issues, expanding internal assessments to ensure compliance with structured follow-up and conducting training to strengthen employees' understanding of quality standards, compliance requirements and client expectations for project delivery. To reinforce these expectations across project teams, we:

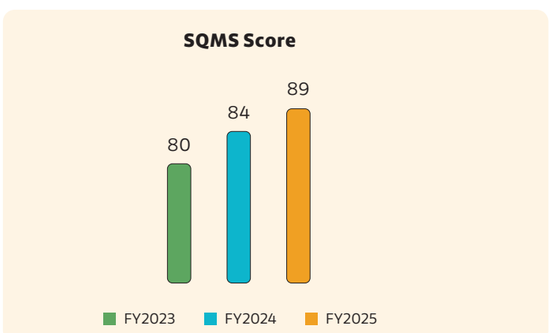
Implemented actions based on survey feedback, including the dissemination of findings to senior management and project teams to clarify strengths and areas requiring improvement

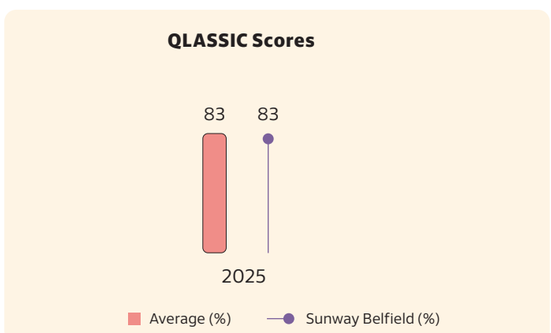
Assigned action plans to relevant departments, projects or individuals with defined responsibilities to ensure accountability

Carried out focused training, toolbox talks and awareness sessions to address recurring issues related to responsiveness, communication and site safety

A follow-up survey in the next reporting cycle will assess the effectiveness of these measures, ensuring continued alignment with client expectations for project delivery.







Social

Looking ahead, the Group will strengthen quality assurance and control by applying stricter inspections, improving site supervision and ensuring compliance with approved drawings, specifications and standards. Regular assessments will support early identification of gaps, while enhanced training will improve employee competency, communication and accountability. We will also manage our sourcing practices responsibly by ensuring that all imported materials comply with the CIDB Act 1994 and meet ESG expectations by carrying out material verification and supplier monitoring to strengthen supply chain transparency.

COMMUNITY ENRICHMENT

Community enrichment is a key focus for SunCon, as we recognise local communities and the wider public as material stakeholders whose well-being is directly affected by our operations and project sites. Construction activities can have social and economic impacts on surrounding areas, influencing daily life and community perceptions if not managed responsibly. In response, SunCon prioritises community development and empowerment initiatives to maintain trust with the local communities around our projects and support our value creation approach through outcomes that deliver lasting benefits to local communities.

Community Feedback Mechanism

We engage with local communities that may be affected by our construction work by holding dialogues and engagement sessions for local communities to share project information and collect project-related feedback. The project team then evaluates the feedback and applies relevant points to the site's OSH management strategy to reinforce risk controls. Local communities may also channel concerns through the SunCon Hotline on our corporate website via:

SunCon Hotline

Snap a picture and tell us about it

Telephone: **(019) 358 2739**

Email: **enquirysuncon@sunway.com.my**

Community Initiatives

SunCon recognises community enrichment as an integral part of responsible business conduct and aligns our efforts with the United Nations Sustainable Development Goals. Local communities are key stakeholders, given that many of our projects are located in close proximity to residential areas. We seek to contribute meaningfully through structured Corporate Social Responsibility programmes and targeted donations that respond to community needs. These initiatives are primarily coordinated through the SunCon Social Club, which organises activities to support and engage local communities. In addition, several project site teams undertook site-led CSR initiatives, extending positive contributions to communities surrounding our operations. Looking ahead, SunCon remains committed to supporting communities around our project sites and sustaining this engagement beyond project completion.

	2023	2024	2025
Total amount contributed to societal causes (RM million)	2.63	2.86	**2.53**
Total number of beneficiaries	18,350	12,066	**7,638**

Social

Social

Impact Story 1: Safeguarding Community Well-Being Near Our Project Sites

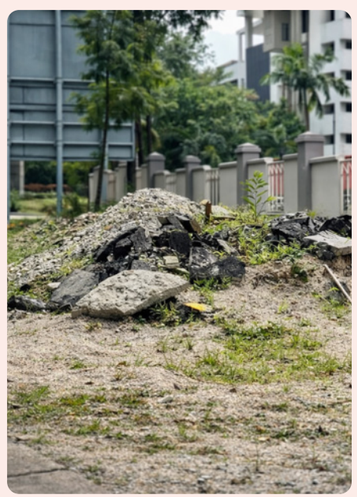
In June 2025, the Sunway Flora project team supported a mosquito control effort in a nearby residential area. Site personnel were deployed to carry out fogging and larviciding activities, including the identification and elimination of mosquito breeding sites. The initiative aimed to reduce health risks associated with mosquito-borne diseases and support the well-being of the surrounding community.






The team also conducted clearing works near the Stadium Bukit Jalil to help beautify the area for future landscape work by Majlis Bukit Jalil.





Impact Story 2: Extending Support to Vulnerable Communities

The Sunway City Ipoh Mall project team contributed to community well-being through targeted support initiatives addressing both social welfare and food security. In conjunction with the Lunar New Year period, the team donated RM2,300 worth of festive vouchers to Pertubuhan Kebajikan Kanak-Kanak Cacat Ipoh, enabling the organisation to provide essential items for children with disabilities.



In the spirit of Ramadan, the team collaborated with the SunCon Social Club and Dapur Jalanan Ipoh to distribute food containers to 100 homeless individuals across Ipoh town for sahur.






Social

Social

Impact Story 3: Supporting Community Recovery Following Flood Impact

The RTS Johor–Singapore project team supported post-flood recovery efforts at Pusat Perdagangan Danga Utama in Skudai, which was affected by flash flooding. Volunteers and machinery were deployed to assist with site clearing works, helping to restore access and support the affected community during the recovery process.







Impact Story 4: Maintaining Clean and Safe Surroundings Through Regular Community Action

The MSPR Johor project team conducted weekly gotong-royong activities along Jalan Salleh in Taman Kim Teng, where volunteers worked alongside the residential community to carry out street cleaning efforts. As construction activities are ongoing within the area, these regular initiatives helped to maintain cleanliness and support a safe and orderly environment for the surrounding community.







Social

Impact Story 5: Promoting Sustainable Practices at Project Sites

The data centre project team in Cyberjaya organised an "End Pollution Day" at the construction site to encourage site workers and subcontractors to adopt more sustainable consumption practices. As part of the initiative, workers were encouraged to use reusable water bottle tumblers, supporting waste reduction and raising awareness of plastic pollution and environmental protection. The initiative aimed to encourage the longer-term adoption of reusable alternatives within the site workforce.







ISSB Statement

1.1 COMPLIANCE WITH IFRS SUSTAINABILITY DISCLOSURE STANDARDS

Sunway Construction Group Berhad and its subsidiaries (the Group) present this ISSB Statement in accordance with the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB), in line with Bursa Malaysia's Main Market Listing Requirements and the National Sustainability Reporting Framework (NSRF). These standards provide a structured basis for communicating sustainability-related information that is relevant to investors and other stakeholders, offering clearer insight into how such matters influence the Group's strategy, performance and long-term value creation.

Sustainability considerations are integrated into the Group's planning, risk management and operational decision-making processes. This integration supports balanced growth while addressing environmental, social and governance expectations across the markets in which the Group operates.

Additional information required under the Main Market Listing Requirements are included on page 327 onwards of this report. The Group has also referred to the disclosure topics within the Sustainability Accounting Standards Board (SASB) standards in preparing this report, supporting more relevant, industry-aligned and decision-useful disclosures.

1.2 CONNECTIVITY WITH FINANCIAL STATEMENTS (REPORTING PERIOD, REPORTING ENTITY AND PRESENTATION CURRENCY)

This report covers the financial year ended 31 December 2025 and aligns with the reporting period of the Group's related consolidated financial statements. It should be read together with those financial statements, which have been prepared in accordance with the Malaysian Financial Reporting Standards (MFRS), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The Group defines time horizons based on when sustainability-related risks and opportunities could reasonably be expected to occur. As at the end of the reporting period, the following time horizons were identified, consistent with the timelines used for strategic decision-making:

Short-term: 2025-2027	Medium-term: 2028-2034	Long-term: >2034

The sustainability-related financial disclosures cover the same reporting entity as the related consolidated financial statements. The reporting entity comprises the parent company, Sunway Construction Group Berhad, together with its subsidiaries. In preparing these disclosures, the Group assessed its own operations as well as its value chain, which includes, among others, its joint ventures and associates. Further information on the value chain is provided in Note 17-19 in the Audited Financial Statement.

The presentation currency for the sustainability-related financial disclosures is Ringgit Malaysia (RM), consistent with the presentation currency used in the consolidated financial statements. Unless otherwise specified, all amounts are rounded to the nearest million.

1.3 FIRST-TIME ADOPTION OF IFRS SUSTAINABILITY DISCLOSURE STANDARDS AND TRANSITION RELIEFS

The annual reporting period ended 31 December 2025 marks the Group's first year of reporting under the IFRS Sustainability Disclosure Standards. For the financial year commencing 1 January 2025, the Group applied IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. As at 31 December 2025, no other IFRS Sustainability Disclosure Standards have been issued by the ISSB.

2.1 OVERVIEW OF THE GROUP

Please refer to pages 7-8 and 62-63 to find an overview of our business activities, strategy and sustainability-related goals and our value chain.

3.1 REPORTING BOUNDARY (EXCLUDING GHG EMISSIONS)

Reporting Entity

The entities, assets and operations within the reporting entity have applied the available transition relief, which allows disclosures to focus on the Group's principal businesses. This reflects the scope permitted for first-time application under the IFRS Sustainability Disclosure Standards and Bursa Malaysia's Main Market Listing Requirements.

ISSB Statement

During the reporting period, the Group underwent minor changes to its corporate structure following the disposal of its 40% equity interest in ENGIE-SUNWAY DCS Sdn. Bhd. to Sunway Property & Facility Management Sdn. Bhd. Separately, the Group also disposed of certain plant and machinery to another related company, Sunway Enterprise (1988) Sdn. Bhd. A summary of the reporting entity, together with the scope of sustainability-related information considered and included in this ISSB Statement, is presented below.

Entities and Assets in the Reporting Entity	Additional Information	Note in Financial Statements	Information Considered and Included (for GHG reporting boundary see Note 3.2)
Parent and Subsidiaries	Sunway ENGIE DC Sdn. Bhd. is 70% owned by Sunway Engineering which is a wholly owned subsidiary of the Group. The 30% joint venture proportion has been excluded.	Note 17	100% of the sustainability information, with the exception of Sunway ENGIE DC Sdn. Bhd. whose sustainability information is 70% accounted.
Leased Assets (the Group is lessee)	The Group leased plants and machineries such as genset for construction usage.	Note 15 and Note 35	100% of the sustainability information related to the use of the leased assets during the lease term.
Leased Assets (the Group is lessor)	-	Note 15	100% of the sustainability information related to leased assets.
Joint Operations	The Group has a 50% interest in a joint arrangement with Kajima Malaysia.	Note 19	Proportionate share of the sustainability information for direct assets, liabilities, etc.

Value Chain

Beyond its consolidated operations, the Group has entities, including investments in associates and joint ventures, as well as activities, resources and relationships that form part of its broader value chain. These elements have been considered in the assessment of the Group's sustainability-related risks and opportunities.

For the current reporting period, all reported metrics, with the exception of greenhouse gas (GHG) emissions, relate to total group operations including joint venture and joint operations.

3.2 REPORTING BOUNDARY FOR GHG EMISSIONS

The Group measures its greenhouse gas (GHG) emissions using the *Greenhouse Gas Protocol*: *A Corporate Accounting and Reporting Standard (2004)* (GHG Protocol), unless otherwise specified under IFRS S2. To determine Scope 3 categories required for disclosure, the Group refers to the *GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).*

The Group's reporting boundary for GHG emissions covers both its organisational boundary and operational boundary, as outlined below:

a. Organisational boundary

The Group applies the financial control and equity approach to establish its organisational boundary for the reporting of GHG emissions. Under this method, the Group has assessed that it exercises financial control, in accordance with the GHG Protocol, over the subsidiaries included in its consolidated financial statements. The Group applies the equity approach for joint ventures with other companies.

b. Operational boundary

Direct GHG emissions from sources that are owned or controlled by businesses and operations within the Group's organisational boundary are reported as Scope 1 GHG emissions. Emissions arising from the generation of purchased electricity consumed by these businesses and operations are reported as Scope 2 GHG emissions.

The Group's relevant portion of other indirect emissions associated with its activities is reported as Scope 3 GHG emissions. These include emissions occurring across the value chain, in line with the defined Scope 3 categories.

ISSB Statement

4. JUDGEMENTS AND MEASUREMENT UNCERTAINTIES

4.1 SIGNIFICANT JUDGEMENTS

	Description	Page Reference
Materiality Process	Management carried out a structured evaluation to identify sustainability-related risks and opportunities that could reasonably influence the Group's future performance and financial position. The exercise focused on matters that may affect enterprise value and inform the decisions of investors and other primary users. The Group also reviewed the disclosure topics outlined in the industry-based SASB Standards to assess their relevance to its operations. Metrics were selected based on alignment with the Group's business model, risk profile and sector characteristics, supporting more focused and decision-useful disclosures.	Page 53
Organisational Boundary for GHG Emissions	Financial control and equity approach methods are used to define the organisational boundary for GHG emissions reporting. Under the financial control method, the Group identifies operations where it has financial authority. For joint ventures with other organisations, equity approach is used. Determining the appropriate consolidation method and identifying which operations fall within the Group's financial control and equity approach involve the use of significant judgement. This assessment takes into account factors such as decision-making authority, contractual arrangements and the degree of influence over day-to-day operations. These judgements directly affect the scope of entities and activities included in the Group's GHG emissions disclosures.	Page 138
Calculation Methods for GHG Emissions	A combination of calculation methods is used to measure Scope 3 GHG emissions across the relevant categories. Management exercised judgement in selecting the most suitable method for each category, taking into account data availability, data quality and methodological fit. Where available, supplier-specific data is prioritised, provided it meets acceptable thresholds for quality and completeness. When primary data is not available or is insufficient, reasonable estimation techniques and appropriate secondary data sources are used to support the calculation process.	Page 137-138

In preparing the Group's financial statements, management made several significant judgements. Certain judgements are also relevant to the preparation of this sustainability report, as they influence the scope, assumptions and disclosures presented.

ISSB Statement

4.2 MEASUREMENT UNCERTAINTY

The following amounts have a high degree of measurement uncertainty:

	Description	Page Reference
GHG-related Metrics	The related disclosure metrics are subjected to uncertainties due to reliance on activity data and emission factors obtained from third parties. For metrics without any activity data or emission factors, estimation is used.	Page 137-139

5. MATERIALITY ASSESSMENT

The Group conducted a reassessment of its material topics as a part of a joint materiality exercise with other listed entities within the Sunway Group. The objective was to identify and prioritise Environmental, Social and Governance (ESG) issues that are significant to the Group and its stakeholders, and to strenghthen the alignment between sustainability matters and financial performance.

The assessment supports the identification of inherent and emerging sustainability-related risks and opportunities. It provides a structured basis for determining which topics warrant enhanced oversight, resource allocation and disclosure within this ISSB Statement.

Approach and Methodology

A two-step process was applied.

Step 1: Identification of Key ESG Issues and Areas of Interest

An initial long list of ESG topics was developed with reference to industry practices, regulatory developments, peer benchmarking and internal risk registers. These topics reflect operational exposures across construction activities, supply chains, project delivery and stakeholder relationships.

Step 2: Stakeholder Engagement and Impact Assessment

Stakeholders were engaged through an online survey, followed by in-depth interviews and a focus group session with senior management. The engagement sought to understand stakeholder priorities, concerns and expectations. An impact assessment was then carried out to evaluate the significance and likelihood of each topic, considering both the scale of impact on the environment and society and the potential effect on the Group's financial position, performance and cash flows across the short-, medium- and long-term.

ISSB Statement

6. SUSTAINABILITY GOVERNANCE

Sustainability Governance Structure

Board of Directors ▸ The Board provides strategic direction for SunCon and its subsidiaries, ensuring that we remain on track to achieve our objectives. It shapes and reviews our overall strategy, upholds core values and maintains strong governance standards. The Board also oversees management to ensure that operations are conducted with integrity and in full compliance with applicable laws and regulations.

Sustainability Committee (SC) ▸ The Sustainability Committee (SC) oversees our sustainability strategy and key ESG priorities by reviewing targets, performance and overall sustainability progress. The SC also reviews the sustainability initiatives and provides recommendations to ensure they align with the business and sustainability strategies. It meets at least twice a year and submits recommendations to the Board on related matters.



TAN LER CHIN (CHAIRPERSON)



DR SARINDER KUMARI A/P OAM PARKASH



DATUK KWAN FOH KWAI



ERIC TAN CHEE HIN[1]

Risk Management Committee ▸ The Risk Management Committee (RMC) oversees SunCon's risk management framework and processes, including sustainability-related risks. It monitors, reviews and deliberates on corporate and operational risks, ensuring appropriate mitigation plans are in place and effective. The RMC meets at least quarterly each year and all SC members serve on the RMC.

Nomination and Remuneration Committee ▸ The Nomination and Remuneration Committee (NRC) oversees all matters pertaining to remuneration, including remuneration for SunCon's senior management. The NRC will track the sustainability-related KPIs cascaded to senior management. The NRC meets at least quarterly every year.

Sustainability Department ▸ The Sustainability Department supports the Board and the SC in meeting regulatory requirements for ESG disclosures via policy recommendations and alignments. Moreover, the unit tracks and monitors sustainability-related data and initiatives across SunCon to ensure truthful and transparent reporting. The department works closely with project directors across all business operations at SunCon to ensure the implementation of sustainability strategies and initiatives.

[1] Appointment of Mr Eric Tan Chee Hin as a member of SC in place of Mr Liew Kok Wing, effective on 3 March 2025.

ISSB Statement

6.1 BOARD OVERSIGHT BOARD OF DIRECTORS

Board of Directors

The Group views climate-related risks and opportunities as important considerations in supporting business resilience and long-term value creation. The Board of Directors holds overall oversight of sustainability and climate-related matters, with support from the Sustainability Committee (SC) in reviewing, supervising and recommending sustainability strategies, key environmental, social and governance targets, performance indicators and related corporate policies across the Group. This includes guiding the systematic integration of climate considerations into business strategy, risk management and financial planning.

Established at Board level, the SC plays a key role in evaluating the Group's exposure to climate-related risks and the effectiveness of mitigation measures. The committee oversees climate-related policies, including the Group Sustainability Policy, while promoting alignment with regulatory expectations and industry practices. Climate-related risks are incorporated into the Group's Enterprise Risk Management framework, with regular assessments carried out and reported to the Board. These responsibilities are set out in the SC's Terms of Reference and relevant governance policies, providing clear oversight and accountability.

The Group's climate targets and performance metrics are reviewed at Board level, with progress updates presented during each review cycle. The Board monitors emissions reduction initiatives, particularly those relating to Scope 1, Scope 2 and Scope 3 emissions, and considers how climate-related performance indicators are reflected in business incentives and executive remuneration. Following these reviews, the SC provides recommendations to Management and the Board, including corrective measures where targets are not achieved or where emerging risks call for a strategic response. As part of the Board's periodic effectiveness assessment, its collective skills and competencies, including those relevant to overseeing the Group's climate strategy, are also evaluated.

6.2 MANAGEMENT'S ROLE IN GOVERNANCE

Management plays an important role in translating the Board's climate-related directives into operational strategies that drive tangible action. Led by the Executive Committee (EXCO) team, Management is responsible for identifying, assessing and managing climate-related risks and opportunities in line with the Group's long-term sustainability objectives. As part of this role, Management formulates and implements action plans that align with the climate strategy set at Board level. This includes establishing key performance indicators and targets, defining implementation timelines, and allocating the necessary resources to support climate resilience. These efforts cover the mitigation of physical risks such as extreme weather disruptions, as well as transition risks arising from evolving regulations, carbon pricing mechanisms and technological developments.

Climate-related responsibilities are formally assigned to the Sustainability Unit then cascaded to the relevant operational levels for the execution of policies and strategies. Climate considerations are therefore integrated into business operations, financial planning, risk management and mitigation across both management and operational levels. Periodic updates on performance and progress are reported to the SC.

Responsibility for climate-related risk management is distributed across different levels of Management. The SC sets the overall climate agenda, while operational divisions incorporate climate considerations into day-to-day decision-making. This includes monitoring energy consumption, improving operational efficiency and implementing measures to reduce greenhouse gas emissions. Scenario analysis and cost-benefit assessments are also carried out to evaluate the feasibility of renewable energy adoption, potential carbon taxation implications and compliance with emerging regulatory requirements.

To support proactive risk management, Management regularly reviews and refines its risk assessment framework, including evaluations of the severity, probability and frequency of climate-related risks. These considerations are embedded into the Group's broader governance and operational frameworks, with alignment across functions such as finance, procurement and project management. This supports structured decision-making that takes into account both financial and environmental factors, contributing to long-term resilience.

Management also maintains a Group-wide greenhouse gas inventory, with oversight of both direct (Scope 1) and indirect (Scope 2 and Scope 3) emissions. Looking ahead, the Group is progressively incorporating wider supply chain and downstream climate impacts into its risk assessment framework, supporting a more comprehensive understanding of climate-related risks and opportunities.

6.3 IMPACT OF SUSTAINABILITY ON REMUNERATION POLICIES

The remuneration of the Group Managing Director and Senior Management has been linked to ESG-related KPIs and targets since 2022, with performance against these indicators influencing incentive outcomes. These KPIs and targets include increasing waste diversion from landfills, improving occupational health and safety practices, reducing carbon emissions and enhancing ESG rating scores.

ISSB Statement

6.4 RISK MANAGEMENT

The Group identifies and assesses climate-related risks through a structured, multi-layered process that integrates financial materiality considerations, scenario-based assessments and enterprise-wide risk monitoring. Climate risks are evaluated from both impact and financial materiality perspectives, with emphasis on financial materiality in line with the expectations of IFRS S2.

The Group's risk identification process is informed by several sources. These include industry benchmarks and regulatory developments, which help align climate risks with evolving policy landscapes, stakeholder engagement, investor preferences and financial community expectations, which reflect external risk perceptions and market trends and internal ESG materiality assessments that incorporate sustainability considerations into enterprise risk reviews, as outlined on page 206. The process also draws on global climate models, including the IPCC Sixth Assessment Report, to evaluate physical and transition risks, as well as Climate Value-at-Risk analyses conducted by the Jeffrey Sachs Center on Sustainable Development, which provide probabilistic assessments of climate risks across different time horizons.

To strengthen risk quantification, the Group categorises climate risks based on likelihood, severity, frequency and timeline, supporting a more comprehensive assessment. Risks are also classified into physical and transition categories to facilitate targeted mitigation measures.

Likelihood	Severity Levels	Frequency	Timeline
Unlikely	Zero Impact	Zero Occurrence	Immediate
Likely	Minimal Impact	Rare Occurrence	Near-Term
Highly Likely	Moderate Impact	Regular Occurrence	Medium-Term
Imminent	High Impact	High Occurrence	Long-Term

Integration into Enterprise Risk Profile

Climate-related risks are integrated into the Group's Enterprise Risk Management (ERM) framework, allowing emerging issues to be monitored, mitigation measures to be applied early and risk oversight to be carried out consistently across the organisation. Since the financial year 2022, climate risks have been incorporated into the Group Risk Register, with ongoing monitoring undertaken by the Risk Management function in collaboration with the Sustainability team. This structure allows climate-related risks to be assessed alongside other material business risks.

The Risk Management Committee oversees the Group's risk framework and reviews significant risks, including those related to climate change, during its quarterly meetings before providing recommendations to the Board. Working in parallel, the Risk Working Committee, led by the Senior Executive Director, helps embed risk requirements into day-to-day operations. Through close engagement with business units, the committee identifies emerging risks, implements mitigation measures and communicates the Board's expectations across the organisation.

Climate-related risks are reviewed as part of enterprise-wide risk reporting, where they are assessed alongside operational, financial and market risks to support a comprehensive oversight process. The SC provides governance and oversight, with periodic updates on climate-related risks presented to the Board to support informed decision-making. Scenario analysis is also carried out to assess risks under different future pathways, enabling the Group to anticipate potential regulatory, financial and environmental developments that could affect business continuity.

Continuous monitoring forms a key part of the Group's risk management activities, helping identify emerging risks early and refine strategies as conditions evolve. While a formal transition plan is still being developed, climate considerations already influence investment allocation, project selection criteria and supply chain practices. Through this integration within the broader ERM framework, the Group enhances its readiness for evolving environmental and regulatory landscapes while supporting long-term business sustainability.

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7. ENVIRONMENT-RELATED RISKS AND OPPORTUNITIES

7.1 CLIMATE-RELATED TRANSITION RISK

a. Description

The construction industry is exposed to increasing transition risks as climate policies and market expectations place greater emphasis on reducing embodied carbon in materials such as cement, steel and concrete, which are significant contributors to Scope 3 emissions and emissions from construction activities. While contractors generally follow customer specifications, evolving regulatory measures and green procurement standards are increasing the cost and complexity of sourcing construction materials. The Government of Malaysia announced in its 2026 Budget the planned introduction of a carbon tax, targeting the iron, steel and energy sectors. In addition, capital providers and infrastructure asset owners increasingly favour lower-carbon projects, and ESG-conscious customers may exclude higher-carbon suppliers. If not managed effectively, these developments may reduce the Group's competitiveness in tenders and lead to higher construction costs.

b. Effects on business model and value chain

Transition risks extend across the Group's value chain, particularly within upstream procurement, construction operations and downstream customer expectations.

In the upstream segment, suppliers of cement, steel and ready-mix aggregates, which account for a substantial share of embodied carbon, are under growing pressure to decarbonise their manufacturing processes. As the Group depends on these materials, it may experience cost increases as suppliers invest in cleaner technologies and factor in carbon taxes. Existing procurement practices may also limit participation in projects that impose embodied carbon requirements. To address this, the Group is planning to collaborate with suppliers on the transition towards lower-carbon products and adopt circular construction practices, including the use of recycled content, alternative binders and modular construction methods, to reduce the carbon intensity of its output.

Within construction operations, the use of heavy machinery resulting in high diesel consumption contributes to direct emissions classified as Scope 1, while electricity consumption for construction processes results in Scope 2 emissions. These operational factors form an important part of the Group's transition risk profile.

Downstream, customers for commercial and infrastructure projects, particularly advanced technology facilities' companies, are increasingly introducing sustainability requirements including product carbon footprint. This places greater emphasis on carbon disclosures and transparency in material sourcing during tender submissions. Without appropriate mitigation measures, the Group may face reputational risks among stakeholders who expect alignment with climate objectives, as well as a gradual mismatch between traditional construction practices and the growing demand for lower-carbon, climate-resilient infrastructure.

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Climate-related risks' disclosures

The Group has identified a range of physical and transition risks that may impact its business in the short-, medium- and long-term. These risks have been assessed as part of the Group Climate Value-at-Risk assessment, aligning with global sustainability frameworks and regulatory expectations, including the IFRS S2 climate-related disclosure standard. The Group's risk mitigation strategies are designed to build climate resilience while capitalising on emerging opportunities within the transition to a low-carbon economy.

Risks / Opportunities	Time-frame	Business Impact	Financial Impact	Mitigation Measure
Physical Risks				
Inclement weather (reduced productivity due to rainfall disruptions)	Short-term	Delays in project progress and future job planning; risk to worker health, safety and welfare. Climate value-at-risk assessments indicate that while stop-work occurrences due to rainfall may decline in frequency, the severity of rainfall events is expected to increase	Cost overrun and reduced claim revenue	Integration of climatic constraints into project-level risk assessments; strengthening site-specific planning, particularly for projects near floodprone areas
Increase in frequency and intensity of extreme weather (precipitation and heat waves)	Short-term	Increased site shutdowns due to heat stress or extreme rainfall; asset exposure to flood risk. Climate projections indicate that some SunCon project sites may experience medium risk exposure to riverine flooding, requiring enhanced flood preparedness measures and project scheduling adjustments	Cost overrun, potential damage to equipment, higher insurance premiums	Enhanced site planning with flood risk mapping; use of climate-responsive scheduling to mitigate delays
Enhanced complexity of emissions-related reporting and compliance	Long-term	Increased regulatory compliance burden; greater transparency expectations from stakeholders	Increased administrative costs for compliance; potential penalties for non-disclosure	Strengthening internal reporting capabilities; digitalising GHG data collection and disclosure for improved regulatory alignment
Regulatory and policy changes impacting financial stability	Medium-term	Future government regulations on electricity and fuel usage could result in additional cost	Higher CAPEX for emission reduction initiatives; potential increased taxation on diesel fuel	Continuous monitoring of Malaysia's Net Zero policies and early engagement with regulators to adapt to evolving requirements

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Risks / Opportunities	Time-frame	Business Impact	Financial Impact	Mitigation Measure
Physical Risks				
Carbon tax mechanism & Green Electricity Tariff (GET) impact	Medium-term	Increased operating costs as carbon pricing affects supply chain materials and energy costs. SunCon is exposed to potential cost increases under the Green Electricity Tariff (GET), which, if mandated, could result in an estimated RM335,000 annual additional cost. Additionally, diesel taxation remains a potential risk to construction-related fuel expenses	Higher CAPEX for emission reduction initiatives; increased utility and fuel costs	Monitoring carbon pricing frameworks; exploring energy efficiency solutions and alternative fuel options
Revision of electricity and water tariffs	Medium-term	Rising operational costs, making energy and water efficiency a key priority	Increased utility expenses, affecting project profitability	Solar PV adoption at sites' rainwater harvesting and water recycling; integrating energy efficiency KPIs in project tenders
Electrification of construction vehicles and machinery	Long-term	Transitioning to electric construction equipment may become necessary due to regulatory pressures, but high upfront costs remain a challenge	Significant CAPEX required for electrification; long-term operational savings expected	Evaluating feasibility of electrification if government incentives are introduced; piloting low-emission machinery in selected projects
Reputational risk from environmentally sensitive projects	Long-term	Engaging in projects near rainforests, mangroves or other ecologically sensitive areas may result in reputational risks	Potential loss of investor confidence or client projects due to environmental concerns	Strengthening internal project evaluation criteria to assess risks before committing to development projects
Market risk from stricter green building standards	Medium-term	Increasing demand for green-certified buildings may put pressure on the Group to integrate more sustainable construction practices	Higher material costs and project qualification barriers if green standards are not met	Aligning procurement strategies with sustainability requirements; engaging in green building certification processes to enhance competitiveness
Increased material costs due to supply chain decarbonisation	Medium-term	Risk of project delays due to limited availability of low-carbon materials. The adoption of low-carbon construction materials (e.g., green cement, sustainable steel) carries a price premium of 40-100%, potentially impacting project cost structures	Price volatility, cost overruns due to premium pricing of low-carbon cement and green steel (40-100% markup)	Diversifying supplier base; localising supply chain where feasible; tracking material sustainability credentials

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c. Effects on strategy and decision-making

Climate-related risks are considered in the Group's strategic planning and operational decision-making, with decarbonisation forming a key element of its response to the transition towards a lower-carbon economy. Management has introduced a range of mitigation and adaptation measures as part of its pathway towards Net Zero carbon by 2050. In 2025, the Group achieved a reduction of 23,160 tCO_2e in emissions after carbon offset compared to 2024, reflecting progress in its decarbonisation initiatives. These efforts are intended to reduce exposure to transition risks such as carbon taxation, rising grid electricity costs and the higher embodied carbon of construction materials.

Decarbonisation also presents strategic and commercial opportunities. For example, the export of precast products with lower carbon footprints may offer a competitive advantage in markets that place increasing emphasis on climate performance. Operational improvements, such as the progressive replacement of diesel-powered tower lights to electrical or hybrid-powered ones further support emissions reduction while improving energy efficiency. In addition, the Group is exploring revenue opportunities through the sale of Renewable Energy Certificates generated from its sustainable energy projects.

These initiatives also contribute to the development of internal capabilities, preparing the workforce to undertake projects with stronger sustainability requirements, including green buildings and data centres. The Group's carbon reduction strategy focuses on several key areas.

Under energy optimisation, the Group is upgrading to energy-efficient equipment, increasing the use of renewable energy in operations and transitioning from diesel-powered machinery to lower-emission or electric alternatives where feasible.

On advocacy, the Group conducts sustainability workshops for key project personnel and awareness programmes for staff. It also engages major commodity suppliers on low-carbon plans and targets, enhances procurement strategies to incorporate sustainability and climate considerations and prioritises local suppliers where possible to reduce transportation-related emissions.

In the carbon market, the Group seeks to generate income in the near term through the trading of green attributes from solar investments and corporate green power projects, while continuing to strengthen energy efficiency initiatives across its operations.

Through product stewardship, the Group applies technologies such as Building Information Modelling (BIM) and Industrialised Building Systems to optimise energy use and reduce embodied carbon in projects. It also prioritises lower-carbon product options, including materials with recycled content where feasible and seeks to minimise waste generation through improved design and process optimisation. Together, these measures support more informed investment, procurement and operational decisions in response to climate-related risks and opportunities.

d. Financial effects

Current and anticipated financial effects

Climate-related risks are expected to have both current and future financial implications for the Group, primarily through higher compliance costs, increased capital expenditure and changes in operating cost structures. As regulatory frameworks and market expectations evolve, the Group anticipates greater complexity in emissions-related reporting and compliance requirements. Over the longer term, this may lead to a higher administrative burden, increased compliance costs and potential penalties where disclosure expectations are not met.

Regulatory and policy developments may also affect financial stability in the medium-term. Future government measures on electricity and fuel usage could introduce additional costs, including higher capital expenditure for emission reduction initiatives and the possibility of increased taxation on diesel fuel used in construction activities.

Carbon pricing mechanisms and energy tariffs represent another area of exposure. As carbon pricing begins to influence supply chain materials and energy costs, the Group may face higher operating expenses. Under the Green Electricity Tariff, if mandated, the Group could incur an estimated additional annual cost of RM335,000. Diesel taxation also presents a potential risk, as it may raise fuel expenses for construction operations. These developments could result in increased capital expenditure for emissions reduction initiatives as well as higher utility and fuel costs.

Revisions to electricity and water tariffs may further increase operational expenses, making energy and water efficiency important considerations for project planning and execution. Rising utility costs could have a direct effect on project profitability if not offset by efficiency gains or pricing adjustments.

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Over the longer term, the electrification of construction vehicles and machinery may become necessary in response to regulatory pressures. While this transition could deliver operational savings over time, it is likely to require significant upfront capital investment in new equipment and supporting infrastructure.

The Group also faces reputational risks associated with projects located in environmentally sensitive areas, such as rainforests, mangroves or other protected ecosystems. Such exposure may affect investor confidence or lead to the loss of project opportunities where environmental concerns are heightened.

Market dynamics may introduce additional financial pressures. Stricter green building standards and growing demand for certified low-carbon projects may require the Group to integrate more sustainable construction practices. This could result in higher material costs and potential barriers to project qualification if required standards are not met.

Supply chain decarbonisation is also expected to influence cost structures. Limited availability of low-carbon materials may create the risk of project delays, while the adoption of products such as green cement and sustainable steel could carry price premiums of 40 to 100 percent. These factors may lead to price volatility and cost overruns, particularly where low-carbon materials are required to meet project specifications or regulatory expectations.

7.2 CLIMATE-RELATED PHYSICAL RISK - INCLEMENT WEATHER (REDUCED PRODUCTIVITY DUE TO RAINFALL DISRUPTIONS)

a. Description

Inclement weather, particularly heavy rainfall and prolonged wet conditions, presents a physical climate risk that may affect the Group's construction activities. Construction projects are highly dependent on site conditions and work schedules, and increased rainfall intensity or frequency can disrupt daily operations, delay critical activities and reduce overall productivity at project sites.

Rainfall disruptions may lead to temporary suspension of work, slower progress on earthworks, concreting and other weather-sensitive activities, as well as increased safety risks for workers. These disruptions can extend project timelines, result in higher labour and equipment costs and increase the likelihood of contractual penalties or cost overruns where schedules are affected.

Over time, changing rainfall patterns and more frequent extreme weather events may amplify these challenges, requiring additional planning, protective measures and contingency resources. To manage this risk, the Group incorporates weather-related considerations into project planning, adopts improved drainage and site protection measures and strengthens scheduling practices to reduce the impact of rainfall disruptions on productivity and project delivery.

b. Effects on business model and value chain

Inclement weather may affect the Group's business model and value chain primarily through disruptions to project execution and workforce conditions. Heavy or prolonged rainfall can slow construction progress, interrupt planned work sequences and affect the scheduling of future projects. These disruptions may lead to delays in project completion, changes in resource allocation and increased operational costs.

Rainfall-related disruptions also present risks to worker health, safety and welfare, particularly where site conditions become unstable or hazardous. Additional safety precautions, temporary stoppages and protective measures may be required to safeguard personnel, which can further affect productivity.

Climate Value-at-Risk assessments indicate that while the frequency of stop-work occurrences due to rainfall may decline over time, the severity of rainfall events is expected to increase. This trend may intensify the impact of individual weather disruptions, leading to more significant delays and operational challenges across the Group's construction activities.

c. Effects on strategy and decision-making

Inclement weather, particularly increased rainfall intensity and more frequent extreme weather events, influences the Group's strategy and operational decision-making. As construction productivity is closely tied to site conditions, rainfall disruptions are considered during project planning, scheduling and resource allocation to minimise delays and cost impacts.

At the project level, the Group incorporates weather-related considerations into construction timelines, contingency planning and contract pricing. Buffer periods, revised work sequencing and additional protective measures are included where appropriate to reduce the likelihood of delays and cost overruns. Decisions on site layout, equipment deployment and material storage also take into account the potential for heavy rainfall and water-related disruptions.

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From a design and engineering perspective, the Group places greater emphasis on drainage capacity, waterproofing measures and the use of more resilient materials. These considerations are reflected in project specifications and capital allocation decisions, particularly for projects located in areas with higher rainfall exposure or flood risk.

At a strategic level, rainfall-related productivity risks influence portfolio planning, contract selection and investment priorities. The Group evaluates the feasibility and risk profile of projects based on climatic conditions, location-specific weather patterns and the availability of mitigation measures. This helps support more informed bidding decisions and encourages the adoption of construction methods, such as modular or off-site fabrication, that are less exposed to weather-related disruptions.

Through these measures, the Group integrates inclement weather considerations into its planning and decision-making processes, helping to reduce operational disruptions and support more predictable project outcomes.

d. Financial effects

Current and anticipated financial effects

Inclement weather may have both current and anticipated financial effects on the Group, primarily through cost overruns and reduced claim revenue arising from rainfall-related disruptions. Construction activities that are sensitive to weather conditions, such as earthworks, structural works and finishing processes, may be delayed during periods of heavy or prolonged rainfall. These disruptions can slow overall project progress and extend construction timelines.

Extended project durations may lead to higher labour, equipment and site management costs, particularly where additional manpower, machinery or protective measures are required to maintain safety and operational continuity. Idle time for equipment and workers during stop-work periods may also increase operating expenses without a corresponding increase in revenue.

In certain cases, rainfall disruptions may limit the Group's ability to submit or justify variation orders or delay-related claims, especially where contract terms place weather-related risks on the contractor. This may result in reduced claim revenue and a greater portion of the additional costs being absorbed by the Group.

An increase in the severity of rainfall events may further heighten the risk of schedule disruptions and associated cost pressures. More intense weather-related interruptions could require larger contingency provisions, higher insurance costs and additional investment in site protection, drainage and scheduling adjustments. These factors may affect project margins and cash flow timing, particularly for projects with tight schedules or fixed-price contracts.

7.3 CLIMATE-RELATED PHYSICAL RISK - INCREASE IN FREQUENCY AND INTENSITY OF EXTREME WEATHER (PRECIPITATION AND HEAT WAVES)

a. Description

The increasing frequency and intensity of extreme weather events, including heavy precipitation and heat waves, present a physical climate risk to the Group's construction activities and supporting operations. Such events may disrupt site conditions, affect worker safety and reduce overall productivity, particularly for projects that are highly dependent on stable weather patterns.

Intense rainfall can lead to site flooding, water logging, erosion and damage to partially completed structures, equipment or stored materials. These conditions may require temporary work stoppages, additional protective measures and remediation works, which can extend project timelines and increase costs. Prolonged or repeated rainfall events may also strain drainage systems and site infrastructure, further affecting construction progress.

Heat waves present additional challenges, particularly for labour-intensive construction activities. High temperatures may lead to heat stress, dehydration and fatigue among workers, requiring more frequent rest periods, adjustments to work schedules and enhanced health and safety measures. In extreme cases, work hours may need to be reduced or temporarily halted to protect worker well-being, which can affect productivity and project schedules.

Over time, more severe and less predictable weather patterns may increase the complexity of project planning, site management and cost control. These risks may influence the design of construction methods, selection of materials and investment in protective infrastructure to enhance resilience against extreme weather conditions.

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b. Effects on business model and value chain

More frequent and intense extreme weather events may affect the Group's business model and value chain through operational disruptions and increased exposure of project assets to climate hazards. Heavy rainfall and heat waves can lead to more frequent site shutdowns, either due to unsafe working conditions or the need to protect partially completed structures, equipment and materials.

Extreme heat may require shorter working hours, additional rest periods and enhanced safety protocols to manage heat stress, which can reduce productivity across labour-intensive construction activities. Similarly, intense or prolonged rainfall may result in waterlogged sites, flooding or erosion, leading to temporary work stoppages and delays in project progress.

Climate projections indicate that some of the Group's project sites may face medium exposure to riverine flooding. This may require enhanced flood preparedness measures, including improved drainage systems, site protection works and adjustments to project schedules. Such measures may influence procurement decisions, construction methods and coordination across the supply chain, as the Group adapts its operations to manage evolving physical climate risks.

c. Effects on strategy and decision-making

The increasing frequency and intensity of extreme weather events, including heavy precipitation and heat waves, influences the Group's strategy and operational decision-making. As construction activities are sensitive to weather conditions, these risks are considered during project selection, planning, design and execution to reduce potential disruptions and cost impacts.

At the project level, the Group factors in site-specific climate conditions when evaluating project feasibility, scheduling works and allocating resources. Construction timelines may include additional buffer periods, revised work sequencing or alternative methods to account for potential weather-related interruptions. Decisions on site layout, drainage design, material storage and temporary structures also take into account the likelihood of heavy rainfall or extreme heat.

From a workforce management perspective, the Group adapts working hours, rest periods and safety protocols to address heat stress risks. This may involve scheduling more labour-intensive tasks during cooler periods of the day, investing in protective equipment and implementing additional health and safety measures to safeguard workers.

Extreme weather risks also influence design and capital allocation decisions. The Group places greater emphasis on resilient construction methods, improved drainage capacity, flood protection measures and materials that can withstand higher temperatures and moisture levels. These considerations are reflected in engineering designs, procurement strategies and investment priorities.

At a strategic level, climate-related physical risks may shape the Group's project portfolio and bidding approach. Locations with higher exposure to flooding or extreme heat may require more detailed risk assessments, adjusted pricing structures or the adoption of construction techniques that reduce on-site exposure. Through these measures, the Group integrates extreme weather considerations into its decision-making processes to support more resilient operations and project outcomes.

d. Financial effects

Current and anticipated financial effects

The increasing frequency and intensity of extreme weather events, including heavy precipitation and heat waves, has both current and anticipated financial effects on the Group. These impacts arise mainly from cost overruns, potential damage to equipment and higher insurance premiums.

Severe rainfall or extreme heat can disrupt construction activities, leading to temporary site shutdowns, reduced productivity and extended project timelines. Such disruptions increase labour, equipment and site management costs, particularly where additional resources are required to maintain safety or restore site conditions. Prolonged interruptions also create inefficiencies in resource utilisation and raise overhead expenses, affecting overall project margins.

Extreme weather events also expose construction equipment, temporary structures and partially completed works to physical damage. Flooding, water ingress, excessive heat or material degradation can result in repair or replacement costs, along with additional expenses for site reinstatement and protective measures.

Insurance-related costs are also expected to rise as the frequency and severity of climate-related events increase. Higher risk profiles for certain project locations or activities can lead to increased premiums, stricter coverage terms or higher deductibles. These factors contribute to higher operating costs and need to be considered in project pricing and financial planning.

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Climate-related opportunities

Climate-related opportunities' disclosures

Risks / Opportunities	Time-frame	Business & Financial Impact
Opportunities		
Supportive incentive policies	Medium-term	Access to government incentives for energy efficiency and green infrastructure investments.
Expansion of solar energy business	Medium-term	SunCon's renewable energy division has already completed RM100 million worth of solar PV installations. The Group's Corporate Green Power Programme (CGPP) Kapar plant achieved Commercial Operation Date (COD) in November 2025 and is expected to generate 24,000 MWh per annum. The Group continues to assess opportunities in the renewable energy sector to further strengthen its portfolio.
Battery storage for renewable energy	Long-term	Potential entry into the energy storage sector to complement solar PV projects, enhancing carbon reduction strategies.
New technological solutions	Long-term	Adoption of electrified construction equipment, alternative fuels and digitalised carbon tracking.
Sustainable operational improvements	Medium-term	Enhanced efficiency in waste management, energy usage and material consumption.
New revenue streams through carbon markets	Long-term	The Group is assessing the feasibility of monetising carbon credits through solar energy investments and sustainability-linked financing mechanisms.

The Group continues to refine its climate risk management strategy, integrating new insights from Climate Value-at-Risk assessments into its financial and operational planning. The Group remains committed to enhancing climate resilience, improving resource efficiency and identifying green growth opportunities in alignment with Malaysia's low-carbon transition.

e. Climate resilience

The Group evaluates its climate resilience through structured assessments that consider both financial exposure and operational readiness under different climate scenarios.

In assessing climate risk exposure, the Group undertakes scenario-based analyses and Climate Value-at-Risk evaluations to estimate potential financial implications under different climate pathways. These assessments help management understand how physical and transition risks may affect future performance, enabling more informed strategic planning and capital allocation.

The Group also undertakes targeted investments to strengthen physical risk adaptation. Capital expenditure is allocated to enhance infrastructure resilience, including improvements to drainage systems and the implementation of waterproofing measures at selected facilities and project sites. These initiatives are intended to reduce disruption from extreme weather events and support the continuity of operations in a changing climate.

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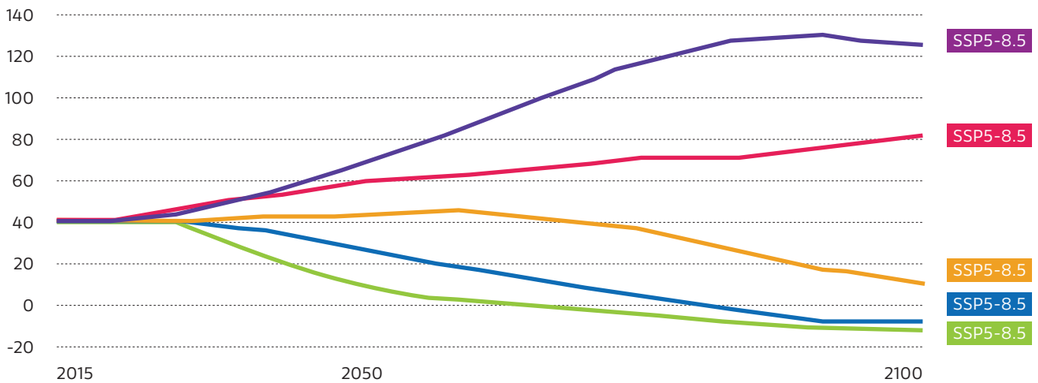
Climate-related scenario analysis

The Group applies climate-related scenario analysis to assess potential impacts across strategic, operational and financial dimensions. The analysis considers both physical risks, such as extreme weather events and long-term climatic changes, and transition risks linked to policy developments, carbon pricing and evolving market expectations. Scenarios aligned with a 2°C or lower pathway are evaluated alongside higher-emissions pathways to capture a range of possible outcomes.

The assessment is informed by global and regional climate projections, including insights from the IPCC Sixth Assessment Report. The high-emissions SSP5-8.5 scenario is used as the primary reference point, with additional review of lower-emissions pathways to understand the implications of carbon pricing, regulatory developments and green building incentives. Based on this analysis, climate-related impacts are not expected to pose an immediate threat to the Group's business model. Key risks, including flood exposure, extreme weather events and longer-term climatic trends, have been incorporated into project-level evaluations and ongoing risk management activities.

The Group has progressively enhanced its scenario analysis capabilities. In 2023, scenario analysis focused on the SSP5-8.5 pathway was introduced, with consideration of a 2°C-aligned scenario. In the financial year 2024, scenario analysis was further integrated into risk identification processes, supported by improved asset-level emissions quantification and carbon intensity monitoring. The scope of analysis was also expanded to cover transition risks such as carbon pricing and renewable energy adoption, enabling more informed strategic and financial decision-making in line with the Group's decarbonisation roadmap.

Carbon dioxide ($GtCO_2$/yr)



Scenario	Near-term, 2021-2040		Mid-term, 2041-2060		Long-term, 2081-2100	
	Best estimate (°C)	Very likely range (°C)	Best estimate (°C)	Very likely range (°C)	Best estimate (°C)	Very likely range (°C)
SSP1-1.9	1.5	1.2 to 1.7	1.6	1.2 to 2.0	1.4	1.0 to 1.8
SSP1-2.6	1.5	1.2 to 1.8	1.7	1.3 to 2.2	1.8	1.3 to 2.4
SSP2-4.5	1.5	1.2 to 1.8	2.0	1.6 to 2.5	2.7	2.1 to 3.5
SSP3-7.0	1.5	1.2 to 1.8	2.1	1.7 to 2.6	3.6	2.8 to 4.6
SSP5-8.5	1.6	1.3 to 1.9	2.4	1.9 to 3.0	4.4	3.3. to 5.7

Source: IPCC AR6 Working Group I Assessment Report 6, 2021

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Significant areas of uncertainty

The Group's climate-related scenario analysis involves a range of assumptions and judgements, as the timing, scale and impact of climate-related developments remain uncertain. These uncertainties influence the modelling of different scenarios and the assessment of potential financial and operational impacts. The following areas represent the most significant sources of uncertainty in the Group's evaluation of its climate resilience.

One key uncertainty relates to future carbon pricing levels and the timing of their implementation. Carbon pricing mechanisms may vary significantly across jurisdictions, with differences in sector coverage, exemptions, implementation timelines or the use of alternative regulatory measures such as cap-based thresholds. The timing of enforcement in certain markets also remains uncertain.

Another area of uncertainty involves the rate of regulatory adoption for embodied carbon requirements in key markets. The analysis assumes that embodied carbon thresholds will gradually be incorporated into project tenders from 2026 onwards, following the introduction of carbon-related policies, with more stringent requirements expected through to 2030. The pace and extent of this regulatory adoption may differ from current expectations, which could influence the Group's exposure to transition risks.

Technological viability and the cost trajectory of low-carbon materials also represent significant uncertainties. The scenario analysis assumes that low-carbon cement, steel and alternative materials will become more scalable and price-competitive by 2030, particularly under scenarios with accelerated carbon regulation. However, the actual rate of innovation and adoption may vary due to delays in commercial availability or limited local supply. Such developments could prolong cost premiums or create supply constraints, affecting project delivery and cost structures.

Capacity to adjust or adapt strategy and business model

The Group's capacity to adjust its strategy and business model is informed by ongoing climate risk assessments. An evaluation conducted by the Jeffrey Sachs Center on Sustainable Development identified rooftop water damage as the most material climate-related physical risk. The analysis incorporated Climate Value-at-Risk and aligned with the IFRS S1 and IFRS S2 frameworks. Although overall flood exposure was assessed as low, the study projected a 16 percent increase in rainfall intensity over the next 80 years, with water seepage and structural degradation emerging as the primary concerns. These findings highlight the need for continued investment in waterproofing, improved drainage and the use of materials with higher resistance to water-related damage.

Operationally, the Group's modular construction model provides flexibility to adjust assets as risks evolve. This includes upgrading sites with enhanced drainage capacity, reinforcing structural elements and adopting more resilient materials. Locations identified as higher risk may be redesigned or decommissioned in line with updated resilience standards. Several projects initiated during 2024 incorporated improved drainage systems, waterproofing measures and material enhancements.

From a transition perspective, the Group may face increasing pressures as regulations become more stringent and carbon pricing mechanisms expand under a 2°C or lower scenario. Potential increases in electricity tariffs and stronger decarbonisation expectations could influence both financial planning and operational decisions. This may require broader adoption of lower-carbon materials, green technology solutions and efficiency improvements across construction activities.

The Group's financial flexibility supports its ability to manage both physical and transition risks without placing undue pressure on capital resources. Short-term reinforcement measures are treated as operational expenditure, while medium- to long-term resilience investments are incorporated into strategic planning. Current initiatives include investment in solar energy infrastructure, alongside continued reliance on the national grid. The electrification of construction equipment is under evaluation. At present, the Group has not adopted a structured approach to green bonds or sustainability-linked financing, although such options may be considered as regulatory and market expectations evolve.

f. Processes, controls and policies to manage climate-related risks and opportunities

The Group manages climate-related risks and opportunities through a combination of governance structures, risk management processes and formal policies. In 2025, the Group issued its Sustainability Policy, which sets out the principles and frameworks guiding its sustainability strategies and practices across the organisation.

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The policy outlines the Group's commitment to sustainable value creation while addressing the expectations of its stakeholders. It establishes key sustainability goals, including enabling sustainable construction practices, investing in a fair, safe and inclusive workplace and promoting transparency and compliance across operations. These priorities are supported by specific environmental, social and governance principles covering areas such as resource efficiency, emissions management, responsible procurement, employee well-being and ethical business conduct.

Governance of sustainability and climate-related matters is led by the Board of Directors, with oversight provided through the Sustainability Committee. The committee reviews sustainability strategies, performance indicators and risk management measures, and reports progress to the Board. It is supported by the Sustainability Department and representatives from key functions, which integrates sustainability considerations into day-to-day operations, monitors performance and identifies emerging risks and opportunities.

Through this governance structure and the formalisation of the Sustainability Policy, the Group strengthens its internal controls and processes for managing climate-related risks and opportunities, while promoting alignment between sustainability objectives, operational practices and strategic decision-making.

GHG emissions

The Group tracks a comprehensive set of climate-related metrics to manage risks and opportunities in line with its sustainability strategy and risk management framework. These indicators provide insights into emissions performance, energy efficiency, resource optimisation and overall climate risk exposure, supporting more informed decision-making and performance monitoring across operations.

The Group's principal measures of climate impact include:

Greenhouse Gas (GHG) Emissions	Energy Intensity	Renewable Energy Adoption
Quantifying Scope 1, Scope 2 and Scope 3 emissions to monitor progress toward decarbonisation	Evaluating energy efficiency across projects and operational sites	Monitoring the utilisation of solar energy, including generation from our solar investment initiatives

As internal capabilities developed, the Group broadened its Scope 3 boundary in 2024 to include Category 4 (Upstream Transportation and Distribution) and Category 9 (Downstream Transportation and Distribution). During the same reporting period, the Scope 3 inventory was further expanded to incorporate embodied carbon emissions from key materials such as cement and steel. Emissions calculation methodologies were also refined in the same year to improve data accuracy across construction and precast operations.

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Energy efficiency initiatives, including operational improvements and investments in renewable energy, have contributed to reductions in emissions intensity during the 2025 reporting period. These efforts support the Group's ongoing decarbonisation objectives and strengthen its ability to manage climate-related risks and opportunities.

Metric tonnes of CO_2 equivalent (tCO_2e)	2023	2024	2025
Total Scope 1 GHG emissions	7,440	12,283	**13,402**
Total Scope 2 GHG emissions	6,997	6,729	**20,400**
Scope 3 GHG emissions			
Category 1: Purchase Goods and Services	310,792	239,808	**227,714**
Category 4: Upstream Transportation and Distribution	-	482	**354**
Category 5: Waste Generated in Operations	1,784	6,800	**4,556**
Category 6: Business Travel	470	494	**350**
Category 7: Employee Commuting	1,368	1,243	**1,594**
Category 9: Downstream Transportation and Distribution	-	124	**156**
Total Scope 3 GHG emissions	314,414	248,952	**234,724**

Contractual instruments

In its efforts to offset our hard to abate Scope 1 emissions, the Group has acquired and retired 6,117 tonnes CO_2e of Verra standard (VCS) technology-based carbon credits from a renewable energy provider to meet its annual target for this reporting year.

The Group also acquired and retired International Renewable Energy Certificates (I-RECs) that are equivalent to 17,607 tonnes CO_2e certified by The International Tracking Standard Foundation, from the same provider to offset our Scope 2 carbon emissions to meet our annual target.

Methodology, inputs and assumptions

Over the years, the Group has continued to strengthen its emissions management practices. It maintains full tracking of Scope 1, Scope 2 and Scope 3 emissions by applying recognised methodologies from the IPCC, DEFRA (UK), the Energy Commission of Malaysia and the Energy Market Authority of Singapore. The consistent use of these standards supports accurate measurement and more effective planning for emissions reduction.

The following are the sources of emission factors applied in our methodology:

DEFRA (United Kingdom)	Suruhanjaya Tenaga (Malaysia) Grid Emission Factor	Energy Market Authority (EMA) Singapore Grid Emission Factor

ISSB Statement

SunCon's Scope 3 categories

- Category 1: Purchased Goods and Services
- Category 4: Upstream Transportation and Distribution
- Category 5: Waste Generated in Operations
- Category 6: Business Travel (Land and Air)
- Category 7: Employee Commuting
- Category 9: Downstream Transportation and Distribution

Scope 1

Activity data (litre) ×
Emission factor (tCO_2e/litres)

Scope 2

Activity data (kWh) ×
National Grid Emission Factor (tCO_2e/kWh)

Scope 3

Category 1:
Emission ($kgCO_2e$) = Activity Data (tonnes) × Emission Factor ($kgCO_2e$ / tonnes)

Category 4:
Emission ($kgCO_2e$)
= Activity Data (km) × Conversion Factor (litre / km)
× Emission Factor ($kgCO_2e$ / tonnes)

Category 5:
Emission ($kgCO_2e$) = Waste (tonnes) × Emission Factor ($kgCO_2e$ / tonnes per waste type)

Category 6:
Fuel-based: Emissions ($kgCO_2e$) = Activity data (litre) × Emission factor (tCO_2e/litres)
Distance-based: Emissions ($kgCO_2e$) = Activity data (km) × Emission factor (tCO_2e/km)

Category 7:
Emission ($kgCO_2e$)
= Distance (km) × Emission Factor (kg CO_2e / km per vehicle type)
× Working Days per Year

Category 9:
Emission ($kgCO_2e$)
= Activity Data (km) × Conversion Factor (litre / km)
× Emission Factor ($kgCO_2e$ / tonnes)

1. *Average-data method: Estimating emissions for goods and services by collecting data on the mass (e.g. kilograms), or other relevant units of goods or services purchased and multiplying by the relevant secondary (e.g. industry average) emission factors (e.g. average emissions per unit of goods or services)*
2. *Distance-based method: Determining the distance and mode of travel, then applying the appropriate emission factor for the mode used*

ISSB Statement

g. Metrics and targets

Performance against the GHG emissions targets

Emissions Scope	Target (tCO_2e)	2025 (tCO_2e)
Scope 1 (after offset)	2025: 7,285	**13,402 (Offset 7,285)**
Scope 2 (after offset)	2025: 2,793	**20,400 (Offset 2,793)**

Overall decarbonisation targets

The Group is committed to its Net Zero Carbon 2050 Roadmap, which aligns with the recommendations of the Science Based Targets initiative (SBTi) and Malaysia's National Energy Transition Roadmap (NETR). As part of this commitment, the Group has established emissions reduction targets to guide its decarbonisation pathway and support a gradual transition towards lower-carbon operations.

Scope 1 emissions

40
percent reduction by 2030 against our 2020 baseline

Scope 2 emissions

40
percent reduction by 2030 against our 2020 baseline

Scope 3 emissions

A reduction target will be established upon completion of our full Scope 3 accounting

The Group has set an annual reduction target of 5% for both Scope 1 and 2, above the recommended reduction rate of 4.2% by SBTi. The methodology is absolute emission reduction based on FY2020 baseline.

The Group will review and update the Scope 1 and 2 due to improved data quality as well as a change in business direction which resulted in material changes. The Group aims to procure carbon credits or I-RECs for carbon emissions that are hard to abate. The Group intends to purchase carbon credits and I-RECs from credible sources such as Bursa Carbon Exchange (BCX) and other certified third-party providers. These carbon credits and I-RECs will be sourced from projects that are independently validated and verified by certified and qualified third-party auditors approved under recognised carbon standards such as Verra, Gold Standard, I-TRACK Foundation or other recognised registries.

8. SOCIAL-RELATED RISKS AND OPPORTUNITIES

8.1 OCCUPATIONAL HEALTH AND SAFETY

a. Description

The Group's construction and precast operations involve a high level of manual and equipment-intensive work, which exposes employees and subcontractors to occupational health and safety risks. These include hazards associated with the operation of heavy machinery, working at height, improper use of personal protective equipment among others. Without effective controls, such conditions can increase the likelihood of workplace incidents, including injuries or fatalities.

Safety-related incidents can have financial and operational implications. Workplace accidents may lead to regulatory penalties, legal liabilities and disruptions to project schedules, which can affect operational efficiency and project margins over the short-, medium- and long-term. Non-compliance with safety requirements may also result in legal consequences and reputational damage, particularly where incidents attract regulatory scrutiny or public attention.

ISSB Statement

Strong safety performance also presents opportunities for the Group. Proactive safety management, supported by targeted training, emergency preparedness measures, regular safety drills and a strong safety culture, helps reduce incident rates and protect the workforce. Effective occupational health and safety management and practices contribute to improved productivity, smoother project execution and stronger credibility with clients and regulators. This can enhance the Group's competitive position in tenders, particularly for projects that place a high emphasis on health and safety standards and subcontractors' performances.

b. Effects on business model and value chain

Health and safety-related risks within the Group's construction activities influence projects' profit margins, project delivery and long-term value creation, all of which are important to the Group's Board of Directors, Management and shareholders. Moreover, investors may revise their ratings on the Group's performance and outlook. These impacts extend across different stages of the business model and value chain as per below:

Upstream

The Group relies on both direct hires and our subcontractors for the project delivery. However, any inadequate training or insufficient oversight of subcontracted labour can heighten health and safety risks, thus costing project delays through stop work orders. Maintaining standardised health and safety standards across all sites is therefore essential, supported by strict adherence to the Group's health and safety policies and procedures to mitigate all emerging and current risks at operation sites.

Core Operations

The Group's operation sites, i.e. construction and precast, represent the main areas of health and safety exposure. Workplace incidents can interrupt site activities, halting operations and delaying project timelines which in turn affecting profitability. Serious incidents may also trigger regulatory investigations, potentially affecting ongoing projects and increasing compliance and administrative costs. Such incidents will trigger scrutiny from clients thus damaging the Group's health and safety reputation in the market.

Downstream

Clients and other stakeholders place strong emphasis on health and safety performance. Clients may impose stricter health and safety requirements or suspend and terminate contracts when standards and requirements are not met. Such termination may result in administrative and legal costs. Investors and regulators are also placing greater scrutiny on sustainability performances, including health and safety records, which can influence access to capital, compliance obligations and overall stakeholder confidence.

c. Effects on strategy and decision-making

The Group has implemented several strategies and decisions to mitigate occupational health and safety risks within its operations across construction and precast operation sites.

QESH Policy

The Group's approach to occupational safety and health is anchored in its comprehensive Quality, Environmental, Safety and Health (QESH) Policy, which governs the management of safety across all operations. This policy establishes the overall direction and standards for safety practices at project sites, offices and support facilities, and applies to employees, subcontractors and service providers.

ISSB Statement

Health and Safety Procedures at Site

The Group recognises the importance of having the right personnel in the right roles to create a safe workplace. Thus, all sites have a certified and competent Safety and Health Officer (SHO) to uphold strong safety culture. All workers regardless of the Group's employees or subcontractors are required to hold valid CIDB Green Card as a requirement to enter the construction sites. In addition, all subcontractors are required to undergo onboarding before entering the sites. The onboarding includes health and safety requirements, with adherence to these standards forming a condition for engagement. The Group's annual subcontractor performance management process incorporates environmental, safety and health criteria, which influence contract evaluations and future awards.

Health and Safety Targets

In addition to the QESH Policy, the Group sets specific, measurable health and safety targets to drive continuous improvement in workplace safety performance. These targets are monitored regularly and form part of the management reviews and operational performance assessments and are supported by structured processes, including site inspections, safety briefings, training programmes and performance monitoring. Below is the list of the targets:

- Achieving zero fatalities during construction work activities at all worksites for employees and subcontractors
- Achieving an accident rate of less than 0.3
- Achieving 90% worker consultation and participation in events related to Environment, Safety and Health
- Achieving a Safety and Health monthly inspection score of 80%

Hazard Identification, Risk Assessment and Incident Investigation

Hazard identification is carried out before the commencement of work, during work execution and whenever changes occur at the worksite. This ensures that potential risks are identified promptly and appropriate controls are applied throughout the project lifecycle. The hierarchy of controls is used to eliminate hazards or reduce risks across all work areas under the Group's control.

d. Financial effects

Current and anticipated financial effects

Occupational health and safety matters currently have limited direct financial impact on the Group. The main financial effects arise from regulatory fines related to environmental, safety and health compliance, such as penalties imposed by the Department of Environment for issues including mosquito breeding at project sites. Should such environmental fines and penalties arise, there is an estimated financial effect between RM10,000 to RM1 million depending on the severity of non-compliance. As for safety and health regulatory fines, the Group anticipated a financial effect between RM50,000 and RM500,000. The Group has strong internal controls such as consistent site monitoring and compliance practices; hence these costs have not been material.

Potential financial effects may become more significant if major environmental, safety or health incidents occur. Serious incidents could lead to stop-work orders, regulatory investigations or project suspensions, resulting in delays to construction schedules and additional costs. Extended timelines may increase labour, equipment and site management expenses, which can affect overall project margins.

Any potential stop-work orders at the project level may result in project prolongation, with associated financial implications. In addition, safety-related incidents or higher risk profiles at project sites could lead to increased insurance premiums or stricter policy terms. These factors would raise operating costs and may need to be reflected in project pricing and financial planning.

Resilience of the Group's strategy and business model

The table below presents the Group's expected effect on its financial performance over the time horizon of short-, medium-, and long-term, considering the mitigations taken to manage OSH risks. The Group does not expect a material adjustment to the carrying amounts of reported assets and liabilities within the next 12 months.

In RM million	Current Financial Effects (RM mil)	Short-term Financial effects (RM mil per annum)	Medium-term Financial effects (RM mil per annum)	Long-term Financial effects (RM mil per annum)
Financial performance				
Cost of sales (Increase)				
- Direct OSH-related expenditures	7.6	Note 1	Note 1	Note 1
- Insurance premium	4.0	Note 1	Note 1	Note 1

Note 1
We are unable to quantify the estimation of anticipated financial effects due to long-term measurement uncertainty. At present, our exposure to liquidated ascertain damages may result in cost between RM200,000 - RM500,000 per day.

ISSB Statement

e. Resilience of the Group's strategy and business model in relation to OSH risk

The Group's strategy and business model are supported by established environmental, safety and health controls that help manage operational risks and maintain project continuity. As the Group expands into data centre projects, which are often subject to more stringent international client requirements, it continues to strengthen its environmental, safety and health controls to meet higher standards and expectations.

All incidents, including near misses, injuries or fatalities, are subject to comprehensive investigations to identify root causes and implement remedial measures. This process helps close any identified gaps and strengthens preventive controls across project sites.

Regular inspections are carried out throughout the year to verify compliance with regulatory requirements and the Group's internal policies. In addition, the environmental, safety and health department administers a monthly Sunway Safety Merit System, which assesses and scores each project site based on safety performance. These measures support consistent monitoring, early detection of potential issues and continuous improvement in safety practices, contributing to the resilience of the Group's operations and project delivery.

f. Processes, controls and policies to manage OSH risks and opportunities

In addition to the governance structure and the processes mentioned in Note 6.1, 6.2 and 6.4, below are specific to OSH risk monitoring:

OSH Governance

Oversight of occupational safety and health is led at the highest levels of the organisation, with the Board of Directors providing overall direction on all OSH matters. Day-to-day implementation is led by the Group Managing Director (GMD) and Management. The GMD carries primary responsibility for preventing occupational injuries and health risks and for maintaining safe working conditions across all sites, with support from the senior leadership team. The GMD is supported by the General Manager of ESH and the ESH department and they are responsible for monitoring ESH practices and implementing new procedures at worksites. Health and safety performances and incident investigations and reports are presented during the monthly Project Progress Meeting which is chaired by the Group Deputy Managing Director with Senior ESH representatives, all Project Managers and above are required to attend.

Site-level Monitoring

The SHO conducts toolbox briefings, daily inspections, enforces compliance and leads incident response and investigation. All health and safety incidents, regardless of severity, are subjected to investigation to identify the root cause and inform Management on the findings. The findings are then disseminated across all project teams as lessons learned to strengthen ESH awareness. Moreover, the Group has OSH Committees across all project sites which include representation from both local and foreign workers. The committees meet monthly to review environmental, safety and health performance, consider matters raised during site activities and support collaborative decision-making on worker-related safety issues.

ISSB Statement

g. Metrics and targets

	2023	2024	2025
Worked man-hours*	16,156,813	23,187,220	**21,997,334**
Fatalities			
Employees	0	0	**0**
Temporary employees	0	0	**0**
Contractors	1	0	**0**
Lost Time Injury (LTI) Accidents			
Employees	0	0	**0**
Temporary employees	0	0	**0**
Contractors	0	0	**2**
Total number of reportable accidents[1]	2	1	**3**
Lost Time Incident Rate (LTIR)[2]	0.15	0	**0.26**
Accident Frequency Rate (AFR)[3]	0.06	0	**0.09**

1 Defined as total number of fatal and dangerous occurrences and lost time incidents
2 Lost Time Incident Rate covers both employees and contractors (per 1,000 workers, based on DOSH Malaysia JKKP 8)
3 Accident Frequency Rate covers both employees and contractors (per 1,000,000 hours, based on DOSH Malaysia JKKP 8)
** Our man-hours boundary is only for Malaysia operations; it excludes any incident occurred at all overseas subsidiaries. Moving forward, we will be including man-hours and incidents of all overseas subsidiaries.*

8.2 LABOUR STANDARDS

a. Description

The Group relies on its workforce to sustain productivity across construction and precast activities. Employees based at headquarters provide strategic oversight and operational support to project sites, while site operations comprise permanent and contract employees together with temporary workers engaged through subcontractors. The Group's Human Rights Policy and Labour Standards Policy establish the principles governing employment practices, worker welfare and ethical conduct across this workforce.

Given the operational nature of construction activities, there is exposure to risks of worker exploitation and human rights breaches, particularly where foreign labour and subcontracted workers are involved. These risks are addressed through structured recruitment processes, oversight of labour agents and clearly defined expectations imposed on subcontractors. Direct foreign workers are recruited in their country of origin through approved channels to mitigate exposure to unethical recruitment practices and associated legal or reputational consequences.

Safety-related incidents may give rise to financial and operational impacts. Workplace accidents can result in regulatory penalties, legal liabilities and disruption to project schedules, affecting operational efficiency and project margins across the short-, medium- and long-term. Non-compliance with safety requirements may also attract regulatory scrutiny and adverse publicity. Conversely, strong safety performance presents opportunities. Proactive safety management, supported by targeted training, emergency preparedness measures and regular drills, contributes to lower incident rates and workforce protection. Effective occupational health and safety practices enhance productivity, support reliable project execution and strengthen credibility with clients and regulators, reinforcing the Group's competitive position in tenders where safety performance is a material consideration.

b. Effects on business model and value chain

Labour-related risks have the potential to affect profitability, project delivery timelines and reputation. Adverse labour practices or safety failures may disrupt construction programmes, increase costs and influence investor and client confidence.

ISSB Statement

SunCon hires permanent, contract and direct foreign workers directly, with foreign workers recruited in their country of origin to mitigate labour-related risks. The Group also engages subcontractors who utilise foreign workers, whether directly employed or sourced through labour supply agencies or secondary subcontracting arrangements. Where subcontractor labour standards are not aligned with expected requirements, there may be exposure to contractual, operational and reputational consequences within the wider value chain.

Clients increasingly place emphasis on human rights and the protection of workers' rights within procurement and contractual frameworks. Labour governance across the value chain therefore influences tender competitiveness, contract retention and long-term business prospects.

c. Effects on strategy and decision-making

Recruitment and workforce management strategies are shaped by compliance with Malaysian labour legislation and alignment with internationally recognised labour and human rights standards, including those advocated by the International Labour Organization (ILO), alongside the expectations of global clients. These considerations influence decisions relating to sourcing channels, contractor and agent selection, employment terms, workforce deployment and project costing.

Labour standards considerations are integrated within governance structures, supplier management processes and internal control systems to promote consistency and transparency across projects. Oversight mechanisms include monitoring of subcontractor practices, documentation reviews and periodic audits. The implementation of the Foreign Worker Management System (FWMS) extends compliance expectations to subcontractors and supply chain partners, strengthening labour governance throughout the project lifecycle while supporting workforce welfare and dependable delivery outcomes.

d. Current and anticipated financial effects

A tightening labour market and sustained demand for skilled and semi-skilled workers have intensified competition for talent and increased labour costs. Compliance with international labour benchmarks covering working hours, rest days, accommodation standards and ethical recruitment practices has also expanded administrative and governance requirements. Additional cost of compliance is anticipated to amount to between RM500,000 to RM1 million to ensure all international labour standards as well as clients' own human rights requirements are met.

Additional resources and management oversight are required to maintain up-to-date policies, monitor contractor and labour supplier compliance and facilitate regular compliance and maturity audits, particularly for projects involving foreign workers and international stakeholders. The extension of Foreign Worker Management System requirements to subcontractors may increase subcontractor pricing as contractors enhance their governance and compliance processes, which may in turn affect overall construction costs.

Labour availability constraints are expected to persist in certain skilled and technical trades, accompanied by heightened scrutiny of employment practices relating to human rights, fair wages and worker welfare. Regulatory and client-led standards are likely to become more exacting, increasing the importance of robust documentation, monitoring and reporting processes. Over time, greater adoption of digital workforce management tools and automation may enhance productivity, improve transparency and support sustained compliance with both local regulatory requirements and international labour standards.

ISSB Statement

e. Resilience of the Group's strategy and business model

In RM million	Current Financial Effects (RM mil)	Short-term Financial Effects (RM mil per annum)	Medium-term Financial Effects (RM mil per annum)	Long-term Financial Effects (RM mil per annum)
Financial performance				
Cost of sales (Increase)				
- Cost overruns due to wage inflation	0	Note 1	Note 1	Note 1
- Project delays from labour shortages*	0	Note 1	Note 1	Note 1

Note 1:
We are unable to quantify the estimation of anticipated financial effects due to long-term measurement uncertainty in the inputs and assumptions due to the lack of data available at present.
** At present, our exposure to liquidated ascertain damages may result in cost between RM200,000 - RM500,000 per day.*

f. Processes, controls and policies to manage labour-related risks and opportunities

The Group manages labour-related risks and opportunities through a structured governance framework comprising formal policies, operational controls and monitoring mechanisms applied across its operations and value chain.

The Human Rights Policy and Labour Standards Policy sets out expectations in relation to fair treatment, non-discrimination, freedom of association, prevention of forced and child labour and protection from harassment or exploitation. It provides guidance to employees, contractors and business partners on responsible conduct and establishes channels for raising concerns.

The Labour Standards Policy defines requirements on employment terms, wages, working hours, rest days, accommodation standards and welfare provisions. It establishes minimum expectations aligned with Malaysian legal requirements and relevant international labour benchmarks, supporting consistent employment practices across project sites.

The FWMS strengthens oversight of the foreign worker employment lifecycle by establishing a structured, transparent and fully compliant framework governing the entire lifecycle of direct foreign workers from pre-recruitment and selection through to ongoing management and formal repatriation. The system extends to subcontractors and labour suppliers, reinforcing due diligence processes and promoting consistent labour governance throughout the supply chain. The pool of available sub-contractors may shrink due to higher and stricter standards.

These policies are reinforced through internal controls, periodic audits, contractor assessments and documentation reviews. Compliance and maturity audits are conducted regularly, particularly for projects involving foreign workers. Findings are evaluated to identify improvement areas and to enhance labour governance processes over time.

g. Resilience

The Group, through integration of robust labour standards, ethical recruitment practices and workforce governance within its operating and control frameworks, has enhanced the Group's resilience in this reporting period. Clear policies, structured oversight of labour suppliers, consistent employment practices and defined monitoring mechanisms support effective responses to evolving regulatory requirements and increasingly stringent international clientele's expectations.

As such requirements and expectations continue to evolve, the Group is constantly strengthening its human rights governance, responsible supply chain practices and monitoring mechanism. This ensures the Group is resilient in any emerging labour and human rights-related risks, and potentially opening opportunities for the Group in meeting international clientele's requirements.

This disciplined approach supports stable, compliant and dependable project delivery while protecting stakeholder confidence and business continuity, thus creating long-term sustainable value.

h. Metrics and targets

	2023	2024	2025
Number of human rights-related non-compliance cases	0	0	**0**

Bursa Malaysia CSI Platform Table

Sunway Construction Group Berhad
IFRS S1

Date & Time: 2026-04-17 16:21:32
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Occupational Health and Safety	Worked Man-Hours	Hours	21,997,334	-	External (Limited)	Our man-hours boundary is only for Malaysian operations; it excludes any incident occurred at overseas subsidiaries. Moving forward, we will be including man-hours and incidents of all overseas subsidiaries.
Occupational Health and Safety	Fatalities	Number	0	0	External (Limited)	
Occupational Health and Safety	Lost Time Incident Rate	Number of incidents per 1,000 workers	0.26	Less than 0.3	External (Limited)	
Occupational Health and Safety	Total number of reportable incidents	Number	3	—	External (Limited)	
Occupational Health and Safety	Accident Frequency Rate	Number of accidents per 1,000,000 hours	0.09	—	External (Limited)	
Labour Standards	Number of human rights-related non-compliance cases	Number	0	0	External (Limited)	

Sunway Construction Group Berhad
IFRS S2

Date & Time: 2026-04-17 16:21:32
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
GHG emissions	Scope 1	Metric tonnes of carbon dioxide equivalents (tCO2e)	7,285	7,285 (2025)	External (Limited)	SunCon has purchased and retired 6,117 tonnes CO2e to offset our Scope 1 emission to achieve our 2025 target.
GHG emissions	Scope 2 Location-based	Metric tonnes of carbon dioxide equivalents (tCO2e)	2,793	2,793 (2025)	External (Limited)	SunCon has purchased and retired I-RECs, that is equivalent to 17,067 tonnes CO2e to offset our Scope 2 emission to achieve our 2025 target.
GHG emissions	Scope 3 Cat.1: Purchased goods and services	Metric tonnes of carbon dioxide equivalents (tCO2e)	227,714	—	External (Limited)	
GHG emissions	Scope 3 Cat.4: Upstream transportation and distribution	Metric tonnes of carbon dioxide equivalents (tCO2e)	354	—	External (Limited)	
GHG emissions	Scope 3 Cat.5: Waste generated in operations	Metric tonnes of carbon dioxide equivalents (tCO2e)	4,556	—	External (Limited)	
GHG emissions	Scope 3 Cat.6: Business travel	Metric tonnes of carbon dioxide equivalents (tCO2e)	350	—	External (Limited)	
GHG emissions	Scope 3 Cat.7: Employee commuting	Metric tonnes of carbon dioxide equivalents (tCO2e)	1,594	—	External (Limited)	
GHG emissions	Scope 3 Cat.9: Downstream transportation and distribution	Metric tonnes of carbon dioxide equivalents (tCO2e)	156	—	External (Limited)	

Bursa Malaysia CSI Platform Table

The Strength of Our Leadership

ORGANISATION STRUCTURE

BOARD OF DIRECTORS

- **AC** Audit Committee
- **RMC** Risk Management Committee
- **NRC** Nomination and Remuneration Committee
- **SC** Sustainability Committee
- **EC** Employees' Share Option Scheme Committee

GROUP MANAGING DIRECTOR

Core Operation Services
- Building Construction
- Civil and Infrastructure
- Foundational and Geotechnical Engineering
- Mechanical, Electrical and Plumbing and Advanced Technology Facilities
- Manufacturing and Sale of Precast Concrete Products
- Sustainable Energy

Operation Support Services
- Supply Chain & Contracts Management
- Total Quality Management (TQM)
- Environmental, Safety and Health (ESH)
- Virtual Design and Construction (VDC)
- Machinery
- Land Survey
- Private Finance Initiative (PFI)

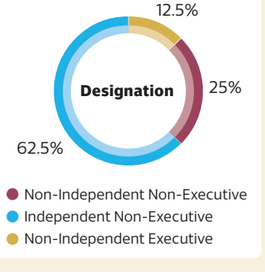
International Ventures
- India - Highway Infrastructure

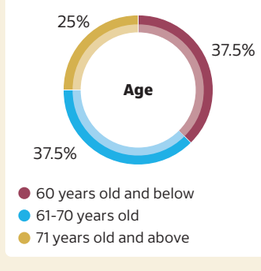
Corporate Sustainability, Governance and Organisational Development
- Finance and Administration
- Human Resources
- Legal

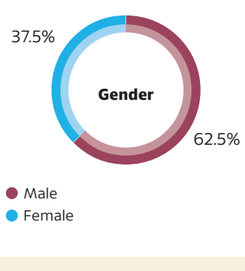
BOARD SKILL MATRIX - SKILLS / COMPETENCES

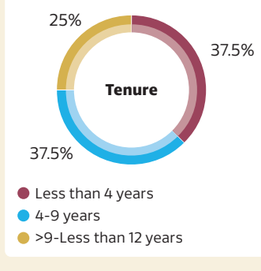
Engineering	50%
International / Regional Business Exposure	87.5%
Industry Experience	62.5%
Accounting and Financial Reporting	75%
Corporate Planning Development	75%
Macro Economics Knowledge	87.5%
Information Technology (IT) / Digital Strategy	75%
Restructuring / Mergers and Acquisition	50%
Operations and Quality Management	62.5%
Human Capital / Talent Management	87.5%
Legal and Regulatory Requirements	62.5%
Corporation Governance, Risk Management and Internal Controls	100%
Environment, Social and Governance / Sustainability	100%

OUR CURRENT BOARD









Profile of Board of Directors



DATO' IR GOH CHYE KOON

Chairman & Independent Non-Executive Director

EC **RMC**

Age: 76 **Gender:** M **Nationality:**

Qualifications
- Bachelor of Engineering (Hons) Degree in Civil Engineering from University of Malaya
- Professional Engineer (P.Eng) and a Member of Institution of Engineers Malaysia (MIEM)

Working Experience and Expertise

Dato' Ir Goh began his career as an engineer in the Ministry of Works, where he served for 11 years rising to the position of Superintending Engineer prior to joining IJM Corporation Berhad as a Senior Engineer in 1984. He was promoted as General Manager (Central Region) in 1986 and subsequently appointed as Alternate Director in 1995 before assuming the position of Deputy Group Managing Director in 1997. He was redesignated to Deputy Chief Executive Officer and Deputy Managing Director in 2004 and upon his retirement in 2008, Dato' Ir Goh continued to serve as Executive Director of IJM Corporation Berhad until June 2009 and thereafter as Non-Executive from July 2009 until June 2013.

He was a member of the Presidential Consultative Council of the Board of Engineers Malaysia (2002 – 2004) and also a member of the Construction Consultative Panel of Malaysia Productivity Corporation (2003 – 2009). He was the Chairman of the Building Industry Presidents' Council and President of the Master Builders Association Malaysia for the session 2004 / 2006 and has served as its Deputy President, Vice President and Deputy Secretary General.

Dato' Ir Goh was a board member of the Construction Industry Development Board Malaysia (CIDB) from 2004 to 2006 and served as a Main Committee Member (2001 – 2009) and Chairman of the Working Group for construction projects (Local and Foreign) (2003 – 2009) in the Construction Industry Master Plan of CIDB.

Date Appointed to the Board
17 October 2014

Years of Directorship
11.5 years

Directorships of Listed Entities and Other Public Companies
- Nil

Board Committees

- Chairman/ Chairperson
- **RMC** Risk Management Committee
- **SC** Sustainability Committee
- **AC** Audit Committee
- **NRC** Nomination and Remuneration Committee
- **EC** Employees' Share Option Scheme Committee

Profile of Board of Directors



LIEW KOK WING

Group Managing Director & Non-Independent Executive Director

EC

Age: 57 **Gender:** M **Nationality:**

Date Appointed to the Board
1 April 2022

Years of Directorship
4.1 years

Directorships of Listed Entities and Other Public Companies
- Nil

Qualifications
- Master of Science Degree in Civil Engineering, National University of Singapore
- Bachelor of Engineering (Hons) Degree in Civil Engineering, National University of Singapore

Working Experience and Expertise

Mr Liew began his career with L&M Geotechnic in Singapore in 1993, as a Project Engineer at various construction projects in Singapore. In 1996, he was transferred to L&M Systems, Thailand, as Project Manager in charge of infrastructure works for a low-rise luxury housing project in Bangkok. In the same year, he left to join Taylor Woodrow Projects (M) Bhd before joining Sunway Construction Sdn. Bhd. (SCSB) as Senior Geotechnical Engineer from 1996 to 1998. Thereafter, he joined Nishimatsu Construction Company Singapore.

He rejoined SCSB in 2000 and was promoted during the course of overseeing various projects in Malaysia and India to the position of Senior General Manager, heading the Civil Engineering Division in 2003. Mr Liew was the Deputy Managing Director of SCSB since 2016 before his promotion to the position of Managing Director of SCSB in January 2020. He was further promoted to GMD of SunCon on 1 April 2022.

He has more than 30 years of experience in the construction industry.

Profile of Board of Directors



DR SARINDER KUMARI A/P OAM PARKASH

Senior Independent Non-Executive Director

NRC AC RMC SC

Age: 69 **Gender:** F **Nationality:**

Date Appointed to the Board
1 March 2018

Years of Directorship
8.1 years

Directorships of Listed Entities and Other Public Companies
- Nil

Qualifications
- PhD. in Financial Economics from University Putra Malaysia
- MA (Economics) from George Washington University

Working Experience and Expertise

Dr Sarinder has over 30 years of experience in policy and strategic planning, trade negotiations, regulatory and Government affairs. She has previously served as Principal Assistant Secretary with the Ministry of Finance Malaysia (MOF); Senior Director, Ministry of International Trade and Industry Malaysia (MITI); Director, for the Performance Management and Delivery Unit (PEMANDU) under the Prime Minister's Department Malaysia; and Executive Vice-President and Partner for Pemandu Associates, a business management consultancy.

In MOF, she was involved in the raising of Federal Government loans from the international capital and bond markets, debt management and privatisation projects. Her portfolio in MITI included the World Trade Organisation (WTO), Strategic Planning and Free Trade Agreements (FTAs) Policy and Negotiations. She was also the lead negotiator for Services for Malaysia's first Bilateral FTA.

In PEMANDU, she provided strategic direction on the planning and implementation of the Tourism-related initiatives under Malaysia's National Transformation Programme. She was also responsible for the Strategic Reform Initiative encompassing the Competition Act, Adoption and Development of International Standards and the Liberalisation of Services. She developed the performance assessment and management system for the performance assessment of all Ministers by the Prime Minister.

In Pemandu Associates, she worked with Governments and businesses on strategy formulation and effective implementation to meet national and business objectives. This entailed working with both internal and external stakeholders to ensure both timely and effective policy and strategy execution for the delivery of tangible results.

Dr Sarinder was a Council Member of Climate Governance Malaysia (2019 – 2023).

Profile of Board of Directors



Age: 66 Gender: F Nationality:

TAN LER CHIN

Independent Non-Executive Director

RMC SC AC NRC

Qualifications

- Bachelor of Economics (Honours) Degree, majoring in Statistics, from Universiti Kebangsaan Malaysia
- Certified Diploma in Accounting and Finance accorded by the Chartered Association of Certified Accountants
- Diploma in Investment Analysis by Malaysian Association of Productivity

Working Experience and Expertise

Ms Tan began her career in 1984, in the finance department of the Employees Provident Fund (EPF). Subsequently, she moved on to the investment department, where she was responsible for the management of EPF's external fund managers and other domestic investment assets, including Malaysian Government Securities, loans / debentures, equities and money market placements.

In 1996, Ms Tan was promoted to the position of senior investment manager, where she specialised in fixed income investments and was involved in EPF's fixed income investments in several large privatisation projects in Malaysia.

In 2009, Ms Tan was appointed as the head of investment compliance and was responsible for ensuring all investment settlements were undertaken in compliance with internal policies / guidelines and other related legal requirements.

In 2019, Ms Tan was appointed as the head of risk department where she oversaw the management of, amongst others, the operational risks, technology risks, investment risks and investment market risks of EPF. She retired from EPF in April 2021.

Ms Tan had also in the past served on the Board of Malaysia Building Society Berhad, Sunway Holdings Incorporated Berhad (now known as Sunway Holdings Sdn. Bhd.), Malakoff Corporation Berhad, QL Resources Berhad and Senheng New Retail Berhad. Ms Tan is currently an Independent Non-Executive Director of Affin Islamic Bank Berhad and Bursa Malaysia Berhad.

Date Appointed to the Board

15 September 2021

Years of Directorship

4.6 years

Directorships of Listed Entities and Other Public Companies

Listed Entities:

- Bursa Malaysia Berhad

Other Public Companies:

- Affin Islamic Bank Berhad

Profile of Board of Directors



Age: 74 Gender: M Nationality:

DATUK KWAN FOH KWAI

Independent Non-Executive Director

AC NRC RMC SC

Qualifications

- Master in Sustainability Development Management, Jeffrey Sachs Centre on Sustainable Development from Sunway University
- Bachelor of Engineering (Hons) from University of Malaya

Working Experience and Expertise

Datuk Kwan has over 40 years of working experience in the construction industry, in both public and private sectors. He began his career as a Contract Engineer in 1977 with Department of Public Works, Malaysia. In 1980, he joined Promet Construction Sdn. Bhd. as Site Manager and in 1984, he was appointed as General Manager of Alam Baru Sdn. Bhd. From 1986 to 1996, he was the General Manager of Taisei (Malaysia) Sdn. Bhd.

In 1996, Datuk Kwan was appointed as Executive Director in Sungei Way Construction Berhad and subsequently promoted to Managing Director of Sunway Construction Berhad (now known as Sunway Construction Sdn. Bhd.) in 2001.

In 2014, he was appointed as Senior Managing Director of SunCon until his retirement in December 2015. He was then appointed as the Non-Independent Non-Executive Director of SunCon until 31 December 2017. He remained as Advisor of SunCon until March 2020.

In addition, Datuk Kwan had served as the President (2010-2012), Immediate Past President (2012-2016) and Honorary Advisor (2016-2018) of Master Builders Association of Malaysia (MBAM).

He is currently a Member of the Institution of Engineers, Malaysia (IEM), a President of Perak Chinese Assembly Hall, the Chairman of the Board of Governors of SMJK Yuk Choy, Ipoh, Perak and the Vice-President of the Federation of Chinese Associations Malaysia (Hua Zong).

He also currently serves on the Board of Luxchem Corporation Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad, as the Independent Non-Executive Chairman. In addition to his chairmanship, he also holds key roles as the Chairman of the Remuneration Committee and is a member of both the Audit and Risk Management Committee and Nominating Committee.

Date Appointed to the Board

10 October 2024

Years of Directorship

1.5 years

Directorships of Listed Entities and Other Public Companies

Listed Entities:

- Luxchem Corporation Berhad

Other Public Companies:

- Nil

Profile of Board of Directors



Age: 67 Gender: F Nationality:

NORCHAHYA BINTI AHMAD

Independent Non-Executive Director

AC NRC RMC EC

Qualifications

- Associate Member of The Chartered Institute of Management Accountants (CIMA)
- Professional Member of The Institute of Internal Auditors, Malaysia
- Certified Member of Business Continuity Institute, United Kingdom

Working Experience and Expertise

Puan Norchahya has more than 30 years of professional career in the fields of finance, accounting, internal audit, risk management, business continuity management, human resources, corporate services and consultancy both in public and private sectors. She began her career at Bank Negara Malaysia in October 1983 and retired from UMW Holdings Berhad in June 2019, having held various positions, including Group Internal Auditor, Group Financial Controller, and Chief Risk Officer.

She was elected to the Board of Governors of The Institute of Internal Auditors, Malaysia (IIAM) in 2017 and served on the Institute's Executive Committee, holding positions as Vice President 2, Chairperson of the Professional Development Committee, and member of both the Nomination Committee and the Audit & Risk Committee (ARC). In June 2023, she retired from the Board of Governors but continues to be a member of IIAM's ARC.

From August 2019 to October 2021, she was a Board member and Chairperson of ARC of a company involved in the provision of civil engineering services including road construction, drainage system, sewerage system, bridge construction and water reticulation.

Since August 2021, she is a member of the ARC of Yayasan Pahang, a state foundation in Malaysia, primarily to bring about improvements in education, sports and culture. The foundation has subsidiaries involved in plantations, mining and education. She is currently an Independent Non-Executive Director of The Pacific Insurance Berhad.

Date Appointed to the Board
10 October 2024

Years of Directorship
1.5 years

Directorships of Listed Entities and Other Public Companies

Listed Entities:
- Nil

Other Public Companies:
- The Pacific Insurance Berhad

Profile of Board of Directors



Age: 58 Gender: M Nationality:

DATUK MOHD ANUAR BIN TAIB

Non-Independent Non-Executive Director

NRC

Qualifications

- Master of Business Administration in International Management from RMIT University, Melbourne, Australia
- Bachelor of Science in Engineering (Mechanical) from Case Western Reserve University, Cleveland, Ohio

Working Experience and Expertise

Datuk Anuar is an established oil and gas industry leader with more than 30 years' experience in a multinational, national oil company and an integrated service company, in Malaysia with regional and international footprints, covering exploration and production, domestic regulatory function and LNG and gas marketing and trading.

Datuk Anuar was a Group Chief Executive Officer in a public listed oil and gas service company navigating through one of the largest corporate debt restructuring exercises in Malaysia, turning around its strategic, operational and capability building performance and streamlining its global footprint.

Datuk Anuar is currently the President and Non-Independent Executive Director of Sunway Berhad ("**Sunway**"). Prior to his current role on 1 January 2026, Datuk Anuar was the Deputy President and Non-Independent Executive Director. He previously served as an Independent Non-Executive Director of Sunway before being redesignated as Deputy President and Non-Independent Executive Director in January 2025, and prior to assuming his current role.

Datuk Anuar is currently a Non-Independent and Non-Executive Director of Gopeng Berhad.

Date Appointed to the Board
1 January 2026

Years of Directorship
0.3 year

Directorships of Listed Entities and Other Public Companies

Listed Entities:
- Sunway Berhad
- Gopeng Berhad

Other Public Companies:
- Nil

Profile of Board of Directors



EVAN CHEAH YEAN SHIN

Non-Independent Non-Executive Director

RMC | NRC | EC

Age: 46 **Gender:** M **Nationality:**

Date Appointed to the Board
18 September 2014

Years of Directorship
11.6 years

Directorships of Listed Entities and Other Public Companies

Listed Entities:
- Sunway Berhad [Alternate Director to Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling KBE AO (Tan Sri Dato' Seri Dr. Jeffrey Cheah)]

Other Public Companies:
- Nil

Qualifications
- Bachelor's Degree in Commerce and Bachelor's Degree in Business Systems from Monash University
- Chartered Financial Analyst Charterholder
- Fellow of Certified Practising Accountants Australia
- Member of Malaysian Institute of Accountants

Working Experience and Expertise

Mr Evan Cheah is the Deputy President of Sunway Berhad, appointed on 2 January 2025. In this role, he focuses on strategic investments, mergers and acquisitions as well as developing emerging businesses. He also oversees the Group's corporate centre functions such as Finance, Human Resources and Information Technology to support Sunway Group's organisational growth in digital transformation, innovation and people practices.

Mr Evan Cheah brings more than 15 years of experience in general management, investments and technology across a diverse range of businesses within Sunway Group.

Prior to his current appointment, Mr Evan Cheah was the Group Chief Executive Officer (CEO) for Digital and Strategic Investments in Sunway Group. From 2011 to 2015, he led Sunway Group's China operations as the CEO, overseeing the China Corporate Office. On 1 March 2015, he was redesignated as Executive Vice President, President's Office, with an expanded mandate to support the President's Office in identifying new business growth opportunities and driving synergies across Sunway Group.

Mr Evan Cheah previously served as a non-independent non-executive director of Elite Commercial REIT Management Pte Ltd, the Manager of Elite Commercial REIT listed on the Singapore Exchange Securities Trading Limited from January 2020 to January 2024.

Mr Evan Cheah currently sits on the board of Sunway Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad, as an Alternate Director to Tan Sri Dato' Seri Dr. Jeffrey Cheah. He also serves on the board of several private operating companies, including Chairman of the Board for Credit Bureau Malaysia Sdn. Bhd., Sunway Money Sdn. Bhd., Multicare Health Pharmacy Sdn. Bhd., Sunway FutureX DI Sdn. Bhd., and Tianjin Eco-City Sunway Property Development Co. Ltd. In May 2025, he was also appointed Chairman of the Board of Governors in Sunway University.

Profile of Board of Directors



DATO' TAN KIA LOKE

Alternate Director to Evan Cheah Yean Shin

Age: 76 **Gender:** M **Nationality:**

Date Appointed to the Board
29 October 2021

Years of Directorship
4.5 years

Directorships of Listed Entities and Other Public Companies

Listed Entities:
- Nil

Other Public Companies:
- Malaysian South-South Corporation Berhad (MASSCORP)
- Malaysian Industry-Government Group For High Technology (MIGHT)
- Sunway Lagoon Club Berhad

Qualifications
- Bachelor of Science (Hons) Degree in Civil Engineering, University of Strathclyde, United Kingdom

Working Experience and Expertise

Over a 45-year career with Sunway Group & a 36-year career with the SunCon Group, Dato' Tan played a pivotal role in building and expanding the company's construction arm from its inception in 1981. He retired from SunCon Group in 2015 as Senior Managing Director, having been central to its growth and development.

He continues to serve the Sunway Group as Senior Managing Director in the Chairman's Office, where he supports the Chairman on new business ventures, strategic partnerships, and key collaborations.

Dato' Tan currently sits on the EXCO of the Malaysia South-South Association (MASSA) and serves on the Board of MASSCORP. He is also a Board Director of the Malaysian Industry-Government Group for High Technology (MIGHT).

Profile of Board of Directors



Age: 50 Gender: M Nationality:

LIM VIN TZE

Alternate Director to Liew Kok Wing & Senior Executive Director

EC

Qualifications

- Professional Engineer with Practising Certificate (Mechanical), Board of Engineers Malaysia
- Green Building Index (GBI) Facilitator
- GBI Commissioning Specialist (CxS)
- Bachelor of Engineering (Hons), University of Melbourne, Australia

Skills, Working Experience and Expertise

Mr Lim began his career with KTA Tenaga Sdn. Bhd. in 2000 where he served as a Mechanical Engineer.

In 2005, he joined Sunway Engineering Sdn. Bhd. and has held various positions in the company during his tenure of 18 years within the company. He has been heading the Mechanical, Electrical and Plumbing division since 2019.

Mr Lim was appointed as an Executive Director – Operations on 1 July 2021 and promoted to Senior Executive Director of Sunway Construction Sdn. Bhd. on 1 January 2024.

Date Appointed to the Board

1 September 2025

Years of Directorship

0.6 year

Directorships of Listed Entities and Other Public Companies

Listed Entities:

- Nil

Other Public Companies:

- Nil

Profile of Board of Directors

DIRECTORS

FAMILY RELATIONSHIP WITH DIRECTOR AND/OR MAJOR SHAREHOLDER

Mr Evan Cheah Yean Shin (Mr Evan Cheah) who is a Non-Independent Non-Executive Director and major shareholder of SunCon, is the son of Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling KBE AO ("**Tan Sri Dato' Seri Dr. Jeffrey Cheah**") and brother of Datin Paduka Sarena Cheah Yean Tih *S.M.S.* (Datin Paduka Sarena Cheah) and Mr Adrian Cheah Yean Sun (Mr Adrian Cheah). Tan Sri Dato' Seri Dr. Jeffrey Cheah, Datin Paduka Sarena Cheah and Mr Adrian Cheah are the major shareholders of SunCon. Tan Sri Dato' Seri Dr. Jeffrey Cheah and Datin Paduka Sarena Cheah are also the directors of Sunway Berhad, which are the major shareholders of SunCon. Mr Evan Cheah is currently the alternate director to Tan Sri Dato' Seri Dr. Jeffrey Cheah in Sunway Berhad.

Save as disclosed above, none of the other Directors has any family relationship with any director and/or major shareholder of SunCon.

CONFLICT OF INTEREST

Save as disclosed below, the other Directors do not have any conflict of interest ("**COI**") or potential COI, including any interest in any competing business with the SunCon Group:

Datuk Kwan Foh Kwai is a Non-Executive Director of KLCC Development Sdn. Bhd. ("**KLCCD**"), an indirect wholly-owned subsidiary of Petroliam National Berhad (Petronas). Puan Norchahya Binti Ahmad is an Independent Non-Executive Director of The Pacific Insurance Berhad ("**TPIB**"). In view of the Group's business operations, transactions with KLCCD and TPIB may arise, which could give rise to actual, potential, or perceived COI attributable to the common directorships.

To ensure that all COI situations are appropriately managed, the above mentioned Directors shall abstain from all deliberations, discussions and voting in relation to the relevant transactions at all times.

CONVICTION FOR OFFENCES

None of the Directors has any conviction for offences (other than traffic offences, if any) within the past 5 years nor public sanctions or penalties imposed by any relevant regulatory bodies during the financial year 2025.

ATTENDANCE OF BOARD MEETINGS

The attendance of the Directors at Board and Board Committees' Meetings held during the financial year ended 31 December 2025 is disclosed in the "Corporate Governance Overview Statement".

Profile of Key Management



WONG KWAN SONG, RICHARD

Group Deputy Managing Director

Age: 61 **Gender:** M **Nationality:**

Qualifications

- Bachelor of Engineering (Hons) in Civil Engineering, University of Portsmouth
- Certificate in Technology (Building), Tunku Abdul Rahman College

Working Experience and Expertise

Mr Wong started his career in 1987 at Syarikat Pembinaan Perlis Sdn. Bhd. He then joined Syarikat Pembinaan YTL Sdn. Bhd. in 1988 before joining SunCon Group in 1989.

Thereafter, he joined Setarabina Sdn. Bhd. in 1995 and served as a Project Manager before rejoining SunCon Group in 1999.

Mr Wong held various positions in SunCon Group during his 34-year tenure with SunCon Group.

Mr Wong was the head of Building Division since 2007 before his promotion to the position of Deputy Managing Director of Sunway Construction Sdn. Bhd. (SCSB) in September 2020. He was further promoted to his current position as Group Deputy Managing Director of SCSB on 1 April 2022.



ERIC TAN CHEE HIN

Group Deputy Managing Director

Age: 54 **Gender:** M **Nationality:**

Membership of Board Committees: SC

Qualifications

- Registered Professional Engineer with Practising Cert, Board of Engineers Malaysia
- Registered GBI (Green Building Index) Facilitator
- Competent GBI Commissioning Specialist (CxS)
- Master of Business Administration, Nottingham Trent University
- Bachelor of Engineering Degree in Mechanical Engineering, Universiti Sains Malaysia

Skills, Working Experience and Expertise

Mr Tan began his career with SSP (E&M) Sdn. Bhd. in 1996 as a Mechanical Engineer.

He joined Sunway Engineering Sdn. Bhd. in 2000 and progressed through various leadership roles over his 25-year tenure. He led the Mechanical, Electrical and Plumbing (MEP) division from 1 November 2014 until his promotion to Executive Director in January 2019.

Following his appointment as Group Deputy Managing Director of Sunway Construction Sdn. Bhd. (SCSB) on 1 April 2022, Mr Tan now oversees several key business segments of the organisation, including data centres, renewable energy, civil & geotechnic works. He also provides strategic oversight for the company's Virtual Design and Construction (VDC) initiatives.

Profile of Key Management



ELAINE LAI EE-LING

Chief Financial Officer

Age: 37 **Gender:** F **Nationality:**

Qualifications

- Chartered Accountant, Malaysian Institute of Accountants
- Certified Practicing Accountant, CPA Australia
- Bachelor of Commerce, Majoring in Accounting and Finance, University of South Australia

Skills, Working Experience and Expertise

Ms Elaine started her career as a management trainee under the Sunway Managerial Advancement for Recruited Talents (SMART) programme in 2011. As part of the programme, she was deployed to various finance functions within Sunway Group which includes Group Finance, Group Internal Audit Department and a short stint in Property Development division on an assignment basis.

Thereafter, she was deployed to SunCon where she was then rotated through the full financial cycle including Treasury and Cash Management, Group Consolidation and Reporting, Project Management, Tax and Investor Relations. She was overseeing the Group Consolidation and Treasury, leading the finance function for Mechanical, Electrical and Plumbing and Sustainable Energy divisions as well as assuming the role of Investor Relations Officer for SunCon.

Ms Elaine was appointed to her current position as Chief Financial Officer of SunCon on 1 July 2022.



YIP LAI HUN

Director, Supply Chain & Contracts Management

Age: 60 **Gender:** F **Nationality:**

Qualifications

- Diploma in Technology (Building), Tunku Abdul Rahman College
- Certificate in Technology (Architecture), Tunku Abdul Rahman College

Skills, Working Experience and Expertise

Ms Yip began her career in 1990 with MBF Builders Sdn. Bhd. and joined Rinota Construction Sdn. Bhd. in 1991. She then worked as a Quantity Surveyor with J.V. NLC Construction (Nishimatshu – Lum Chang) from 1992 to 1993.

She joined SunCon in 1993 and has held various positions during her 32-year tenure with SunCon Group.

Ms Yip was appointed as a Director in Supply Chain and Contracts Management on 1 January 2016. She has been heading the Contracts Department since 1 January 2008.

Profile of Key Management

HEAD OF DEPARTMENT

Employee Name	Commercial Title
Kwong Tzyy En	Executive Director - Precast Division
Subba Rao A/L V Semenchalam	Senior General Manager - Operations
Mau Che Pean	General Manager - Survey
Kalaiselvan A/L Selvaraja	General Manager - Environmental, Safety & Health
Abdullah Haris Bin Marhaban	Senior Manager - Total Quality Management
Ewe Teng Joon	General Manager - Human Resources
Quah Ean Lin	General Manager - Legal

FAMILY RELATIONSHIP WITH DIRECTOR AND/OR MAJOR SHAREHOLDER

None of the Key Management has any family relationship with any director and/or major shareholder of SunCon.

CONFLICT OF INTEREST

None of the Key Management has any conflict of interest or potential conflict of interest, including interest in any competing business with SunCon Group.

CONVICTION FOR OFFENCES

None of the Key Management has any conviction for offences (other than traffic offences, if any) within the past 5 years nor public sanctions or penalties imposed by any relevant regulatory bodies during the financial year 2025.

DIRECTORSHIP IN LISTED ISSUERS AND PUBLIC COMPANIES

None of the Key Management has any directorship in listed issuers and public companies.

Corporate Governance Overview Statement

The Board is pleased to present this Corporate Governance Overview Statement ("**CG Overview**") to provide shareholders and investors with an overview of the corporate governance framework and practices of the Group during the financial year ended 31 December 2025 ("**FY2025**").

The CG Overview takes guidance from the three (3) key Corporate Governance Principles as set out in the Malaysian Code on Corporate Governance ("**MCCG**") as well as key focus areas and future priorities in relation to corporate governance:

PRINCIPLE (I)

Board Leadership and Effectiveness

PRINCIPLE (II)

Effective Audit and Risk Management

PRINCIPLE (III)

Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

The CG Overview should be read together with the Corporate Governance Report ("**CG Report**") which elaborates further on the detailed application for each practice as set out in the MCCG.

The CG Report is available on the Company's website, https://www.sunwayconstruction.com.my/investor-relations/corporate-governance/.

OVERVIEW

The Board of Directors ("**Board**") of Sunway Construction Group Berhad ("**SunCon**" or "**Company**") affirms its continued commitment to uphold good corporate governance and corporate integrity as the basis for continued financial and non-financial value creation. Towards this end, the Company continues to adhere to the standards set for good governance as provided for in the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), the requirements of the Securities Commission Malaysia, the Company's Constitution and Board Charter as well as Terms of References ("**TOR**") established for the respective Board Committees. SunCon has also aligned its corporate governance approach to the MCCG.

The Board remains cognisant of ongoing developments in the corporate landscape, including the National Sustainability Reporting Framework ("**NSRF**"), underpinned by the IFRS S1 and IFRS S2 disclosure requirements. Both IFRS standards position governance as a fundamental pillar, along with strategy, risks and, metrics and targets.

In addition, SunCon and its group of subsidiaries ("**Group**") are committed to fulfilling the relevant United Nations Sustainable Development Goals ("**SDG**") by aligning their business strategies to meet the needs of their communities in line with the SDG agenda.

In essence, SunCon's approach to governance is driven by both financial and sustainability considerations, which provide a sound basis for robust deliberation and decision making at Board and Management levels as well as the basis for the establishment of effective policies and procedures and internal controls. These collectively support and enable the continued generation of robust financial, business, operational and, Environmental, Social, and Governance ("**ESG**") performance, also known as direct and indirect financial and non-financial values.

Corporate Governance Overview Statement

PRINCIPLE (I): BOARD LEADERSHIP AND EFFECTIVENESS

THE BOARD

The Board is collectively responsible for leading and governing the Group. It is responsible for curating the Group's business vision, strategic objectives, strategies, governance policies and objectives as well as corporate values and culture to achieve long-term sustainability of the businesses, for the benefit of shareholders, customers, suppliers and the communities in which the Group's operates.

The Board also reviews and monitors the Group's exposure to key business risks, internal control mechanisms, the direction of individual business units, annual budgets and their progress compared against agreed key performance indicators ("**KPIs**") and management succession. In discharging its responsibilities, the Board is supported by its Management and specialised committees.

BOARD COMPOSITION

The Board is currently led by an Independent Non-Executive Chairman and comprises a total of eight (8) members, consisting of two (2) Non-Independent Non-Executive Directors, five (5) Independent Non-Executive Directors ("**Independent Directors**") (including the Board Chairman), and the Group Managing Director ("**GMD**"). Majority of the Board comprises Independent Directors, and three (3) of its members are women Directors. The background description of each Director is set out in the respective Profile of Directors in this Integrated Annual Report 2025.

With the current composition of the Board, the Company has complied with Paragraph 15.02 of the Listing Requirements of Bursa Securities which stipulates that at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, are Independent Directors and one (1) Director must be a woman.

The Board believes in adhering to good corporate governance by encouraging fresh, innovative, diverse perspectives, openness to new ideas and independent thinking by its members. Regular and systematic succession planning and renewal of the members of the Board help to ensure this, while retaining adequate expertise. An orderly process of Board succession and renewal ensures that the continuity and experience of longer-serving Directors support the transition process. In this regard, a Board Renewal Policy was established during the financial year ended 31 December 2023 to ensure an orderly renewal of Board members.

During the year under review, Dato' Siow Kim Lun retired as an Independent Director at the 11th Annual General Meeting ("**AGM**") held on 30 May 2025. On 31 December 2025, Tan Sri Dato' (Dr.) Chew Chee Kin resigned as a Non-Independent Non-Executive Director and Datuk Mohd Anuar Bin Taib was appointed in his place on 1 January 2026.

Dato' Ir Goh Chye Koon, the Independent Non-Executive Chairman, with a tenure of 11.5 years as an Independent Director, will retire at the forthcoming AGM of the Company.

ROLES AND RESPONSIBILITIES OF THE BOARD

The Board is guided by its Board Charter and has delegated the day-to-day management of the Group to the GMD which is further cascaded by the GMD to his Management team. Nevertheless, the GMD and the Management team remain accountable to the Board for authority that is delegated and for the performance of the Group. The Board Charter is reviewed and updated annually by the Board. The last review in FY2025 was undertaken on 20 November 2025 and is accessible via the Company's website.

Corporate Governance Overview Statement

The principal functions and responsibilities of the Board include, but are not limited to the following:

i. Setting the vision, mission, objectives, goals and strategic plans for the Group to maximise shareholders' value as well as ensuring the long-term sustainability of the Group.

ii. Monitoring and overseeing the conduct of the Group's businesses.

iii. Identifying and monitoring the Group's principal risks and ensuring the implementation of appropriate plans and systems to mitigate and manage these risks.

iv. Ensuring that Senior Management possesses the necessary skills, competencies and relevant experience to execute the Group's strategic plans. In addition, ensuring Management establishes a systematic transition or succession system and ensuring regular refreshment of board members in accordance with the Board Renewal Policy.

v. Reviewing the adequacy and integrity of the Group's internal control and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

vi. Promoting good corporate governance culture within the Group towards continuously instilling and reinforcing ethical, prudent and professional behaviour.

vii. Ensuring corporate accountability to shareholders, primarily through adopting an effective shareholder communications strategy, encouraging effective participation at general meetings and, through its Chairman, being the key interface between the Company and its shareholders. This also includes ensuring timely and accurate dissemination of information material to shareholders.

viii. Ensuring that the Group's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders and that the Group continues to make progress against these set targets.

SEGREGATION OF ROLES BETWEEN CHAIRMAN AND GROUP MANAGING DIRECTOR

The Chairman has a separate role and responsibility from the GMD and both positions are always held by two (2) distinct individuals. In addition, the Chairman of the Board is an Independent Director and is not part of the Management team. This enables a clear delineation of roles and responsibilities, and separation of powers.

The respective roles of the Chairman and the GMD are clearly defined in the Board Charter.

In essence, the Chairman of the Board is responsible for the proper functioning of the Board and in ensuring that the Board undertakes its fiduciary duties with care in accordance with the established Board Charter. The Chairman helms the Board in setting the long-term value creation objectives of the Group towards achieving sustainable returns and growth. During meetings, the Chairman sets the agenda of the Board and promotes open debate so that all Directors' opinions, ideas and recommendations are considered in the decision-making process. This includes minority or contrarian views and discussions on ESG matters.

The GMD has the overall responsibility over the performance of each business including day-to-day management, implementation of the Group's strategies and policies. There is a Management's Limit of Authority and reserved matters set by the Board, whereby matters exceeding certain threshold limits require prior Board approval.

Corporate Governance Overview Statement

A short summary of the roles and responsibilities of the Chairman, GMD, Senior Independent Director and Independent Director are as below:

Designation	Roles and Responsibilities
Chairman	• Providing leadership to the Board and ensuring the Board's effectiveness in discharging its fiduciary duties. • Setting the board agenda and ensuring the provision of accurate, timely and clear information to the Directors. • Chairing shareholders' meetings and ensuring appropriate steps are taken to provide effective communication with stakeholders to ensure their views are communicated to the Board as a whole. • Promoting consultative and respectful relations between the Board members and, between the Board and the Management.
GMD	• Acting as the conduit between the Board and the Management. • Responsible for the day-to-day operation of the Company's business and the execution of the agreed business policies and directions set by the Board and of all operational decisions in managing the Group.
Senior Independent Director	• Acting as a sounding Board for the Chairman and serves as an intermediary for other Directors, if needed. • Acting as the point of contact for shareholders and other stakeholders. • Providing leadership support and advice to the Board in the event the Board undergoes a period of stress. • Together with the Nomination and Remuneration Committee ("**NRC**"), to lead the succession planning and appointment of new Board members.
Independent Director	• Providing independent judgement, experience and objectivity without being subordinate to operational considerations. • Ensuring that the interests of all shareholders, and not only the interests of a particular fraction or group, are indeed considered by the Board and that relevant issues are subjected to objective and impartial consideration by the Board.

MAIN ACTIVITIES OF THE BOARD DURING THE FINANCIAL YEAR

The Board reviews and updates at each meeting, a rolling calendar of all key matters to ensure all matters of import are allocated adequate time for discussion during each year. Following is a summary of the principal matters considered by the Board in FY2025:

(A) FINANCIAL

- 2024 Business Performance Review
- Group's 2025 Business Plan and Budget *(including key digitalisation transformation initiatives)*
- Unaudited quarterly results and audited financial statements for FY2024
- Interim and special dividend declarations
- Approval of audit and non-audit fees
- Audit Planning Memorandum for FY2025
- Company's solvency statement for purpose of Share Buy-Back
- Acceptance of banking facilities

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(B) GOVERNANCE, RISK MANAGEMENT AND INTERNAL CONTROLS

- Reviewed and approved the Integrated Annual Report 2024 including CG Overview, Audit Committee ("**AC**") Report, Statement on Risk Management and Internal Control, Sustainability Statement, Management Discussion and Analysis and, Chairman's Statement
- Approved the CG Report 2024
- Approved the Shareholders' mandate for recurrent related party transactions of a revenue or trading nature and renewal of share buy-back authority
- Reviewed and updated TOR of the respective Board Committees and Board Charter
- Keeping abreast on regulatory/statutory requirements and pronouncements as well as report on any breaches of the Listing Requirements of Bursa Securities as well as the Capital Markets and Services Act (if any)
- Reviewed the Directors' and the Principal Officers' disclosures of dealings in the shares of SunCon
- Deliberated on the reports on risk management and internal control systems
- Approved the convening of the 11th AGM
- Recommended the re-appointment of BDO PLT as External Auditors of the Company for FY2025
- Undertook an annual Board and Directors Effectiveness Evaluation ("**BDEE**") exercise
- Assessed and recommended for re-election of retiring Directors at the AGM
- Assessed Independent Directors' independence
- Discussed on the Directors' Continuing Education Programme
- Discussed on the reports from the Chairman/Chairperson of the Board Committees on the committees' meeting proceedings
- Reviewed the allocation of power between the Management and the Board as delineated in the Management's Limits of Authority
- Approval of Directors' fees, Board Committees' fees and meeting allowance payable to the Non-Executive Directors for FY2025
- Approved donations to non-profit organisation(s) as part of the Group's corporate social responsibility
- Reviewed the size, structure, composition and gender diversity of the Board and Board Committees
- Reviewed and approved the change of composition of the Board Committees
- Approved the change of Non-Independent Non-Executive Directors
- Approved the change of alternate directors
- Reviewed and approved remuneration package for key Senior Management, i.e. GMD, Chief Financial Officer ("**CFO**"), Group Deputy Managing Directors of Sunway Construction Sdn. Bhd. ("**SCSB**") ("**GDMDs**") and Senior Executive Director of SCSB ("**SED**")
- Reviewed and noted the Directors' conflict of interest ("**COI**") disclosures
- Reviewed and approved the performance scorecards and performance appraisal as well as the adjustment proposals of the key results areas to the performance scorecards of the GMD, CFO, GDMDs and SED
- Approval of revised materiality guidelines for material contract and litigations
- Approved the exercise price of options offered under the Employees' Share Option Scheme ("**ESOS**")
- Approved the issuance and allotment of ordinary shares pursuant to the ESOS
- Discussed and approved the related party transaction ("**RPT**") in respect of the disposal of construction machinery and equipment to a related party
- Discussed and approved the RPT relating to the disposal of ordinary shares representing a 40% interest in a joint venture to a related party
- Approved the capital expenditures for the acquisitions and disposals of machinery, equipment and motor vehicles
- Updated on the development of Anti-Bribery Management System ("**ABMS**") Manual and the subsequent International Organisation for Standardisation (ISO) certification on ABMS
- Adoption and implementation of ABMS Manual and the formation of the Compliance Function Team
- Revised Anti-Bribery and Corruption Policy ("**ABC Policy**")
- Adoption of Cash Investment Policy and the establishment of the Investment Committee
- Appointment of compliance officer for the Anti-Money Laundering, Countering Financing of Terrorism and Countering Proliferation Financing Policy ("**AML/CFT/CPF Policy**") and ABC Policy
- Amendments to the Whistleblowing Policy and Procedures ("**Whistleblowing Policy**")

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(B) GOVERNANCE, RISK MANAGEMENT AND INTERNAL CONTROLS

- Amendments to the Code of Conduct and Business Ethics ("**CCBE**")
- Adoption of the Associates Code of Conduct
- Monitoring outstanding material litigation cases
- Updated on the Integrated Construction and Prefabrication Hub (ICPH) Plant incident in Singapore
- Noted the Employees Provident Fund ("**EPF**")'s voting guidelines at AGM
- Updated on the status of the investigation conducted by the Malaysian Anti-Corruption Commission (MACC) involving an employee of the Group, as well as the subsequent remedial action plan implemented
- Assessed the impact of the Government's Budget 2026

(C) SUSTAINABILITY

- Deliberated on the Group's ESG and sustainability initiatives for 2025
- Updated on sustainability initiatives
- Reviewed and approved the Sustainability Policy of the Company
- Updated on the result of the materiality analysis for the survey conducted by Ipsos Malaysia
- Updated on the NSRF Guidance Document issued by Securities Commission Malaysia
- Updated on the enhancements to the sustainability reporting requirements
- Approval on participation in Bursa Carbon Exchange (BCX)

(D) BUSINESS DEVELOPMENT AND STRATEGY

- Reviewed and monitored quarterly performance of the Group
- Approval of new investment opportunities, as well as major new project tenders by the Group
- Discussed and approved the formation of joint ventures and their submission of pre-qualification applications/ bids for new projects

(E) PEOPLE AND CULTURE

- Endorsing key Senior Management succession and talent development plans
- HR strategies and planning

In May 2025, the Board also conducted a site visit to Sunway Square project.

Corporate Governance Overview Statement

KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board's key focus areas and future priorities in enhancing the corporate governance practices are as follows:

Key Focus Areas	Description
Achieve Net Zero Carbon Emissions by 2050	The Group is committed to decarbonising its operations in the ultimate pursuit of realising its Net Zero Carbon Emissions by 2050. The Group has established the SunCon Future Value Goals in 2030 where three (3) strategic goals and 10 corresponding targets have been established to measure ESG performance on an annual basis.
Emerging trends and sustainability	The Board will continue to be cognisant of emerging ESG trends that affect the Group's business model and operations and will provide high-level strategic oversight and guidance towards facilitating the integration of sustainability considerations and, ESG-related goals and targets into the Group's operations.
Business diversification and new business opportunities	The Board will continue to assess business diversification and new business opportunities to ensure the Group's long-term sustainability growth.
Stakeholder engagement	The Board will periodically assess the effectiveness of the communication approach and channels to ensure effective and regular communication with stakeholders.
Enhancing quality standards of audit and internal control	In continuous effort to strengthen the credibility of internal audit function, the Group will engage an external professional consultant to conduct a Quality Assessment Review ("**QAR**"). The Internal Audit Department ("**IAD**") successfully completed its previous QAR in 2022. Going forward, the IAD plans to conduct a QAR every 5 years, with the next review scheduled for 2027.
Undertake an independent board effectiveness evaluation in 2026	In order to provide an independent external view of the effectiveness of the Board's function, an independent consultant has been appointed to undertake the said exercise.

Board Diversity

The Board acknowledges the importance of diversity, in all its dimensions, across the organisation, including at Board level, in fostering innovation, driving strategic development and enhancing operational efficiency. Currently, women Directors comprise 37.5% of the Board.

Board Committees

As part of the efforts to ensure the effective discharge of its duties, the Board has delegated certain responsibilities to the Board Committees. There are five (5) standing committees, each operating within defined TOR, to assist the Board in discharging its responsibilities.

The minutes of proceedings of each committee meeting are circulated to all Board members so that all Directors are aware of the deliberations and resolutions made. Where applicable, committees report their decisions to the Board and present their recommendations for the Board's approval.

Corporate Governance Overview Statement

During the year under review, the composition of the Board Committees have been re-constituted, as outlined in the table below:

Name of Committee	Members of Committee	Key Function
Audit Committee ("AC")	Norchahya Binti Ahmad (Chairperson) *(Redesignated on 30 May 2025)* Dr Sarinder Kumari A/P Oam Parkash (Member) Tan Ler Chin (Member) Datuk Kwan Foh Kwai (Member) Dato' Siow Kim Lun (Former Chairman) *(Ceased on 30 May 2025)*	Provides critical oversight of the Group's financial reporting and auditing processes, and plays a key role in assessing the internal control framework of the Group.
Nomination and Remuneration Committee ("NRC")	Dr Sarinder Kumari A/P Oam Parkash (Chairperson) Tan Ler Chin (Member) Datuk Kwan Foh Kwai (Member) Norchahya Binti Ahmad (Member) Evan Cheah Yean Shin (Member) Datuk Mohd Anuar Bin Taib (Member) *(Appointed on 1 January 2026)* Dato' Siow Kim Lun (Member) *(Ceased on 30 May 2025)* Tan Sri Dato' (Dr.) Chew Chee Kin (Member) *(Ceased on 31 December 2025)*	Ensures the Board and its committees have the balance of skills, relevant knowledge and experiences, and that adequate succession plans are in place. Reviews the size and composition of the Board to ensure that it consists of the best mix of talents. Reviews the Group's Remuneration Policy for Directors and Senior Management and, ensuring that there is a clear link between performance and remuneration.
Risk Management Committee ("RMC")	Tan Ler Chin (Chairperson) Dato' Ir Goh Chye Koon (Member) Dr Sarinder Kumari A/P Oam Parkash (Member) Datuk Kwan Foh Kwai (Member) Norchahya Binti Ahmad (Member) Evan Cheah Yean Shin (Member) Dato' Siow Kim Lun (Member) *(Ceased on 30 May 2025)*	Establishes risk tolerance level for each key risk areas. Reviews and monitors the Group's principal and emerging risks and the effectiveness of the Group's risk management systems.
Sustainability Committee ("SC")	Tan Ler Chin (Chairperson) Dr Sarinder Kumari A/P Oam Parkash (Member) Datuk Kwan Foh Kwai (Member) Eric Tan Chee Hin (Member) *(Appointed on 3 March 2025)* Liew Kok Wing (Member) *(Resigned on 3 March 2025)*	Reviews, supervises and recommends the Group's sustainability strategies and initiatives, key ESG targets, measurements and performance. Monitors progress and performance scorecard to advance the Group's sustainability leadership.
ESOS Committee ("EC")	Dato' Ir Goh Chye Koon (Chairman) Norchahya Binti Ahmad (Member) *(Appointed on 30 May 2025)* Evan Cheah Yean Shin (Member) Liew Kok Wing (Member) Lim Vin Tze (Member) Dato' Siow Kim Lun (Member) *(Ceased on 30 May 2025)*	Oversees the implementation and administration of the ESOS, including determining eligible participants and approving the grant, vesting (in accordance with the Vesting Conditions) and exercise of options. Ensures compliance with the ESOS By-Laws and all applicable laws and regulatory requirements.

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BOARD MEETINGS AND ATTENDANCE

The Board meets at least once every quarter to facilitate the discharge of their responsibilities. Additional meetings will be convened as and when necessary for special matters. In order to ensure all the Directors are able to attend the Board and Board Committees' meetings, the meetings for each financial year are scheduled before the end of the preceding financial year to ensure sufficient time is given to the Directors to plan their schedules.

During FY2025, a total of eight (8) Board meetings were held. The Board meetings were normally held one day after the AC meetings. The Board is satisfied with the level of time commitment given by the Board towards fulfilling their roles and responsibilities as Directors of the Company. A summary of the attendance of the Directors for the Board and Board Committees' meetings is as below:

Name of Directors	Board	AC	NRC	RMC	SC	EC
Dato' Ir Goh Chye Koon (Independent Non-Executive Chairman)	8/8	-	-	5/5	-	2/2
Dr Sarinder Kumari A/P Oam Parkash (Senior Independent Non-Executive Director)	8/8	5/5	5/5	5/5	3/3	-
Tan Ler Chin (Independent Non-Executive Director)	8/8	5/5	5/5	5/5	3/3	-
Datuk Kwan Foh Kwai (Independent Non-Executive Director)	8/8	5/5	5/5	5/5	3/3	-
Norchahya Binti Ahmad [(a)] (Independent Non-Executive Director)	8/8	5/5	5/5	5/5	-	1/1*
Tan Sri Dato' (Dr.) Chew Chee Kin (Non-Independent Non-Executive Director) *(Resigned with effect from 31 December 2025)*	8/8	-	5/5	-	-	-
Evan Cheah Yean Shin (Non-Independent Non-Executive Director)	8/8	-	5/5	5/5	-	2/2
Liew Kok Wing [(b)] (GMD & Non-Independent Executive Director)	8/8	-	-	-	1/1*	2/2
Lim Vin Tze (Alternate Director to Liew Kok Wing)	-	-	-	-	-	2/2
Dato' Siow Kim Lun (Former Independent Non-Executive Director) *(Retired on 30 May 2025)*	5/5*	3/3*	3/3*	3/3*	-	1/1*

Notes:
(a) Norchahya Binti Ahmad was redesignated as AC Chairperson and appointed as a member of EC on 30 May 2025.
(b) Liew Kok Wing resigned as a member of SC on 3 March 2025.
** Reflects the number of meetings held and attended during the period in which the Director held office during FY2025.*

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Board papers were distributed via a secured digital portal at least one week prior to the meetings to allow the Directors to have sufficient time to read and obtain further clarification, if necessary. All reports are presented in a clear and concise manner, to allow the Board to analyse and discharge its duties effectively. The Board papers include, amongst others, the following:

Financial reports, economic updates, business plan and budget	**Progress report on the Group's projects**	**Risk management and internal control reports**
Talent management and succession planning	**Minutes of meetings of Board and Board committees**	**Regulatory/ statutory updates**
ESG and sustainability reports	**Executive Committee reports**	**Other operational reports**

There was constructive deliberation during the meetings. All proceedings of the meetings and deliberations were duly recorded in the minutes. Management attends Board meetings to present and provide additional information on matters being discussed and to respond to any queries that the Directors may have.

Prior to the Board meetings in January and August 2025, dedicated sessions were scheduled exclusively for the Independent Directors, without the presence of Management, Company Secretaries and Non-Independent Non-Executive Directors. This exclusive session serves to discuss matters relating to strategy, corporate governance and operational considerations in depth to further promote integrity and open dynamics.

LIST OF DIRECTORSHIPS

The Board has a policy that each director must not hold more than five (5) directorships in public listed companies. This is to ensure that they have sufficient time to fulfil their duties effectively. This policy has been incorporated into the Board Charter which requires a director to seek prior consent from the Board Chairman before he or she accepts any new directorship outside the Group. The Company Secretary will monitor the number of directorships and the changes, if any, of each Director and report to the Board during the meetings.

Directorships in Malaysian Companies held by Directors

Dato' Ir Goh Chye Koon
- Sunway Construction Group Berhad

Dr Sarinder Kumari A/P Oam Parkash
- Sunway Construction Group Berhad
- First Ray Sdn. Bhd.

Tan Ler Chin
- Sunway Construction Group Berhad
- Bursa Malaysia Berhad
- Affin Islamic Bank Berhad

Datuk Kwan Foh Kwai
- Sunway Construction Group Berhad
- Luxchem Corporation Berhad
- KLCC Development Sdn. Bhd.

Norchahya Binti Ahmad
- Sunway Construction Group Berhad
- The Pacific Insurance Berhad

Datuk Mohd Anuar Bin Taib
(Appointed on 1 January 2026)
- Sunway Construction Group Berhad
- Sunway Berhad
- Gopeng Berhad

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Directorships in Malaysian Companies held by Directors

Evan Cheah Yean Shin
- Sunway Berhad *(Alternate Director to Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling KBE AO)* and Group
- Sunway Construction Group Berhad and Group
- Active Equity Sdn. Bhd. and Group
- Jef-San Enterprise Sdn. Bhd.
- Sunway Education Group

Liew Kok Wing
- Sunway Construction Group Berhad and Group

Dato' Tan Kia Loke *(Alternate Director)*
- Sunway Construction Group Berhad *(Alternate Director to Evan Cheah Yean Shin)*
- Malaysian Industry-Government Group for High Technology
- Malaysian South-South Corporation Berhad
- Sunway Lagoon Club Berhad
- Sunway Berhad Group

Lim Vin Tze *(Alternate Director)*
(Appointed on 1 September 2025)
- Sunway Construction Group Berhad *(Alternate Director to Liew Kok Wing)* and Group

NOMINATION AND REMUNERATION COMMITTEE STATEMENT

The NRC comprises majority of Independent Directors. The Chairperson of NRC is Dr Sarinder Kumari A/P Oam Parkash. The other members of the NRC are Ms Tan Ler Chin, Datuk Kwan Foh Kwai, Puan Norchahya Binti Ahmad, Datuk Mohd Anuar Bin Taib and Mr Evan Cheah Yean Shin. Datuk Mohd Anuar Bin Taib was appointed as member of the NRC effective 1 January 2026.

Dato' Siow Kim Lun ceased to be a member of the NRC upon retiring as an Independent Director at the 11th AGM held on 30 May 2025. Tan Sri Dato' (Dr.) Chew Chee Kin had subsequently ceased as a member of NRC with effect from 31 December 2025 when he resigned as a Director on even date.

The NRC is responsible for reviewing the Board's composition, size, diversity and board balance. It ensures that the Board comprises directors with appropriate qualifications, knowledge, expertise and experience as well as having a proper balance between Executive Directors and Independent Directors. It is also responsible for advising the Board on matters relating to the remuneration of the Board and Senior Management to retain and attract the best talents in the market. It regularly reviews the criteria to be used in the Board recruitment process. The NRC will assess the suitability of potential candidates based on a pre-determined criteria to augment the existing strength of the Board, including candidate's time commitment. Prospective candidates would have to meet the "Fit and Proper" criterion. In the case of candidate proposed for appointment as Independent Director, the NRC would assess the candidate's independence in accordance with Paragraph 1.01 and Practice Note 13 of the Listing Requirements of Bursa Securities. The NRC has the option of sourcing for candidates from various channels including using external recruitment agency.

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The process for the appointment of new director is summarised in the diagram below:

Analyse Needs for New Director

- Arising from resignation/ retirement
- Through assessment of context and size of current Board
- Skill and expertise gap identified through Board Evaluation
- Needs for Board diversity
- Part of Board succession planning

Search for Potential Candidate

- Through nominations from Directors and major shareholders
- Through professional bodies
- Through independent search firm

Selection Criteria

- Gather all relevant information such as academic achievements, detailed working experience etc for evaluation
- Conduct legal and other background verification checks
- Check interview with the shortlisted candidate
- If suitable, NRC to recommend to Board for approval

Approval Process

- Board to deliberate and decide on the new appointment
- If the proposed appointment is approved, invitation or offer to be made to the proposed candidate to join the Board

The NRC also undertakes and facilitates the annual assessment of the Board and Board Committees. In addition, it is responsible for the succession planning of the Board and Senior Management.

The Board has a Fit and Proper Policy which guides the NRC and the Board in reviewing and assessing potential candidate(s) to be appointed to the Board. This policy also applies to Directors seeking for re-election. The key criteria assessed are character and integrity, conflict of interest, experience and competence, time and commitment. Annual re-election of a retiring Director is contingent upon satisfactory rating from the evaluation of the Director's performance and contribution to the Board.

The duties and responsibilities of the NRC are set out in the TOR of the NRC which is available on the Company's website at https://www.sunwayconstruction.com.my/investor-relations/corporate-governance.

ACTIVITIES OF THE NRC

During the financial year, five (5) meetings were held to deliberate on the following matters:

(A) Nomination, Board and Board Committees Composition and Succession Planning

- Reviewed the size, structure and composition of the Board and Board Committees.
- Reviewed and approved the key Senior Management succession plan.
- Assessed the appointment of Mr Lim Vin Tze as an Alternate Director to Mr Liew Kok Wing, in replacement of Mr Wong Kwan Song, as part of the Senior Management succession planning.
- Interviewed and assessed Datuk Anuar Bin Mohd Taib for appointment as a Non-Independent Non-Executive Director in replacement of Tan Sri Dato' (Dr.) Chew Chee Kin.
- Assessed the performances and contributions of the retiring directors based on peer review ratings and recommended them for re-election at the AGM.
- Discussed the critical talent retention.

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(B) Remuneration and Performance Management

- Assessed and endorsed the final performance appraisals of the GMD, CFO, GDMDs and SED for FY2024.
- Reviewed and discussed the mid-year performance appraisals of the GMD, CFO, GDMDs and SED for FY2025.
- Determined the total performance bonus and/or incentive (applicable to the GMD only) for FY2024 and the annual salary increment for FY2025 for the GMD, CFO, GDMDs and SED.
- Discussed with Head of Human Resources on the increased bonus allocation for GMD and CFO.
- Discussed and set the performance scorecards for the GMD, CFO, GDMDs and SED for FY2025, including subsequent revisions, and thereafter reviewed and recommended the performance scorecards for Board's approval.
- Discussed and endorsed the proposed interim bonus for key employees.
- Noted the disclosure of average bonus and increment percentage payable to the Group staff by segregation of grade level.
- Discussed on the market benchmark data on revenue and profit before tax for the key business units under Sunway Group, and peer benchmarking of basic salary and/or compensation for the Chief Executive Officer in public listed construction companies.

(C) Governance, Director Independence and Development

- Assessed the competencies, independence and time commitment of Directors based on the BDEE process.
- Reviewed and confirmed the continued independence of Independent Directors pursuant to the Listing Requirements of Bursa Securities.
- Recommended to the Board for approval of the NRC Statement for inclusion in the Company's Integrated Annual Report 2024.
- Reviewed TOR of the NRC.
- Reviewed the training needs and continuing education of the Directors for year 2025.
- Reviewed and approved the budget allocation for training and development for Directors for year 2026.

(D) Board Effectiveness Evaluation

- Reviewed and approved the internal assessment methodology for evaluating the effectiveness of the Board, Board Committees, Board Skills Matrix, Directors' self and peer performance, Audit Committee members' self and peer evaluation, Independent Directors, external auditors and internal auditors for FY2025.
- Reviewed the results of Board effectiveness evaluations carried out by the Company Secretary.
- Discussed the proposal to engage an independent consultant to conduct BDEE exercise for financial year 2026 ("**FY2026**").

TENURE OF INDEPENDENT DIRECTORSHIP

The Board operates in a manner that ensures Directors exercise independent judgement and the interests of shareholders are always upheld as a key criterion in decision making.

The Board has adopted a policy whereby the tenure of an Independent Director shall not exceed a cumulative term limit of twelve (12) years in accordance with Paragraph 1.01 of the Listing Requirements of Bursa Securities (Definition of Independent Director).

During the financial year under review, none of the tenures of Independent Directors had reached the 12-year limit.

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ANNUAL BOARD AND BOARD COMMITTEES EVALUATION

An annual performance evaluation is carried out to ensure the Board and its Committees possess the necessary competence and capabilities to function effectively in accordance with the roles and responsibilities stipulated in the TORs. In addition, each Director is assessed on their participation in the board discussion, contribution and time commitment in discharging his or her respective roles and responsibility effectively.

The NRC reviewed the results of the evaluation and made recommendations to the Board on areas which require improvements.

In 2025, the evaluation process was conducted internally and facilitated by the Company Secretaries. Based on the evaluation, the results were tabulated and reported to the NRC. All assessments carried out by the NRC were properly documented, summarised and reported to the Board. The results of the survey and recommendations of the NRC were taken where necessary with a view to enhancing its effectiveness.

The assessment criteria and outcome are summarised as follows:

Evaluation	Assessment Criteria
Board Evaluation	Board mix, composition and development, Board dynamic and effectiveness, conduct of board meetings, roles and responsibilities, company performance, performance of Chairman, performance of GMD, Board sustainability matters, stakeholder engagement.
Board Committee Evaluation	Committee composition, quality, skill and competencies, roles and responsibilities, effective communication, qualification of chairman or chairperson.
Directors' Self and Peer Evaluation	Director's fit and proper criteria, contribution and performance, individual competencies and personality, understanding of roles.
Independent Directors' Self-Assessment	The criteria set under paragraph 1.01 of the Listing Requirements of Bursa Securities.

Outcome and Next Steps

Based on the outcomes of the internal assessment, the Directors were satisfied with the Board's performance and expressed confidence in the effective functioning of the Board as a whole. The Directors are of the view that the present composition retains the necessary capabilities, competences and experiences to continue to effectively govern and discharge their duties.

The Board comprised a majority of Independent Directors who demonstrated independence, exercised boldness in voicing their opinions and consistently upheld impartiality.

The Directors' self and peer review affirmed that each director had performed their respective roles and functions effectively and responsibly. Each member was satisfied with each other's contribution in sharing their ideas and insights. They were involved in active participation in Board and Board Committees' deliberations. There was no risk of groupthink as each Director had freedom to express their own views. All the Board Committees were assessed to be effective in discharging their roles and responsibilities in accordance with the approved TORs. The Chairman of the Board was effective in leading and guiding the Board in all its deliberations, giving ample opportunities for each Director to express his or her opinions freely.

The Board members demonstrated their sufficient time commitment through full attendance at all scheduled Board and Board Committees' meetings during the financial year. In line with the MCCG's best practice which advocates for a periodic externally facilitated Board evaluation by a professional independent consultant, the Company has engaged an independent professional consultant to facilitate the BDEE for FY2026.

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LOOKING AHEAD TO FY2026

Future priorities of the NRC are as follows:

1. Strengthening talent management and succession planning for the Board and senior management to ensure leadership continuity.
2. Keeping abreast of governance developments as well as business disruptions and threats.
3. Considering and implementing, where applicable, key recommendations arising from the externally facilitated BDEE to be conducted in FY2026.

SUSTAINABILITY COMMITTEE STATEMENT

The Group has in place a SC to assist the Board in sustainability initiatives and climate change issues. The SC is currently chaired by Ms Tan Ler Chin, and the other members of the committee are Dr Sarinder Kumari A/P Oam Parkash, Datuk Kwan Foh Kwai and Mr Eric Tan Chee Hin.

The key functions of the SC also include:

- **Oversee the Group's sustainability strategy.**
- **Consider and approve proposals from Sustainability Department and recommend them to the Board for adoption.**
- **Consider and recommend to the Board on the Group's position pertaining to emerging sustainability issues.**
- **Consider any other matters relevant to sustainability or ESG matters that are referred to the SC by Board.**

The duties and responsibilities of the SC are set out in the SC's TOR which is available on the Company's website at https://www.sunwayconstruction.com.my/investor-relations/corporate-governance.

During the financial year, the SC met three (3) times to deliberate on the following matters:

At the SC meeting held on 16 January 2025, the SC reviewed and discussed the following sustainability initiatives:

- Approved SunCon's Sustainability Policy.
- Reviewed and approved the Sustainability Business Plan for FY2025.
- Deliberated on several initiatives in relation to the Company's Carbon Reduction Pathway.
- Updated by the SC Secretariat on the outcome of the Supply Chain Environment & Social Assessment.
- Updated by the SC Secretariat on MSCI rating and its gaps as well as FTSE4Good Rating for 2024.
- Updated by appointed consultant on the results of Task Force on Climate-related Financial Disclosures (TCFD) Assessment.

During the SC meeting held on 26 March 2025, the SC reviewed and discussed the Company's Annual Sustainability Statement which formed part of the Company's Integrated Annual Report 2024 and approved the amendments made to the TOR.

At the SC meeting held on 20 August 2025, the SC reviewed and discussed the following matters:

- Reviewed the mid-year sustainability performances and initiatives.
- Deliberated on carbon reduction initiatives.
- Informed on current sustainability regulatory landscape.
- Informed on the Company's Scope 3 inventory and selection of an external auditor for Greenhouse Gase (GHG) assurance.
- Updated on carbon tax and internal carbon pricing.
- Updated on Battery Energy Storage System (BESS) Feasibility Study.
- Briefed by the SC Secretariat on SC's contributions based on IFRS S1 and S2.

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EMPLOYEES' SHARE OPTION SCHEME COMMITTEE

The Employees' Share Option Scheme Committee ("**EC**") is headed by Dato' Ir Goh Chye Koon as Chairman, with Puan Norchahya Binti Ahmad, Mr Evan Cheah Yean Shin, Mr Liew Kok Wing and Mr Lim Vin Tze serving as members.

In 2025, the composition of the EC was revised. Following the retirement of Dato' Siow Kim Lun as Director on 30 May 2025, Puan Norchahya Binti Ahmad was appointed as a member of the EC.

The EC is responsible for implementing, allocating and administering the ESOS in accordance with such powers and duties conferred upon it under the By-Laws of the ESOS. The TOR of the EC is set out on the Company's website. During the financial year, the EC met two times.

Below is a summary of the ESOS matters considered by the EC in FY2025:

- Endorsed the exercise price of the options offered under the ESOS.
- Approval of the proposed revision to the actual allocation of ESOS options to eligible employees of the Group (collectively, the "**Eligible Employees**").
- Discussed the proposed new allocation of options to the selected Eligible Employees pursuant to the Company's ESOS and to authorise Management to fix the option price.

The Head of Human Resources attended the said meetings at the invitation of the EC.

DIRECTORS' ONBOARDING, TRAINING AND DEVELOPMENT

The Company has a structured onboarding programme for all newly appointed Directors.

Each new Director receives background information on the Group immediately upon confirmation of appointment. Onboarding programmes would be arranged where each new Director receives information on all aspects of the Group's business operations. This includes, where appropriate, meetings with members of the Senior Management and visits to the business divisions and their respective Management teams in each of the Company's business sectors. Ongoing training and development beyond the onboarding process is encouraged.

In view of the increasingly demanding, complex and multi-dimensional role of a director, the Board recognises the importance of continuous training and professional development to keep abreast of changing operating environments and disruptive trends.

During FY2025, all members of the Board attended various development/training programmes to broaden their knowledge and to keep abreast of the general economic, industry and technical developments as well as changes in law and regulations relevant to the business operations.

Corporate Governance Overview Statement

Summary of the trainings attended by the Directors during the financial year under review are as follows:

Name of Directors	Title of Seminar/Workshop Attended	Name of Organiser	Date of Attendance
Dato' Ir Goh Chye Koon	Climate Change and the Impact to Our Net Zero Journey	Sunway Group	14 May 2025
	Global Trade Pulse: US Tariffs and What's Ahead for China, ASEAN and Malaysia	Professor Yeah Kim Leng	30 July 2025
	Dialogue Session with Securities Commission Malaysia	Securities Commission Malaysia ("**SC**")	8 August 2025
	Sunway Leaders Conference 2025/2026	Sunway Group	22 & 23 September 2025
	Specialist Talk: Artificial Intelligence (AI)	Sunway Group	11 November 2025
Evan Cheah Yean Shin	Transfer Pricing & Tax Corporate Governance	Inland Revenue Board of Malaysia ("**IRB**")	27 May 2025
	Sunway AI & Robotics Day - Powering the Future of Business	Sunway Group	3 September 2025
	Sunway Leaders Conference 2025/2026	Sunway Group	22 & 23 September 2025
Dr Sarinder Kumari A/P Oam Parkash	Climate Change and the Impact to Our Net Zero Journey	Sunway Group	14 May 2025
	Scope 3 Carbon Accounting & Decarbonization Training	Federation of Public Listed Companies Bhd ("**FPLC**")	5 August 2025
	Growing Sustainably: ESG in Action at a Vertical Farm	Sunway Group	6 August 2025
	The International Court of Justice (ICJ)'s Climate Opinion: What it Means for Business	Climate Governance Malaysia and Kiu & Co	11 August 2025
	Boardroom Blindspots: How Our Perceptions of Risk Influence our Boardroom Effectiveness	Institute of Corporate Directors Malaysia ("**ICDM**")	3 September 2025
	Sunway Leaders Conference 2025/2026	Sunway Group	22 & 23 September 2025
	Integrity Insights for Directors: Tackling Criminal Breach of Trust (CBT), Conflict of Interest, Related Party Transaction & Corruption	ICDM	9 October 2025
	AI at the Helm: How Directors can Govern the Future	ICDM	30 October 2025
	Specialist Talk: Artificial Intelligence (AI)	Sunway Group	11 November 2025
Liew Kok Wing	Unlocking ASEAN's Nuclear Potential	World Economic Forum	17 April 2025
	Climate Change and the Impact to Our Net Zero Journey	Sunway Group	14 May 2025
	Global Trade Pulse: US Tariffs and What's Ahead for China, ASEAN and Malaysia	Professor Yeah Kim Leng	30 July 2025
	Sunway AI & Robotics Day - Powering the Future of Business	Sunway Group	3 September 2025
	Sunway Leaders Conference 2025/2026	Sunway Group	22 & 23 September 2025

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Name of Directors	Title of Seminar/Workshop Attended	Name of Organiser	Date of Attendance
Tan Ler Chin	Balancing Shareholder Value Financialization & Sustainable Finance in Banking	Affin Banking Group	24 January 2025
	Enhanced Conflict of Interest - Obligations of Directors and Other Key Persons of the Group	Affin Banking Group	12 February 2025
	Directors' Masterclass Series 2025 - Carbon Pricing and Markets: EU Insights and Implications for Malaysia	Climate Governance Malaysia ("**CGM**")	24 February 2025
	Future of Credit by Deloitte	Affin Banking Group	5 March 2025
	Board Leadership in Industry Disruption: Steering Companies Through Market Shifts	ICDM	12 March 2025
	Protecting Your Organization from Financial Crimes: Is your Board Aligned with Anti-Money Laundering Act (AMLA)?	ICDM	21 March 2025
	ASEAN Investment Conference 2025 – Connecting Capital, Unlocking Opportunities and Driving Sustainability	SC	8 & 9 April 2025
	Reducing Collateral Damage from US Deglobalization Tantrums	Penang Institute	16 April 2025
	2025 Payments Banking Forum – ASEAN	JP Morgan	7 & 8 May 2025
	CGM Conversations Series 2025: Nature, Risk, and Responsibility: A TNFD Deep Dive for Decision-Makers	CGM	9 May 2025
	AI Leadership Conference 2025 - Navigating Complexity & Building Trust in an AI-driven world	PricewaterhouseCoopers ("**PwC**")	13 May 2025
	Climate Change and the Impact to Our Net Zero Journey	Sunway Group	14 May 2025
	ASEAN Business Forum 2025: From Vision to Reality – ASEAN Partnerships Fuelling Sustainable Growth	CGS International Securities Pte Ltd & CGS International Securities Malaysia Sdn. Bhd.	27 May 2025
	Global Trade Pulse: US Tariffs and What's Ahead for China, ASEAN and Malaysia	Professor Yeah Kim Leng	30 July 2025
	Growing Sustainably: ESG in Action at a Vertical Farm	Sunway Group	6 August 2025
	Independent Directors & Tax Exposure - Clearing The Air	RDS Advocates & Solicitors	31 October 2025
	The New SORMIC Guide 2025: What It Is All About & Its Implications to Listed Issuers, Directors, Management & Auditors	Minority Shareholders Watch Group ("**MSWG**")	3 November 2025
Datuk Kwan Foh Kwai	Malaysia Economic Forum	Government of Malaysia	9 January 2025
	Amendments to Listing Requirements 2024 & Conflict of Interest	ICDM	20 March 2025
	AI Leadership Conference 2025 - Navigating Complexity & Building Trust in an AI-driven world	PwC	13 May 2025
	Transfer Pricing & Tax Corporate Governance	IRB	27 May 2025
	Firm Foundations of Growth - Productivity and Technology in East Asia and Pacific	The World Bank's East Asia and Pacific Chief Economist Office	26 June 2025
	Global Trade Pulse: US Tariffs and What's Ahead for China, ASEAN and Malaysia	Professor Yeah Kim Leng	30 July 2025
	Scope 3 Carbon Accounting & Decarbonization Training	FPLC	7 August 2025
	Specialist Talk: Artificial Intelligence (AI)	Sunway Group	11 November 2025

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Name of Directors	Title of Seminar/Workshop Attended	Name of Organiser	Date of Attendance
Norchahya Binti Ahmad	Enhanced Conflict of Interest	Malaysian Institute of Corporate Governance	12 March 2025
	The Evolving Face of Corporate Activism	Nasdaq Center for Board Excellence	26 March 2025
	Climate Change and the Impact to Our Net Zero Journey	Sunway Group	14 May 2025
	Dialogue with Professor Jeffrey Sachs - "ASEAN Amidst the Shifting Global Order"	Sunway University	23 May 2025
	Transfer Pricing & Tax Corporate Governance	IRB	27 May 2025
	Future of the Boardroom Forum	Nasdaq Governance Solutions	13 June 2025
	Board & Chief Audit Executive (CAE) Roundtable 2025	The Institute of Internal Auditors Malaysia	25 June 2025
	Green Technologies - Decarbonizing Development in East Asia and Pacific	The World Bank's East Asia and Pacific Chief Economist Officer	1 July 2025
	Global Trade Pulse: US Tariffs and What's Ahead for China, ASEAN and Malaysia	Professor Yeah Kim Leng	30 July 2025
	Scope 3 Carbon Accounting & Decarbonization Training	FPLC	5 August 2025
	Growing Sustainably: ESG in Action at a Vertical Farm	Sunway Group	6 August 2025
	Asian Confederation of Institutes of Internal Auditors ("**ACIIA**") Conference 2025	ACIIA & The Institute of Internal Auditors	9 & 10 September 2025
	Sunway Leaders Conference 2025/2026	Sunway Group	22 & 23 September 2025
	Sustainable Strategies: Empowering Boards for Corporate Impact	Nasdaq Center for Board Excellence	8 October 2025
	AI at the Helm: How Directors Can Govern the Future	ICDM	30 October 2025
	The New SORMIC Guide 2025: What It Is All About & Its Implications to Listed Issuers, Directors, Management & Auditors	MSWG	3 November 2025
	The Foresight Boardroom: Decoding 2025 & Designing 2026	ICDM	12 December 2025
Dato' Tan Kia Loke *(Alternate Director)*	Climate Change and the Impact to Our Net Zero Journey	Sunway Group	14 May 2025
	Global Trade Pulse: US Tariffs and What's Ahead for China, ASEAN and Malaysia	Professor Yeah Kim Leng	30 July 2025
	Sunway Leaders Conference 2025/2026	Sunway Group	22 & 23 September 2025
Lim Vin Tze *(Alternate Director) (Appointed on 1 September 2025)*	Mandatory Accreditation Programme Part I	ICDM	27 & 28 October 2025
Tan Sri Dato' (Dr.) Chew Chee Kin *(Resigned with effect from 31 December 2025)*	Climate Change and the Impact to Our Net Zero Journey	Sunway Group	14 May 2025
	Global Trade Pulse: US Tariffs and What's Ahead for China, ASEAN and Malaysia	Professor Yeah Kim Leng	30 July 2025
	Sunway Leaders Conference 2025/2026	Sunway Group	22 & 23 September 2025
	Khazanah Megatrends Forum 2025	Khazanah Nasional Berhad	6 & 7 October 2025

Corporate Governance Overview Statement

Name of Directors	Title of Seminar/Workshop Attended	Name of Organiser	Date of Attendance
Wong Kwan Song ***(Alternate Director) (Ceased to act as Alternate Director to Mr Liew Kok Wing on 1 September 2025)***	47th International Federation of Asian & Western Pacific Contractors Association Convention (IFAWPCA)	Singapore Contractors Association Ltd. (SCAL)	9-11 April 2025
	Climate Change and the Impact to Our Net Zero Journey	Sunway Group	14 May 2025
	Global Trade Pulse: US Tariffs and What's Ahead for China, ASEAN and Malaysia	Professor Yeah Kim Leng	30 July 2025
	Building Trends Redefined: The Next Level	The Edge and YTL Cement	13 August 2025
Dato' Siow Kim Lun ***(Retired on 30 May 2025)***	2025 Budget Updates	Ernst & Young and RHB Bank	6 February 2025
	Securities Industry Development Corporation ("**SIDC**") - Malaysian Association Certified Fraud Examiners (MACFE) Fraud Conference 2025	SIDC	18 February 2025
	How Global Events Will Affect the Outlook for the Financial Industry in 2025 by Tan Sri Andrew Sheng	Financial Institutions Directors' Education (FIDE) Forum	19 February 2025
	The Structured Products Market: Insights & Opportunities from Malaysia and Hong Kong	Malaysian Investment Banking Association (MIBA)	21 May 2025
	Dialogue with Professor Jeffrey Sachs - "ASEAN Amidst the Shifting Global Order"	Sunway University	23 May 2025

The newly appointed Director, Datuk Mohd Anuar Bin Taib had completed both Part I and Part II of the Mandatory Accreditation Programme.

DIRECTORS' REMUNERATION

The Group recognises that to attract and retain Directors, it must offer competitive remuneration packages that commensurate with the Directors' experience, skills and responsibilities as well as industry norms and standards. In view of this, the remuneration package for GMD and Directors' fees for Non-Executive Directors were determined by benchmarking against remuneration packages of relevant positions within the similar industry and/or benchmarking against companies with a similar business size. Remuneration is structured based on linking rewards to corporate and individual performance. The remuneration package of the GMD is subject to evaluation and determination of the NRC.

The remuneration of Non-Executive Directors is reviewed by the Board as a whole and comprises fixed annual Directors' fees, Board Committees' fees and meeting allowances for each Board or Board Committee meetings attended. The fees and allowance payable to Non-Executive Directors are subject to the shareholders' approval at the AGM based on the recommendation of the Board.

The Board Chairman is entitled to Director's fee of RM180,000 per year while the rest of the Non-Executive Directors are entitled to Directors' fees of RM100,000 per individual per year. The meeting allowance is set at RM1,000 per individual per meeting.

In addition to the Directors' fees, the Board Committees are entitled to the Board Committees' fees in respect of their roles and responsibilities as defined in their respective TORs. The Board Committees' fees are subject to the shareholders' approval at the AGM. The fees will be reviewed as and when the need arises. The Board Committees' fees are payable annually together with the payment of the Directors' fees.

	Fees (Per Annum)				
	AC	RMC	NRC	SC	EC
Chairman/Chairperson	RM10,000	RM10,000	RM10,000	RM10,000	RM10,000
Members	RM5,000	RM5,000	RM5,000	RM5,000	RM5,000

The details of the Directors' remuneration for FY2025 are disclosed in the CG Report, which is available on the Company's website https://www.sunwayconstruction.com.my/investor-relations/corporate-governance.

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ACCESS TO MANAGEMENT & INDEPENDENT PROFESSIONAL ADVICE

All Directors have direct access to the advice and services of Company Secretaries. The Company Secretaries attend all the Board meetings and are accountable directly to the Board, through the Chairman of the Board, on all matters pertaining to the proper functioning of the Board, including compliance with the Company's Constitution, Companies Act 2016 ("**CA 2016**"), Listing Requirements of Bursa Securities, the Securities Commission Malaysia's Guidelines, etc. The Company Secretaries are associate members of the Malaysian Institute of Chartered Secretaries and Administrators and are registered with the Companies Commission of Malaysia (CCM) under Section 241 of the CA 2016. They hold practicing certificates issued by the Registrar of Companies.

The appointment and the removal of the Company Secretaries are subject to approval of the Board. All Directors, whether as a full Board or in their individual capacity, have the authority to obtain independent professional advice, when necessary, at the Company's expense.

All Independent Directors have access to the GMD and key Senior Management should there be any explanation or clarification needed on any aspect of the Group's operations or management issue.

CONFLICTS OF INTEREST

Directors must avoid situations in which their own personal or business interests directly or indirectly conflict, or appear to conflict, with the interest of the Company. Where a Director has a COI, in respect to any matter, he or she shall be required to immediately disclose his or her interest at a meeting of the Directors or send a written notice to the Company containing details of his or her interest and the conflict and recuse himself or herself from participating in any discussion and decision-making on the matter. Such declaration of interest will be recorded in the minutes of meeting.

The Board had approved the Annual Self-Declaration Form for COI ("**COI Declaration Form**") to enhance the transparency and effectiveness of the COI disclosure process for the Directors. The COI Declaration Forms were received from the Directors, and a summary of the completed disclosures was tabled to the AC and subsequently to the Board for review on 20 February 2025 and 28 March 2025. Based on these disclosures, the Board noted that, during the review period, none of the Directors had any personal or potential COI with the Group. There was no COI declared by Key Senior Management.

In respect to mandated recurrent related party transactions ("**RRPT Mandate**"), the Board was satisfied that all transactions were independently scrutinised and reviewed by the AC to ensure that they had complied with the Listing Requirements of Bursa Securities and the terms of the shareholders' mandate. The Company had obtained a renewal of its RRPT Mandate from the shareholders on 30 May 2025.

The Independent Directors regularly engage in discussion with Senior Management, IAD, Risk Management Team, External Auditors and other relevant parties to ensure that the concerns and issues raised regarding the business operations of the Group are properly addressed on a proactive basis.

Notices on the closed periods for dealings in the shares of the Company are circulated to all Directors and principal officers of the Company for them to make the necessary disclosure to the Company in advance of whenever the closed period is applicable.

SUSTAINABILITY PRACTICES

The Group believes that doing business in a sustainable manner goes together with corporate responsibility and both are integral in generating and sustaining short-term and long-term value for its stakeholders. As such, the Board is committed to promoting business sustainability strategies via continuous balanced assessment and development of its operations, whilst simultaneously conserving and improving the environment, and uplifting the socioeconomic conditions of its employees and local communities.

Details of the sustainability programmes and initiatives are set out in the Sustainability Statement on pages 62-118 of this IAR2025.

CODE OF CONDUCT AND BUSINESS ETHICS (CCBE), ASSOCIATES CODE OF CONDUCT & WHISTLEBLOWING POLICY

The Board promotes good business conduct and healthy corporate governance culture that emulates integrity, transparency and fairness in line with the Company's CCBE. The CCBE sets out the principles and standards of business ethics and conduct of the Group and is to be observed by all employees, officers and Directors of the Group. The CCBE was reviewed and updated in August 2025.

The Company had adopted an Associates Code of Conduct to further strengthen the Group's ABMS on 21 August 2025. The Associates Code of Conduct was introduced to align with the existing Company's CCBE and to ensure that business associates, partners, agents, vendors, suppliers, contractors, consultants and other third-party service providers or people performing services for and on behalf of the Group adhered to the Company's established practices.

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The Company also has in place a Whistleblowing Policy. The objective of this policy is to provide a mechanism for all levels of employees and stakeholders of the Group to report concerns about any suspected wrongdoing, inappropriate behaviour or misconduct relating to fraud, corrupt practices and/or abuse at the earliest opportunity for expeditious investigation.

Reporting individuals are protected against reprisals and/or retaliation from his or her immediate supervisor or head of department or division because of the report. The said policy also provides the assurance that no disciplinary action shall be taken against the reporting individual as long as he or she does not provide false information in the report purposely, knowingly and recklessly.

During the year under review, the Company updated its Whistleblowing Policy to further strengthen governance, address gaps in the existing framework, and support ISO 37001 ABMS certification.

In 2025, the Company also enhanced its whistleblowing platform by establishing a dedicated hotline and email address, with the objective of reinforcing confidentiality, independence, and accountability. Employee or member of the public who has knowledge or is aware of any improper conduct within the Group is encouraged to disclose through the following reporting channels.

Whistleblowing Hotline:

Telephone: **(603) 5639 8033**

Email: **whistleblowing.SCG@sunway.com.my**

The Group has a zero tolerance against all forms of bribery and corruption practices. It has formulated an ABC Policy as well as an AML/CFT/CPF Policy. The ABC Policy provides procedures and guidance to all employees and business associates of the Group in complying with the policy. As for the AML/CFT/CPF Policy, all employees of the Group are required to implement measures to prevent money laundering within its businesses.

Mr Steven Shee has been appointed as the compliance officer for both AML/CFT/CPF Policy and ABC Policy.

Further details of the CCBE, Associates Code of Conduct, Whistleblowing Policy, ABC Policy and the AML/CFT/CPF Policy are set out in the CG Report. The CCBE, Associates Code of Conduct, Whistleblowing Policy, ABC Policy and AML/CFT/CPF Policy as well as the CG Report are available on the Company's website at https://www.sunwayconstruction.com.my/investor-relations/corporate-governance.

PRINCIPLE (II): EFFECTIVE AUDIT AND RISK MANAGEMENT

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board remains committed towards maintaining a sound risk management and internal control systems and policies to safeguard the shareholders' interest. The Group maintains an adequate and effective system of risk management and internal controls addressing material financial, operational, regulatory, compliance and information technology risks to safeguard the stakeholders' interests.

The Board, supported by the AC and the RMC, recognises that the risk management and internal control systems can provide only reasonable assurance that the Group will not be significantly affected by any event that can be reasonably foreseen or anticipated.

There are no systems of risk management and internal controls that can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision-making, human error, losses, fraud or other irregularities.

The Board through the AC and RMC, has overall responsibility for the governance of risk and oversees the Management in the design, implementation and monitoring of the risk management and internal controls systems. The RMC oversees the adequacy and effectiveness of the risk management framework, systems and policies of the Group. The AC is tasked with the responsibility of evaluating the reliability, adequacy and effectiveness of the Group's risk management and internal control systems, including whether there is prompt and accurate recording of transactions and proper safeguarding of assets. The IAD which is in charge of the internal audit function, assists the AC in reviewing, evaluating and monitoring the effectiveness of the Group's governance, risk management and internal control processes.

The RMC is assisted by the Risk Working Committee ("**RWC**") at the operational level. The RWC identifies, mitigates and monitors the critical risks highlighted by each Business Divisions. The Board through the RWC, has received assurances from the GMD and the CFO that the risk management framework and internal controls system of the Group are operating adequately and effectively.

Regular assessments on the adequacy and integrity of the internal controls and monitoring of compliance with policies and procedures are also carried out through internal audit

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exercises. The risk-based internal audit plan that includes internal audit coverage and scope of work was presented to the AC for its consideration and approval annually. Internal audit reports encompassing the audit findings together with recommendations thereon are presented to the AC on a quarterly basis. The internal auditors and Management are tasked to ensure management action plans are carried out effectively and regular follow-up audits are performed to monitor the continued compliance.

Having reviewed the adequacy and effectiveness of the Group's risk management and internal control system for the year under review, the Board is of the view that the risk management and internal control system is satisfactory and there was no material losses incurred during the year under review because of internal control weakness or adverse compliance events.

Details of the Risk Management Framework and internal controls system of the Group are set out in the Statement on Risk Management and Internal Control section on pages 202-212 of this IAR2025.

RISK MANAGEMENT COMMITTEE

The RMC, which comprised exclusively Non-Executive Directors with majority of them being Independent Directors, has oversight on the Group's overall risk management framework and all its related policies. The RMC is currently headed by Ms Tan Ler Chin with five (5) members namely Dato' Ir Goh Chye Koon, Dr Sarinder Kumari A/P Oam Parkash, Mr Evan Cheah Yean Shin, Datuk Kwan Foh Kwai and Puan Norchahya Binti Ahmad.

The Group's overall risk management processes are the responsibility of the Board undertaken through the RMC. The RMC supports the Board and Management in setting the tone from the top so as to embed and maintain appropriate risk culture. It guides the development of and recommends for the Board's approval, the risk appetite of various risks identified. It exercises oversight on how this is operationalised into individual risk appetite limits.

The RMC is governed by its TOR, which is available on the Company's website at https://www.sunwayconstruction.com.my/investor-relations/corporate-governance.

The RMC, with the assistance of the CFO, the RWC or any other designated senior officer, who will be leading the risk management function of the Company:

- Evaluates and determines the nature and extent of the risks the Board is ready to endorse in pursuit of the Group's strategic objectives.
- Ensures an appropriate and effective risk management framework is established and maintained.
- Monitors the design and implementation of the risk management framework.
- Oversees management of risk identification, reporting, and mitigation efforts. The risk management review is reported to the RMC on a quarterly basis for review and discussion.
- Reviews and approves the Statement on Risk Management and Internal Control.

During FY2025, five (5) meetings were held to deliberate on the following matters:

(a) Reviewed the risk category and risk appetite of the Group.
(b) Deliberated on the quarterly risk reports highlighting the identified principal risks at operational levels, the corresponding rating for each risk as well as the control and mitigation action plans taken.
(c) Reviewed and endorsed the Statement on Risk Management and Internal Control to be included in the Company's Integrated Annual Report 2024.
(d) Reviewed the RMC's revised TOR.
(e) Reviewed and deliberated on the Compliance Report of Anti-Bribery and Corruption and Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001.

During the year under review, the RMC discussed the findings and the impact of the following potential risks including five (5) new risks introduced in the quarterly risk report:

(i) Bribery and corruption risk.
(ii) Delay in project delivery resulting in legal and reputational risk.
(iii) Cost overruns.
(iv) Lack of return on investment of machineries/ assets and idling machines.
(v) Reliability of subcontractors.
(vi) Legal workers.
(vii) Scarcity of construction projects in the market.
(viii) Collection risk.
(ix) Environmental risk.
(x) Cyber threats risk.
(xi) Employees' Provident Fund ("**EPF**") contribution for foreign workers *(New Risk)*.
(xii) Impact of Sales and Service Tax (SST) on construction industry *(New Risk)*.
(xiii) Removal of RON95 subsidy *(New Risk)*.
(xiv) Talent shortage in the market *(New Risk)*.
(xv) Negative stakeholder perceptions *(New Risk)*.

The risks relating to legal workers and the scarcity of construction projects in the market have remained low risks since June 2023, and as a result, they were officially removed from the risk register in the third quarter.

In addition, the risks relating to lack of return on investment of machineries/assets and idling machines, EPF contribution for foreign workers and removal of RON95 subsidy were officially removed from the risk register in the fourth quarter due to their low risk levels.

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AUDIT COMMITTEE REPORT

The Board of SunCon is pleased to present the Audit Committee ("**AC**") Report which provides insights into the way the AC discharged its oversight functions during the financial year ended 2025 ("**FY2025**").

TERMS OF REFERENCE ("TOR")

AC ⟵ Internal Audit Department ("IAD")

Chairman

Independent Director, who is not the Chairman of the Board

Composition

- At least 3 members
- Must be Non-Executive Directors, with majority being Independent Directors
- Membership qualification
- Financially literate
- No alternate Director

Key Functions

- Financial Reporting
- External Audit
- Internal Audit Function
- Internal Control Systems
- Related Party Transactions ("**RPT**") & Conflict of Interest ("**COI**") and/or Potential COI Situations
- Review of Sustainability Report

Performance Review

- Annual Evaluation by the Board
- Self and Peer Evaluation by the AC

TERMS OF REFERENCE

The TOR establishes the authority, duties and responsibilities of the AC.

The TOR is available on the Company's website at https://www.sunwayconstruction.com.my/investor-relations/corporate governance/.

The AC assists the Board in ensuring effective governance over the Company and its subsidiaries' ("**Group**") financial reporting, including the adequacy of related disclosures, the performance of both the internal audit function and the external auditors, and the oversight over the Group's systems of internal controls, RPT as well as any COI and/or potential COI situations, including interest in any competing business and the measures taken to resolve, eliminate, or mitigate such conflicts.

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COMPOSITION

The Members of the AC comprised of the following Directors during FY2025, all of whom are Independent Directors:

Current Members	Status of Directorship
Norchahya Binti Ahmad (Chairperson) *(Redesignated as the AC Chairperson on 30 May 2025)*	Independent Director
Dr Sarinder Kumari A/P Oam Parkash (Member)	Senior Independent Director
Tan Ler Chin (Member)	Independent Director
Datuk Kwan Foh Kwai (Member)	Independent Director

Former Chairman	Status of Directorship
Dato' Siow Kim Lun (Chairman) *(Ceased as the AC Chairman following his retirement from the Board on 30 May 2025)*	Independent Director

The composition of the AC complied with Paragraphs 15.09(1)(a) and (b) of the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), as well as the principles and practices set out in the Malaysian Code on Corporate Governance 2021. All Independent Directors have met the test of independence criteria as prescribed under the Listing Requirements.

Puan Norchahya Binti Ahmad, the Chairperson of the AC ("**AC Chairperson**"), is an Associate Member of The Chartered Institute of Management Accountants (CIMA). Accordingly, the Company has complied with the requirements of Paragraph 15.09(1)(c)(iii) of the Listing Requirements of Bursa Securities.

PERFORMANCE OF AC

The Board, through its Nomination and Remuneration Committee ("**NRC**"), reviewed annually the terms of office of the AC. The NRC also assessed the performance of the AC as well as its members' financial literacy, skills set, experiences and competencies through an annual evaluation process. Additional areas of assessment included time commitment, ability to probe, understand and deal with complex issues confidently, working closely with external and internal auditors as well as monitoring RPT and COI or potential COI situations. The AC members also undertook a Self and Peer Evaluation to assess whether the AC members have the competencies to discharge their duties and responsibilities in accordance with its TOR. These assessments were facilitated by the Company Secretaries.

Based on the outcome of the annual assessment for 2025, the Board was satisfied with the performances and time commitment of the AC members. It was concluded that the AC has effectively discharged its functions, duties and responsibilities in accordance with its TOR.

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MEETINGS AND ATTENDANCE

A total of five (5) AC meetings were held during the financial year under review. The AC meetings for the year under review were pre-scheduled to allow the Directors to plan and incorporate the meeting dates into their respective schedules. The members of the AC and their meetings attendance record are as follows:

Name of AC Members	Membership	Number of Meetings Attended	Percentage of Attendance
Norchahya Binti Ahmad *(Redesignated on 30 May 2025)*	Chairperson	5/5	100%
Dr Sarinder Kumari A/P Oam Parkash	Member	5/5	100%
Tan Ler Chin	Member	5/5	100%
Datuk Kwan Foh Kwai	Member	5/5	100%
Dato' Siow Kim Lun *(Ceased on 30 May 2025)*	Former Chairman	3/3*	100%

Note:
** Reflects the number of meetings held and attended during the period in which the Director held office during FY2025.*

The following parties were invited to attend the AC meetings:

Invitees	Frequency of attendance	Purpose
Group Managing Director ("**GMD**"), Chief Financial Officer ("**CFO**"), Group Deputy Managing Director(s) ("**GDMD**") of main subsidiary, Sunway Construction Sdn. Bhd. ("**SCSB**") and Senior Executive Director of SCSB	All meetings	To provide explanation and to address audit and internal control issues relating to the Group's finance and business operations as well as to report on the Group's financial performance.
Head of IAD and team members	All meetings	To present and respond to questions raised relating to the internal audit reports, annual audit plan, training plans, department budgets, investigation reports and to update the AC on new relevant governance and compliance matters, if any. A private meeting was held with the IAD during the year, without the presence of the Executive Director, Non-Independent Non-Executive Directors, and Management, to facilitate open discussions.
External Auditors, Messrs BDO PLT ("**External Auditors**" or "**BDO**")	3 meetings	To present to the AC and respond to questions raised regarding the audit plan, the audit findings, the independent auditors' report and draft audited financial statements as well as any other matters in respect of the Company considered important for the AC's attention.
Management Team Member(s)	As and when necessary	To brief the AC on specific issues involving their respective areas of responsibilities arising from the internal audit reports or any matters of interest.

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The minutes of each AC meeting were recorded and tabled for confirmation at subsequent AC meetings. All meeting minutes were presented to the Board for noting and discussion. The AC Chairman/Chairperson reported the AC's significant discussions, recommendations and remedial actions (if any) to the Board for its consideration and approval as well as Management's implementation. Significant audit issues and resolutions were highlighted to the Board at its immediate subsequent meeting.

SUMMARY OF ACTIVITIES

During the FY2025, the AC carried out the following activities in the discharge of its functions and duties:

1. FINANCIAL REPORTING

(a) Quarterly Financial Results

At the AC quarterly meetings held on 19 February 2025, 19 May 2025, 20 August 2025 and 19 November 2025, the AC reviewed and discussed with the Management, the quarterly management accounts and quarterly financial results. The AC focused its attention on ensuring that the necessary processes and controls were in place in the preparation of accurate financial reports.

At each of the meetings, the CFO presented the quarterly financial reports and confirmed to the AC, the following matters:

(i) The accounting policies and methods of computation adopted by the Group were consistent with those adopted in the previous audited financial statements except for the adoption of new or amended accounting standards which were effective for FY2025;
(ii) There were no significant and unusual issues other than those reported in the financial statements;
(iii) The Company and the Group continue to operate as going concerns; and
(iv) The relevant accounting standards, regulatory and other legal requirements had been complied with in preparation of the financial statements.

The AC reviewed and scrutinised each quarterly financial results with Management to ensure the appropriateness of the accounting treatment and the accuracy of the reported financial figures. The CFO had highlighted the material transactions, accounting adjustments and provisions made. Explanations to material variances or movements during the relevant quarters were highlighted and explained.

The AC, at all its quarterly meetings, also reviewed the implementation status of the corrective actions arising from the audit recommendations to ensure that any key risks and control lapses were addressed in a timely manner. It also ensured that adequate resources and talents were available in preparing the financial reports.

Having reviewed the quarterly unaudited financial results, the AC was satisfied that the unaudited quarterly financial results had been prepared in accordance with the Listing Requirements of Bursa Securities and the relevant approved accounting standards so as to give a true and fair view of the financial position of the Company and of its financial performance and cashflows for each quarter.

The AC subsequently recommended each unaudited quarterly financial results be presented to the Board for approval and release to Bursa Securities.

(b) Audited Financial Statements

On 28 March 2025, the AC together with the External Auditors and Management reviewed and deliberated on the audited financial statements for the financial year ended 2024 ("**AFS2024**"). The AC was briefed on the audit status, significant audit findings, key audit matter ("**KAM**") raised by the External Auditors and summary of misstatements, as well as the disclosures required in the independent auditors' report of the AFS2024. The total effect of the uncorrected adjustments made against the consolidated financial statements of the Group was deemed immaterial.

At the aforesaid meeting, the Management and External Auditors confirmed to the AC that the AFS2024 was prepared in accordance with the relevant applicable accounting standards and statutory requirements. On the recommendation of the AC, the Board subsequently approved the release of the AFS2024 to Bursa Securities.

Corporate Governance Overview Statement

(c) Accounting Standards and Other Relevant Regulatory Requirements

The AC was briefed on the Amendments to Malaysian Financial Reporting Standards ("**MFRS**") 121 – Lack of Exchangeability and its impact on the Group. The AC noted that the amendments are not applicable to the Group.

On 19 November 2025, the AC was also briefed by the External Auditors on the "National Sustainability Reporting Framework" developed by the Advisory Committee on Sustainability Reporting launched on 24 September 2024.

The External Auditors also briefed the AC on upcoming auditing standards that will be effective for audits of financial statements for periods beginning on or after 15 December 2026, namely:

- ISA 570 (Revised 2024) Going Concern; and
- ISA 240 (Revised) The Auditor's Responsibilities relating to Fraud in an Audit of Financial Statements.

The External Auditors further reported to the AC that BDO had prepared its Transparency Report 31 December 2024 pursuant to the requirement of the Audit Oversight Board and paragraph 33(d)(ii) of International Standard on Quality Management (ISQM) and is available on BDO's website at https://www.bdo.my/en-gb/insights/featured-insights/bdo-plt-transparency-report-31-december-2024.

2. EXTERNAL AUDIT

(a) The AC met with the External Auditors on the following dates:

- The AC on 19 February 2025 reviewed and deliberated with the Management and the External Auditors, the Audit Report by the External Auditors in respect of their audit for financial year ended 31 December 2024 ("**FY2024**").

  The External Auditors had confirmed their professional independence in relation to the audit engagement for FY2024. They also reported on their audit status vis-a-vis the audit plan which outlined the scope of work, audit strategy and approach. The AC was briefed on the audit findings on areas of significant auditors' attention, summary of misstatements, KAM, etc., which were identified during their audit and the justifications provided by Management.

  The External Auditors had subsequently confirmed that they were not aware of any non-compliance of laws and regulations, as well as any material litigations and claims against the Group other than those brought forward from prior financial years.

  The AC and Management had also confirmed that they were not aware of any non-compliance of laws and regulations or any significant fraud related matters.

- The AC, on 28 March 2025, had discussed with the External Auditors the final draft of the AFS2024. It was noted that there was no material deviation between the audited financial results for FY2024 and the unaudited fourth quarter results for the period ended 31 December 2024.

  The External Auditors confirmed that the Company's AFS2024 provided a true and fair view of the financial position of the Company and of its group in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016.

  Based on its annual audit, the External Auditors reported the following KAM and its audit response in its independent auditors' report for FY2024:

  Revenue recognition from construction contracts

  It requires management to exercise significant judgements in estimating the progress towards complete satisfaction of performance obligations and determining whether there is any exposure to liquidated ascertained damages (LAD). The progress towards complete satisfaction of performance obligations is measured using the output method, which is based on the contract work certified to date over the estimated total contract sum.

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- The AC had also reviewed and discussed with the External Auditors and Management, on 19 November 2025, the Audit Planning Memorandum for FY2025 which outlined the External Auditors' engagement and reporting responsibilities, audit approach, materiality and performance materiality, areas of significant auditor attention, engagement team as well as audit reporting, deliverables and, independence. In addition, the External Auditors also provided assurance and, Environment, Social and Governance (ESG) updates to the AC.

(b) The AC had two (2) private sessions with the External Auditors during the financial year to discuss any issues as well as any concerns arising from their audit without the presence of Management and the Non-Independent Non-Executive Directors on 19 February 2025 and 28 March 2025. No major concerns were highlighted, and the External Auditors had also confirmed that they had received full cooperation from the Management and had unrestricted access to all the Company's records. Furthermore, BDO was satisfied with the competencies of the various project finance teams who were able to provide timely information and supporting documents.

(c) The AC had at its meeting held on 28 March 2025 reviewed the audit and non-audit fees for the FY2024. The increase in total audit fees for 2024 as compared to 2023 was approximately 8%.

The AC having considered the nature, scope and amount of non-audit fees, was satisfied that there was no COI which would impair the independence of the External Auditors. The non-audit fees did not comprise more than 50% of the total fees paid to the External Auditors. The AC subsequently recommended the audit and non-audit fees for the Board's approval.

(d) The AC had also undertaken an annual assessment on the performance, suitability and independence of the External Auditors based on the following criteria:

- Audit performance;
- Quality of communication;
- Independence;
- Objectivity;
- Professionalism; and
- Adequacy of resources.

The assessment was carried out by the AC members, the GMD, the CFO and the IAD. The results of the evaluation were tabled at the AC meeting held on 19 February 2025. Based on the assessment, the AC and Management were satisfied with the External Auditors' independence, performance and their audit quality for FY2024.

As part of the independence review process, the External Auditors had also provided its written confirmation on its independence and the measures undertaken to control the quality of its audit work.

As such, the AC had subsequently recommended to the Board that the External Auditors be re-appointed for the next financial year subject to the shareholders' approval at the Company's 2025 Annual General Meeting.

3. INTERNAL AUDIT

(a) The AC had approved the IAD's 2025 Internal Audit Plan ("**IA Plan**") at the AC meeting held on 19 February 2025. The IA Plan was developed using a risk-based audit approach and complied with the best practices of the International Standards for the Professional Practice of Internal Auditing (SPPIA) issued by the Institute of Internal Auditors ("**IIA**"). The audit planning processes included developing an audit universe and assessing the risks based on various parameters.

The AC had reviewed the adequacy and relevance of the scope and resources allocated for the IA Plan. The IA Plan and its proposed audit timetable and the budgeted man-hours were subsequently approved by the AC. The IA Plan was also reviewed on a quarterly basis considering any developments which would have a major impact on the audit coverage.

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The IAD's planned and ad-hoc audit assignments for 2025 were mainly carried out in the following areas:

> Review of processes for tendering and awarding of contracts to subcontractors to ensure internal controls were adequate, effective and complied with the Group's existing policies and procedures. Contracts reviewed during the year included key trade packages such as structural, mechanical and electrical engineering and architectural for all major ongoing projects, particularly the ongoing data centre projects;

> Review of project performances and processes over budgetary control, major materials management, site payments and resources management to ensure internal controls were adequate, effective and complied with existing policy and procedures;

> Review of Information Security Management System ("**ISMS**") implemented by Information Technology ("**IT**") service provider for compliance with ISO/IEC 27001:2022 ISMS standards and the user access controls for projects' document management system;

> Conducted compliance and governance reviews on the following areas:

- Review of the adequacy and effectiveness of internal controls over the data collections and reporting process for SunCon Sustainability Statement.

- Anti-Bribery and Corruption ("**ABC**") framework - assessed compliance to SunCon's ABC policies and procedures by business units and ensuring that these policies continue to be adequate and effective in the conduct of business. A follow-up audit was performed on the management actions taken for issues raised in the previous audit. Audit on compliance to ABC policies have been carried out on a yearly basis since the implementation of the ABC policies and procedures in 2020. The audits were carried out on rotational basis covering all business units during the year and will be carried out at least once in every three (3) years.

- COI - assessed the adequacy of the COI Declarations procedures for reviewing, monitoring and managing conflicts to ensure business integrity, transparency and compliance to SunCon's Code of Conduct and Business Ethics ("**CCBE**"). These audits were carried out on all business units on a yearly basis.

- Recurrent Related Party Transactions ("**RRPT**") - compliance to procedures established by the shareholders' mandate for RRPT ("**RRPT Mandate**").

> Performed ad-hoc reviews and investigations; and

> Follow-up audits on previous audit findings ensuring that corrective actions were properly and timely implemented by Management.

(b) The AC had reviewed the results of audit engagements carried out by IAD at every quarterly meeting and discussed the major findings and audit recommendations. The AC also reviewed the status of implementation of corrective actions taken by Management to ensure appropriate remedial actions were taken on a timely basis to address all areas of risk and internal control issues. In addition, the Head of IAD updated the AC on the progress of the IA Plan and results of ad-hoc assignments including audit investigations.

(c) The IA Function Evaluation Report was tabled to the AC regarding the assessment of the performance of the IAD. The AC assessed the effectiveness of the internal audit function in terms of scope and compliance with relevant regulatory standards as well as their collaboration with the External Auditors. The AC also assessed the adequacy of resources within the IAD, as well as the core skills and competencies of the IAD's staff.

The AC was satisfied with the performance of the IAD in 2024 and believed the internal audit function was appropriate to its size and the nature and scope of its activities.

(d) At the meeting held on 28 March 2025, the Head of IAD confirmed to the AC that all the internal auditors had signed a self-declaration that they were and had been independent, objective and free from any relationships or COI which could impair their objectivity and independence. The internal auditors also declared that they complied with the CCBE and COI Policies of the Company and the IIA's Code of Ethics while carrying out their duties as internal auditors.

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At the said meeting, IAD updated the AC that IAD had reviewed the 2024 Sustainability Statement and IAD was satisfied that the controls are adequate and effective over the data collections processes. There were adequate supporting documents available to substantiate the data reported in the Sustainability Statement.

(e) The AC met with the Head of IAD including its core team members without the presence of the Management, Executive Board Member and Non-Independent Board Members to facilitate discussions on additional matters in relation to audit issues and internal control weaknesses noted during their audit. There were no significant concerns expressed by the IAD in respect to their work and garnering co-operation from the Management.

(f) The AC had also reviewed the IAD budget and training plan as well as IA key performance targets for 2025.

4. REVIEWING RPTs

(a) The AC had at its meetings held on 19 February 2025, 19 May 2025, 20 August 2025 and 19 November 2025 deliberated on any potential Management's RPTs and recurring RPTs.

The review on all RPTs and recurring RPTs was to ensure that the transactions were undertaken in the best interest of SunCon and on normal commercial terms which were fair and reasonable, not detrimental to the interest of the minority shareholders.

With the assistance of the IAD, the AC in its review had satisfied itself that the processes and procedures on RPTs and RRPTs were adequate and appropriately identified in compliance with the Companies Act 2016 and the Listing Requirements. The review also ensured that RPTs were declared, approved and reported appropriately.

(b) The AC reviewed and recommended to the Board for approval the Circular to Shareholders 2024 in respect of the proposed renewal of existing shareholders' RRPT Mandate as well as the statements made by the AC in respect of the RRPT Mandate.

(c) The AC also reviewed and recommended for the Board's approval:

(i) The proposed disposal of construction machinery to Sunway Enterprise (1988) Sdn. Bhd., a related party to the Group.
(ii) The disposal of ordinary shares in ENGIE-Sunway DCS Sdn. Bhd. to Sunway Property & Facility Management Sdn. Bhd., a related party to the Group.

5. REVIEWING COI AND/OR POTENTIAL COI SITUATIONS

The AC, at its meetings held on 19 February 2025, 19 May 2025, 20 August 2025 and 19 November 2025, reviewed with Management any disclosure of COI situations that may arise within the Group.

During the year under review, the GMD reported one COI case, for which corresponding remedial action was undertaken. The COI was assessed immaterial, considering the controls and mitigating procedures in place.

In addition, the AC having reviewed all disclosures made by the directors and Key Senior Management, was satisfied that there were no material COI and/or potential COI, including interest in any competing businesses during the year under review.

6. INTERNAL CONTROL

(a) The AC had reviewed the effectiveness of the system of internal control together with the Internal Auditors on a quarterly basis. It was reasonably assured that the same were operating adequately and effectively. The key operational processes reviewed included:

- Tender and Award;
- Award of contracts to subcontractors, certification and payments;
- Resource Management – major materials, labour, plant & machineries;
- Project budget assessment;
- IT operation controls for IT infrastructure and key applications as well as data security; and
- Risk assessment, project performance and project delivery monitoring for key projects.

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(b) The AC also received assurances from the GMD and the CFO that the Company's risk management and internal control system were operating adequately and effectively, in all material aspects.

7. OTHER MATTERS

(a) The AC was briefed by the Company Secretary at its quarterly meetings on the following developments in regulations and laws:

(i) Amendments to the Listing Requirements consequential to the revised Equity Guidelines in relation to significant change in business direction or policy of a listed corporation via Bursa Malaysia's letter dated 26 February 2025; and
(ii) Amendments to the Listing Requirements in relation to enhanced continuing disclosure requirements and exempted related party transaction via Bursa Malaysia's letter dated 30 October 2025.

(b) On 28 March 2025, the AC reviewed and recommended for the Board's approval, the Corporate Governance Overview Statement, AC Report and, Statement on Risk Management and Internal Control for inclusion in the Company's Integrated Annual Report 2024.

The AC also reviewed and recommended for the Board's approval, the Integrated Annual Report 2024 and the Corporate Governance Report of the Company.

(c) The AC also considered and recommended to the Board the proposed revisions to the Whistleblowing Policy and Procedures of the Company ("**Whistleblowing Policy**") to further strengthen governance, address gaps in the existing Whistleblowing Policy, and support ISO 37001 Anti-Bribery Management System certification.

(d) The AC had reviewed and approved its revised TOR.

(e) The AC was satisfied that there were no breaches of the Listing Requirements of Bursa Securities as reported by the Company Secretary at its quarterly meetings during the financial year.

CONTINUING EDUCATION

During the year, AC members attended various conferences, seminars and training programmes to enhance their knowledge to maintain high level of financial competencies and generally keep themselves abreast of changes and updates.

Details of the training programmes and seminars attended by each AC member during the FY2025 are set out in the Corporate Governance Overview Statement under Directors' Onboarding, Training and Development.

OTHER

The AC and the Head of IAD have also been given the responsibility by the Board to monitor the implementation of the Whistleblowing Policy, whilst duties relating to the day-to-day administration of the policy were performed by the Head of IAD. During the financial year under review, there was one whistleblower case reported through the whistleblowing channel. However, the case was unrelated to the Company.

IA FUNCTION AND SUMMARY OF ACTIVITIES

The IA function is an integral part of the assurance framework, and it is performed in-house and undertaken by IAD. The mission of IAD is to enhance and protect the Group's organisational value by providing independent and objective assurance, advice and insight. IAD helps the Group accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal controls and governance processes. IAD reports functionally to the AC and administratively to the GMD.

The AC reviews and approves the IAD's manpower requirements to ensure the function is adequately resourced with competent and proficient internal auditors.

The IAD is headed by Ms Celia Lee Kat Li who is a Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA). The IAD has five (5) auditors and most of the IAD staff have professional qualifications and are members of the Malaysian Institute of Accountants (MIA). The Head of IAD and the audit executives have confirmed that they are free from any relationships or COI which could impair their objectivity and independence in their audit assignments.

The IAD is a member of the Malaysian Chapter of the IIA and carries out its function based on IIA Standards laid down in the International Professional Practices Framework (IPPF) issued by the IIA. The IAD successfully completed its external Quality Assessment Review in 2022 and continues to meet the IIA Standards in all key aspects. The IAD plans to conduct the assessment once every five (5) years, with the next one scheduled for 2027.

The IAD had performed its activities based on a risk-based annual audit plan approved by the AC. In ensuring that the responsibilities of the IAD are fully discharged, the AC reviews annually the adequacy of the scope of the audit assignments.

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During the year, AC had reviewed and deliberated on internal audit reports together with the audit recommendations made by IAD and the Management responses to those recommendations. The Head of IAD has unrestricted access to the AC and reports directly to the AC Chairperson. In its current structure, the IAD has been able to provide Directors and Senior Management with pertinent information about weaknesses in the system of internal control allowing Management to take prompt remedial actions.

During FY2025 and as at the date of this report, the IAD carried out the following activities:

(a) Prepared and presented the risk-based annual IA Plan encompassing key business segments within the Group for the approval of the AC;

(b) Performed audit engagements which covered reviews of internal control systems, accounting and management information systems, risk management and governance practices;

(c) Issued internal audit reports to the AC and Management highlighting results of the assessments of internal controls identifying key areas of concerns as well as providing recommendations for improvements and follow-up audits;

(d) Acted on suggestions made by the AC or Management on concerns over operations or controls and significant issues pertinent to the Company and of the Group;

(e) Performed investigative audits on allegations of mismanagement or improper acts reported through the whistleblowing procedures or other channels;

(f) Conducted internal investigations on internal processes relating to the Malaysian Anti-Corruption Commission (MACC) investigation and reported the results to AC as well as updated the AC on the internal remedial actions undertaken by Management;

(g) Tabled to the AC for review of the succession planning, training plan and departmental budget for IAD;

(h) Tabled to the AC for review of the IA key performance indicators for 2025;

(i) Reported to the AC on the review of the adequacy, appropriateness and compliance with the procedures established to monitor RRPTs;

(j) Reported to the AC on the review of compliance to the ABC policies and procedures for the three subsidiaries of the Group;

(k) Reviewed the internal controls over the COI Declaration Procedures for the Group to ensure compliance to COI Policy;

(l) Reviewed and recommended the adoption of the revised Whistleblowing Policy; and

(m) Reviewed the allocation and vesting of options to the eligible person(s) of First Tranche of Employees' Share Option Scheme ("**ESOS**") to ensure compliance with the criteria as stipulated in the By-Laws of the ESOS and ESOS Allocation Policy approved by the ESOS Committee.

All members of the IAD actively participated in training programmes conducted by professional certification bodies to stay abreast with the latest developments in the profession, relevant industry and regulations to effectively perform their roles. Each IAD member is required to achieve at least 48 training hours during FY2025.

The costs incurred for the internal audit function in respect of FY2025 including staff payroll costs and overheads amounted to RM1.42 million (The cost incurred in the previous year was RM1.32 million).

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PRINCIPLE (III): INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

COMMUNICATION WITH STAKEHOLDERS

The Board recognises the importance of maintaining accountability to the shareholders of the Company, and promoting consistent, effective and fair communication with shareholders and all stakeholders. Its commitment, both in principle and practice, is to maximise transparency consistent with good corporate governance, except where commercial confidentiality dictates otherwise.

The Board has in place a Corporate Disclosure Policy which details out the Company's approach towards the determination and timely dissemination of material information, as well as the circumstances which warrant such disclosures.

The platform and channels used in the Company's engagement and where information is available for its stakeholders to access include:

(a) Up-to-date information on the Company's website.
(b) A dedicated investor relation team.
(c) Announcements to Bursa Securities.
(d) Annual reports.
(e) General meetings.
(f) Investors, analysts, and media briefings.
(g) Domestic and overseas roadshows and investors conference.
(h) Investor Relations Mobile Application.

The Company maintains a corporate website, https://www.sunwayconstruction.com.my/ to disseminate information and enhance its investor relations. All disclosures, press release, material information and announcements made to Bursa Securities via Bursa LINK are concurrently updated on the website.

There is an Investor Relations section on the Company's website which provides the Company's investor relations efforts as well as relevant information of the Company to ensure the information is easily accessible by the public. Minutes of AGMs and EGMs, annual reports and circular to shareholders are also made available on the website for review.

While the Company endeavours to provide as much information as possible to the shareholders and stakeholders of the Company, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information. The Company has also in place an insider trading policy to safeguard confidentiality of the material and price-sensitive information of the Company.

Apart from the corporate website, the Board has set up an Investor Relations team supporting the GMD and the CFO to facilitate effective communication with shareholders, potential investors, analysts, fund managers and the media.

The Company disseminates Quarterly Reports and Corporate Presentations to all research analysts and investors via email communications as soon as the information is released to Bursa Securities. The Company also provides research analysts and investors continuous updates on the latest order book secured and outstanding order book. During FY2025, the Company had participated in various virtual investor conferences and road shows in Malaysia.

STAKEHOLDER ENGAGEMENT

Beyond the balance sheet, SunCon prioritises strategic and consistent stakeholder engagement.

We believe engagement is imperative for inclusive value creation, ensuring the Group remains market-attuned, competitive, and relevant. As stakeholder aspirations increasingly shape our financial and operational strategies, the Board integrates these voices into the decision-making process. Insights are channelled to the Board through Management reporting and direct interactions, such as our Annual General Meeting (AGM).

Further information on the Group's stakeholder engagement processes, methods and purposes of engagement is provided in the Stakeholder Engagement section of IAR2025.

Our key stakeholders are our shareholders, business partners, employees, suppliers, the communities in which we operate, customers and the government and regulators.

Through the 2025 Client / Consultant Satisfaction Survey (CSS), the Company achieved a 100% satisfaction score across all product and service criteria, upholding its strong year-on-year performance. Driven by a commitment to excellence, SunCon continues to uphold these high standards while proactively seeking ways to further elevate our brand value and market reputation.

In 2024, the Group conducted a comprehensive Employee Engagement Survey to assess employee satisfaction levels across all business units. To foster a culture of transparency, we held a series of roadshows to share key findings directly with our employees. Following these initiatives, a pulse survey was administered six months later to evaluate the efficacy of interventions led by our designated change enablers, ensuring that feedback was translated into measurable organizational progress.

Details of the stakeholder engagement process is set out on pages 47-52 of this IAR2025.

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INVESTOR RELATIONS ("IR")

At SunCon, we place strong emphasis on the timely and transparent communication of our financial performance, business strategies and future prospects. We are committed to providing fair and non-discriminatory access to information, ensuring that investors and research analysts have equal opportunities to evaluate the Group's performance and growth potential.

In recognition of the growing importance of Environmental, Social and Governance ("**ESG**") matters, SunCon has integrated sustainability topics into its investor engagements. Alongside regular business updates, we share insights into our ESG initiatives, strategic commitments and long-term sustainability objectives. These engagements not only strengthen investor confidence but also provide a constructive platform for stakeholders to offer feedback, supporting the Group's strategic direction and continuous improvement.

Our Investor Relations ("**IR**") team remains focused on expanding our investor base and supporting a fair market valuation through consistent and meaningful engagement. Looking ahead, SunCon remains committed to upholding high standards of financial reporting and investor communication, equipping stakeholders with relevant and reliable information to make well-informed investment decisions.

IR ACTIVITIES

In FY2025, SunCon fully resumed in-person investor engagement while continuing to leverage virtual platforms to enhance accessibility. During the year, the Group participated in 40 IR events through a combination of physical and virtual formats, enabling broader engagement with analysts and fund managers.

Through continuous and proactive stakeholder engagement, SunCon remains well-positioned to navigate evolving market conditions, drive sustainable growth and uphold investor trust.

Organiser	Event	Date	Venue
1. **J.P. Morgan**	Catch up call with SunCon	15 January 2025	Webinar
2. **AIA**	Catch up call with SunCon	23 January 2025	Webinar
3. **HLIB**	Conference Call	24 January 2025	Webinar
4. **JPM Asset Management**	Meeting with JPM Asset Management	03 February 2025	Webinar
5. **Nomura**	Lunch meeting with Nomura and clients	04 February 2025	Menara IMC
6. **Maybank**	Meeting with Maybank	05 February 2025	SCG Office
7. **UOB Kay Hian**	Conference Call	10 February 2025	Webinar
8. **Nomura**	Conference call	21 February 2025	Webinar
9. **MIDF**	Conference call	25 February 2025	Webinar
10. **Citi Research**	Conference call	10 March 2025	Webinar
11. **Affin Hwang**	Meeting with Affin Hwang and clients	12 March 2025	Menara Affin
12. **AmInvestment Bank**	Introductory session with AmInvestment Bank	14 March 2025	SCG Office
13. **Phillip Capital**	Meeting with Phillip Capital Asset Management and clients	23 April 2025	SCG Office

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Organiser	Event	Date	Venue
14. CLSA	Site Visit to Sunway Square Project	28 April 2025	Sunway Square Project Site
15. CGS International	Conference call	08 May 2025	Webinar
16. RHB	Lunch Meeting with RHB and clients	21 May 2025	Sunway Pyramid
17. Nomura	Conference call	22 May 2025	Webinar
18. TA Securities	Conference call	23 May 2025	Webinar
19. EPF	Catch up call with EPF	29 May 2025	Webinar
20. Dimension Management	Catch up call with Dimension Management	03 June 2025	Webinar
21. Nomura	Nomura Investment Forum Asia (NIFA) 2025 - Singapore	04 June 2025	The Ritz-Carlton, Singapore
22. RHB	Site Visit to ICPH Plant	06 June 2025	ICPH Plant
23. UOB Kay Hian & HLIB	Site Visit to ICPH Plant	06 June 2025	ICPH Plant
24. Maybank	Maybank IB's Data Centre Corporate Day	11 June 2025	ACE Conference Centre
25. Ishana Capital Hong Kong	Introductory meeting with Ishana Capital Hong Kong	12 June 2025	Webinar
26. Maybank	Invest ASEAN-Malaysia Conference 2025	02 July 2025	Shangri-La Hotel KL
27. MIDF	Catch up call with MIDF and clients	15 July 2025	Webinar
28. J.P. Morgan	Catch up call with J.P. Morgan	15 July 2025	Webinar
29. Affin Hwang	Lunch meeting with Affin Hwang	31 July 2025	Sunway Pyramid
30. CLSA	Conference call	22 August 2025	Webinar
31. Citi Research	Conference call	25 August 2025	Webinar
32. Nomura	Conference call	25 August 2025	Webinar
33. CGS International	Conference call	26 August 2025	Webinar
34. CLSA	CLSA Investors Forum Hong Kong	10 September 2025	Grand Hyatt Hong Kong
35. J.P. Morgan	Malaysia+ Forum	14 October 2025	Mandarin Oriental KL
36. Affin Hwang	1x1 meeting with Affin Hwang's client	21 October 2025	EPF Kwasa Damansara
37. HLIB	Conference call	21 November 2025	Webinar
38. Nomura	Conference call	21 November 2025	Webinar
39. CGS International	Conference call	24 November 2025	Webinar
40. Citi Research	Citi's 2025 ASEAN Summit	03 December 2025	Mandarin Oriental KL

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RESEARCH COVERAGE

Research coverage of SunCon increased from 16 to 17 institutions in 2025. Of these, 66.7% have a Buy recommendation on the stock. The research institutions include:

1. Affin Hwang Investment Bank
2. AmInvestment Bank
3. BIMB Securities
4. CGS International
5. CLSA Securities
6. Hong Leong Investment Bank
7. Kenanga Investment Bank
8. Maybank Investment Bank
9. MBSB Research
10. Nomura Securities
11. Phillip Capital
12. RHB Investment Bank
13. TA Securities
14. UOB Kay Hian
15. J.P. Morgan
16. Citi Research
17. UBS Research

SUNCON SHARE PRICE & VOLUME PERFORMANCE IN 2025



Opening price		1Q Close 31 Mar 25		2Q Close 30 Jun 25		3Q Close 30 Sep 25		4Q Close 31 Dec 25	
SunCon:	4.63	SunCon:	4.38	SunCon:	6.00	SunCon:	6.05	SunCon:	5.66
KLCI:	1,641.32	KLCI:	1,513.65	KLCI:	1,532.96	KLCI:	1,611.88	KLCI:	1,681.78
KLCON:	309.21	KLCON:	265.40	KLCON:	298.93	KLCON:	331.70	KLCON:	299.22

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In the first quarter of 2025, Malaysia's economy remained on a firm footing, with GDP expanding by 4.4%[1] year-on-year ("**y-o-y**"), supported by broad-based domestic growth. The construction sector emerged as the top performer, recording 14.2%[1] y-o-y growth, the highest among all economic sectors. In value terms, construction work done rose by 16.6% to RM42.9 billion[2]. Despite these strong fundamentals, equity market performance diverged sharply. The FTSE Bursa Malaysia KLCI (FBM KLCI) declined by 7.8%, while the Bursa Malaysia Construction Index (KLCON) fell a steeper 14.2% over the quarter. This sell-off was largely triggered by a deterioration in global investor sentiment following the sell-down in global technology and AI-related stocks after DeepSeek made headlines, alongside heightened uncertainty over the United States (US) trade tariffs and geopolitical developments. In contrast, SunCon demonstrated relative resilience. Although its share price ended the quarter 5.4% lower, it outperformed both the FBM KLCI and KLCON Index, underpinned by investors' confidence in Malaysia's strong construction pipeline, particularly data centres and large-scale infrastructure projects.

The second quarter began under the shadow of US "Liberation Day" tariffs, which sent the FBM KLCI to a two-year low of 1,400 points. However, the volatility was short lived as the market regained its footing following the 90-day tariff pause and the commencement of bilateral trade negotiations. Despite this mid-quarter strength, the index experienced a decline toward the end of the quarter as lingering uncertainties regarding the global impact of US tariffs resurfaced. Nevertheless, the broader macroeconomic landscape remained supportive, with Malaysia's GDP growth holding steady at 4.4%[3]. The recovery was particularly evident in the construction sector with the KLCON Index rising 12.6% during the quarter on the back of robust sectoral growth rate of 12.1%[3]. Notably, SunCon surged by about 37% to close the quarter at RM6.00. This rally underscores growing investor confidence in the sector's long-term earnings visibility and execution strength.

In the third quarter, Malaysia's economy expanded by 5.2%[4] y-o-y, marking the strongest quarterly growth of the year. The construction sector remained a key pillar, posting a 11.8%[4] growth and reflecting a work done value of RM45.4 billion[5]. Furthermore, US Federal Reserve's rate cut in September weakened the US dollar and redirected capital flows toward emerging markets with stronger fundamentals, including Malaysia. Local equities capitalized on this abundant liquidity and continued investor preference for high-yield and growth-linked sectors. Consequently, the FBM KLCI advanced 5.1% during the quarter, buoyed by a recovery in risk appetite, driven primarily by the reduction in US tariffs on Malaysian goods, as well as heightened buying interest in data centre- and technology-related counters. Construction equities significantly outperformed the benchmark, with both SunCon and the KLCON Index reaching new year-to-date highs in September at RM6.58 and RM338.17, respectively.

The final stretch of 2025 featured a supportive macroeconomic environment for Malaysia, headlined by the ringgit's near-10%[6] full-year appreciation against the US dollar. This currency strength, underpinned by capital inflows and a robust full-year GDP growth of 5.2%[7], served as a key stabilizer for overall market conditions. While the FBM KLCI maintained an upward trend throughout the quarter, momentum remained uneven. Investor reaction to the October tabling of Budget 2025 was muted, mainly due to the absence of major infrastructure announcements or policy breakthroughs. Market sentiment was further tested in November when volatility intensified. The FBM KLCI slipped to around 1,598 points amid a global data blackout caused by the US government shutdown and sharp sell-offs in overvalued AI-related stocks, which weighed on risk appetite. However, sentiment recovered strongly in December, driven by a US Federal Reserve rate cut and year-end portfolio rebalancing, lifting the FBM KLCI to a year-high of 1,685 points. While the FBM KLCI capped the year with a respectable gain of 2.5%, the broader construction sector remained subdued, with the KLCON Index retreating 3.2%. In sharp contrast, SunCon finished the year at RM5.66, representing a further gain of 22% on top of its exceptional performance in 2024.

SunCon's trajectory through 2025 demonstrated that, with strategic foresight and operational excellence, even the loftiest achievements of the past can serve as stepping stones for the future growth. Looking ahead to 2026, the infrastructure pipeline remains robust and supportive of sustained earnings growth, with key projects poised to drive continued activity, including Penang Light Rail Transit (LRT) Mutiara Line, and Penang International Airport Expansion. Within the Advanced Technology Facilities (ATF) segment, data centre job flows expanded in 2025 on the back of higher contract values. This momentum is supported by a visible pipeline of data centre projects, with multiple major contracts up to RM14 billion[8] expected to be awarded by the first half of 2026. While global trade risks loom, domestic fundamentals are expected to be the primary engine of growth. Against this backdrop, SunCon's strategic positioning and structural resilience provide a compelling platform for the Group to enter 2026 well-equipped to translate its deep order book into sustained shareholder value.

Corporate Governance Overview Statement

FINANCIAL ANNOUNCEMENTS

SunCon continues to engage with its stakeholders through a series of investor relations activities throughout the year. All major announcements such as the release of the quarterly results, new construction orders or new ventures are published on Bursa Securities. The information is then be disseminated in the form of flash notes to all interested parties. We also ensure that these documents are made available promptly on the Group's Investor Relations website.

CONDUCT OF GENERAL MEETINGS

The Board encourages shareholders' participation in general meetings. The AGM of the Company provides a principal forum for shareholders to share their views. It also provides open dialogue opportunity and interaction between the Board and the shareholders. The participation of shareholders, both individuals and institutional at general meetings on clarifications of pertinent and relevant information is encouraged.

SunCon conducted its 11th AGM on 30 May 2025 physically at Sunway Resort Hotel which is located within Sunway City and is easily accessible by public transports such as Bus Rapid Transit (BRT), Light Rail Transit (LRT) and KTM commuter system.

The Notice of the 11th AGM was given to the shareholders more than 28 days before the AGM, well in advance of the 21-day requirements under the Companies Act 2016 and the Listing Requirements of Bursa Securities. The additional time given to the shareholders allowed them to have sufficient time to scrutinise the Integrated Annual Report and Circular to Shareholders and to make the necessary arrangements to participate in the meeting. The Company also distributed together with the Notice of the 11th AGM, an Administrative Notes, which furnished useful information regarding the conduct of the 11th AGM, such as details of the meeting, shareholders' entitlement to attend the meeting, their right to appoint proxy. Shareholders who cannot attend the meeting are allowed to appoint any person(s) as their proxies to attend, participate, speak and vote in his or her stead at all the general meetings.

Before the commencement of the 11th AGM, the GMD's video presentation provided the shareholders a comprehensive review of the financial performance of the Group for FY2025 as well as the prospects of the Group.

The Chairman provided ample time and opportunities for the Questions and Answers session during the 11th AGM. All the Directors, together with the GMD, CFO, management team and External Auditors, were present to respond to all questions asked by shareholders. Shareholders were also encouraged to send in their questions prior to the 11th AGM via email. All suggestions and comments given by the shareholders were also noted by Management for consideration. In addition, all questions raised during the 11th AGM have also been responded to by the Board members and Management.

All resolutions set out in the Notice of the 11th AGM were voted by poll, and an independent scrutineer at the 11th AGM. This was in line with the Paragraph 8.29A of the Listing Requirements of Bursa Securities. The Company had appointed Boardroom Share Registrars Sdn. Bhd. as Polling Administrator to conduct the polling process by way of electronic voting, and SKY Corporate Services Sdn. Bhd. as the independent external scrutineer to validate the poll results of 11th AGM of the Company.

At the 11th AGM, the appointed Poll Administrator, Boardroom Share Registrars Sdn. Bhd., played a video which explained the e-polling process to the shareholders and proxies, prior to the announcement by the Chairman on the commencement of the voting session.

Shareholders and proxies were allowed to submit their votes through e-voting portal from the beginning of the 11th AGM upon declaration by the Chairman. The polling results were tabulated upon completion of the deliberation of all resolutions tabled at the 11th AGM. Prior to the closure of the voting window, shareholders and proxies were given another 10 minutes to vote.

The minutes of the 11th AGM was made available on the Company's website within 30 days from the date of the general meeting at https://www.sunwayconstruction.com.my/investor-relations/annual-general-meeting for the information of the public.

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1 *Gross Domestic Product First Quarter 2025, Department of Statistics Malaysia (DOSM)*
2 *Construction Statistics, First Quarter 2025, Department of Statistics Malaysia (DOSM)*
3 *Gross Domestic Product Second Quarter 2025, Department of Statistics Malaysia (DOSM)*
4 *Gross Domestic Product Third Quarter 2025, Department of Statistics Malaysia (DOSM)*
5 *Construction Statistics, Third Quarter 2025, Department of Statistics Malaysia (DOSM)*
6 *Ringgit outshines Asian peers after nearly 10pct gain in 2025, New Straits Times (NST)*
7 *Gross Domestic Product Fourth Quarter 2025, Department of Statistics Malaysia (DOSM)*
8 *Up to RM14bil in data centre contracts by mid-2026, New Straits Times (NST)*

https://www.nst.com.my/business/corporate/2025/11/1314140/rm14bil-data-centre-contracts-mid-2026

https://www.nst.com.my/business/economy/2026/01/1348394/ringgit-outshines-asian-peers-after-nearly-10pct-gain-2025

Statement on Risk Management and Internal Control

The Board of Directors **(the Board)** of Sunway Construction Group Berhad **(SunCon or the Group)** affirms its commitment to maintaining a comprehensive and effective system of risk management and internal control. In fulfilling this responsibility, the Board oversees and reviews the adequacy, effectiveness and integrity of the Group's risk management and internal control system on an ongoing basis, with the objective of supporting compliance with applicable laws, regulations and recognised governance practices.

In line with this responsibility, the Board presents this Statement on Risk Management and Internal Control (SORMIC), prepared in accordance with Chapter 15, Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Principle B of the Malaysian Code on Corporate Governance 2021. Consideration also extends to evolving disclosure expectations under IFRS S1 and IFRS S2.

This Statement follows the guidance set out in the Statement on Risk Management and Internal Control 2025: Guidelines for Directors of Listed Companies. It outlines the principal features of the risk management and internal control framework applied across SunCon and its subsidiaries. Through this framework, the Group identifies, assesses and manages business, strategic, financial and operational risks, including material environmental, social and governance risks such as physical and transition climate risks.

THE BOARD'S RESPONSIBILITY

The Board holds overall responsibility for the Group's system of risk management and internal control. This oversight supports the protection of shareholders' investments, preservation of the Group's assets and achievement of financial, business and operational objectives. Effective risk governance also forms an integral part of the Group's approach to sustainable value creation across short, medium and longer time horizons.

To support this objective, the Group operates a structured risk management and internal control framework aligned with the **Three Lines Model**. This framework applies across subsidiaries, operational units, programmes and core processes. Operational management identifies and manages risks within their respective areas of responsibility, while oversight functions monitor the application of risk management practices. Independent assurance is provided through the internal audit function, which evaluates the adequacy and effectiveness of governance, risk management and internal control processes.

Risk management activities form part of the Group's enterprise risk management (ERM) practices. Risks arising from the Group's operations and strategic activities are identified and evaluated based on their likelihood of occurrence and potential impact. Appropriate mitigation actions and monitoring procedures are then established to manage exposures within acceptable parameters.

The Board determines the Group's risk appetite and evaluates risk exposures against these parameters. In carrying out this responsibility, the Board receives support from the Audit Committee (AC) and the Risk Management Committee (RMC), which review risk assessments, management reports and internal audit findings relating to key risk areas and internal control practices. During the financial year, the Board through the AC and RMC conducted an annual review and periodic testing of the Group's risk management and internal control framework and improvements were implemented where appropriate.

The Board recognises that risks arise within a dynamic operating environment where economic conditions, regulatory developments and market factors may influence the likelihood and impact of risk events. The Group's framework therefore focuses on managing and mitigating risks to acceptable levels rather than eliminating risk entirely. Accordingly, the system provides reasonable, though not absolute, assurance against material financial misstatement, inaccuracies in management information, operational losses or fraudulent conduct.

Reviews conducted during the financial year enabled the Board to evaluate the adequacy and effectiveness of the Group's risk management and internal control framework. Based on these reviews and information presented through the AC and RMC, the Board is satisfied that the framework functions as intended and provides an appropriate basis for managing risks across the Group.

Statement on Risk Management and Internal Control

RISK GOVERNANCE STRUCTURE

Audit Committee (AC)

The AC assists the Board in overseeing the integrity of the Group's financial and non-financial reporting as well as the adequacy and effectiveness of the Group's internal control systems. Through its oversight role, the AC provides independent assurance on the strength of the Group's governance and internal control environment.

As part of its responsibilities, the AC reviews findings from internal and external audit engagements, including the scope of audit work and risk based audit plans. These reviews support evaluation of the effectiveness of internal controls and the reliability of management information systems. The AC also reviews Management's responses to audit findings and monitors the implementation of corrective actions to address identified issues within appropriate timeframes.

Regular meetings take place with internal and external auditors. These include private sessions held without the presence of Management, allowing open and objective discussions on audit matters, control issues and areas requiring attention.

The AC also reviews the Group's adherence to applicable laws, regulations, directives and guidelines. This oversight promotes alignment of governance practices with regulatory requirements and recognised standards of corporate governance. Through these responsibilities, the AC supports the Board in maintaining a sound internal control environment and a strong level of accountability across the Group.

Compliance Function Team (CFT)

Oversight of the Group's Anti Bribery Management System (ABMS) sits with the CFT, which monitors its operation and evaluates effectiveness across the organisation. The team carries the authority to oversee the implementation of the Anti Bribery and Corruption Policy while promoting adherence to applicable laws and regulatory expectations. Guidance on ethical conduct and anti bribery practices is also provided to support consistent application across business units and operational locations.

Operating independently from management functions, the CFT maintains a reporting line to the AC and retains direct access to the Board. This reporting structure facilitates transparent communication on the status of the ABMS, significant compliance matters and emerging risks relevant to bribery and corruption. Periodic updates enable the Board and AC to maintain visibility over the effectiveness of the framework while also considering recommendations that enhance governance arrangements and the Group's approach to anti bribery risk management.

Risk Management Committee (RMC)

The RMC supports the Board in the discharge of its risk oversight responsibilities and plays a strategic role in the management of the Group's risk profile. The committee meets on a quarterly basis to review the Group's Risk Register, evaluate key financial and non-financial risks and consider management's assessment of risk exposures.

During these reviews, the RMC evaluates existing mitigation measures and considers whether further improvements are necessary. The committee also challenges key assumptions where appropriate and recommends actions designed to strengthen risk management practices across the Group.

In FY2025, the RMC held four meetings and undertook the following key activities:

Assessment

- Proactively identifies, evaluates and continuously monitors key risks affecting the business.
- Reviews strategies to address these risks to ensure a robust risk management framework.

Enhancement

- Evaluates existing risk management policies and strategies comprehensively.
- Recommends improvements to strengthen these strategies and defines appropriate risk tolerance levels.

Readiness

- Verifies the availability of essential infrastructure, resources and systems to support effective risk management.
- Ensures the Group is equipped to promptly and efficiently identify, assess and respond to risks.

The RMC provides regular updates to the Board through its Chairperson, allowing the Board to remain informed of material risk developments and significant changes in the business environment. Through these updates, the Board receives insights into emerging risk trends, key risk exposures and the effectiveness of mitigation strategies applied across the Group. The RMC also reviews the adequacy of internal controls and monitors the progress of action plans implemented by Management in response to identified risks.

Statement on Risk Management and Internal Control

Principal risks identified during the review process, together with the corresponding mitigation measures, are communicated to Management for implementation and follow up. Through this structured oversight process, the RMC provides assurance to the Board that the Group's risk management and internal control systems function effectively. Where applicable, the Group's material joint ventures and associates are governed under their respective governance frameworks and are therefore excluded from the scope of this Statement; nevertheless, the Board receives periodic updates on key exposures relating to such investments through management reporting and committee oversight.

Risk Working Committee (RWC)

The RWC , led by the Group Senior Executive Director, supports the RMC at the management level through coordination of the Group's risk management activities. The committee facilitates implementation of the Group's risk management agenda and ensures that risk information is reported to the RMC in a timely and comprehensive manner.

A key focus of the RWC involves operational risk management. The committee works with business units in identifying, assessing and managing risks arising from operational activities. This process includes evaluation of mitigation strategies as well as monitoring of action plans established to address identified risks. The RWC also promotes communication of the Board's risk management expectations across the organisation, supporting a consistent approach to risk management practices throughout the Group.

Operating subsidiaries and departments carry responsibility for managing risks within their respective areas of operation. This responsibility includes risk identification, planning of mitigation measures and monitoring of risk exposures. Key risks and corresponding controls are consolidated on a quarterly basis and presented to the RMC, providing a consolidated view of the Group's risk profile and the effectiveness of control measures.

In support of the Group's Environmental, Safety and Health (ESH) standards, the RWC conducts quarterly risk reporting exercises that incorporate compliance with recognised frameworks such as Occupational Health and Safety (OH&S) Management System 45001 and the International Organisation for Standardisation (ISO) 14001. These exercises strengthen alignment between risk management practices and regulatory requirements while supporting responsible and sustainable operational practices across the Group.

Risk Appetite

The Board determines the Group's risk appetite and tolerance levels, taking into consideration the Group's strategic objectives, financial capacity and operating environment. This risk appetite provides direction to Management in strategic, operational and financial decision making while defining the boundaries of acceptable risk exposure across the Group.

Risk appetite considerations form part of the Group's ERM framework and receive regular monitoring through reports submitted to the RMC. Key risks are evaluated against defined risk parameters, allowing the Board to assess whether risk exposures fall within acceptable levels. Where risk exposures approach or exceed the established tolerance levels, Management implements mitigation measures and provides progress updates to the Board through the RMC. Key risk indicators and escalation thresholds are monitored as part of quarterly risk reporting to facilitate early warning and timely management action.

Three Lines Model

The Group's risk governance structure follows the Three Lines Model, which promotes clear accountability and effective oversight of risk management and internal control processes across the organisation.

First Line – Operational Management

Business units and operating subsidiaries – Each unit implements internal controls and mitigation measures designed to address operational exposures while maintaining compliance with Group policies, procedures and applicable regulatory requirements.

Risk and Opportunities Assessments are conducted across the organisation and documented in the Risk and Opportunities Register (ROR) on a quarterly basis. The register captures key risks, potential opportunities and the associated management responses within each operating area. Updates to the ROR are reviewed during Management Review Meetings where senior management evaluates risk developments, monitors mitigation progress and determines appropriate follow up actions.

Statement on Risk Management and Internal Control

Second Line – Risk Management and Oversight

Oversight of the risk management framework is provided by the RWC and the RMC. Both committees support the identification and evaluation of significant risks, assess the effectiveness of mitigation strategies and promote consistent risk management practices across the organisation.

A consolidated Group Risk Register summarising principal risks across business units is prepared for discussion during RMC meetings. This register facilitates oversight of key exposures and supports consistent risk evaluation across the Group.

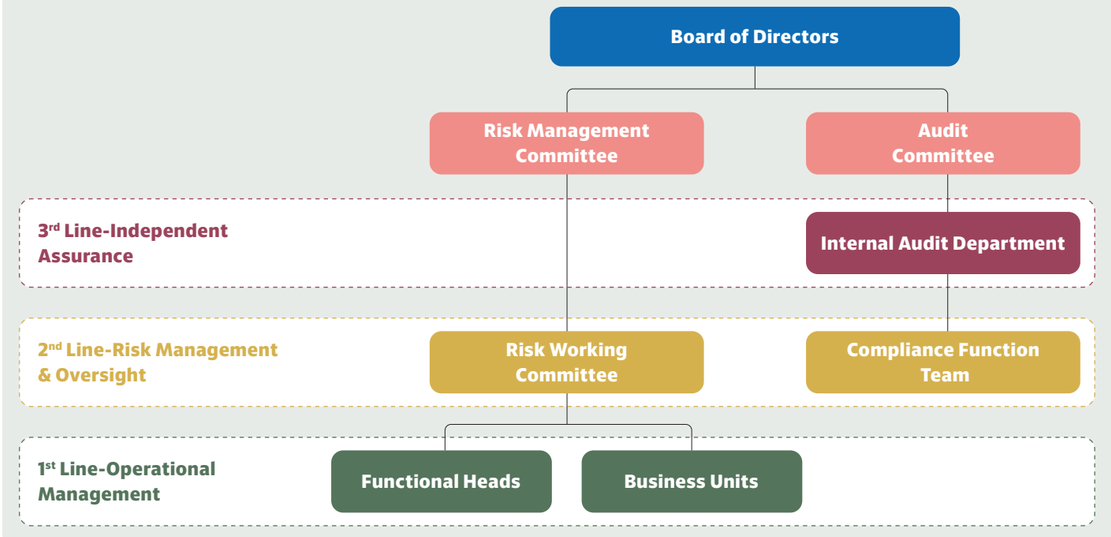
In addition, the CFT operates as an independent function reporting to the AC with direct access to the Board. The team provides updates on the status of the ABMS, highlights significant compliance matters and recommends measures that enhance the Group's anti bribery and corruption framework.

Third Line – Independent Assurance

Independent assurance over governance, risk management and internal control processes is provided by the Group Internal Audit Department (GIAD). The department performs objective reviews that evaluate the adequacy and effectiveness of internal controls while identifying areas where improvements may be required.

The internal audit function currently comprises five personnel. In line with the Internal Audit Charter, the Head of Internal Audit reports functionally to the AC and administratively to the Group Managing Director (GMD) for day to day operational matters. Internal audit findings and recommendations arising from audit engagements are presented directly to the AC for deliberation and appropriate follow up.

The Board is satisfied that the internal audit function operates independently. The internal audit personnel are free from any relationships or conflicts of interest that could impair their objectivity. The GIAD is led by Ms Celia Lee, who is a Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA) and conducts its work in accordance with the Institute of Internal Auditors (IIA) Standards laid down in the International Professional Practices Framework issued by the IIA.



Statement on Risk Management and Internal Control

ESG RISK INTEGRATION

Environmental, Social and Governance (ESG) considerations form part of the Group's risk management framework. This integration allows sustainability-related risks to receive assessment alongside financial, operational and regulatory risks within the ERM process.

Key ESG risks, including climate-related risks, regulatory developments and evolving stakeholder expectations, undergo evaluation as part of risk identification and assessment activities. Management monitors these risks and provides updates to the RMC. This oversight supports implementation of mitigation strategies and promotes integration of sustainability considerations within strategic and operational decision making.

Emerging Risks

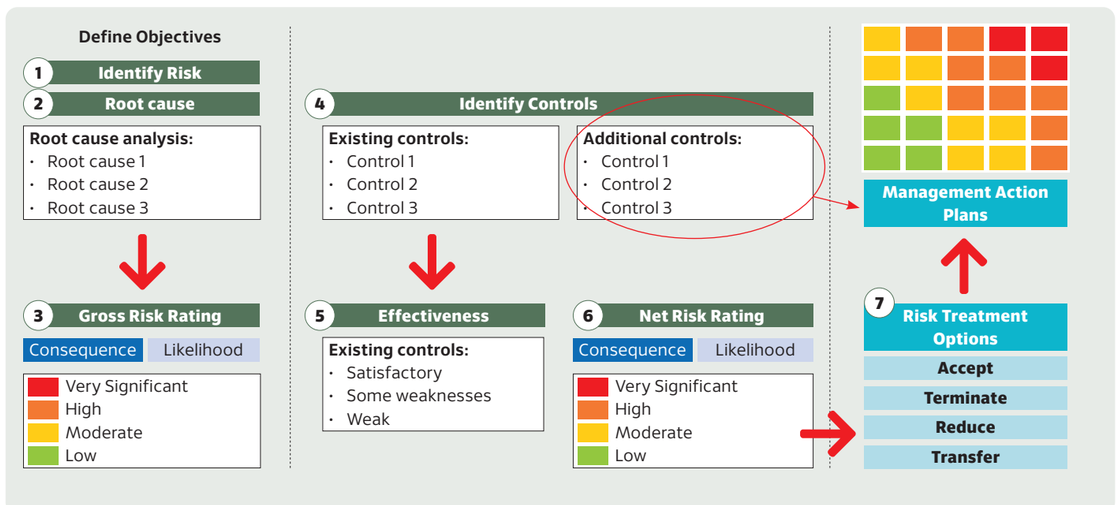
The Group also monitors emerging risks that may influence operational performance and long term sustainability. These risks include technological developments, cybersecurity threats, regulatory changes, climate related risks and shifts in market conditions.

Management conducts regular assessments of these emerging risks and reports material developments to the RMC and the Board. This process supports early identification of potential exposures and enables timely responses to changes in the business environment, strengthening the Group's resilience within an increasingly complex risk landscape.

INTERNAL CONTROL SYSTEM

The Group adopts a structured risk management process aligned with ISO 31000:2018 Risk Management – Principles and Guidelines. This process supports systematic identification, assessment, monitoring and management of risks through a standardised methodology applied across the Group.

Risks identified through this process undergo evaluation based on their likelihood of occurrence and potential impact on the Group's strategic, operational, financial and compliance objectives. Each risk receives assessment using a risk rating matrix, allowing Management to prioritise risk exposures and determine appropriate mitigation strategies. Designated risk owners oversee monitoring and management of risks within their respective areas of responsibility, while the RWC consolidates key risk information and submits quarterly reports to the RMC.



Statement on Risk Management and Internal Control

The Group's risk management framework also embeds ERM practices across its key activities, initiatives and operational processes. This framework incorporates structured internal control measures that support effective risk governance, oversight and reporting. These measures include clearly defined roles and responsibilities, authority limits, organisational structures and formal planning and budgeting processes that guide operational and financial decision making.

Ongoing monitoring forms an integral part of the Group's risk management and internal control system. This monitoring takes place through management reporting, periodic risk reviews and internal audit activities. Key risks and corresponding control measures receive regular review at the management level, with updates submitted to the RMC for evaluation.

Internal audit reviews take place based on a risk based audit plan approved by the AC. These reviews provide independent assurance on the adequacy and effectiveness of internal control processes while identifying areas requiring improvement. Following each review, Management implements corrective actions to address identified control deficiencies. Progress on remediation measures receives monitoring and review through the AC.

Key Elements of the Internal Control System

Policies and Procedures

A key component of the Group's internal control framework involves the establishment of formalised policies, standards and procedures that guide operational practices and support compliance with applicable laws and regulatory requirements. These policies promote consistent and efficient operations across divisions and subsidiaries while facilitating the effective management of business, operational, financial and compliance risks. The documents receive periodic review and updates to reflect operational developments and regulatory expectations and are accessible to employees through the Group's online portal.

Anti-Bribery and Corruption Framework

The Group has adopted an Anti-Bribery and Corruption Policy aligned with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018). The policy addresses improper solicitation, bribery and other corrupt practices that may arise in the course of business. A zero-tolerance stance applies to all forms of bribery and corruption. Its requirements extend to contractors, counterparties and business partners where relevant, promoting consistent standards of conduct across the Group's supply chain. This framework supports the cultivation of a strong ethical culture while reinforcing adherence to applicable anti-corruption laws across jurisdictions where the Group operates.

As part of efforts to formalise and enhance this framework, the Company began implementing and maintaining an Anti-Bribery Management System during FY2025. The system has been certified by SIRIM QAS International in accordance with ISO 37001:2016 and Malaysian Standard (MS) ISO 37001:2016. Certification provides a structured approach to managing bribery-related risks while reinforcing governance practices associated with ethical conduct and business integrity.

During the year, the Malaysian Anti-Corruption Commission initiated an investigation involving a staff member in connection with dealings with certain tenderers. The Board and the GMD treated the matter seriously and provided full cooperation to the authorities. In response, the Company conducted an internal investigation led by the Internal Audit team to assess potential control gaps and determine whether any financial loss had occurred.

The review provided an opportunity to further enhance internal governance practices. Improvements were introduced to the internal control framework, including refinements to standard operating procedures and subcontracting documentation. In addition, the Board engaged Messrs. Ernst & Young to conduct an independent review of the contract awarding among others process. The findings and recommendations from this review were presented to the Board and Management, and appropriate corrective actions are being implemented to further enhance the Group's control environment.

The *Anti-Money Laundering, Countering Financing of Terrorism and Countering Proliferation Financing Policy* establishes a framework designed to manage and prevent the use of the Group's businesses as a conduit for money laundering or terrorism financing activities. Employees are required to comply with the provisions of this policy in the course of their daily responsibilities.

The *Whistleblowing Policy and Procedures* provide channels that allow employees and external stakeholders to report concerns relating to illegal or unethical conduct in a safe and confidential manner. Reports may be submitted through several avenues, including a dedicated telephone line, email or written correspondence addressed to the Head of the Internal Audit Department or the Chairman of the AC.

Statement on Risk Management and Internal Control

The *Conflict of Interest Policy* provides guidance to directors and employees on the identification, disclosure and management of actual, potential or perceived conflicts that may arise during the course of business activities. This policy promotes objective decision making and strengthens transparency and accountability in business conduct.

The Group's *Code of Conduct and Business Ethics (CCBE)* sets out the ethical standards expected of directors and employees. It establishes clear behavioural expectations and supports the development of sound corporate governance practices across the Group's operations in Malaysia and overseas.

The *Staff Handbook* outlines employment terms and conditions, including information on compensation, leave entitlements, health benefits, education assistance and career development pathways. The handbook also incorporates the Group's Personal Data Protection Notice relating to the collection and handling of personal information in accordance with the Malaysian Personal Data Protection Act 2010.

Audits

The Group undergoes internal and external audits throughout the financial year as part of its internal control monitoring activities.

Internal Audits

The GIAD performs audits across divisions and business units based on a risk based audit plan approved annually by the AC. Acting in accordance with its audit charter, GIAD provides independent and objective assurance as well as advisory services aimed at strengthening governance practices and improving operational effectiveness. Following each audit engagement, GIAD submits reports to the AC outlining audit findings, recommended improvements and the status of follow up actions undertaken by Management.

External Audits

The Group's financial statements undergo statutory audit by external auditors. In addition, subsidiaries holding certifications such as ISO and OH&S management system undergo periodic assessments conducted by accredited certification bodies. Outcomes from these assessments are reported to Management for appropriate action and oversight.

Sustainability Audits

Sustainability disclosures receive independent verification and assurance from SIRIM QAS International Sdn. Bhd., providing additional credibility to the Group's sustainability reporting practices.

Strategic Plans and Budgets

The Group undertakes an annual strategic planning and budgeting exercise to establish business objectives, set performance targets and allocate resources in line with strategic priorities. Budget preparation forms an integral part of this process, enabling financial planning to align with the Group's operational and development agenda.

Oversight of this process rests with the Board, which reviews and approves the Annual Business Plan and Budget. This review provides direction on financial and operational priorities while facilitating alignment between strategic objectives and available resources. Performance monitoring continues throughout the financial year with reference to key performance indicators and any material variances from approved plans. Where deviations arise, Management undertakes appropriate mitigation measures to address the underlying causes and maintain performance within expected parameters. Such an approach promotes accountability in financial management while maintaining clear oversight of operational outcomes. Formal approval of the annual budget is obtained from the Board prior to implementation.

In preparation for FY2025, the GMD together with Senior Management presented the Group Business Plan and Budget 2025 (Group BP) to the Board on 16 January 2025. The Group BP outlined the strategic plans for the construction, sustainable energy, precast and geotechnical divisions. The presentation covered targeted order books, corporate and operational strategies, financial projections, borrowing and cash flow positions, capital expenditure plans, manpower requirements as well as sustainability and digitalisation initiatives.

The session also facilitated a broader discussion between the Board and Management on industry developments, emerging opportunities, competitive dynamics and potential challenges facing the Group. Following deliberation, the approved Group BP established the strategic direction and performance targets for FY2025 while also providing guidance for the Group's medium-term growth over the next five years.

Statement on Risk Management and Internal Control

Employee Engagement and Performance

Employee engagement and performance play an important role in supporting the effectiveness of the internal control environment. Clear communication and targeted training programmes help employees understand their responsibilities in relation to internal controls and risk management practices.

Defined roles and responsibilities strengthen accountability across all levels of the organisation. Performance metrics linked to key performance indicators reinforce alignment between individual performance and adherence to internal control expectations. Continuous feedback mechanisms, employee participation in audit activities and the use of technology contribute to ongoing operational improvements. Periodic employee surveys provide insights that assist management in addressing concerns and refining control processes.

Employee Conduct

Employee conduct is guided by a set of policies that reflect the Group's core values of Integrity, Humility and Excellence. Key policies, including the Code of Conduct and Business Ethics (CCBE), are accessible via the Group's human resources portal and undergo periodic review to maintain relevance and effectiveness in addressing operational risks. The CCBE applies to all Directors and employees, including full time, probationary, contract and temporary staff. Each employee carries responsibility to read, understand and adhere to the CCBE and related policies throughout their service with the Group.

To support awareness and consistent application of organisational expectations, the Group utilises various communication platforms to disseminate information on governance standards and policy requirements. Internal memoranda, electronic communications, the intranet, town hall sessions, knowledge sharing initiatives and departmental meetings serve as channels for employees to receive updates on policies, standards and governance practices.

In line with sound corporate governance practices, Management and the Board encourage employees and stakeholders to report any suspected inappropriate behaviour or misconduct, including fraud, corrupt practices or misuse of the Group's resources. Reports may be submitted via established reporting channels designed to facilitate responsible disclosure. Individuals who raise such concerns in good faith are protected from discrimination or retaliation, reinforcing a culture that promotes transparency, accountability and ethical conduct across the organisation.

Continuous Risk Management Approach

Continuous risk assessment forms a central component of the Group's ERM practices. Operating subsidiaries report significant risks to Management on a quarterly basis, allowing early identification of emerging issues and timely response measures. As designated risk owners, these subsidiaries assume responsibility for developing and implementing mitigation strategies appropriate to the risks identified.

The Group adopts four principal response strategies when managing risk exposures. Each strategy supports appropriate treatment of identified risks based on their potential likelihood and impact.

a. Risk Termination
Management may elect to terminate certain risks by discontinuing a business activity or significantly altering the nature of the operation. This approach is considered where exposures could lead to major or catastrophic consequences for the Group's businesses.

b. Risk Reduction
Risk reduction involves implementing targeted measures that lower the likelihood of an event occurring and minimise its potential impact. Such measures may include process improvements, operational controls, monitoring mechanisms and other management actions designed to mitigate identified exposures.

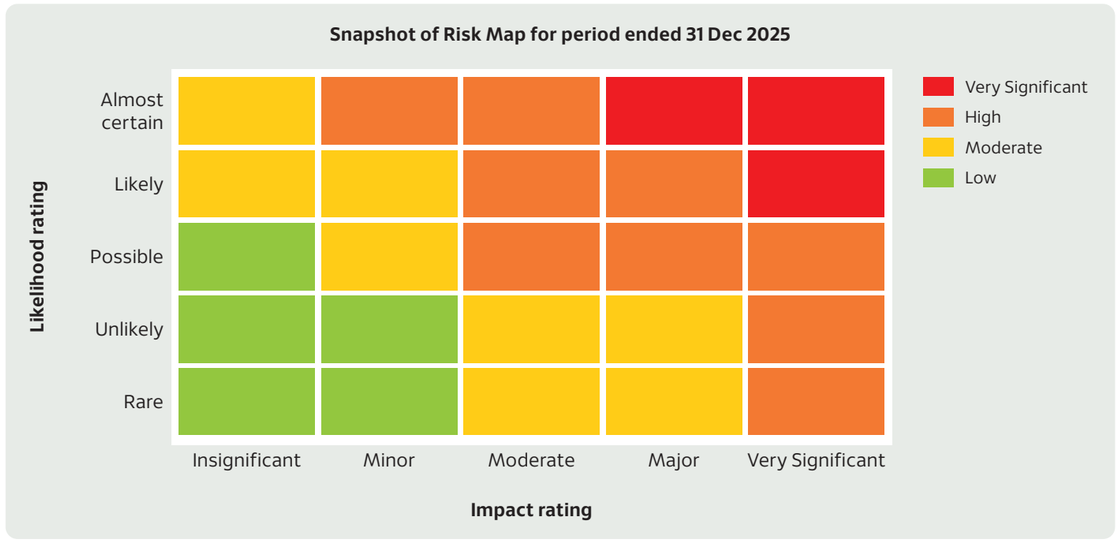
c. Risk Acceptance
Management may determine that certain risks carry a sufficiently low likelihood of occurrence and or limited potential impact. In such circumstances, the risk may be accepted after careful evaluation. Considerations typically include:

- Adequacy of current controls;
- Quality and quantity of information on the controls;
- Likelihood and consequences of the risk occurring; and
- The cost of additional controls.

d. Risk Transfer
In certain situations, management may transfer all or part of a risk to another party. This may take several forms, including:

- Transferring an entire business process to another party via sub-contracting or outsourcing arrangements;
- Sharing operational responsibilities with another party via partnerships or joint venture arrangements; and
- Retaining the activity while transferring legal or financial exposures via insurance arrangements or the use of treasury and financial instruments.

Statement on Risk Management and Internal Control



Risk management practices within the Group emphasise continuous evaluation and refinement of risk mitigation measures. Regular review of risks and corresponding controls strengthens the effectiveness of the ERM programme and supports informed decision making across the organisation.

Key Risk Factors

During FY2025, the Group's ERM process identified a range of risks with varying levels of potential impact and likelihood of occurrence. These risks underwent assessment and prioritisation before submission to the RMC through the RWC. The RWC presented these risk assessments during the RMC's quarterly meetings attended by the GMD and CFO. Discussions during these meetings covered existing controls, mitigation plans and monitoring mechanisms associated with each identified risk.

Further details on these risks appear on pages 57 to 61 under the section titled *"Risks and Mitigation Strategies."* A summary of the key risk factors relevant to FY2025 is provided below.

External Risks

The Group operates within a challenging economic environment shaped by geopolitical tensions, a subdued property market, rising raw material costs, strong competitive pressures and slower domestic and global economic growth. Additional factors such as manpower shortages, reduced government infrastructure spending and limited construction opportunities also influence operating conditions and order book growth. Volatility in commodity prices, particularly steel, copper and cement, has also affected project cost structures and profit margins.

Management responds to these conditions through ongoing assessment of market developments and adjustments to business strategies. Mitigation actions include close monitoring of core business performance, active management of profitability and optimisation of cash flow while maintaining adequate funding facilities. Cost management initiatives also support operational efficiency. Efforts to secure new projects within Malaysia and regional markets, including in house developments and high value data centre projects, strengthen revenue visibility and earnings prospects. To manage volatility in construction material prices, the Group has expanded its network of approved suppliers, negotiated pricing arrangements, applied hedging strategies where feasible and strengthened cost monitoring practices. These measures support the Group's ability to manage external pressures while sustaining financial resilience.

Statement on Risk Management and Internal Control

Regulatory Risks

Changes in laws, regulations and regulatory guidelines across Malaysia and other jurisdictions present regulatory risks that may affect the Group's operations. Non compliance with evolving regulatory requirements could lead to legal exposure, operational disruption or reputational impact. The complexity of regulatory regimes across multiple jurisdictions also increases the risk of non compliance.

To address these challenges, the Group maintains structured monitoring mechanisms supported through internal control procedures designed to promote adherence to regulatory requirements. Close coordination takes place among the GMD, business units and relevant functional departments in order to evaluate regulatory developments and implement necessary adjustments. Internal and external legal advisors provide support to operational teams when required, allowing business activities to proceed within applicable legal boundaries. The Group also maintains engagement with industry associations and regulatory authorities, facilitating awareness of emerging regulatory developments and industry practices.

Financial Risks

Credit and liquidity risks may arise from delays in the recovery of receivables, which could affect profitability, cash flow and funding capacity. Market developments within the construction industry may also lead to longer payment cycles, potentially influencing debtor turnover and financial stability.

Management addresses these exposures through close monitoring of receivable collections and overdue balances. Credit assessments are conducted on prospective customers before acceptance of tender invitations, reducing potential exposure to credit related risks. Cash flow forecasts receive regular review in order to support liquidity planning and maintain financial flexibility. Access to sufficient credit facilities from financial institutions also provides an additional safeguard that strengthens the Group's financial capacity in managing industry fluctuations.

Operational Risks

Operational risks arise from various aspects of the Group's project delivery and construction activities, including project execution, infrastructure reliability, safety management and disaster recovery preparedness. Challenges such as strict project timelines, budget constraints, safety requirements and the retention of key talents may affect operational performance and project outcomes if not properly managed.

Mitigation measures include the engagement of experienced consultants and subcontractors with established track records in delivering construction projects, alongside targeted initiatives to retain, attract and develop key talents. Project planning and execution incorporate Environmental, Social and Governance considerations, integrating sustainability, social responsibility and governance principles into operational practices. Engagement with customers, regulators, legislators, local communities and non governmental organisations also supports transparency and protects the Group's reputation. The RWC monitors operational policies and conducts periodic reviews to align practices with recognised standards. In addition, project management systems, disaster recovery planning, infrastructure maintenance programmes and comprehensive safety protocols support operational resilience and execution quality, complemented by talent retention initiatives, competitive remuneration benchmarking and cross training to strengthen internal capabilities.

Digital Infrastructure Risks

The Group also faces risks associated with digital infrastructure, including cybersecurity threats, data breaches and operational disruptions that could affect information security, business continuity and stakeholder confidence. Rapid technological developments and increased reliance on digital platforms heighten the potential for unauthorised access, data loss or system downtime.

Mitigation measures receive support from Sunway Digital Hub, which oversees digital infrastructure development and cybersecurity practices across the Group. The Hub operates under the leadership of the Group Chief Information Officer and maintains close interaction with the Board on digital strategy and cybersecurity matters. The Hub holds ISO 27001:2022 certification, confirming that the Group's Information Security Management System meets internationally recognised standards for legal, physical and technical controls.

Cybersecurity safeguards include regular disaster recovery assessments, phishing simulation exercises, annual disaster recovery testing and periodic internal and third party audits. Awareness programmes also promote cybersecurity practices among employees, vendors, business partners and contract personnel through the Sunway E Policy framework. These measures strengthen data protection, privacy management and cybersecurity readiness across the Group's digital environment.

Statement on Risk Management and Internal Control

CONCLUSION

The Board reports that, based on reviews carried out through the AC and RMC and supported by the work of the internal and external auditors, the Group's system of risk management and internal control is adequate and effective in safeguarding shareholders' interests and the Group's assets while supporting the achievement of the Group's objectives.

The Board confirms that risk management and internal control processes operated throughout the financial year under review and up to the date of approval of this Statement. No material internal control weaknesses or failures were identified that resulted in material losses or had a significant adverse impact on the Group's financial performance during the year.

The Board has also received assurance from the GMD and CFO that the Group's risk management and internal control system operates adequately and effectively in all material respects.

The Board continues to enhance the Group's risk management and internal control framework so that governance practices evolve in line with the Group's business activities and risk profile, supporting sustainable business growth and long term shareholder value.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control as required under Paragraph 15.23 of the Listing Requirements of Bursa Securities. The limited assurance review was performed in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information, together with Audit and Assurance Practice Guide 3 (AAPG 3), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report.

Based on the procedures performed, the External Auditors reported to the Board that nothing has come to their attention which causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required under Section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies, nor that it contains any factual inaccuracies.

This Statement on Risk Management and Internal Control was approved by the Board of Directors on 31 March 2026.

Additional Compliance Information

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:

1. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

There were no corporate proposals during the financial year. Therefore, there were no proceeds raised from corporate proposals during the financial year.

2. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and/or its subsidiaries involving directors' and major shareholders' interests during the financial year ended 31 December 2025.

3. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

The details of the recurrent related party transactions are disclosed in Note 40 of the Notes to the Financial Statements.

4. AUDIT AND NON-AUDIT FEES

During the financial year ended 31 December 2025, the total audit and non-audit fees paid or payable to the external auditors or a firm affiliated to the external auditors, for services rendered to the Company and the Group are as follows:

Fees paid and/or payable to external auditors or its affiliates	FY2025 Company (RM'000)	FY2025 Group (RM'000)
Statutory audit and related fees	22	873
Non-audit fees	60	60
Total	82	933

5. EMPLOYEES' SHARE OPTION SCHEME

The Company had on 23 December 2024 ("**Effective Date**") implemented an Employees' Share Option Scheme ("**ESOS**") of up to 5% of the Company's total number of issued ordinary shares (excluding treasury shares, if any) at any point of time, for the benefit of the eligible employees (including executive directors) (collectively, the "**Eligible Persons**") of the Group (excluding dormant subsidiaries).

The ESOS is administered by the ESOS Committee and governed by its By-Laws, which was approved by the Company's shareholders at the extraordinary general meeting held on 23 December 2024. The ESOS shall be in force for a duration of six (6) years commencing from the Effective Date. At the Board of Directors' discretion and upon the ESOS Committee's recommendation, the ESOS may be extended for an additional four (4) years, immediately from the expiry of the first six (6) years.

During the financial year, the Company had issued an offer of options with total of up to 59,524,500 options on 20 January 2025 (Date of Offer) to Eligible Persons. At date of issuance, the options for unissued ordinary shares were exercised at RM3.74 per ordinary share in three tranches upon fulfilling the vesting conditions. The first vesting date was on 24 January 2025.

Additional Compliance Information

Information in relation to the ESOS is illustrated in the tables below:

(i) Total number of options granted, vested, exercised and outstanding vested under the ESOS as at 31 December 2025:

Description	Number of Options as at 31 December 2025	
	Grand Total	Directors*
(a) Granted	59,524,500	3,800,000
(b) Forfeited/Rejected	510,660	-
(c) Vested	31,802,760	2,280,000
(d) Exercised	28,453,400	2,280,000
(e) Outstanding Vested	3,043,200	-

(ii) Total number of options granted during the financial year to each category of participants:

Category of Participants	Number of Participants	Number of Options over Ordinary Shares (Exercise price of RM3.74 per share)						
		Granted (As at 20 January 2025)		Vested		Exercise		Outstanding Vested (As at 31 December 2025)
		No.	%	No.	%	No.	%	
Directors*	2	3,800,000	6.38%	2,280,000	7.17%	2,280,000	8.01%	-
Senior Management	4	5,600,000	9.41%	3,360,000	10.57%	2,621,000	9.21%	739,000
Middle Management	175	29,955,000	50.32%	16,504,800	51.90%	15,154,300	53.26%	1,350,500
Executive Employees	407	17,963,500	30.18%	8,714,280	27.40%	7,606,200	26.73%	1,108,080
Non-Executive Employees	137	2,206,000	3.71%	943,680	2.97%	791,900	2.78%	151,780

(iii) Percentage of options applicable to the Executive Director and Senior Management under the ESOS is as follows:

Executive Director and Senior Management	From 20 January 2025 until 31 December 2025 (%)
(a) Aggregate maximum allocation	50.00%
(b) Actual granted	15.79%

The Company did not grant any options over the ordinary shares pursuant to the ESOS to the Non-Executive Directors.

* *"Directors" refer to the Group Managing Director of the Company and his Alternate Director.*

Disclosure of Financial Data for Shariah Screening

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) Group Total Income and Total Assets

Total Income	Group	
	2025 (RM)	2024 (RM)
Revenue	5,338,713,509	3,521,690,132
Other income	15,910,138	40,553,806
Finance income	108,818,642	75,663,917
Share of results of joint ventures	15,341,306	298,011
Total	**5,478,783,595**	**3,638,205,866**
Total Assets	**4,424,021,596**	**3,596,230,204**

(B) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 (RM)	2024 (RM)
Interest income	Conventional	16,056,108	12,289,343
Interest income	Interest-bearing Trade Receivable	47,082,910	50,553,685
Gain from investment in conventional instruments	Fair Value from Unit Trust Funds	25,102,292	4,983,183
Total		**88,241,310**	**67,826,211**

(C) Component of Financial Position

(i) Cash Component

Islamic Account / Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Unit trust funds		1,224,344,275	551,427,313
Cash at bank (exclude cash in hand)	Cash at Bank	35,066	35,066
Total		**1,224,379,341**	**551,462,379**

Conventional Account / Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Cash at bank (exclude cash in hand)	Cash at Bank	71,246,445	218,709,736
Deposits with licensed bank		157,542,660	92,575,231
Unit trust funds		546,889,145	153,016,090
Total		**775,678,250**	**464,301,057**

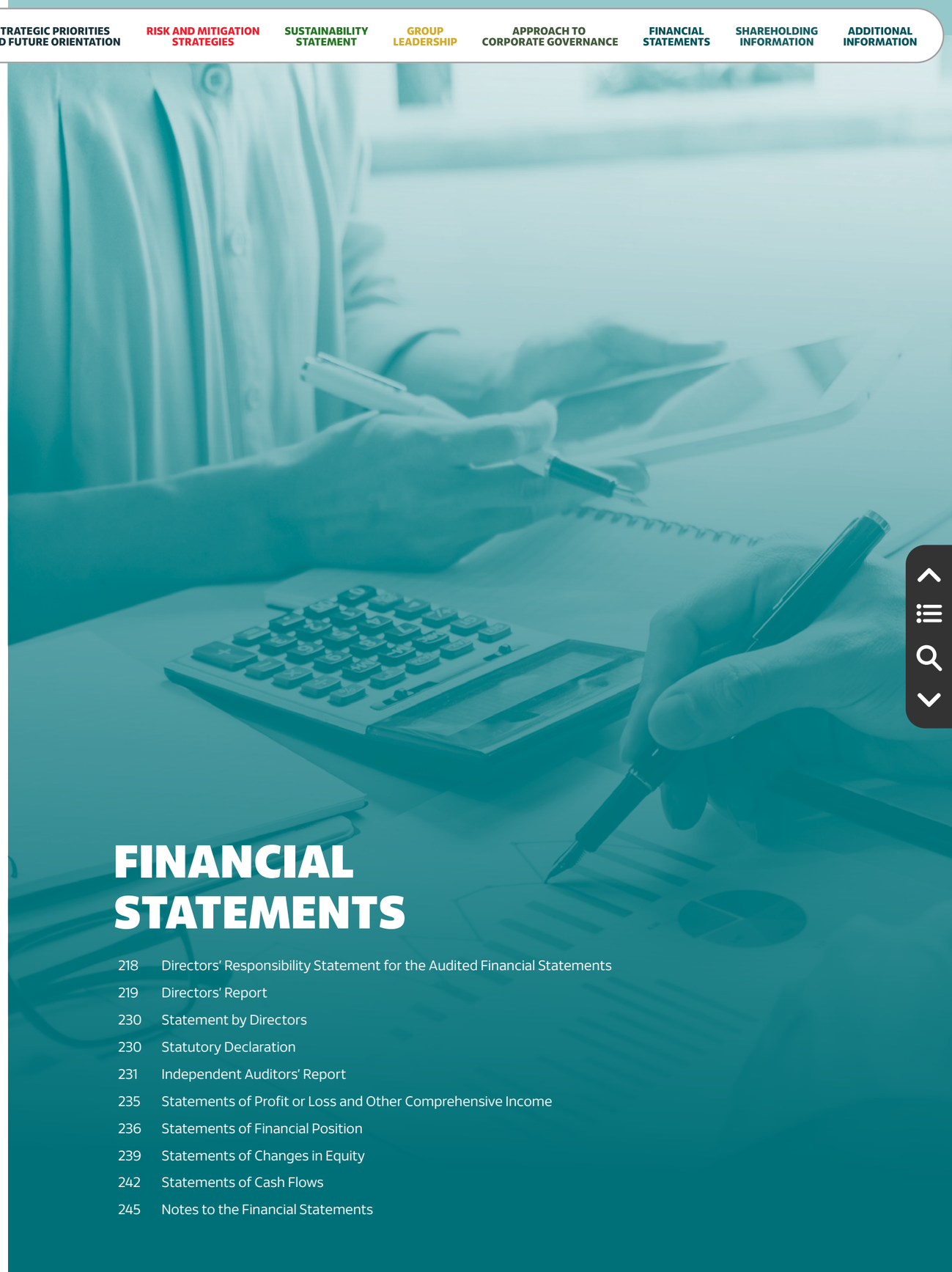
Disclosure of Financial Data for Shariah Screening

(C) Component of Financial Position (Contd.)

(ii) Debt Component

Islamic Financing	Remarks	Group 2025 (RM)	Group 2024 (RM)
Current			
Term financing	Secured	-	108,791,092
Revolving credit and financing	Unsecured	-	81,312,474
Non-Current		N/A	N/A
Total		**-**	**190,103,566**

Conventional Borrowing	Remarks	Group 2025 (RM)	Group 2024 (RM)
Current			
Bill discounting	Unsecured	150,000,000	100,000,005
Term loans	Secured	7,706,437	387,833,352
Revolving credit and loans	Unsecured	-	52,683,200
Non-Current			
Term loans	Secured	142,534,873	-
Total		**300,241,310**	**540,516,557**



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Directors' Responsibility Statement for the Audited Financial Statements

The Directors are required by the Companies Act 2016 ("**Act**") to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of the Act in Malaysia and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year. Where there are new accounting standards or policies that become effective during the year, the impact of these new treatments would be stated in the notes to the financial statements, accordingly.

In preparing the financial statements, the Directors have:

(i) Adopted appropriate accounting policies and applied them consistently;
(ii) Made judgements and estimates that are reasonable and prudent;
(iii) Ensure that all applicable accounting standards have been followed; and
(iv) Prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors are responsible for taking such steps as are reasonably available to them to safeguard the assets of the Group and of the Company and to detect and prevent fraud and other irregularities.

Directors' Report

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are mainly provision of building construction works, civil engineering/infrastructure works, foundation and geotechnical engineering, mechanical, electrical and plumbing services works, manufacturing and sales of precast components, and sustainable energy services and related business and activities and investment activities. The other details of the subsidiaries are set out in Note 17 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	402,072	470,888
Profit attributable to:		
Owners of the parent	361,778	470,888
Non-controlling interests	40,294	-
	402,072	470,888

DIVIDENDS

The dividends paid, declared or proposed by the Company since the end of the previous financial year were as follows:

	RM'000
In respect of financial year ended 31 December 2024:	
Third interim single-tier dividend of 2.50 sen per ordinary share paid on 10 April 2025	32,240
In respect of financial year ended 31 December 2025:	
First interim single-tier dividend of 5.00 sen per ordinary share paid on 25 June 2025	64,900
Second interim single-tier dividend of 7.25 sen per ordinary share paid on 25 September 2025	95,324
Third interim single-tier dividend of 6.25 sen per ordinary share paid on 23 December 2025	82,354
Special Dividend for 2025:	
Single-tier dividend of 23.00 sen per ordinary share payable on 8 January 2026	303,085
	577,903

On 23 February 2026, the Board of Directors had declared a fourth interim single-tier dividend of 9 sen per ordinary share for the financial year ended 31 December 2025. The total dividend payable amounted to RM119,162,908. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

The Board of Directors does not recommend any final dividend for the financial year ended 31 December 2025.

Directors' Report

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the statements of changes in equity.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up ordinary share capital from 1,292,900,010 to 1,321,353,410 by way of issuance of 28,453,400 new ordinary shares pursuant to the exercise of Employees' Share Option Scheme ("**ESOS**") at an exercise price of RM3.74 per ordinary share for cash.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issues of shares during the financial year.

The Company did not issue any debentures during the financial year.

TREASURY SHARES

As at 31 December 2025, the Company held a total of 3,540,900 (2024: 3,540,900) ordinary shares as treasury shares out of its total issued and paid up share capital of 1,321,353,410 ordinary shares. Such treasury shares are recorded at a carrying amount of RM6,989,694 (2024: RM6,989,694). None of the treasury shares repurchased had been sold during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the finanical year apart from the issuance of the options pursuant to the ESOS.

ESOS

The Company's ESOS was approved by the shareholders at the Extraordinary General Meeting held on 23 December 2024 and became effective on the same day. The ESOS is applicable to the eligible employees (including Executive Directors) [collectively referred to as "Eligible Persons"] of the Group (excluding subsidiaries which are dormant).

The ESOS aims to align the long-term interests of the Eligible Persons with the Company's corporate goals by offering them equity participation, motivating and rewarding their contributions, encouraging active involvement in the Group's operations, and enhancing the competitiveness of the remuneration scheme to attract and retain skilled and experience for the Group's continued growth and success. The maximum number of the Company's ordinary shares which may be allotted and issued under the ESOS shall not exceed in aggregate 5% of the total number of issued ordinary shares of the Company (excluding treasury shares, if any) at any point in time during the duration of the ESOS. The ESOS is administered by the ESOS Committee.

The main features of the ESOS are as follows:

(a) The allocation of the Company's ordinary shares available for each offer and aggregate number of ordinary shares that may be allotted to an Eligible Persons under the ESOS shall be determined at the sole and absolute discretion of the ESOS Committee from time to time during the tenure of the ESOS, after taking into consideration, among others the Eligible Person's designation, length of service, work performance and any other criteria/factors which the ESOS Committee deems relevant.

(b) The ESOS shall be in force for a duration of six (6) years from the effective date of implementation. The Company may, if the Board of Directors deems fit and upon the recommendation of the ESOS Committee, extend the ESOS for a further period of four (4) years immediately from the expiry of the first six (6) years. The duration shall not in aggregate exceed a duration of ten (10) years from the effective date of implementation or such longer period as may be allowed by the relevant authorities.

Directors' Report

ESOS (CONTD.)

The main features of the ESOS are as follows: (contd.)

(c) Subject to any adjustments made in accordance with the provisions of the By-Laws and pursuant to the Listing Requirements, the ESOS Exercise Price at which the Eligible Person(s) are entitled to subscribe for new ordinary shares of the Company shall be determined by the Board, upon recommendation of the ESOS Committee and shall be fixed based on the 5-day Volume Weighted Average Market Price (VWAMP) of the Company's ordinary shares as at the ESOS Award Date, with a discount of not more than ten percent (10%) during the tenure of the ESOS.

(d) Any new ordinary shares to be allotted and issued under the ESOS arising from the exercise of the share options shall, upon allotment and issue or transfer and full payment, rank equally in all respects with the existing ordinary shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid prior to the date of allotment and issuance of such new ordinary shares/transfer of existing ordinary shares.

(e) The Eligible Persons shall be entitled to exercise such number of the vested options within the option period and they shall have no right to exercise all or any of the share options that have been granted but not vested to them.

Share options exercisable in a particular year but not exercised shall be carried forward to subsequent years within the option period provided that no share options shall be exercised beyond the date of expiry of the ESOS.

Details of the share options granted, vested and exercised to subscribe for ordinary shares of the Company pursuant to the ESOS as at 31 December 2025 are as follows:

(a) Options granted

Grant No	Grant Date	As at Grant Date	Movement during the financial year			Balance as at 31.12.2025	Exercise Price RM/Share Option	Exercise Period
			Exercised	Forfeited	Rejected			
First	20.1.2025	59,524,500	(28,453,400)	(306,160)	(204,500)	30,560,440	3.74	24.1.2025 - 19.1.2031

(b) Options vested - First grant of options over ordinary shares

Vesting Date	Vested	Exercisable as at 24.1.2025	Movement during the financial year			Exercisable as at 31.12.2025	Exercise Price RM/Share Option	Exercise Period
			Exercised	Forfeited	Rejected			
24.1.2025	31,802,760	31,802,760	(28,453,400)	(306,160)	-	3,043,200	3.74	24.1.2025 - 19.1.2029

On 19 January 2026, the Company made an offer of 1,008,800 share options ("**Second Grant**") to the Eligible Persons of the Group under the ESOS, with an exercise price of RM5.99 per ordinary share. The exercise period for the Second Grant is from 19 February 2026 to 17 January 2031. The Eligible Persons had accepted a total of 1,008,800 share options. The vesting date for 444,920 share options was on 19 February 2026.

Directors' Report

DIRECTORS

The Directors who have held office during the financial year until the date of this report are as follows:

Dato' Ir Goh Chye Koon	
Dr Sarinder Kumari A/P Oam Parkash	
Tan Ler Chin	
Datuk Kwan Foh Kwai	
Norchahya Binti Ahmad	
Evan Cheah Yean Shin	
Liew Kok Wing	
Dato' Tan Kia Loke (Alternate Director to Evan Cheah Yean Shin)	
Lim Vin Tze (Alternate Director to Liew Kok Wing)	(Appointed on 1 September 2025)
Datuk Mohd Anuar Bin Taib	(Appointed on 1 January 2026)
Dato' Siow Kim Lun @ Siow Kim Lin	(Retired on 30 May 2025)
Tan Sri Dato' (Dr.) Chew Chee Kin	(Resigned on 31 December 2025)
Wong Kwan Song (Alternate Director to Liew Kok Wing)	(Ceased on 1 September 2025)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that financial year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than as may arise from the warrants and irredeemable convertible preference shares issued by its intermediate holding company, Sunway Berhad and also the share options granted under the ESOS.

Since the end of the previous financial year, none of the Directors has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the following:

(a) A Director is deemed to derive benefits by virtue of trade transactions entered into with companies in which the Director has substantial financial interests as disclosed in Note 40 to the financial statements; and

(b) Certain Directors who received remuneration from the subsidiaries as Directors of the subsidiaries.

Directors' Report

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of the Directors in office at the end of the financial year in ordinary shares, options over ordinary shares, irredeemable convertible preference shares and non-cumulative redeemable preference shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
	As at 1.1.2025	Acquired	Sold	As at 31.12.2025
The Company				
Direct interests:				
Datuk Kwan Foh Kwai	**100,816**	**-**	**-**	**100,816**
Evan Cheah Yean Shin	**13,435**	**-**	**-**	**13,435**
Liew Kok Wing	**-**	**1,440,000#**	**(1,040,000)**	**400,000**
Lim Vin Tze	**196,200***	**-**	**-**	**196,200**
Tan Sri Dato' (Dr.) Chew Chee Kin @	**-**	**1,041,600**	**(670,000)**	**371,600**
Deemed interests:				
Dato' Ir Goh Chye Koon (1)	**5,000**	**-**	**-**	**5,000**
Datuk Kwan Foh Kwai (2)	**222,785**	**-**	**-**	**222,785**
Evan Cheah Yean Shin (3)	**855,115,118**	**4,000,000**	**(37,700,000)**	**821,415,118**

 # Acquisition of ordinary shares through the exercise of share options under the ESOS.
** As at 1 September 2025 (Date of Appointment).*
@ Resigned with effect from 31 December 2025.

*(1) Deemed interest by virtue of Section 8 of the Companies Act 2016 ("**CA 2016**") held through Affin Hwang Trustee Berhad GCK Family Trust ("**AHTB GCK Family Trust**").*
(2) Deemed interest by virtue of Section 59(11)(c) of the CA 2016 held through spouse and children.
*(3) Deemed interest by virtue of Section 8 of the CA 2016 held through Active Equity Sdn. Bhd. ("**AE**"), Sungei Way Corporation Sendirian Berhad ("**SWC**"), Sunway Berhad, Sunway Holdings Sdn. Bhd., Jef-San Enterprise Sdn. Bhd. ("**Jef-San**") and parent.*

	First grant of options over ordinary shares (Exercise price of RM3.74 per share)			
	Number of options over ordinary shares			
	As at 20.1.2025 (Options granted)	Movements during the financial year: Vested on 24.1.2025	Movements during the financial year: Exercised	Balance as at 31.12.2025 (Vested options)	Balance as at 31.12.2025 (Options granted)
The Company					
Direct interests:					
Liew Kok Wing	**2,400,000**	**1,440,000**	**(1,440,000)**	**-**	**960,000**
Lim Vin Tze	**1,400,000**	**840,000**	**(840,000)**	**-**	**560,000**

Directors' Report

DIRECTORS' INTERESTS (CONTD.)

	Number of ordinary shares				
	As at 1.1.2025	Allotment pursuant to DRS^	Acquired/ Converted+	Sold	As at 31.12.2025
Intermediate holding company Sunway Berhad					
Direct interests:					
Datuk Kwan Foh Kwai	1,030,896	10,000	300,054	-	1,340,950
Evan Cheah Yean Shin	5,304,474	95,200	419,520 +	-	5,819,194
Liew Kok Wing	352,450	-	28,563 +	-	381,013
Dato' Tan Kia Loke	12,985,770	233,100	1,222,966 +	-	14,441,836
Lim Vin Tze	291,637 *	-	24,445 +	-	316,082
Tan Sri Dato' (Dr.) Chew Chee Kin @	9,309,631	80,500	3,972,196 +	(9,390,131)	3,972,196
Deemed interests:					
Dato' Ir Goh Chye Koon (1)	133,921	2,400	12,020 +	-	148,341
Datuk Kwan Foh Kwai (2)	1,146,665	11,100	162,233 +	-	1,319,998
Evan Cheah Yean Shin (3)	3,657,807,848	59,948,200	359,609,264 +	-	4,077,365,312
Tan Sri Dato' (Dr.) Chew Chee Kin @ (2)	232,986	2,200	232,986 +	(235,186)	232,986

^ *Allotment of ordinary shares pursuant to the following dividend reinvestment scheme ("**DRS**"):*
(a) DRS applicable to the second interim dividend for the financial year ended 31 December 2024 on 17 April 2025; and
(b) DRS applicable to the first interim dividend for the financial year ended 31 December 2025 on 7 November 2025.
\+ *Mandatory conversion of the balance of irredeemable convertible preference shares into new ordinary shares of Sunway Berhad.*
* *As at 1 September 2025 (Date of Appointment).*
@ *Resigned with effect from 31 December 2025.*

(1) *Deemed interest by virtue of Section 8 of the CA 2016 held through AHTB GCK Family Trust.*
(2) *Deemed interest by virtue of Section 59(11)(c) of the CA 2016 held through spouse.*
(3) *Deemed interest by virtue of Section 8 of the CA 2016 held through AE, SWC, Jef-San and parent.*

	Number of ordinary shares			
	As at 1.1.2025	Allotted	Sold	As at 31.12.2025
Penultimate holding company Sungei Way Corporation Sendirian Berhad				
Deemed interest:				
Evan Cheah Yean Shin (1)	20,000,000	-	-	20,000,000

(1) *Deemed interest by virtue of Section 8 of the CA 2016 held through AE and parent.*

Directors' Report

DIRECTORS' INTERESTS (CONTD.)

	Number of ordinary shares			
	As at 1.1.2025	Acquired	Sold	As at 31.12.2025
Ultimate holding company Active Equity Sdn. Bhd.				
Direct interest:				
Evan Cheah Yean Shin	25,500	-	-	25,500
Deemed interest:				
Evan Cheah Yean Shin (1)	102,000	-	-	102,000

(1) *Deemed interest by virtue of Section 8 of the CA 2016 held through parent.*

	Number of ordinary shares			
	As at 1.1.2025	Acquired	Sold	As at 31.12.2025
Related company Sunway Global Limited				
Direct interest:				
Tan Sri Dato' (Dr.) Chew Chee Kin @	689,183	-	-	689,183

@ *Resigned with effect from 31 December 2025.*

	Number of irredeemable convertible preference shares				
	As at 1.1.2025	Acquired	Converted+	Sold	As at 31.12.2025
Intermediate holding company Sunway Berhad					
Direct interests:					
Datuk Kwan Foh Kwai	300,054	-	(300,054)	-	-
Evan Cheah Yean Shin	419,520	-	(419,520)	-	-
Liew Kok Wing	28,563	-	(28,563)	-	-
Dato' Tan Kia Loke	1,222,966	-	(1,222,966)	-	-
Lim Vin Tze	24,445*	-	(24,445)	-	-
Tan Sri Dato' (Dr.) Chew Chee Kin @	3,982,196	-	(3,972,196)	(10,000)	-
Deemed interests:					
Dato' Ir Goh Chye Koon (1)	12,020	-	(12,020)	-	-
Datuk Kwan Foh Kwai (2)	162,233	-	(162,233)	-	-
Evan Cheah Yean Shin (3)	359,609,264	37,928,391	(359,609,264)	(37,928,391)	-
Tan Sri Dato' (Dr.) Chew Chee Kin @ (2)	232,986	-	(232,986)	-	-

\+ *Mandatory conversion of the balance of irredeemable convertible preference shares into new ordinary shares of Sunway Berhad.*
* *As at 1 September 2025 (Date of Appointment).*
@ *Resigned with effect from 31 December 2025.*

(1) *Deemed interest by virtue of Section 8 of the CA 2016 held through AHTB GCK Family Trust.*
(2) *Deemed interest by virtue of Section 59(11)(c) of the CA 2016 held through spouse.*
(3) *Deemed interest by virtue of Section 8 of the CA 2016 held through AE, SWC, Jef-San and parent.*

Directors' Report

DIRECTORS' INTERESTS (CONTD.)

	Number of non-cumulative redeemable preference shares			
	As at 1.1.2025	Allotted	Redeemed	As at 31.12.2025
Penultimate holding company				
Sungei Way Corporation Sendirian Berhad				
Deemed interest:				
Evan Cheah Yean Shin [1]	**1,606,800,000**	**420,000,000**	**-**	**2,026,800,000**

[1] *Deemed interest by virtue of Section 8 of the CA 2016 held through parent.*

	Number of non-cumulative redeemable preference shares			
	As at 1.1.2025	Allotted	Redeemed	As at 31.12.2025
Ultimate holding company				
Active Equity Sdn. Bhd.				
Deemed interest:				
Evan Cheah Yean Shin [1]	**848,000,000**	**-**	**-**	**848,000,000**

[1] *Deemed interest by virtue of Section 8 of the CA 2016 held through parent.*

By virtue of Evan Cheah Yean Shin's substantial interests in the Company and AE, he is deemed to have interest in the shares of all the subsidiaries of the Company and AE to the extent that the Company and AE have an interest.

The other Directors in office at the end of the financial year did not have any interests in ordinary shares, options over ordinary shares, irredeemable convertible preference shares and non-cumulative redeemable preference shares in the Company or its related corporations during the financial year.

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2025 were as follows:

	Group RM'000	Company RM'000
Fees	**962**	**962**
Emoluments	**11,448**	**165**
Estimated money value of benefits-in-kind	**76**	**-**
Total Directors' remuneration	**12,486**	**1,127**

INDEMNITY AND INSURANCE FOR OFFICERS AND AUDITORS

During the financial year, the intermediate holding company of the Company, Sunway Berhad effected Directors' liability insurance to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors. None of the Directors nor the Group paid for the insurance premium directly as the Group is under the effective cover of Sunway Berhad being its subsidiary company.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

Directors' Report

OTHER STATUTORY INFORMATION

(I) As at the end of the financial year

(a) Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) From the end of the financial year to the date of this report

(c) The Directors are not aware of any circumstances:

(i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made; and

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) As at the date of this report

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

Directors' Report

HOLDING COMPANIES

The Directors of the Company regard Sungei Way Corporation Sendirian Berhad and Active Equity Sdn. Bhd., both companies incorporated in Malaysia, as its penultimate and ultimate holding companies respectively due to the following reasons:

(a) Active Equity Sdn. Bhd. and its wholly-owned subsidiary, Sungei Way Corporation Sendirian Berhad hold a total shareholding of 50.29% in Sunway Berhad as at 31 December 2025 pursuant to Section 5 of the Companies Act 2016; and

(b) Sungei Way Corporation Sendirian Berhad has continued control over Sunway Berhad and its subsidiaries within the definition of "control" as set out in Malaysian Financial Reporting Standard 10 "Consolidated Financial Statements", although its direct shareholdings in Sunway Berhad was 47.2% as of 31 December 2025.

The immediate and intermediate holding companies of the Company are Sunway Holdings Sdn. Bhd. and Sunway Berhad respectively, both are incorporated in Malaysia. Sunway Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad and produces financial statements available for public use.

LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the list of Directors of the subsidiaries during the financial year and up to date of this report is as follows:

Eric Tan Chee Hin
Evan Cheah Yean Shin
Elaine Lai Ee-Ling
Kumaresan Varadu Rasu
Kwong Tzyy En
Liew Kok Wing
Lim Vin Tze
Naveen Rama Shetty
Oh Keng Jin
Satish Rama Shetty
Subba Rao A/L V Semenchalam
Wong Kwan Song
Yip Lai Hun
Cho Chun Fai
Law Yee Voon
Wong Yin Kee
Yoong Tuk Mun Derrick
Lim Chee Siang^
Ng Chee Hwa^

^ *Ceased during the financial year*

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Subsequent to the reporting date and up to the date of authorisation of these financial statements, geopolitical tensions in the Middle East have continued and/or escalated, contributing to heightened volatility in global energy markets and increases in oil prices.

The Group's principal exposure relates to supply chain and cost pressures that may arise from higher fuel-linked transportation and logistics costs, and from potential increases in prices charged by suppliers and subcontractors. Management continues to monitor developments and assess the implications for project execution, including potential impacts on project costs, margins and cash flows.

At the date of authorisation of these financial statements, management is unable to reliably quantify the financial impact of these developments, as the outcome remains dependent on factors that are not presently determinable. These include the duration and severity of the disruptions, future movements in oil prices, the degree of secondary impacts on the Group's supply chain, and the effectiveness of the Group's mitigating actions. Mitigating measures may include procurement and sourcing strategies, operational efficiencies and, where contractually available, variations, claims and/or cost pass-through mechanisms. Accordingly, a reasonable estimate of the financial impact cannot presently be made.

Directors' Report

AUDITORS

The auditors, BDO PLT [201906000013 (LLP0018825-LCA) & AF 0206], have expressed their willingness to continue in office.

Auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 December 2025 were as follows:

	Group RM'000	Company RM'000
Statutory audit	**873**	**22**
Non-statutory audit	**60**	**60**
	933	**82**

Signed on behalf of the Board in accordance with a resolution of the Directors dated 31 March 2026.

Datuk Mohd Anuar Bin Taib
Director

Liew Kok Wing
Director

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Datuk Mohd Anuar Bin Taib and Liew Kok Wing, being two of the Directors of Sunway Construction Group Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 235 to 321 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 31 March 2026.

Datuk Mohd Anuar Bin Taib
Director

Liew Kok Wing
Director

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Elaine Lai Ee-Ling (CA 48447), being the officer primarily responsible for the financial management of Sunway Construction Group Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 235 to 321 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed Elaine Lai Ee-Ling
at Kuala Lumpur on 31 March 2026 **Elaine Lai Ee-Ling**

Before me,

Independent Auditors' Report

to the Members of Sunway Construction Group Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Sunway Construction Group Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 235 to 321.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("**MFRSs**"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("**ISAs**"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("**By-Laws**") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("**IESBA Code**"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition from construction contracts

Revenue from construction contracts during the financial year as disclosed in Note 5 to the financial statements is RM5,130,347,000.

We determined this to be a key audit matter because it requires management to exercise significant judgements in estimating the progress towards complete satisfaction of performance obligations and determining whether there is any exposure to liquidated ascertained damages ("**LAD**"). The progress towards complete satisfaction of performance obligations is measured using the output method, which is based on the contract work certified to date over the estimated total contract sum.

In estimating the progress towards complete satisfaction of performance obligations, the Group considers the estimated contract work completed to date and the completeness and accuracy of its estimated total contract sum, including contract variations, claims and contingencies.

Independent Auditors' Report

to the Members of Sunway Construction Group Berhad
(Incorporated in Malaysia)

Key Audit Matters (contd.)

1. Revenue recognition from construction contracts (contd.)

Audit response

Our audit procedures included the following:

(a) inspected documentation to support the estimated total contract sum and correspondences from contract customers in relation to variations and claims to corroborate key judgements applied by management;

(b) inspected documentation certified by professional consultants to support the contract work performed by the Group to-date;

(c) recomputed the progress towards complete satisfaction of performance obligations determined by management for revenue recognition based on contract work certified to-date and budgeted total contract sum;

(d) inquired in-house operational and financial personnel of the Group to assess the merits of extension of time submitted to the contract customers for assessing the exposure to LAD; and

(e) inspected relevant correspondences and reports, including on-going negotiations with contract customers for the late delivery of contract works.

We have determined that there are no key audit matters to communicate in our report in respect to the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company, or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report

to the Members of Sunway Construction Group Berhad
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group and of the Company.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditors' Report

to the Members of Sunway Construction Group Berhad
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (contd.)

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 17 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Tan Seong Yuh
03314/07/2027 J
Chartered Accountant

Kuala Lumpur
31 March 2026

Statements of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Revenue	5	**5,338,714**	3,521,690	**469,776**	57,701
Cost of sales	6	**(4,515,572)**	(3,043,651)	**-**	-
Gross profit		**823,142**	478,039	**469,776**	57,701
Other income	7	**15,910**	40,554	**-**	-
Administrative expenses		**(349,194)**	(261,965)	**(5,288)**	(3,548)
Net (impairment losses)/ reversal of impairment losses on financial assets	9(b)	**(30,171)**	10,459	**-**	-
Other expenses		**(11,446)**	(4,924)	**-**	-
Operating profit		**448,241**	262,163	**464,488**	54,153
Finance and other distribution income	8	**108,819**	75,664	**6,402**	5,736
Finance costs	8	**(46,876)**	(65,163)	**-**	-
Share of results of joint ventures, net of tax		**15,341**	298	**-**	-
Profit before tax	9	**525,525**	272,962	**470,890**	59,889
Income tax expense	12	**(123,453)**	(75,941)	**(2)**	1
Profit for the financial year		**402,072**	197,021	**470,888**	59,890
Profit attributable to:					
Owners of the parent		**361,778**	186,906	**470,888**	59,890
Non-controlling interests		**40,294**	10,115	**-**	-
		402,072	197,021	**470,888**	59,890
Other comprehensive (loss)/income					
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translations		**(11,574)**	(14,797)	**-**	-
Share of other comprehensive income of joint ventures		**(1,371)**	(1,546)	**-**	-
Net change in fair value for cash flow hedges		**-**	1,969	**-**	-
Other comprehensive loss for the financial year, net of tax		**(12,945)**	(14,374)	**-**	-
Total comprehensive income for the financial year		**389,127**	182,647	**470,888**	59,890
Total comprehensive income attributable to:					
Owners of the parent		**351,949**	173,780	**470,888**	59,890
Non-controlling interests		**37,178**	8,867	**-**	-
		389,127	182,647	**470,888**	59,890
Earnings per share attributable to owners of the parent (sen per share):					
Basic	13	**27.74**	14.50		
Diluted	13	**27.64**	14.50		

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statements of Financial Position

As at 31 December 2025

	Note	Group 2025 RM'000	Group 2024 RM'000
Assets			
Non-current assets			
Property, plant and equipment	15	**122,075**	85,134
Intangible assets	16	**-**	280
Investment in an associate	18	**-**	-
Investments in joint arrangements	19	**208,194**	224,375
Other investment	20	**266**	266
Goodwill	21	**-**	-
Deferred tax assets	32	**44,958**	21,760
Long term receivables	23	**402,555**	390,022
		778,048	721,837
Current assets			
Inventories	22	**60,117**	43,252
Trade receivables	23	**1,258,523**	1,501,450
Other receivables	24	**128,157**	77,406
Amounts due from holding companies	26	**-**	31
Amounts due from related companies	27	**166,572**	214,816
Amounts due from joint ventures	28	**13,872**	1,415
Tax recoverable		**18,674**	20,260
Cash and bank balances	30	**2,000,058**	1,015,763
		3,645,973	2,874,393
Total assets		**4,424,021**	3,596,230

Statements of Financial Position

As at 31 December 2025

	Note	Group 2025 RM'000	Group 2024 RM'000
Equity and liabilities			
Current liabilities			
Borrowings	31	**157,706**	730,620
Trade payables	33	**2,350,716**	1,563,953
Other payables	34	**614,467**	241,711
Amounts due to holding companies	26	**161,814**	18
Amounts due to related companies	27	**34,680**	97,931
Amounts due to joint ventures	28	**24,705**	7,646
Lease liabilities	35	**7,650**	1,474
Tax payable		**53,963**	13,047
Derivative liabilities	29	**-**	155
		3,405,701	2,656,555
Non-current liabilities			
Borrowings	31	**142,535**	-
Lease liabilities	35	**9,772**	1,139
Derivative liabilities	29	**-**	36
Deferred tax liabilities	32	**689**	-
		152,996	1,175
Total liabilities		**3,558,697**	2,657,730
Equity attributable to owners of the parent			
Share capital	36	**378,369**	258,580
Treasury shares	36	**(6,990)**	(6,990)
Merger reserve	37	**(37,894)**	(37,894)
Foreign currency translation reserve	37	**(7,624)**	2,205
Capital contribution by intermediate holding company	37	**641**	641
Other capital reserve	37	**471**	471
Share option reserve	37	**12,176**	-
Retained earnings	37	**444,774**	660,899
		783,923	877,912
Non-controlling interests		**81,401**	60,588
Total equity		**865,324**	938,500
Total equity and liabilities		**4,424,021**	3,596,230

Statements of Financial Position

As at 31 December 2025

	Note	Company 2025 RM'000	Company 2024 RM'000
Assets			
Non-current assets			
Investments in subsidiaries	17	**258,580**	258,580
Current assets			
Other receivables	24	**256**	-
Tax recoverable		**-**	3
Amounts due from subsidiaries	25	**229,323**	923
Amount due from intermediate holding company	26	**-**	14
Cash and bank balances	30	**233,095**	136,704
		462,674	137,644
Total assets		**721,254**	396,224
Equity and liabilities			
Current liabilities			
Other payables	34	**145,107**	1,242
Amount due to immediate holding company	26	**161,813**	1
Amounts due to subsidiaries	25	**553**	6,153
Tax payable		**3**	-
		307,476	7,396
Total liabilities		**307,476**	7,396
Equity attributable to owners of the parent			
Share capital	36	**378,369**	258,580
Treasury shares	36	**(6,990)**	(6,990)
Share option reserve	37	**12,176**	-
Retained earnings	37	**30,223**	137,238
Total equity		**413,778**	388,828
Total equity and liabilities		**721,254**	396,224

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statements of Changes in Equity

For the financial year ended 31 December 2025

Group	Share capital (Note 36) RM'000	Treasury shares (Note 36) RM'000	Merger reserve (Note 37) RM'000	Foreign currency translation reserve (Note 37) RM'000	Share option reserve (Note 37) RM'000	Capital contribution by immediate holding company (Note 37) RM'000	Other capital reserve (Note 37) RM'000	Distributable Retained earnings (Note 37) RM'000	Equity attributable to owners of the parent, total RM'000	Non-controlling interests RM'000	Equity, total RM'000
	Attributable to owners of the parent										
	Non-distributable										
At 1 January 2025	**258,580**	**(6,990)**	**(37,894)**	**2,205**	**-**	**641**	**471**	**660,899**	**877,912**	**60,588**	**938,500**
Profit for the financial year	-	-	-	-	-	-	-	361,778	361,778	40,294	402,072
Other comprehensive loss, net of tax	-	-	-	(9,829)	-	-	-	-	(9,829)	(3,116)	(12,945)
Total comprehensive (loss)/ income	**-**	**-**	**-**	**(9,829)**	**-**	**-**	**-**	**361,778**	**351,949**	**37,178**	**389,127**
Transactions with owners											
Dividends paid	-	-	-	-	-	-	-	(274,818)	(274,818)	-	(274,818)
Dividends payable	-	-	-	-	-	-	-	(303,085)	(303,085)	-	(303,085)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(30,000)	(30,000)
Share option granted under ESOS	-	-	-	-	25,549	-	-	-	25,549	-	25,549
Issuance of ordinary shares pursuant to:											
- exercise of ESOS	119,789	-	-	-	(13,373)	-	-	-	106,416	-	106,416
Capital injections in subsidiaries by non-controlling interests	-	-	-	-	-	-	-	-	-	13,635	13,635
Total transactions with owners	**119,789**	**-**	**-**	**-**	**12,176**	**-**	**-**	**(577,903)**	**(445,938)**	**(16,365)**	**(462,303)**
At 31 December 2025	**378,369**	**(6,990)**	**(37,894)**	**(7,624)**	**12,176**	**641**	**471**	**444,774**	**783,923**	**81,401**	**865,324**

Statements of Changes in Equity

For the financial year ended 31 December 2025

		← Attributable to owners of the parent →										
		← Non-distributable →						← Distributable				
Group	Note	Share capital (Note 36) RM'000	Treasury shares (Note 36) RM'000	Merger reserve (Note 37) RM'000	Foreign currency translation reserve (Note 37) RM'000	Cash flow hedge reserve (Note 37) RM'000	Capital contribution by intermediate holding company (Note 37) RM'000	Other capital reserve (Note 37) RM'000	Distributable Retained earnings (Note 37) RM'000	Equity attributable to owners of the parent, total RM'000	Non-controlling interests RM'000	Equity, total RM'000
At 1 January 2024		**258,580**	**(6,990)**	**(37,894)**	**17,300**	**(1,969)**	**641**	**471**	**590,036**	**820,175**	**71,782**	**891,957**
Profit for the financial year		-	-	-	-	-	-	-	186,906	186,906	10,115	197,021
Other comprehensive (loss)/ income, net of tax		-	-	-	(15,095)	1,969	-	-	-	(13,126)	(1,248)	(14,374)
Total comprehensive income		-	-	-	(15,095)	1,969	-	-	186,906	173,780	8,867	182,647
Transactions with owners												
Dividends paid	14	-	-	-	-	-	-	-	(116,043)	(116,043)	-	(116,043)
Dissolution of a subsidiary		-	-	-	-	-	-	-	-	-	(34)	(34)
Capital injections in subsidiaries by non-controlling interests		-	-	-	-	-	-	-	-	-	9,211	9,211
Effects of subscriptions and redemptions of units in a structured entity by unit holders		-	-	-	-	-	-	-	-	-	(29,238)	(29,238)
Total transactions with owners		-	-	-	-	-	-	-	(116,043)	(116,043)	(20,061)	(136,104)
At 31 December 2024		**258,580**	**(6,990)**	**(37,894)**	**2,205**	**-**	**641**	**471**	**660,899**	**877,912**	**60,588**	**938,500**

Statements of Changes in Equity

For the financial year ended 31 December 2025

		← Non-distributable →			← Distributable	
Company	Note	Share capital (Note 36) RM'000	Treasury shares (Note 36) RM'000	Share option reserve (Note 37) RM'000	Retained earnings (Note 37) RM'000	Equity, total RM'000
At 1 January 2025		**258,580**	**(6,990)**	**-**	**137,238**	**388,828**
Profit for the financial year		**-**	**-**	**-**	**470,888**	**470,888**
Other comprehensive income, net of tax		**-**	**-**	**-**	**-**	**-**
Total comprehensive income		**-**	**-**	**-**	**470,888**	**470,888**
Transactions with owners						
Share option granted under ESOS		**-**	**-**	**25,549**	**-**	**25,549**
Issuance of ordinary shares pursuant to:						
- exercise of ESOS		**119,789**	**-**	**(13,373)**	**-**	**106,416**
Dividends paid	14	**-**	**-**	**-**	**(274,818)**	**(274,818)**
Dividends payable		**-**	**-**	**-**	**(303,085)**	**(303,085)**
Total transactions with owners		**119,789**	**-**	**12,176**	**(577,903)**	**(445,938)**
At 31 December 2025		**378,369**	**(6,990)**	**12,176**	**30,223**	**413,778**
At 1 January 2024		258,580	(6,990)	-	193,391	444,981
Profit for the financial year		-	-	-	59,890	59,890
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	-	-	59,890	59,890
Transactions with owners						
Dividends paid	14	-	-	-	(116,043)	(116,043)
Total transactions with owners		-	-	-	(116,043)	(116,043)
At 31 December 2024		258,580	(6,990)	-	137,238	388,828

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statements of Cash Flows

For the financial year ended 31 December 2025

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities				
Profit before tax	**525,525**	272,962	**470,890**	59,889
Adjustments for:				
Net accretion of financial assets and financial liabilities	**3,950**	(1,558)	**-**	-
Bad debts written off	**17**	551	**-**	-
Depreciation and amortisation of property, plant and equipment, right-of-use assets and intangible assets	**17,184**	17,276	**-**	-
Dividend income	**-**	-	**(469,776)**	(57,701)
Fair value gain on reclassification from property, plant and equipment to finance lease receivables	**(573)**	-	**-**	-
Fair value loss/(gain) on derivative financial instruments	**(190)**	(32)	**-**	-
Finance and other distribution income	**(108,819)**	(75,664)	**(6,402)**	(5,736)
Finance costs	**46,876**	65,163	**-**	-
Loss on disposal of a joint venture	**240**	-	**-**	-
Net gain on disposal of property, plant and equipment	**(3,267)**	(7,263)	**-**	-
Gain on reassessments and modifications of leases	**(3)**	(189)	**-**	-
Impairment losses on:				
- trade receivables	**35,202**	9,998	**-**	-
- other receivables	**88**	107	**-**	-
- amounts due from related companies	**-**	85	**-**	-
- quasi-equity loan advanced to a joint venture	**-**	158	**-**	-
- investment in a joint venture	**-**	175	**-**	-
Net inventories written back	**-**	(1,327)	**-**	-
Net unrealised foreign exchange loss	**5,945**	154	**-**	-
Write-off of property, plant and equipment	**66**	201	**-**	-
Share options granted under ESOS	**25,549**	-	**-**	-
Reversal of impairment losses on:				
- trade receivables	**(4,811)**	(20,736)	**-**	-
- other receivables	**(3)**	(45)	**-**	-
- amounts due from related companies	**(37)**	(26)	**-**	-
- quasi-equity loan advanced to a joint venture	**(268)**	-	**-**	-
- investment in a joint venture	**(18)**	-	**-**	-
Share of results of joint ventures	**(15,341)**	(298)	**-**	-
Operating cash flows before working capital changes carried forward	**527,312**	259,692	**(5,288)**	(3,548)

Statements of Cash Flows

For the financial year ended 31 December 2025

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities (contd.)				
Operating cash flows before working capital changes brought forward	**527,312**	259,692	**(5,288)**	(3,548)
Changes in working capital:				
Inventories	**(17,678)**	3,608	**-**	-
Trade receivables	**165,280**	(186,943)	**-**	-
Other receivables	**(43,828)**	76,713	**(256)**	2
Trade payables	**792,576**	644,786	**-**	-
Other payables	**234,691**	(27,406)	**2,593**	99
Amounts due from subsidiaries	**-**	-	**(4,799)**	943
Amount due from/(to) holding companies	**14**	(167)	**13**	3
Amounts due from/(to) related companies	**(1,118)**	7,956	**-**	-
Amounts due from/(to) joint ventures	**4,962**	16,133	**-**	-
Cash generated from/(used in) operations	**1,662,211**	794,372	**(7,737)**	(2,501)
Interest received	**94,947**	75,664	**6,402**	5,736
Interest paid	**(46,130)**	(64,982)	**-**	-
Dividend received from a joint venture	**12,026**	-	**-**	-
Tax refunded	**2,848**	11,813	**7**	-
Tax paid	**(106,847)**	(100,441)	**(3)**	(4)
Net cash from/(used in) operating activities	**1,619,055**	716,426	**(1,331)**	3,231
Cash flows from investing activities				
Proceeds from disposals of property, plant and equipment	**11,059**	12,719	**-**	-
Proceeds from disposal of a joint venture	**10,983**	-	**-**	-
(Placement)/Withdrawal of short term fund pledged to other financial institution	**(5,939)**	6,928	**(5,939)**	6,928
Acquisitions of:				
- Property, plant and equipment and intangible assets	**(44,091)**	(9,409)	**-**	-
Investment in a joint venture	**-**	(6,146)	**-**	-
Quasi-equity loan repaid by a joint venture	**-**	22,559	**-**	-
Placements of deposits with licensed bank with maturity of more than 3 months	**(1,064)**	-	**-**	-
Net redemption of units in a structured entity under the control of the Company	**-**	-	**-**	100,137
Net redemptions of units in a structured entity under the control of the intermediate holding company	**-**	111,788	**-**	2,969
Net cash (used in)/from investing activities carried forward	**(29,052)**	138,439	**(5,939)**	110,034

Statements of Cash Flows

For the financial year ended 31 December 2025

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from investing activities (contd.)				
Net cash (used in)/from investing activities brought forward	**(29,052)**	138,439	**(5,939)**	110,034
Dividends received	**-**	-	**266,124**	57,701
Net cash (used in)/from investing activities	**(29,052)**	138,439	**260,185**	167,735
Cash flows from financing activities				
Capital injections in subsidiaries by non-controlling interests	**13,635**	9,211	**-**	-
Drawdowns of term loans	**160,466**	45,689	**-**	-
Drawdowns of bills discounting	**1,814,816**	1,041,783	**-**	-
Drawdowns of revolving credits	**245,523**	120,773	**-**	-
Repayments of term loans	**(492,401)**	(122,640)	**-**	-
Repayments of bills discounting	**(1,764,816)**	(1,142,725)	**-**	-
Repayments of revolving credits	**(379,193)**	(106,500)	**-**	-
Payments of lease liabilities	**(6,366)**	(3,535)	**-**	-
Interest paid on lease liabilities	**(851)**	(181)	**-**	-
Dividends paid	**(274,818)**	(116,043)	**(274,818)**	(116,043)
Dividends paid to non-controlling interests of subsidiaries	**(30,000)**	-	**-**	-
Proceeds from issuance of shares pursuant to exercise of ESOS	**106,416**	-	**106,416**	-
Net redemptions of units in a structured entity by non-controlling interests	**-**	(29,238)	**-**	-
Net cash used in financing activities	**(607,589)**	(303,406)	**(168,402)**	(116,043)
Net increase in cash and cash equivalents	**982,414**	551,459	**90,452**	54,923
Effects of exchange rate changes on cash and cash equivalents	**(5,122)**	839	**-**	-
Cash and cash equivalents at beginning of financial year	**936,272**	383,974	**57,415**	2,492
Cash and cash equivalents at end of financial year	**1,913,564**	936,272	**147,867**	57,415

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2025

1. CORPORATE INFORMATION

Sunway Construction Group Berhad (the "Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan. The principal place of business of the Company is located at Level 8, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan.

The Directors of the Company regard Sungei Way Corporation Sendirian Berhad and Active Equity Sdn. Bhd., both companies incorporated in Malaysia, as its penultimate and ultimate holding companies respectively due to the following reasons:

(a) Active Equity Sdn. Bhd. and its wholly-owned subsidiary, Sungei Way Corporation Sendirian Berhad hold a total shareholding of 50.29% in Sunway Berhad as at 31 December 2025 pursuant to Section 5 of the Companies Act 2016; and

(b) Sungei Way Corporation Sendirian Berhad has continued control over Sunway Berhad and its subsidiaries within the definition of "control" as set out in Malaysian Financial Reporting Standard 10 "Consolidated Financial Statements", although its direct shareholdings in Sunway Berhad was 47.2% as of 31 December 2025.

The immediate and intermediate holding companies of the Company are Sunway Holdings Sdn. Bhd. and Sunway Berhad respectively, both are incorporated in Malaysia. Sunway Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad and produces financial statements available for public use. Related companies in these financial statements refer to companies within the Sunway Berhad group of companies.

The consolidated financial statements for the financial year ended 31 December 2025 comprise the Company and its subsidiaries and the interests of the Group in an associate and joint arrangements.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 17 to the financial statements.

The financial statements for the financial year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Directors on 31 March 2026.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("**MFRSs**"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The new MFRSs and amendments to MFRSs adopted during the financial year are set out in Note 42(a) to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The financial statements are presented in Ringgit Malaysia ("**RM**"), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand ("**RM'000**"), unless otherwise stated.

Notes to the Financial Statements

For the financial year ended 31 December 2025

3. SEGMENT INFORMATION

For management purpose, the Group is organised into business units based on their products and services. In addition, the businesses are considered from a geographical perspective. The Group's reporting segments are as follows:

(i) Construction - turnkey, construction related design and build, civil engineering, building works, geotechnical services and related products, hire of heavy machineries, mechanical and engineering works, sustainable energy, facade engineering and consultancy services and transportation agent.

(ii) Precast concrete - construction engineering, sub-contracting works for precast fabrication, manufacturing and distribution of precast components and building materials.

Operating segments that have been aggregated to form the above reporting segments are as indicated as above. These operating segments are aggregated due to the similar nature and economic characteristics of the businesses.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise tax assets and liabilities, corporate assets, liabilities and expenses, if any.

Segment revenue, expenses and results include transfers between business segments. The inter-segment transactions have been entered into, on negotiated basis and are eliminated on consolidation. These policies have been applied consistently throughout the current and previous financial years.

Business segments

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

	Construction RM'000	Precast concrete RM'000	Adjustments/ Eliminations RM'000	Note	Total RM'000
At 31 December 2025					
Revenue					
Sales to external customers	**5,131,631**	**207,083**	**-**		**5,338,714**
Intra-segment sales	**2,780,343**	**66,942**	**(2,847,285)**	**A**	**-**
Total revenue	**7,911,974**	**274,025**	**(2,847,285)**		**5,338,714**
Results					
Operating profit	**446,445**	**1,796**	**-**		**448,241**
Finance and other distribution income	**108,614**	**205**	**-**		**108,819**
Finance costs	**(43,471)**	**(3,405)**	**-**		**(46,876)**
Share of results of joint ventures	**220**	**15,121**	**-**		**15,341**
Profit before tax	**511,808**	**13,717**	**-**		**525,525**
Income tax expense	**(121,801)**	**(1,652)**	**-**		**(123,453)**
Profit for the financial year	**390,007**	**12,065**	**-**		**402,072**
Non-controlling interests	**(40,294)**	**-**	**-**		**(40,294)**
Attributable to owners of the parent	**349,713**	**12,065**	**-**		**361,778**

Notes to the Financial Statements

For the financial year ended 31 December 2025

3. SEGMENT INFORMATION (CONTD.)

Business segments (contd.)

	Construction RM'000	Precast concrete RM'000	Adjustments/ Eliminations RM'000	Note	Total RM'000
At 31 December 2025					
Assets					
Segment assets	**5,934,296**	**362,140**	**(2,144,241)**		**4,152,195**
Investments in joint ventures	**5,128**	**203,066**	**-**		**208,194**
Unallocated assets					**63,632**
Total assets					**4,424,021**
Liabilities					
Segment liabilities	**4,479,939**	**218,899**	**(1,194,793)**		**3,504,045**
Unallocated liabilities					**54,652**
Total liabilities					**3,558,697**
Other segment information					
Capital expenditure	**36,940**	**7,151**	**-**	**B**	**44,091**
Depreciation and amortisation	**8,659**	**8,525**	**-**		**17,184**

	Construction RM'000	Precast concrete RM'000	Adjustments/ Eliminations RM'000	Note	Total RM'000
At 31 December 2024					
Revenue					
Sales to external customers	3,326,897	194,793	-		3,521,690
Intra-segment sales	947,564	83,130	(1,030,694)	A	-
Total revenue	4,274,461	277,923	(1,030,694)		3,521,690
Results					
Operating profit	239,694	22,469	-		262,163
Finance and other distribution income	75,417	247	-		75,664
Finance costs	(54,672)	(10,491)	-		(65,163)
Share of results of a joint venture	-	298	-		298
Profit before tax	260,439	12,523	-		272,962
Income tax expense	(72,654)	(3,287)	-		(75,941)
Profit for the financial year	187,785	9,236	-		197,021
Non-controlling interests	(10,115)	-	-		(10,115)
Attributable to owners of the parent	177,670	9,236	-		186,906

Notes to the Financial Statements
For the financial year ended 31 December 2025

3. SEGMENT INFORMATION (CONTD.)

Business segments (contd.)

At 31 December 2024	Construction RM'000	Precast concrete RM'000	Adjustments/ Eliminations RM'000	Note	Total RM'000
Assets					
Segment assets	3,997,901	342,879	(1,010,945)		3,329,835
Investments in joint ventures	16,112	208,263	-		224,375
Unallocated assets					42,020
Total assets					3,596,230
Liabilities					
Segment liabilities	2,739,258	352,052	(446,627)		2,644,683
Unallocated liabilities					13,047
Total liabilities					2,657,730
Other segment information					
Capital expenditure	3,847	5,562	-	B	9,409
Depreciation and amortisation	11,626	5,650	-		17,276

Geographical segments

The following table provides an analysis of the Group's revenue, profit before tax, net profit, profit attributable to owners of the parent and assets by geographical segment:

	Revenue from contracts with customers RM'000	Profit/ (Loss) before tax RM'000	Net profit/ (loss) RM'000	Profit/ (Loss) attributable to owners of the parent RM'000	Segment assets	
					Non-current RM'000	Current RM'000
At 31 December 2025						
Malaysia	**5,067,856**	**511,676**	**392,247**	**353,561**	**85,452**	**3,300,464**
Singapore	**207,083**	**8,831**	**8,225**	**8,225**	**47,498**	**139,533**
India	**63,775**	**5,075**	**1,657**	**49**	**391,946**	**187,214**
Trinidad & Tobago	**-**	**(25)**	**(25)**	**(25)**	**-**	**-**
United Arab Emirates	**-**	**(32)**	**(32)**	**(32)**	**-**	**88**
	5,338,714	**525,525**	**402,072**	**361,778**	**524,896**	**3,627,299**
At 31 December 2024						
Malaysia	3,246,932	274,139	204,793	196,908	57,108	2,518,154
Singapore	194,793	(7,587)	(7,622)	(7,724)	36,792	119,442
India	79,965	6,461	(99)	(2,227)	333,820	264,380
Trinidad & Tobago	-	-	-	-	-	26
United Arab Emirates	-	(51)	(51)	(51)	-	113
	3,521,690	272,962	197,021	186,906	427,720	2,902,115

Notes to the Financial Statements
For the financial year ended 31 December 2025

3. SEGMENT INFORMATION (CONTD.)

Note Nature of eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenues are eliminated on consolidation.
B Capital expenditures consist of:

	2025 RM'000	2024 RM'000
Property, plant and equipment (exclude right-of-use land and buildings)	**44,091**	9,409

Major customers

Revenue from one (1) customer (2024: three (3) customers) from the construction segment represent approximately RM2,782,151,000 (2024: RM1,810,363,000) of the Group's revenue.

The following are major customers with revenue equal or more than ten percent (10%) of Group's revenue:

	Revenue	
	2025 RM'000	2024 RM'000
Customer A	**2,782,151**	1,042,532
Customer B	**-***	425,295
Customer C	**-***	342,536
	2,782,151	1,810,363

* *Represents revenue not disclosed as the revenue is less than 10% of Group's revenue.*

4. CAPITAL, INSURANCE AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the Group's and of the Company's capital management is the maintenance of a strong credit rating and healthy capital ratio, in order to support the Group's and the Company's businesses and maximise shareholders' value.

The Group and the Company manage their capital structure by ensuring that financial commitments are met as and when they fall due. In addition, divestment of the Group's and of the Company's non-core assets which provide low returns are also made to optimise the capital structure of the Group and of the Company.

The Group and the Company monitor capital utilisation using the gearing ratio. This ratio is used to assess the appropriateness of the Group's and of the Company's debt level, hence its capital structure. The ratio is calculated as net debt divided by total equity. Net debt includes total borrowings less cash and bank balances.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Borrowings (Note 31)	**300,241**	730,620	**-**	-
Cash and bank balances (Note 30)	**(2,000,058)**	(1,015,763)	**(233,095)**	(136,704)
Net cash	**(1,699,817)**	(285,143)	**(233,095)**	(136,704)
Equity attributable to owners of the parent	**783,923**	877,912	**413,778**	388,828
Gearing ratio	**N/A**	N/A	**N/A**	N/A

Notes to the Financial Statements

For the financial year ended 31 December 2025

4. CAPITAL, INSURANCE AND FINANCIAL RISK MANAGEMENT (CONTD.)

(a) Capital management (contd.)

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40.0 million. The Group has complied with this requirement for the financial year ended 31 December 2025.

(b) Insurance and financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk, credit risk, market risk and insurance risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the current financial year and previous financial year, the Group's policy that no trading in derivative financial instruments shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient.

Interest rate risk

The Group's and the Company's interest rate risk arises primarily from interest-bearing trade receivables, interest-bearing deposits with licensed banks, borrowings and lease liabilities.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 23, 30, 31 and 35 to the financial statements respectively.

Foreign currency risk

The Group is not significantly exposed to foreign currency risk as the majority of the Group's transactions, assets and liabilities are denominated in Ringgit Malaysia ("**RM**") except for foreign currency risk arising from the countries in which certain foreign subsidiaries operate. The currencies giving rise to this risk are India Rupee ("**INR**") and Singapore Dollar ("**SGD**") .

Approximately 5% (2024: 8%) of the Group's sales are denominated in foreign currencies whilst almost 2% (2024: 3%) of costs are denominated in the respective functional currencies of the Group entities.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the revenue stream to be generated from its investments.

The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances amounted to RM78,801,000 (2024: RM109,616,000).

In relation to its investments in foreign subsidiaries whose net assets are exposed to currency translation risks and which are held for long term investment purposes, the differences arising from such translation are recorded under the foreign currency translation reserve. These translation differences are reviewed and monitored on a regular basis.

Notes to the Financial Statements

For the financial year ended 31 December 2025

4. CAPITAL, INSURANCE AND FINANCIAL RISK MANAGEMENT (CONTD.)

(b) Insurance and financial risk management objectives and policies (contd.)

Foreign currency risk (contd.)

Foreign currency risk exposure

The currency risk exposure profiles for each class of financial instruments are as follows:

Group	INR RM'000	SGD RM'000	Others RM'000
At 31 December 2025			
Financial assets in foreign currencies			
Cash and bank balances	**51,943**	**25,079**	**1,779**
Trade and other receivables	**527,264**	**81,552**	**-**
Amount due from a joint venture	**-**	**12,816**	**-**
Financial liabilities in foreign currencies			
Trade and other payables	**(50,351)**	**(35,570)**	**-**
Amount due to a joint venture	**-**	**(22,901)**	**-**
Borrowings	**(150,241)**	**-**	**-**
Net exposure	**378,615**	**60,976**	**1,779**

	INR RM'000	SGD RM'000	Others RM'000
At 31 December 2024			
Financial assets in foreign currencies			
Cash and bank balances	85,842	21,888	1,886
Trade and other receivables	512,344	82,247	16
Financial liabilities in foreign currencies			
Trade and other payables	(41,533)	(43,420)	-
Borrowings	(387,833)	(161,474)	-
Net exposure	168,820	(100,759)	1,902

Company

At 31 December 2025/2024

The currency risk exposure profile of the Company is not presented as there is no exposure to foreign currency at the end of the reporting period.

Notes to the Financial Statements

For the financial year ended 31 December 2025

4. CAPITAL, INSURANCE AND FINANCIAL RISK MANAGEMENT (CONTD.)

(b) Insurance and financial risk management objectives and policies (contd.)

Foreign currency risk (contd.)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the foreign exchange rates against the functional currency of the Group, with all other variables held constant.

	Group Profit net of tax	
	2025 RM'000	2024 RM'000
INR/RM		
- strengthened 12.29% (2024: 0.57%)	**32,572**	674
- weakened 12.29% (2024: 0.57%)	**(32,572)**	(674)
SGD/RM		
- strengthened 1.82% (2024: 0.86%)	**921**	(719)
- weakened 1.82% (2024: 0.86%)	**(921)**	719

The exposure to the other currencies except for INR and SGD, are not significant, hence the effects of the changes in the exchange rates are not presented.

The sensitivity of the Group's equity to a reasonably possible change in the foreign exchange rates against the functional currency of the Group is not presented as the effects are immaterial.

Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

The analysis of financial instruments by remaining contractual maturities have been disclosed in Notes 25, 26, 27, 28, 29, 31, 33, 34 and 35 to the financial statements respectively.

The notional amounts of performance guarantee contracts of the Group and of the Company that are payable on demand are set out below:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Performance guarantee contracts	**60,854**	101,315	**60,854**	101,315

Notes to the Financial Statements

For the financial year ended 31 December 2025

4. CAPITAL, INSURANCE AND FINANCIAL RISK MANAGEMENT (CONTD.)

(b) Insurance and financial risk management objectives and policies (contd.)

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The credit risk concentration profiles have been disclosed in Notes 23 and 24 to the financial statements.

Market risk

Market risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market prices (other than interest or exchange rates).

The sensitivity analysis of market risk has been disclosed in Note 30 to the financial statements.

Insurance risk

The most significant risks arising from the performance guarantees contracts are compensation for delays in delivery of construction contracts that result in a decline in profit margins from the construction contracts of the Group. Since the guarantee extends to more than a year, there is also inflation risk.

As at the end of the reporting period, there is no significant exposure of insurance risk of the Group and of the Company as the expected future cash outflows arising from performance guarantee contracts are negligible.

Notes to the Financial Statements

For the financial year ended 31 December 2025

5. REVENUE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from contracts with customers				
- Construction contracts	**5,130,347**	3,326,004	**-**	-
- Sale of goods and services	**207,188**	194,793	**-**	-
Other revenue				
Dividend income from a subsidiary	**-**	-	**469,776**	57,701
Finance lease income	**1,179**	893	**-**	-
	5,338,714	3,521,690	**469,776**	57,701

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated in the table below by primary geographical market, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the reportable segments of the Group.

Group	India RM'000	Malaysia RM'000	Singapore RM'000	Total RM'000
31 December 2025				
Major products and service lines				
Revenue from construction contracts	**63,775**	**5,066,572**	**-**	**5,130,347**
Sale of goods and services	**-**	**105**	**207,083**	**207,188**
Revenue from external customers	**63,775**	**5,066,677**	**207,083**	**5,337,535**
Timing of revenue recognition				
Services transferred over time	**63,775**	**5,066,677**	**126,504**	**5,256,956**
Products transferred at a point in time	**-**	**-**	**80,579**	**80,579**
Revenue from external customers	**63,775**	**5,066,677**	**207,083**	**5,337,535**
31 December 2024				
Major products and service lines				
Revenue from construction contracts	79,965	3,246,039	-	3,326,004
Sale of goods and services	-	-	194,793	194,793
Revenue from external customers	79,965	3,246,039	194,793	3,520,797
Timing of revenue recognition				
Services transferred over time	79,965	3,246,039	117,122	3,443,126
Products transferred at a point in time	-	-	77,671	77,671
Revenue from external customers	79,965	3,246,039	194,793	3,520,797

Notes to the Financial Statements

For the financial year ended 31 December 2025

5. REVENUE (CONTD.)

(a) Revenue from construction contracts

Construction contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices.

Revenue from construction contracts is measured at the fixed transaction price agreed under the agreement.

The Group determines the transaction price of a contract after considering the effect of variable consideration, constraining estimates of variable consideration, effect of significant financing component, non-cash consideration and consideration payable to customer.

When the fair value of variable consideration is uncertain, the Group estimates the amount of consideration by using the most likely amount method and only recognises to the extent that is highly probable that a significant reversal in cumulative revenue will not occur.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation using the output method. The output method recognises revenue based on contract work certified to date which depicts the basis of direct measurements of value to the customers of the construction work performed to date relative to the remaining construction work promised under the contract.

If control of the asset transfers at a point in time, revenue is recognised at a point in time when the customer obtains control of the asset.

Significant judgement is required in estimating the progress towards complete satisfaction of performance obligations and in assessing the exposures to liquidated ascertained damages ("**LAD**") based on the facts and circumstances of the relevant construction projects, including projects that had been served with certificates of non-achievement for project delays. In making these judgements, the Group evaluates based on experience and by relying on the work of specialists. The progress towards complete satisfaction of performance obligations is measured using the output method, which is based on the contract work completed to date, including subsequent certification, over the estimated total contract sum.

(b) Sale of goods and services

Revenue is recognised as and when control of the asset is transferred or the services have been rendered to the customers and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred and services rendered to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation using the output method. The output method recognises revenue on the basis of direct measurements of value to the customers of goods transferred or services rendered to date relative to the remaining goods or services promised under the contract.

Notes to the Financial Statements

For the financial year ended 31 December 2025

5. REVENUE (CONTD.)

(b) Sale of goods and services (contd.)

If control of the asset transfers at a point in time, revenue is recognised at a point in time when the goods have been transferred or the services have been rendered to the customer and coincide with the delivery of goods and services and acceptance by customers

Revenue from services rendered is recognised over time when the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

There is no right of return and warranty provided to the customers on the sale of products.

(c) Finance lease income

Finance lease income is recognised on the effective yield basis method.

(d) Dividend income

Dividend income is recognised when the right of the Company to receive payment is established.

6. COST OF SALES

	Group	
	2025 RM'000	**2024 RM'000**
Construction contract costs	**4,351,850**	2,882,674
Cost of goods sold	**163,722**	160,977
	4,515,572	3,043,651

7. OTHER INCOME

Included in other income are the following:

	Group	
	2025 RM'000	**2024 RM'000**
Rental income	**423**	1,640
Gain on disposal of property, plant and equipment	**3,279**	7,263
Income arising from settlement scheme	**-**	5,932
Write back of inventories previously written down to net realisable value (Note 22)	**-**	1,845
Reversal of impairment loss on investment in a joint venture	**18**	-
Gain on reassessments and modifications of leases	**3**	189
Accretion of financial assets	**243**	1,588
Fair value gain on derivative financial instruments	**190**	32
Fair value gain on reclassification from property, plant and equipment to finance lease receivables	**573**	-
Foreign exchange gain:		
- realised	**113**	807
- unrealised	**54**	869

Rental income is accounted for on a straight-line basis over the lease term of an ongoing lease.

Notes to the Financial Statements

For the financial year ended 31 December 2025

8. FINANCE AND OTHER DISTRIBUTION INCOME AND FINANCE COSTS

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Finance and other distribution income				
Finance and other distribution income from:				
Deposits with licensed banks	**5,696**	3,980	**-**	-
Short term funds	**51,895**	9,261	**6,387**	3,895
Structured entities controlled by its intermediate holding company	**-**	5,260	**-**	1,834
Interest-bearing trade receivables	**47,083**	50,554	**-**	-
Others	**4,145**	6,609	**15**	7
	108,819	75,664	**6,402**	5,736
Finance costs				
Interest expense in relation to:				
Lease liabilities	**(746)**	(181)	**-**	-
Bank borrowings	**(46,121)**	(63,373)	**-**	-
Others	**(9)**	(1,609)	**-**	-
	(46,876)	(65,163)	**-**	-

Interest income from short term deposits, structured entities controlled by its intermediate holding company and interest-bearing trade receivables are recognised on an accrual basis, using the effective interest method.

Notes to the Financial Statements

For the financial year ended 31 December 2025

9. PROFIT BEFORE TAX

(a) Other than those disclosed elsewhere in the financial statements, the following amounts have been included in arriving at profit before tax:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Auditors' remuneration:				
- statutory audits	**873**	812	**22**	21
- under provision in prior years	**55**	3	**-**	-
- other services	**60**	8	**60**	8
Foreign exchange losses:				
- realised	**6,635**	359	**-**	-
- unrealised	**5,999**	1,023	**-**	-
Loss on disposal of property, plant and equipment	**12**	-	**-**	-
Accretion of financial liabilities	**4,193**	30	**-**	-
Bad debts written off	**17**	551	**-**	-
Impairment loss on investment in a joint venture (Note 19)	**-**	175	**-**	-
Write-off of property, plant and equipment (Note 15)	**66**	201	**-**	-
Written down of inventories (Note 22)	**-**	518	**-**	-
Rental expenses:				
- short term lease expenses	**16,946**	3,257	**-**	-
- lease expense for low value assets	**395**	336	**-**	-
- variable lease payment expense	**25**	53	**-**	-
Management fees paid to a related company (Note 40)	**24,542**	17,630	**-**	-
Management fees paid to a subsidiary (Note 40)	**-**	-	**3,209**	1,641
Service level agreement fees paid to related companies (Note 40)	**3,535**	3,681	**6**	5

Notes to the Financial Statements

For the financial year ended 31 December 2025

9. PROFIT BEFORE TAX (CONTD.)

(b) Net impairment losses/(reversal of impairment losses) on financial assets recognised in profit or loss were as follows:

	Group	
	2025 RM'000	2024 RM'000
Impairment losses on:		
- trade receivables (Note 23)	**35,202**	9,998
- other receivables (Note 24)	**88**	107
- amounts due from related companies (Note 27)	**-**	85
- quasi-equity loan advanced to a joint venture (Note 19)	**-**	158
	35,290	10,348
Reversal of impairment losses on:		
- trade receivables (Note 23)	**(4,811)**	(20,736)
- other receivables (Note 24)	**(3)**	(45)
- amounts due from related companies (Note 27)	**(37)**	(26)
- quasi-equity loan advanced to a joint venture (Note 19)	**(268)**	-
	(5,119)	(20,807)
Net impairment losses/(reversal of impairment lossess) on financial assets	**30,171**	(10,459)

10. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Wages, salaries, allowances and bonuses	**226,812**	175,825	**-**	-
Social security contributions	**1,362**	1,256	**-**	-
Contributions to defined contribution plan	**12,394**	11,495	**-**	-
Share options granted under ESOS	**25,549**	-	**-**	-
Other benefits	**9,293**	7,886	**26**	64
	275,410	196,462	**26**	64

Included in employee benefits expense of the Group are Executive Directors' remuneration amounting to RM11,283,000 (2024: RM6,195,000) as further disclosed in Note 11 to the financial statements.

Notes to the Financial Statements
For the financial year ended 31 December 2025

11. DIRECTORS' REMUNERATION

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Executive Directors' remuneration:				
Salaries and bonuses	**7,694**	5,531	**-**	-
Contribution to defined contribution plan	**931**	664	**-**	-
Other emoluments	**78**	-	**-**	-
Share options granted under ESOS	**2,580**	-	**-**	-
Total Executive Directors' remuneration excluding benefits-in-kind (Note 10)	**11,283**	6,195	**-**	-
Estimated money value of benefits-in-kind	**76**	73	**-**	-
Total Executive Directors' remuneration including benefits-in-kind (Note 40)	**11,359**	6,268	**-**	-
Non-Executive Directors' remuneration:				
Fees	**962**	772	**962**	772
Other emoluments	**165**	194	**165**	194
	1,127	966	**1,127**	966
Total Directors' remuneration including benefits-in-kind	**12,486**	7,234	**1,127**	966

The number of Directors of the Company whose total remuneration, excluding share options granted under the ESOS to each Director, during the financial year fell within the following bands is analysed below:

	Number of Directors	
	2025	2024
Executive Directors:		
RM4,500,001 - RM6,000,000	**1**	-
RM2,500,001 - RM4,500,000	**-**	1
RM1,500,001 - RM2,500,000	**1**	1
RM500,000 - RM1,500,000	**1**	-
Non-Executive Directors:		
RM200,001 - RM250,000	**1**	-
RM150,001 - RM200,000	**2**	1
RM100,000 - RM150,000	**4**	5
Below RM100,000	**1**	3

Included in the Executive Directors is the Alternate Director, as well as a Director who resigned during the financial year.

Notes to the Financial Statements
For the financial year ended 31 December 2025

12. INCOME TAX EXPENSE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current income tax:				
Malaysian income tax	**140,331**	46,343	**4**	2
Foreign tax	**3,063**	5,773	**-**	-
	143,394	52,116	**4**	2
Under/(Over) provision in prior years:				
Malaysian income tax	**2,066**	35,537	**(2)**	(3)
Foreign tax	**553**	1,548	**-**	-
	2,619	37,085	**(2)**	(3)
	146,013	89,201	**2**	(1)
Deferred tax (Note 32):				
Relating to origination and reversal of temporary differences	**(23,084)**	18,439	**-**	-
Under/(Over) provision in prior years	**524**	(31,699)	**-**	-
	(22,560)	(13,260)	**-**	-
Total income tax expense	**123,453**	75,941	**2**	(1)

(a) Domestic current income tax is calculated at the Malaysian statutory tax rate of 24% (2024: 24%) of the estimated assessable profit for the year.

(b) Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Notes to the Financial Statements
For the financial year ended 31 December 2025

12. INCOME TAX EXPENSE (CONTD.)

(c) A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group	
	2025 RM'000	2024 RM'000
Profit before tax	**525,525**	272,962
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	**126,126**	65,511
Different tax rates in other countries	**(154)**	1,037
Income not subject to tax	**(11,129)**	(4,549)
Expenses not deductible for tax purposes	**11,125**	8,952
Utilisation of deferred tax assets previously not recognised	**(1,976)**	(702)
Deferred tax assets not recognised in respect of unused tax losses, unabsorbed capital allowances and other deductible temporary differences	**-**	378
Effect of share of results of joint ventures	**(3,682)**	(72)
Under provision of income tax in prior years	**2,619**	37,085
Under/(Over) provision of deferred tax in prior years	**524**	(31,699)
Income tax expense for the year	**123,453**	75,941

	Company	
	2025 RM'000	2024 RM'000
Profit before tax	**470,890**	59,889
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	**113,014**	14,373
Income not subject to tax	**(114,279)**	(15,221)
Expenses not deductible for tax purposes	**1,269**	850
Over provision of income tax in prior years	**(2)**	(3)
Income tax expense for the year	**2**	(1)

(d) There is no tax effect on other comprehensive income of the Group and of the Company during the financial year.

Notes to the Financial Statements
For the financial year ended 31 December 2025

13. EARNINGS PER SHARE

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2025	2024
Profit attributable to owners of the parent (RM'000)	**361,778**	186,906
Weighted average number of ordinary shares in issue ('000)	**1,304,180**	1,289,359
Basic earnings per ordinary share (sen)	**27.74**	14.50

(b) Diluted

Diluted earnings per ordinary share for the financial year has been calculated based on the consolidated profit for the financial year attributable to owners of the parents and the weighted average number of ordinary shares in issue (excluding treasury shares) during the financial year adjusted for the effects of dilutive potential ordinary shares.

	Group	
	2025	2024
Weighted average number of ordinary shares in issue applicable to basic earnings per ordinary share ('000)	**1,304,180**	1,289,359
Effect of dilution:		
- Employee share options ('000)	**4,886**	-
Adjusted weighted average number of ordinary shares applicable to diluted earnings per ordinary share ('000)	**1,309,066**	1,289,359
Diluted earnings per ordinary share (sen)	**27.64**	14.50

Notes to the Financial Statements

For the financial year ended 31 December 2025

14. DIVIDENDS

	Group/Company			
	Dividends in respect of year		Dividends recognised in year	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interim dividend for 2023:				
Single-tier dividend of 3.00 sen per ordinary share	-	-	-	38,681
Interim dividend for 2024:				
Single-tier dividend of 3.50 sen per ordinary share	-	45,128	-	45,128
Single-tier dividend of 2.50 sen per ordinary share	-	32,234	-	32,234
Single-tier dividend of 2.50 sen per ordinary share	-	32,240	**32,240**	-
Interim dividend for 2025:				
Single-tier dividend of 5.00 sen per ordinary share	**64,900**	-	**64,900**	-
Single-tier dividend of 7.25 sen per ordinary share	**95,324**	-	**95,324**	-
Single-tier dividend of 6.25 sen per ordinary share	**82,354**	-	**82,354**	-
Single-tier dividend of 9.00 sen per ordinary share	**119,163**	-	**-**	-
Special dividend for 2025:				
Single-tier dividend of 23.00 sen per ordinary share	**303,085**	-	**303,085**	-
	664,826	109,602	**577,903**	116,043

On 23 February 2026, the Board of Directors had declared a fourth interim single-tier dividend of 9 sen per ordinary share for the financial year ended 31 December 2025. The total dividend payable amounted to RM119,162,908. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

The Board of Directors does not recommend any final dividend for the financial year ended 31 December 2025.

Notes to the Financial Statements

For the financial year ended 31 December 2025

15. PROPERTY, PLANT AND EQUIPMENT

Group At 31 December 2025	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Capital work-in-progress RM'000	Right-of-use land and buildings RM'000	Total RM'000
Cost								
At beginning of financial year	**8,538**	**19,445**	**217,470**	**23,589**	**7,491**	**1,984**	**26,806**	**305,323**
Additions	-	-	**6,463**	**960**	**2,553**	**34,335**	**20,329**	**64,640**
Write-offs	-	-	**(4,939)**	**(15)**	**(1,047)**	-	**(22,350)**	**(28,351)**
Disposals	-	-	**(49,830)**	**(15,712)**	**(89)**	-	-	**(65,631)**
Reassessment and modification of leases	-	-	-	-	-	**(34,289)**	**931**	**931**
Reclassifications	-	**6**	**34,204**	-	**79**	**(2,030)**	-	-
Transfer to finance lease receivables	-	-	-	-	-	-	-	**(2,030)**
Exchange differences	-	-	**(1,760)**	**(14)**	**(95)**	-	**(401)**	**(2,270)**
At end of financial year	**8,538**	**19,451**	**201,608**	**8,808**	**8,892**	**-**	**25,315**	**272,612**
Accumulated depreciation								
At beginning of financial year	-	**10,320**	**159,046**	**22,115**	**4,566**	-	**24,142**	**220,189**
Depreciation charge for the financial year	-	**1,180**	**7,168**	**587**	**1,433**	-	**6,651**	**17,019**
Write-offs	-	-	**(4,917)**	**(15)**	**(1,003)**	-	**(22,350)**	**(28,285)**
Disposals	-	-	**(42,080)**	**(15,694)**	**(65)**	-	-	**(57,839)**
Reassessment and modification of leases	-	-	-	-	-	-	**(210)**	**(210)**
Reclassifications	-	-	**(19)**	-	**19**	-	-	-
Exchange differences	-	-	**(170)**	**(11)**	**(43)**	-	**(113)**	**(337)**
At end of financial year	**-**	**11,500**	**119,028**	**6,982**	**4,907**	**-**	**8,120**	**150,537**
Net carrying amount	**8,538**	**7,951**	**82,580**	**1,826**	**3,985**	**-**	**17,195**	**122,075**

Notes to the Financial Statements

For the financial year ended 31 December 2025

15. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Group At 31 December 2024	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Capital work-in-progress RM'000	Right-of-use land and buildings RM'000	Total RM'000
Cost								
At beginning of financial year	8,538	18,324	275,103	25,377	9,271	964	28,911	366,488
Additions	-	156	5,600	324	1,469	1,985	3,079	12,613
Write-offs	-	-	(18,039)	(35)	(3,113)	-	(3,672)	(24,859)
Disposals	-	-	(43,041)	(2,058)	-	-	-	(45,099)
Reassessment and modification of leases	-	-	-	-	-	-	(1,486)	(1,486)
Reclassifications	-	965	-	-	-	(965)	-	-
Exchange differences	-	-	(2,153)	(19)	(136)	-	(26)	(2,334)
At end of financial year	8,538	19,445	217,470	23,589	7,491	1,984	26,806	305,323
Accumulated depreciation								
At beginning of financial year	-	9,223	204,149	23,177	6,633	-	25,325	268,507
Depreciation charge for the financial year	-	1,097	10,905	597	1,122	-	3,384	17,105
Write-offs	-	-	(17,839)	(35)	(3,112)	-	(3,672)	(24,658)
Disposals	-	-	(38,027)	(1,616)	-	-	-	(39,643)
Reassessment and modification of leases	-	-	-	-	-	-	(881)	(881)
Exchange differences	-	-	(142)	(8)	(77)	-	(14)	(241)
At end of financial year	-	10,320	159,046	22,115	4,566	-	24,142	220,189
Net carrying amount	8,538	9,125	58,424	1,474	2,925	1,984	2,664	85,134

Notes to the Financial Statements

For the financial year ended 31 December 2025

15. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(a) Right-of-use land and buildings represent right-of-use assets arising from lease arrangements that do not meet the definition of investment property.

(b) All items of property, plant and equipment (excluding right-of-use assets) are initially recorded at cost. After initial recognition, property, plant and equipment (excluding right-of-use assets) are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	%
Buildings	2 - 15
Plant and machinery	4 - 33
Motor vehicles	10 - 20
Office equipment, furniture and fittings	10 - 33

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The useful lives and residual values of other components of property, plant and equipment (excluding right-of-use assets) are estimated based on common life expectancies and commercial factors applied in the various respective industries.

Changes in expected level of usage, occupancy rates and economic development could impact the economic useful lives and the residual values of these assets, and hence future depreciation charges on such assets could be revised.

(c) The right-of-use assets under property, plant and equipment are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the end of the lease term. The principal depreciation periods are as follows:

Land and buildings	over the lease period from 2 to 21 years

(d) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	Group	
	2025 RM'000	2024 RM'000
Additions of property, plant and equipment	**64,640**	12,613
Additions via lease liabilities	**(20,329)**	(3,079)
Capitalisation of right-of-use asset depreciation	**(115)**	(125)
Capitalisation of lease liability interest expense	**(105)**	-
Cash outflow for acquisition of property, plant and equipment	**44,091**	9,409

Notes to the Financial Statements

For the financial year ended 31 December 2025

15. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(e) The breakdown of depreciation charge are as follows:

	Group	
	2025 RM'000	2024 RM'000
Depreciation of property, plant and equipment during the financial year	**17,019**	17,105
Less: Depreciation of right-of-use asset capitalised to property, plant and equipment	**(115)**	(125)
Total depreciation charge included in Statements of Cash Flows	**16,904**	16,980

16. INTANGIBLE ASSETS

	Group	
Software	2025 RM'000	2024 RM'000
Cost		
At beginning of financial year	**6,350**	19,167
Write-offs	**(357)**	(12,817)
At end of financial year	**5,993**	6,350
Accumulated amortisation		
At beginning of financial year	**6,070**	18,591
Amortisation charge for the year	**280**	296
Write-offs	**(357)**	(12,817)
At end of financial year	**5,993**	6,070
Net carrying amount	**-**	280

Intangible assets are initially measured at cost. After initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives. The amortisation expense on intangible assets with finite life is included within the other expenses line item.

Software

Software that does not form an integral part of the related hardware is treated as intangible asset with finite life and is amortised over its estimated useful life of three (3) years (2024: three (3) years).

Notes to the Financial Statements

For the financial year ended 31 December 2025

17. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025 RM'000	2024 RM'000
At cost		
Unquoted ordinary shares	**258,580**	258,580

(a) Investments in subsidiaries are stated in the separate financial statements of the Company at cost less impairment losses, if any.

(b) All components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on an combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

(c) During the financial year, the Group completed the subscription and acquisition of shares in the following companies:

(i) On 12 February 2025, Sunway Construction Sdn. Bhd. ("**SCSB**"), a wholly-owned subsidiary of the Company had subscribed for an additional 1,000,000 ordinary shares in the share capital of Sunway RE Sdn. Bhd. ("**SRSB**") for a total cash consideration of RM1,000,000.

(ii) On 26 May 2025 and 26 August 2025, the Group, via SCSB had acquired additional 2,235 and 7,464 equity shares respectively in Sunway RNS TJ Private Limited, an existing indirect subsidiary, for a total cash consideration of INR411,668,647 (approximately equivalent to RM20,453,204). The effective shareholding interest of the Group in Sunway RNS TJ Private Limited remains at 60%.

(iii) On 14 August 2025, SCSB had subscribed for an additional 172,174,325 Non-Cumulative Redeemable Preference Shares ("**NCRPS**") in the share capital of Sunway Industrial Products Sdn. Bhd. ("**SIP**") by way of capitalisation of the amount owing to the extent of RM172,174,325 due and owing by SIP to the Company.

(d) In the previous financial year, the Group completed the following subscription and acquisition of shares, incorporation and dissolutions of companies:

(i) On 13 May 2024, Sunway Engineering Sdn. Bhd. ("**SESB**"), a wholly-owned subsidiary of the Company had subscribed for an additional 600,000 ordinary shares in the share capital of Sunway Pekat Solar Sdn. Bhd. ("**SPSSB**") for a total cash consideration of RM600,000. Subsequently, on 19 July 2024, SESB subscribed for additional 600,000 ordinary share capital of SPSSB for a total cash consideration of RM600,000.

(ii) On 18 June 2024, SESB had incorporated a 70%-owned subsidiary known as Sunway ENGIE DC Sdn. Bhd. ("**SEDSB**") with paid-up share capital of RM100 comprising 100 ordinary shares. SEDSB had further increased its paid-up capital to RM10,000,100 subsequent to its incorporation.

(iii) On 29 August 2024, the Group via Sunway Construction Sdn. Bhd. ("**SCSB**"), a wholly-owned subsidiary of the Company had acquired additional equity shares, representing 5,540 shares in Sunway RNSIL MC Private Limited, an existing indirect subsidiary, for a total cash consideration of INR145,809,136 (approximately equivalent to RM8,116,290). The effective shareholding interest of the Group in Sunway RNSIL MC Private Limited remained at 60%.

Notes to the Financial Statements

For the financial year ended 31 December 2025

17. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(d) In the previous financial year, the Group completed the following subscription and acquisition of shares, incorporation and dissolutions of companies: (contd.)

(iv) In September 2024, the Company had received an official de-registration certificate from the Registrar General of Companies of Trinidad and Tobago, confirming that Sunway Construction (Caribbean) Limited had been officially struck off and dissolved in accordance with the Companies Act, Chapter 81:01 of the Republic of Trinidad and Tobago on 30 November 2023.

(e) Summarised information of companies with non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination. The non-controlling interests of the other companies are not material to the Group.

(i) Summarised statements of financial position

	Sunway ENGIE DC Sdn. Bhd.* RM'000	Sunway RNS TJ Private Limited RM'000	Sunway RNSIL MC Private Limited RM'000	Total RM'000
At 31 December 2025				
Non-current assets	**727**	**226,120**	**166,631**	**393,478**
Current assets	**340,240**	**85,105**	**64,444**	**489,789**
Total assets	**340,967**	**311,225**	**231,075**	**883,267**
Non-current liabilities	**-**	**-**	**142,535**	**142,535**
Current liabilities	**274,735**	**222,037**	**24,323**	**521,095**
Total liabilities	**274,735**	**222,037**	**166,858**	**663,630**
Net assets	**66,232**	**89,188**	**64,217**	**219,637**
Equity attributable to owners of the parent	**46,362**	**53,513**	**38,530**	**138,405**
Non-controlling interests	**19,870**	**35,675**	**25,687**	**81,232**
Total equity	**66,232**	**89,188**	**64,217**	**219,637**

	Sunway Sunway RNS TJ Private Limited RM'000	Sunway RNSIL MC Private Limited RM'000	Total RM'000
At 31 December 2024			
Non-current assets	217,187	165,088	382,275
Current assets	76,390	78,587	154,977
Total assets	293,577	243,675	537,252
Non-current liabilities	-	-	-
Current liabilities	237,211	176,953	414,164
Total liabilities	237,211	176,953	414,164
Net assets	56,366	66,722	123,088
Equity attributable to owners of the parent	33,820	40,033	73,853
Non-controlling interests	22,546	26,689	49,235
Total equity	56,366	66,722	123,088

* *Comparative information not disclosed as Sunway ENGIE DC Sdn. Bhd. was not material to the Group in the previous financial year.*

Notes to the Financial Statements

For the financial year ended 31 December 2025

17. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(e) (contd.)

(ii) Summarised statements of profit or loss and other comprehensive income

	Sunway ENGIE DC Sdn. Bhd.* RM'000	Sunway RNS TJ Private Limited RM'000	Sunway RNSIL MC Private Limited RM'000	Total RM'000
At 31 December 2025				
Revenue	**1,656,497**	**55,720**	**9,473**	**1,721,690**
Profit for the year	**128,903**	**2,507**	**1,511**	**132,921**
Other comprehensive income	**-**	**-**	**-**	**-**
Total comprehensive income	**128,903**	**2,507**	**1,511**	**132,921**
Profit attributable to:				
- owners of the parent	**90,232**	**1,504**	**907**	**92,643**
- non-controlling interests	**38,671**	**1,003**	**604**	**40,278**
Total comprehensive income attributable to:				
- owners of the parent	**90,232**	**1,504**	**907**	**92,643**
- non-controlling interests	**38,671**	**1,003**	**604**	**40,278**

* *Comparative information not disclosed as Sunway ENGIE DC Sdn. Bhd. was not material to the Group in the previous financial year.*

	Sunway Sunway RNS TJ Private Limited RM'000	Sunway RNSIL MC Private Limited RM'000	Total RM'000
At 31 December 2024			
Revenue	67,890	6,966	74,856
Profit for the year	3,247	2,073	5,320
Other comprehensive income	-	-	-
Total comprehensive income	3,247	2,073	5,320
Profit attributable to:			
- owners of the parent	1,948	1,244	3,192
- non-controlling interests	1,299	829	2,128
Total comprehensive income attributable to:			
- owners of the parent	1,948	1,244	3,192
- non-controlling interests	1,299	829	2,128

Notes to the Financial Statements
For the financial year ended 31 December 2025

17. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(e) (contd.)

(iii) Summarised statements of cash flows

	Sunway ENGIE DC Sdn. Bhd.* RM'000	Sunway RNS TJ Private Limited RM'000	Sunway RNSIL MC Private Limited RM'000	Total RM'000
At 31 December 2025				
Net cash (used in)/generated from:				
- operating activities	**98,534**	**205,529**	**28,384**	**332,447**
- investing activities	**-**	**-**	**-**	**-**
- financing activities	**(100,002)**	**(201,783)**	**(25,490)**	**(327,275)**
Net (decrease)/increase in cash and cash equivalents	**(1,468)**	**3,746**	**2,894**	**5,172**
Effects of foreign exchange rates changes	**-**	**(676)**	**(1,724)**	**(2,400)**
Cash and cash equivalents at beginning of the year	**2,293**	**8,100**	**26,856**	**37,249**
Cash and cash equivalents at end of the year	**825**	**11,170**	**28,026**	**40,021**

* *Comparative information not disclosed as Sunway ENGIE DC Sdn. Bhd. was not material to the Group in the previous financial year.*

	Sunway RNS TJ Private Limited RM'000	Sunway RNSIL MC Private Limited RM'000	Total RM'000
At 31 December 2024			
Net cash (used in)/generated from:			
- operating activities	(19,949)	9,462	(10,487)
- investing activities	-	785	785
- financing activities	12,585	(4,730)	7,855
Net (decrease)/increase in cash and cash equivalents	(7,364)	5,517	(1,847)
Effects of foreign exchange rates changes	(541)	(1,393)	(1,934)
Cash and cash equivalents at beginning of the year	16,005	22,732	38,737
Cash and cash equivalents at end of the year	8,100	26,856	34,956

Notes to the Financial Statements
For the financial year ended 31 December 2025

17. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(f) Details of the subsidiaries are as follows:

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of ownership interest held by Group 2025 %	Group 2024 %	Non-controlling interest 2025 %	Non-controlling interest 2024 %
Subsidiary of Sunway Construction Group Berhad						
Sunway Construction Sdn. Bhd.	Malaysia	Building and civil engineering works with capabilities in turnkey, design and build construction	**100.00**	100.00	**-**	-
Subsidiaries of Sunway Construction Sdn. Bhd.						
Sunway Innopave Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00	**-**	-
Sunway Machinery Sdn. Bhd.	Malaysia	Renting of machinery and site equipment undertaking of sub-contract work and transportation agent	**100.00**	100.00	**-**	-
Sunway Engineering Sdn. Bhd.	Malaysia	Provision of mechanical, engineering works and solar photovoltaic investment and related activities	**100.00**	100.00	**-**	-
Sunway Industrial Products Sdn. Bhd.	Malaysia	Investment holding	**100.00**	100.00	**-**	-
Sunway Construction India Pte. Ltd. **	India	Construction of civil and building works	**100.00**	100.00	**-**	-
Sunway Machineries Services Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00	**-**	-
Sunway Precast Industries Sdn. Bhd.	Malaysia	Manufacturing of precast concrete building components, undertaking of precast concrete building contracts and construction activities, as well as acting as transportation agent	**100.00**	100.00	**-**	-
Sunway Builders Sdn. Bhd.	Malaysia	Construction of building and civil works	**100.00**	100.00	**-**	-
Sunway RNS TJ Private Limited **	India	Concessionarie	**60.00**	60.00	**40.00**	40.00
Sunway RNSIL MC Private Limited **	India	Concessionarie	**60.00**	60.00	**40.00**	40.00

Notes to the Financial Statements

For the financial year ended 31 December 2025

17. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(f) Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of ownership interest held by Group 2025 %	Group 2024 %	Non-controlling interest 2025 %	Non-controlling interest 2024 %
Subsidiaries of Sunway Construction Sdn. Bhd. (contd.)						
Sunway Geotechnics (M) Sdn. Bhd.	Malaysia	Providing geotechnical services and related products and hire of heavy machineries	**100.00**	100.00	**-**	-
Sunway SK Sdn. Bhd.	Malaysia	Construction of building and civil works	**100.00**	100.00	**-**	-
Sunway Visioneering Sdn. Bhd.	Malaysia	Providing building information modelling (BIM) end-to-end solutions for project lifecycle	**100.00**	100.00	**-**	-
Sunway Concrete Products (M) Sdn. Bhd.	Malaysia	Manufacture of prefabricated structural and metal components for building or civil engineering of cement, concrete or artificial stones	**100.00**	100.00	**-**	-
Sunway Innopave (S) Pte. Ltd. *	Singapore	Investment holding company and renting of construction and civil engineering machinery and equipment	**100.00**	100.00	**-**	-
Sunway RE Sdn. Bhd.	Malaysia	Investment in solar photovoltaic plant and provision of engineering, procurement, construction and commissioning for solar photovoltaic systems	**100.00**	100.00	**-**	-
Subsidiaries of Sunway Engineering Sdn. Bhd.						
Sunway Pekat Solar Sdn. Bhd.	Malaysia	Installation of non-electric solar energy collectors	**60.00**	60.00	**40.00**	40.00
Sunway ENGIE DC Sdn. Bhd.	Malaysia	Design, supply, delivery construction, installation, erection and completion of mechanical and electrical system including all associated ancillary works	**70.00**	70.00	**30.00**	30.00

Notes to the Financial Statements

For the financial year ended 31 December 2025

17. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(f) Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of ownership interest held by Group 2025 %	Group 2024 %	Non-controlling interest 2025 %	Non-controlling interest 2024 %
Subsidiary of Sunway Geotechnics (M) Sdn. Bhd.						
Sunway CT Geotechnics Pte. Ltd. *~	Singapore	Dormant	**-**	-	**-**	-
Subsidiary of Sunway Industrial Products Sdn. Bhd.						
Sunway Concrete Products (S) Pte. Ltd. *	Singapore	Manufacturing, sales, and distribution of precast concrete building components, and subcontracting works for precast fabrication	**100.00**	100.00	**-**	-

* *Audited by BDO Member Firms.*
** *Audited by firms of auditors other than BDO PLT in Malaysia and BDO Member Firms*
~ *Officially struck off on 5 June 2025.*

18. INVESTMENT IN AN ASSOCIATE

	Group 2025 RM'000	Group 2024 RM'000
At cost:		
Unquoted:		
Cost of investment	**-**	-
Share of post-acquisition profits and other comprehensive income, net of dividend income	**-**	1,091
	-	1,091
Less: Accumulated impairment loss	**-**	(1,091)
	-	-

Notes to the Financial Statements
For the financial year ended 31 December 2025

18. INVESTMENT IN AN ASSOCIATE (CONTD.)

(a) Investment in an associate was stated at cost less any accumulated impairment loss in the separate financial statements and it was accounted for using the equity method of accounting in the consolidated financial statements.

(b) The financial year end of the associate was coterminous with the financial year end of the Group.

(c) Details of the associate were as follows:

Name of associate	Principal place of business	Principal activity	Proportion of ownership interest 2025 %	Proportion of ownership interest 2024 %
Associate of Sunway Builders Sdn. Bhd.				
ISZL Consortium *	Unincorporated Abu Dhabi	Construction	**25.00**	25.00

* *Audited by firm of auditors other than BDO PLT in Malaysia and BDO Member Firms.*

(d) The Group does not have any associate which is individually material to the Group at the end of the reporting period.

19. INVESTMENTS IN JOINT ARRANGEMENTS

	Group 2025 RM'000	Group 2024 RM'000
Unquoted shares at cost	**44,866**	55,471
Share of post-acquisition profits and other comprehensive income, net of dividends received and foreign exchange differences	**(6,674)**	(8,001)
	38,192	47,470
Less: Impairment loss	**(175)**	(193)
	38,017	47,277
Quasi-equity loan	**171,292**	178,530
Less: Impairment loss	**(1,115)**	(1,432)
	170,177	177,098
	208,194	224,375

19.1 Investments in joint ventures

(a) Investments in joint ventures are stated at cost less accumulated impairment losses in the separate financial statements. The Group recognises its interest in a joint venture as an investment and accounts for that investment using the equity method.

(b) The Group has determined that all of its joint arrangements structured through separate vehicles provide rights to the net assets and are therefore, classified as joint ventures.

Notes to the Financial Statements
For the financial year ended 31 December 2025

19. INVESTMENTS IN JOINT ARRANGEMENTS (CONTD.)

19.1 Investments in joint ventures (contd.)

(c) The financial year end of the joint ventures are coterminious with the financial year end of the Group.

(d) Unquoted investment in a joint venture with a carrying amount of RM32,889,000 (2024: RM31,165,000) has been charged to licensed bank for credit facilities granted to a subsidiary as disclosed in Note 31(d) to the financial statements.

(e) Quasi-equity loan is unsecured, interest-free and has the unconditional right to avoid settlement of the loan in cash and is considered to be part of the investment of the Group in providing the joint venture with a long term source of additional capital.

(f) Impairment for quasi-equity loan is recognised based on the general approach within MFRS 9 using the forward looking expected credit loss ("**ECL**") model as disclosed in Note 24(d) to the financial statements.

The reconciliation of movements in allowance for impairment accounts of quasi-equity loan is as follows:

	Group 12-month ECL 2025 RM'000	Group 12-month ECL 2024 RM'000
At beginning of financial year	**1,432**	1,354
Charge for the year	**-**	158
Reversal of impairment losses	**(268)**	-
Exchange differences	**(49)**	(80)
At end of financial year	**1,115**	1,432

(g) In the previous financial year, impairment loss of RM175,000 on investment in a joint venture had been recognised within other expenses in the statement of profit or loss of the Group due to declining net asset value.

Notes to the Financial Statements
For the financial year ended 31 December 2025

19. INVESTMENTS IN JOINT ARRANGEMENTS (CONTD.)

19.1 Investments in joint ventures (contd.)

(h) Details of the joint ventures are as follows:

Name of joint ventures	Principal place of business/ Country of incorporation	Principal activities	Effective interest in equity 2025 %	Effective interest in equity 2024 %
Joint venture of Sunway Engineering Sdn. Bhd.				
GME-SE Joint Venture (STW) **	Unincorporated Malaysia	Provision of mechanical and engineering works	**50.00**	50.00
Joint venture of Sunway Geotechnics (M) Sdn. Bhd.				
Sunway Aneka Pertama Geotechnics (PH) Inc. **^#	Philippines	Construction	**-**	43.00
Joint venture of Sunway Concrete Product (S) Pte. Ltd.				
HL-Sunway JV Pte. Ltd. **^	Singapore	Manufacturing and sales of precast concrete components	**49.00**	49.00
Joint venture of Sunway SK Sdn. Bhd.				
ENGIE-SUNWAY DCS Sdn. Bhd. **^~	Malaysia	Engineering, financing, construction, operations and maintenance of district cooling system	**-**	40.00

 # Dissolved by way of shortening its corporate term of existence to 14 February 2023 by the Philippines Securities and Exchange Commission on 12 September 2025; however, the entity has not been derecognised as at year end due to outstanding cash disbursements yet to be received.
~ Disposed on 12 September 2025.
*** Audited by firms of auditors other than BDO PLT in Malaysia and BDO Member Firms.*
^ These entities are considered joint ventures as the Group and the ventures have joint control and have rights to the net assets of the arrangements.

Notes to the Financial Statements
For the financial year ended 31 December 2025

19. INVESTMENTS IN JOINT ARRANGEMENTS (CONTD.)

19.1 Investments in joint ventures (contd.)

(i) Summarised information of joint ventures of the Group is set out below. The summarised information represents the amounts in the MFRS financial statements of the joint ventures (translated to Ringgit Malaysia, where applicable, based on exchange rates as at the end of the reporting period) and does not reflect the Group's proportionate share in those amounts.

(i) Summarised statements of financial position

At 31 December 2025	GME-SE Joint Venture (STW) RM'000	Sunway Aneka Pertama Geotechnics (PH) Inc. RM'000	HL-Sunway JV Pte. Ltd. RM'000	Total RM'000
Non-current assets	**-**	**-**	**411,821**	**411,821**
Cash and cash equivalents	**10,339**	**562**	**21,277**	**32,178**
Other current assets	**1,787**	**-**	**48,171**	**49,958**
Current assets	**12,126**	**562**	**69,448**	**82,136**
Total assets	**12,126**	**562**	**481,269**	**493,957**
Non-current liabilities	**-**	**-**	**29,131**	**29,131**
Trade and other payables and provisions	**1,940**	**74**	**385,018**	**387,032**
Current liabilities	**1,940**	**74**	**385,018**	**387,032**
Total liabilities	**1,940**	**74**	**414,149**	**416,163**
Net assets	**10,186**	**488**	**67,120**	**77,794**

Notes to the Financial Statements

For the financial year ended 31 December 2025

19. INVESTMENTS IN JOINT ARRANGEMENTS (CONTD.)

19.1 Investments in joint ventures (contd.)

(i) (contd.)

(i) Summarised statements of financial position (contd.)

At 31 December 2024	GME-SE Joint Venture (STW) RM'000	Sunway Aneka Pertama Geotechnics (PH) Inc. RM'000	HL-Sunway JV Pte. Ltd. RM'000	ENGIE-SUNWAY DCS Sdn. Bhd. RM'000	Total RM'000
Non-current assets	-	-	440,873	31,546	472,419
Cash and cash equivalents	7,880	586	3,892	3,451	15,809
Other current assets	7,704	60	13,573	4,166	25,503
Current assets	15,584	646	17,465	7,617	41,312
Total assets	15,584	646	458,338	39,163	513,731
Non-current liabilities	-	-	32,255	11,191	43,446
Trade and other payables and provisions	5,398	113	362,480	514	368,505
Current liabilities	5,398	113	362,480	514	368,505
Total liabilities	5,398	113	394,735	11,705	411,951
Net assets	10,186	533	63,603	27,458	101,780

Notes to the Financial Statements

For the financial year ended 31 December 2025

19. INVESTMENTS IN JOINT ARRANGEMENTS (CONTD.)

19.1 Investments in joint ventures (contd.)

(i) (contd.)

(ii) Summarised statements of profit or loss and other comprehensive income

At 31 December 2025	GME-SE Joint Venture (STW) RM'000	Sunway Aneka Pertama Geotechnics (PH) Inc. RM'000	HL-Sunway JV Pte. Ltd. RM'000	Total RM'000
Revenue	**-**	**-**	**106,415**	**106,415**
Cost of sales	**-**	**-**	**(89,701)**	**(89,701)**
Other expenses	**-**	**(45)**	**(19,685)**	**(19,730)**
Other income	**-**	**-**	**35,957**	**35,957**
Profit/(Loss) before tax	**-**	**(45)**	**32,986**	**32,941**
Taxation	**-**	**-**	**(2,128)**	**(2,128)**
Profit/(Loss) after tax	**-**	**(45)**	**30,858**	**30,813**
Other comprehensive loss, net of tax	**-**	**-**	**(2,798)**	**(2,798)**
Total comprehensive income/(loss)	**-**	**(45)**	**28,060**	**28,015**
Dividend received from joint venture during the financial year	**-**	**-**	**12,026**	**12,026**

At 31 December 2024	GME-SE Joint Venture (STW) RM'000	Sunway Aneka Pertama Geotechnics (PH) Inc. RM'000	HL-Sunway JV Pte. Ltd. RM'000	ENGIE-SUNWAY DCS Sdn. Bhd. RM'000	Total RM'000
Revenue	4,307	-	89,961	-	94,268
Cost of sales	(4,069)	-	(72,402)	-	(76,471)
Other expenses	-	(11)	(19,110)	(37)	(19,158)
Other income	-	-	2,159	-	2,159
Profit/(Loss) before tax	238	(11)	608	(37)	798
Taxation	-	-	-	(2)	(2)
Profit/(Loss) after tax	238	(11)	608	(39)	796
Other comprehensive loss, net of tax	-	-	(3,155)	-	(3,155)
Total comprehensive income/(loss)	238	(11)	(2,547)	(39)	(2,359)
Dividend received from joint venture during the financial year	-	-	-	-	-

Notes to the Financial Statements
For the financial year ended 31 December 2025

19. INVESTMENTS IN JOINT ARRANGEMENTS (CONTD.)

19.1 Investments in joint ventures (contd.)

(i) (contd.)

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of interest in joint ventures of the Group

At 31 December 2025	GME-SE Joint Venture (STW) RM'000	Sunway Aneka Pertama Geotechnics (PH) Inc. RM'000	HL-Sunway JV Pte. Ltd. RM'000	Total RM'000
Net assets at end of financial year	**10,186**	**488**	**67,120**	**77,794**
Interest in joint ventures as at year end	**50%**	**43%**	**49%**	
	5,093	**210**	**32,889**	**38,192**
Less: Impairment loss	**-**	**(175)**	**-**	**(175)**
Carrying value of Group's interest in joint ventures	**5,093**	**35**	**32,889**	**38,017**

At 31 December 2024	GME-SE Joint Venture (STW) RM'000	Sunway Aneka Pertama Geotechnics (PH) Inc. RM'000	HL-Sunway JV Pte. Ltd. RM'000	ENGIE-SUNWAY DCS Sdn. Bhd. RM'000	Total RM'000
Net assets at end of financial year	10,186	533	63,603	27,458	101,780
Interest in joint ventures as at year end	50%	43%	49%	40%	
	5,093	229	31,165	10,983	47,470
Less: Impairment loss	-	(175)	-	(18)	(193)
Carrying value of Group's interest in joint ventures	5,093	54	31,165	10,965	47,277

(j) On 12 September 2025, the Philippines Securities and Exchange Commission approved the voluntary dissolution of Sunway Aneka Pertama Geotechnics (PH), Inc ("**SAPGEO**"), a 43%-owned joint venture company of Sunway Geotechnics (M) Sdn. Bhd., which in turn was an indirect wholly-owned subsidiary of the Group, through an amendment to its Articles of Incorporation, which shortened its corporate term of existence to 14 February 2023. Accordingly SAPGEO is deemed dissolved effective 14 February 2023.

Notes to the Financial Statements
For the financial year ended 31 December 2025

19. INVESTMENTS IN JOINT ARRANGEMENTS (CONTD.)

19.1 Investments in joint ventures (contd.)

(k) On 12 September 2025, Sunway SK Sdn. Bhd. ("**SK**"), a wholly-owned subsidiary of Sunway Construction Sdn. Bhd., which in turn was an indirect subsidiary of the Group, entered into a Share Sale Agreement to dispose of 10,983,240 ordinary shares in ENGIE-Sunway DCS Sdn. Bhd. ("**ENGIE-Sunway**"), representing 40% of the issued share capital of ENGIE-Sunway, to Sunway Property & Facility Management Sdn. Bhd. for a total cash consideration of RM10,983,240. As at 3 October 2025, the Group has ceased to have joint control over ENGIE-Sunway. The financial effects as at the date of disposal are as follows:

Group	2025 RM'000
Proceeds from disposal	**10,983**
Carrying value of Group's interest	**(11,223)**
Loss on disposal of a joint venture	**(240)**

19.2 Investments in joint operations

(a) Taisei-Sunway Joint Venture and Kajima-Suncon Joint Venture are deemed to be joint operations of the Group, which are joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

(b) When the Group undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

(i) its assets, including its share of any assets held jointly;
(ii) its liabilities, including its share of any liabilities incurred jointly;
(iii) its revenue from the sale of its share of the output arising from the joint operation;
(iv) its share of the revenue from the sale of the output by the joint operation; and
(v) its expenses, including its share of any expenses incurred jointly.

When the Group transacts with a joint operation in which the Group is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When the Group transacts with a joint operation in which the Group is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Notes to the Financial Statements
For the financial year ended 31 December 2025

19. INVESTMENTS IN JOINT ARRANGEMENTS (CONTD.)

19.2 Investments in joint operations (contd.)

(c) Details of the joint operations are as follows:

Name of joint operations	Principal place of business/ Country of incorporation	Principal activities	Participating interest 2025 %	Participating interest 2024 %
Joint operations of Sunway Construction Sdn. Bhd.				
Taisei-Sunway Joint Venture *~	Unincorporated Malaysia	Construction works	**-**	50.00
Kajima-Suncon Joint Venture #	Unincorporated Malaysia	Construction works	**50.00**	50.00

* *Statutory audit not required as at 31 December 2025.*
~ *Formally dissolved on 11 November 2025.*
\# *Audited by firm of auditors other than BDO in Malaysia and BDO Member Firms.*

(d) During the financial year, Sunway Construction Sdn. Bhd. and Taisei Corporation signed a mutual acknowledgement of cessation of operations for the joint operation, Taisei-Sunway JV, and expressed their intent to terminate the joint operation through a formal termination letter confirming that the joint operation is deemed functionaly dissolved and agreeing to finalise all outstanding matters required for tax clearance and formal dissolution. With the tax clearance approval received from the Inland Revenue Board (IRB) on 11 November 2025, the joint operation has been formally dissolved.

20. OTHER INVESTMENTS

	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Non-current				
Corporate membership	**266**	266	**-**	-

(a) The other investments are financial assets and measured at fair value through profit or loss pursuant to MFRS 9 *Financial Instruments*.

(b) The fair value of corporate membership of the Group is categorised as Level 2 in the fair value hierarchy. The fair value measurements of corporate memberships are based on market prices of similar instruments.

(c) There is no transfer between levels in the hierarchy during the financial year.

Notes to the Financial Statements
For the financial year ended 31 December 2025

21. GOODWILL

	Group 2025 RM'000	Group 2024 RM'000
Cost		
At beginning/end of financial year	**35,397**	35,397
Accumulated impairment losses		
At beginning/end of financial year	**(35,397)**	(35,397)
Net carrying amount		
At beginning/end of financial year	**-**	-

The carrying amount of goodwill allocated to the Group's cash-generating unit (CGU) is as follows:

	Group 2025/2024 RM'000
Precast concrete	**-**

22. INVENTORIES

	Group 2025 RM'000	Group 2024 RM'000
At cost		
Properties stocks	**453**	453
Raw materials	**17,725**	8,447
Finished goods	**41,659**	34,276
Spare parts	**280**	76
	60,117	43,252
At net realisable value		
Spare parts	**-**	-
	-	-
	60,117	43,252

(a) Properties stocks comprise properties received from trade receivables as settlement of debts in the ordinary course of business.

(b) Cost of raw materials and finished goods is determined on a first-in, first-out basis. Cost comprises costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition.

Notes to the Financial Statements

For the financial year ended 31 December 2025

22. INVENTORIES (CONTD.)

(c) Cost of spare parts is determined on a weighted average basis. Cost comprises costs of purchase plus other costs incurred in bringing the inventories to their present location and condition.

(d) During the current financial year, inventories of the Group recognised as cost of sales amounted to RM172,954,000 (2024: RM61,828,000).

(e) During the financial year, the Group has written down inventories to net realisable value amounted to RM NIL (2024: RM518,000).

(f) During the financial year, the Group has written back RM NIL (2024: RM1,845,000) in respect of inventories written down in the previous financial years that was subsequently not required as the Group was able to sell those inventories at their carrying amount.

23. TRADE RECEIVABLES

	Group	
	2025 RM'000	2024 RM'000
Non-current		
Third parties	**394,281**	384,226
Finance lease receivables	**10,710**	8,363
Less: Impairment losses	**(2,436)**	(2,567)
	402,555	390,022
Current		
Third parties	**964,896**	1,249,887
Related parties	**67,475**	32,005
Retention sums	**328,607**	291,982
Finance lease receivables	**224**	169
	1,361,202	1,574,043
Less: Impairment losses	**(102,679)**	(72,593)
	1,258,523	1,501,450
Total trade receivables	**1,661,078**	1,891,472

(a) Total trade receivables are classified as financial assets measured at amortised cost.

(b) The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of 30 days to 90 days (2024: 30 days to 90 days). Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest bearing except as stated in Note 23(k) to the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2025

23. TRADE RECEIVABLES (CONTD.)

(c) Included in retention sums of the Group are amounts owing from related parties of RM50,928,000 (2024: RM80,087,000).

(d) The repayment terms of finance lease receivables are as follows:

	Group	
	2025 RM'000	2024 RM'000
Finance lease receivables:		
Less than one (1) year	**1,386**	1,046
One (1) to two (2) years	**1,386**	1,046
Two (2) to three (3) years	**1,386**	1,046
Three (3) to four (4) years	**1,386**	1,046
Four (4) to five (5) years	**1,386**	1,046
More than five (5) years	**18,130**	14,340
Less: Unearned interest	**(14,126)**	(11,038)
	10,934	8,532
Representing finance lease receivables:		
Less than one (1) year	**224**	169
One (1) to two (2) years	**247**	186
Two (2) to three (3) years	**274**	206
Three (3) to four (4) years	**303**	227
Four (4) to five (5) years	**336**	252
More than five (5) years	**9,550**	7,492
	10,934	8,532

(e) The reconciliation of movements in the carrying amounts of finance lease receivables is as follows:

	Group	
	2025 RM'000	2024 RM'000
Finance lease receivables:		
At beginning of financial year	**8,532**	8,685
Transfer from property, plant and equipment	**2,030**	-
Fair value gain on reclassification from property, plant and equipment to finance lease receivables	**573**	-
Interest income	**1,179**	893
Lease payments received	**(1,380)**	(1,046)
At end of financial year	**10,934**	8,532

Notes to the Financial Statements

For the financial year ended 31 December 2025

23. TRADE RECEIVABLES (CONTD.)

(f) Impairment for trade receivables is recognised based on the simplified approach using the lifetime expected credit losses ("**ECL**").

Impairment of trade receivables that contain significant financing component such as finance lease receivables are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model as disclosed in Note 24(d) to the financial statements.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The Group considers historical credit loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected credit loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

During this process, the probability of non-payment by the trade receivables is adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. The Group has identified the Gross Domestic Product, Lending Interest, Unemployment Rate and Inflation Rate as the key macroeconomic factors of the forward-looking information. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

Individual assessment of impairment of trade receivables are separately assessed when it is probable that cash due will not be received in full.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

(g) The reconciliation of movements in impairment losses for trade receivables is as follows:

	Group		
At 31 December 2025	**Lifetime ECL - not credit impaired RM'000**	**Lifetime ECL - credit impaired RM'000**	**Total RM'000**
At beginning of financial year	**9,680**	**65,480**	**75,160**
Charge for the financial year	**9,042**	**26,160**	**35,202**
Reversal of impairment losses	**(486)**	**(4,325)**	**(4,811)**
Exchange differences	**(436)**	**-**	**(436)**
At end of financial year	**17,800**	**87,315**	**105,115**

Notes to the Financial Statements

For the financial year ended 31 December 2025

23. TRADE RECEIVABLES (CONTD.)

(g) The reconciliation of movements in impairment losses for trade receivables is as follows: (contd.)

	Group		
At 31 December 2024	**Lifetime ECL - not credit impaired RM'000**	**Lifetime ECL - credit impaired RM'000**	**Total RM'000**
At beginning of financial year	10,798	75,584	86,382
Charge for the financial year	2,660	7,338	9,998
Reversal of impairment losses	(3,294)	(17,442)	(20,736)
Exchange differences	(484)	-	(484)
At end of financial year	9,680	65,480	75,160

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments as at the financial year end.

(h) The ageing analysis of the Group's trade receivables are as follows:

	2025		
Group	**Gross RM'000**	**Impaired RM'000**	**Total RM'000**
Current	**1,694,042**	**(47,123)**	**1,646,919**
1 to 30 days past due	**6,487**	**(49)**	**6,438**
31 to 60 days past due	**1,552**	**(11)**	**1,541**
61 to 90 days past due	**1,926**	**(16)**	**1,910**
91 to 120 days past due	**3**	**-**	**3**
121 days to 150 days past due	**239**	**(4)**	**235**
More than 150 days past due	**61,944**	**(57,912)**	**4,032**
	72,151	**(57,992)**	**14,159**
	1,766,193	**(105,115)**	**1,661,078**

	2024		
Group	**Gross RM'000**	**Impaired RM'000**	**Total RM'000**
Current	1,808,808	(8,709)	1,800,099
1 to 30 days past due	46,605	(282)	46,323
31 to 60 days past due	16,960	(99)	16,861
61 to 90 days past due	73	-	73
91 to 120 days past due	400	(3)	397
121 days to 150 days past due	21,374	(6,623)	14,751
More than 150 days past due	72,412	(59,444)	12,968
	157,824	(66,451)	91,373
	1,966,632	(75,160)	1,891,472

Notes to the Financial Statements

For the financial year ended 31 December 2025

23. TRADE RECEIVABLES (CONTD.)

(i) During the financial year, the Group entered into revised repayment arrangements with a customer, which resulted in a formal revision to the contractual payment schedule of the receivable. Accordingly, the receivable amounting to RM165,259,000 is no longer past due based on the revised contractual due dates and has been presented within 'Current' in the ageing analysis. This reclassification does not reflect a change in the credit risk profile of the receivables.

(j) The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's total trade receivables at the end of the reporting period are as follows:

	Group			
	2025		2024	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	**1,134,114**	**68.3%**	1,340,774	70.9%
Singapore	**77,713**	**4.7%**	73,668	3.9%
India	**449,251**	**27.0%**	477,030	25.2%
	1,661,078	**100.0%**	1,891,472	100.0%
By segment:				
Construction	**1,583,365**	**95.3%**	1,817,740	96.1%
Precast concrete	**77,713**	**4.7%**	73,732	3.9%
	1,661,078	**100.0%**	1,891,472	100.0%

Exposure to credit risk

Concentration of credit risk relating to trade receivables is limited due to the Group's many varied customers. These customers are engaged in a wide spectrum of activities and sell in a variety of end markets. The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

(k) The non-current and current trade receivables of the Group are unsecured, bear interest at rates ranging from 4.95% to 17.33% (2024: 4.95% to 17.33%) per annum and the non current trade receivables are not expected to be repayable within the next twelve months in cash and cash equivalents.

(l) At the end of the reporting period, the interest rate profile of the interest-bearing trade receivables was:

	Group	
	2025 RM'000	2024 RM'000
Fixed rate	**10,934**	8,532
Variable rate	**622,550**	657,404

Sensitivity analysis for fixed rate trade receivables at the end of the reporting period is not presented as it is not affected by changes in interest rates.

For variable rate trade receivables, a change of 25 basis points in interest rates, assuming all other variables remained constant, at the end of the reporting period would result in the profit net of tax of the Group to be higher/(lower) by RM1,183,000 (2024: RM1,249,000).

Notes to the Financial Statements

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23. TRADE RECEIVABLES (CONTD.)

(m) The carrying amounts of non-current finance lease receivables approximate their fair values as their interest rates are priced at a reasonable approximation of the market interest rates as at the end of the reporting period.

(n) The fair values of finance lease receivables are categorised as Level 3 in the fair value hierarchy, which are estimated based on expected cash flows discounted at the market rate of interests as at the end of the reporting period. There is no transfer between levels in the fair value hierarchy during the financial year.

24. OTHER RECEIVABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposits	**12,560**	10,723	**-**	-
Prepayments	**9,803**	12,028	**-**	-
Sundry receivables	**107,382**	56,186	**256**	-
	129,745	78,937	**256**	-
Less: Impairment losses	**(1,588)**	(1,531)	**-**	-
Total other receivables	**128,157**	77,406	**256**	-

(a) Total other receivables, net of prepayments are classified as financial assets measured at amortised cost.

(b) Included in other receivables of the Group are amounts due from related parties of RM9,000 (2024: RM8,400).

(c) The amounts due from related parties are unsecured, non-interest bearing and repayable based on credit terms granted. The credit period is generally for a period of 30 days to 90 days (2024: 30 days to 90 days).

(d) Impairment for trade receivables with significant financing component, quasi-equity loan, non-trade amounts due from subsidiaries, intermediate holding company, related companies and joint ventures and other receivables is recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while twelve-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and Company defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment trends and past due information.

Notes to the Financial Statements
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24. OTHER RECEIVABLES

(d) (contd.)

The probability of non-payment by other receivables, amounts due from subsidiaries, intermediate holding company, related companies, joint ventures and quasi-equity loan is adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the twelve-month or lifetime expected credit loss for other receivables, amounts due from subsidiaries, intermediate holding company, related companies, joint ventures and quasi-equity loan. The Group and Company has identified the Gross Domestic Product, Lending Interest, Unemployment Rate and Inflation Rate as the key macroeconomic factors of the forward-looking information.

It requires management to exercise significant judgement in determining the probability of default by quasi-equity loan, non-trade amounts due from subsidiaries, intermediate holding company, related companies, joint ventures and other receivables, appropriate forward-looking information and significant increase in credit risk.

No expected credit losses are recognised arising from other receivables of the Company because the probability of default by other receivables is negligible.

(e) The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

(f) The reconciliation of movements in impairment losses for other receivables of the Group is as follows:

	Group		
At 31 December 2025	12-month ECL RM'000	Lifetime ECL - credit impaired RM'000	Total RM'000
At beginning of financial year	**684**	**847**	**1,531**
Charge for the financial year	**88**	**-**	**88**
Reversal of impairment losses	**(3)**	**-**	**(3)**
Exchange differences	**(28)**	**-**	**(28)**
At end of financial year	**741**	**847**	**1,588**

	Group		
At 31 December 2024	12-month ECL RM'000	Lifetime ECL - credit impaired RM'000	Total RM'000
At beginning of financial year	650	847	1,497
Charge for the financial year	107	-	107
Reversal of impairment losses	(45)	-	(45)
Exchange differences	(28)	-	(28)
At end of financial year	684	847	1,531

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments as at the financial year end.

Notes to the Financial Statements
For the financial year ended 31 December 2025

25. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2025 RM'000	2024 RM'000
Current assets		
Amounts due from subsidiaries (non-trade)	**229,323**	923
Current liabilities		
Amounts due to subsidiaries (non-trade)	**553**	6,153

(a) Amounts due from/(to) subsidiaries are classified as financial asset/(liabilities) measured at amortised cost.

(b) Amounts due from/(to) subsidiaries (non-trade) are unsecured, interest-free and the terms of repayment are within next twelve (12) months in cash and cash equivalents.

(c) The maturity profile of amounts due to subsidiaries of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is payable on demand or within one year.

(d) Included in amounts due from subsidiaries of the Company is a dividend receivable from a subsidiary amounting to RM203,652,000.

(e) Impairment for amounts due from subsidiaries is recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model as disclosed in Note 24(d) to the financial statements.

No expected credit loss is recognised arising from amounts due from subsidiaries because the probability of default by the subsidiaries is negligible.

26. AMOUNTS DUE FROM/(TO) HOLDING COMPANIES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current asset				
Amount due from intermediate holding company (non-trade)	**-**	31	**-**	14
Current liability				
Amount due to intermediate holding company (non-trade)	**1**	18	**-**	1
Amount due to immediate holding company (non-trade)	**161,813**	-	**161,813**	-
	161,814	18	**161,813**	1

Notes to the Financial Statements

For the financial year ended 31 December 2025

26. AMOUNTS DUE FROM/(TO) HOLDING COMPANIES (CONTD.)

(a) Amounts due from/(to) holding companies are classified as financial asset/(liability) measured at amortised cost.

(b) Amounts due from/(to) holding companies (non-trade) are unsecured, interest-free and the terms of repayment are within next twelve (12) months in cash and cash equivalents.

(c) The maturity profile of amounts due to holding companies of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations are payable on demand or within one year.

(d) Impairment for amount due from intermediate holding company of the Group and of the Company was recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model as disclosed in Note 24(d) to the financial statements.

No expected credit loss was recognised arising from amount due from intermediate holding company of the Group and of the Company because the probability of default by the intermediate holding company was negligible.

(e) Included in amount due to immediate holding company of the Group and the Company is a special dividend payable amounting to RM161,813,000.

27. AMOUNTS DUE FROM/(TO) RELATED COMPANIES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current asset				
Amounts due from related companies				
- trade	**165,987**	213,742	**-**	-
- non-trade	**662**	1,186	**-**	-
	166,649	214,928	**-**	-
Less: Impairment losses	**(77)**	(112)	**-**	-
Net carrying amount of amounts due from related companies	**166,572**	214,816	**-**	-
Current liability				
Amounts due to related companies				
- trade	**23,934**	92,930		
- non-trade	**10,746**	5,001	**-**	-
	34,680	97,931	**-**	-

(a) Amounts due from/(to) related companies are classified as financial assets/(liabilities) measured at amortised cost.

(b) Amounts due from/(to) related companies (trade) are unsecured, interest-free and the credit period is generally for a period of 30 days to 90 days (2024: 30 days to 90 days).

Included in amounts due from related companies (trade) are retention sum of RM138,480,000 (2024: RM133,650,000).

Notes to the Financial Statements

For the financial year ended 31 December 2025

27. AMOUNTS DUE FROM/(TO) RELATED COMPANIES (CONTD.)

(c) Amounts due from/(to) related companies (non-trade) are unsecured, interest-free and the terms of repayment are within next twelve (12) months in cash and cash equivalents.

(d) The maturity profile of amounts due to related companies of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations are payable on demand or within one year.

(e) Impairment for amounts due from related companies (trade) is recognised based on the simplified approach using the lifetime expected credit losses as disclosed in Note 23(f) to the financial statements and impairment for amounts due from related companies (non-trade) is recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model as disclosed in Note 24(d) to the financial statements.

The reconciliation of movements in impairment losses for amounts due from related companies (trade) is as follows:

Group	Lifetime ECL - not credit impaired	
	2025 RM'000	2024 RM'000
At beginning of financial year	**112**	51
Charge for the financial year	**-**	85
Reversal of impairment losses	**(37)**	(26)
Exchange differences	**2**	2
At end of financial year	**77**	112

No expected credit loss is recognised arising from amounts due from related companies (non-trade) because it is negligible.

28. AMOUNTS DUE FROM/(TO) JOINT VENTURES

	Group	
	2025 RM'000	2024 RM'000
Current asset		
Amounts due from related companies		
- trade	**1,246**	102
- non-trade	**12,626**	1,313
Net carrying amount of amounts due from joint ventures	**13,872**	1,415
Current liability		
Amounts due to joint ventures		
- trade	**24,705**	7,646

Notes to the Financial Statements

For the financial year ended 31 December 2025

28. AMOUNTS DUE FROM/(TO) JOINT VENTURES (CONTD.)

(a) Amounts due from/(to) joint ventures are classified as financial assets/(liabilities) measured at amortised cost.

(b) Amounts due from/(to) joint ventures (trade) are unsecured, interest-free and the credit period is generally for a period of 30 days to 90 days (2024: 30 days to 90 days).

(c) Amounts due from joint ventures (non-trade) are unsecured, interest-free and the terms of repayment is within next twelve (12) months in cash and cash equivalents.

(d) The maturity profile of amounts due to joint ventures of the Group at the end of the reporting period based on contractual undiscounted repayment obligations is payable on demand or within one year.

(e) Impairment for amounts due from joint ventures (trade) is recognised based on the simplified approach using the lifetime expected credit lossess as disclosed in Note 23(f) to the financial statement and impairment for amounts due from joint venture (non-trade) is recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model as disclosed in Note 24(d) to the financial statements.

No expected credit loss is recognised arising from amounts due from joint ventures because it is negligible.

29. DERIVATIVE LIABILITIES

Group	2025 Contract/ Notional amount RM'000	2025 Liabilities RM'000	2024 Contract/ Notional amount RM'000	2024 Liabilities RM'000
Interest rate swaps	-	-	67,320	191
Forward currency contracts	-	-	7,527	-
Total derivatives liabilities		-		191
Less: Current portion		-		(155)
Non-current portion		-		36

(a) In the previous financial year, derivatives were classified as fair value through profit or loss, and subsequently remeasured to fair value with changes in fair value being recognised in profit or loss.

(b) Interest rate swap and foreign currency forward contracts were categorised as Level 2 in the fair value hierarchy. There was no transfer between levels in the fair value hierarchy during the financial year.

(c) The Group entered into derivatives as follows:

(i) Interest rate swap

An interest rate swap is a derivative in which one party exchanges a stream of interest payments for another party's stream of cash flow. In the previous financial year, the Group entered into interest swaps to exchange floating interest rate for fixed interest rates in order to minimise the exposure from fluctuation of interest rate. The interest rate swaps received floating interest rate equals to Singapore Overnight Rate Average ("**SORA**") per annum and paid fixed rate of interest of 2.61% and 3.29% per annum.

Notes to the Financial Statements

For the financial year ended 31 December 2025

29. DERIVATIVE LIABILITIES (CONTD.)

(c) The Group entered into derivatives as follows: (contd.)

(i) Interest rate swap (contd.)

The fair values of the interest rate swap contracts were determined by using the mark to market values at the end of the reporting period and changes in the fair value were recognised in the profit or loss.

Interest rate swap contracts were valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties and interest rate curves.

(d) The maturity profile of the Group's derivative liabilities at the end of the reporting period based on contractual undiscounted repayment obligations is summarised in the table below:

Group	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
As at 31 December 2025				
Derivatives - settled net	-	-	-	-
As at 31 December 2024				
Derivatives - settled net	155	36	-	191

30. CASH AND BANK BALANCES

	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Cash and bank balances				
Cash at banks and on hand	**71,282**	218,745	**1,186**	1,022
Deposits with licensed banks	**157,543**	92,575	**-**	-
Short term funds				
- Money market funds	**1,771,233**	704,443	**231,909**	135,682
Cash and bank balances	**2,000,058**	1,015,763	**233,095**	136,704

(a) Deposits with licensed banks of the Group had maturity days from 1 to 365 days (2024: 1 to 365 days) and were subject to fixed weighted average effective interest rate ranging from 2.35% to 5.12% (2024: 2.80% to 5.44%).

Notes to the Financial Statements

For the financial year ended 31 December 2025

30. CASH AND BANK BALANCES (CONTD.)

(b) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances	**2,000,058**	1,015,763	**233,095**	136,704
Less: Deposits with licensed banks with maturity of more than 3 months	**(1,266)**	(202)	**-**	-
Less: Short term fund pledged to other financial institution	**(85,228)**	(79,289)	**(85,228)**	(79,289)
Total cash and cash equivalents	**1,913,564**	936,272	**147,867**	57,415

(c) Included in the short term funds of the Group and Company is an amount of RM85,228,000 (2024: RM79,289,000) pledged to other financial institution as securities for banking facilities granted to a subsidiary as disclosed in Note 31(d) to the financial statements.

(d) Sensitivity analysis for fixed rate deposits with licensed banks at the end of the reporting period is not presented as they are not affected by changes in interest rates.

(e) Cash and bank balances (excluding short term funds) are financial assets measured at amortised cost.

(f) No expected credit loss is recognised arising from cash at bank and deposits with licensed banks because the probability of default by these financial institutions is negligible.

(g) Short term funds of the Group and of the Company represent investments in highly liquid money market instruments, which are readily convertible to known amounts of cash and are subject to an insignificant risk changes in value.

(h) Short term funds of the Group and of the Company are classified as financial assets at fair value through profit or loss are categorised as Level 1 in the fair value hierarchy. Fair value of short term funds are determined by reference to the quoted prices at the close of business at the end of each reporting period.

(i) Sensitivity analysis for market price risk

Short term funds of the Group and of the Company are exposed to changes in market quoted prices. However, the volatility of these funds' prices is considered low, and hence, sensitivity analysis for equity price risk is not presented.

(j) There is no transfer between levels in the fair value hierarchy during the financial year.

Notes to the Financial Statements

For the financial year ended 31 December 2025

31. BORROWINGS

	Group	
	2025 RM'000	2024 RM'000
Long term borrowings		
Secured:		
Term loans	**142,535**	-
	142,535	-
Short term borrowings		
Secured:		
Term loans	**7,706**	496,624
	7,706	496,624
Unsecured:		
Revolving credits	**-**	133,996
Bills discounting	**150,000**	100,000
	150,000	233,996
	157,706	730,620
Total borrowings	**300,241**	730,620
Total borrowings		
Term loans	**150,241**	496,624
Revolving credits	**-**	133,996
Bills discounting	**150,000**	100,000
	300,241	730,620

(a) Borrowings are classified as financial liabilities carried at amortised cost.

(b) In the previous financial year, the Group entered into interest rate swap contracts to hedge the floating rate interest payable on some of its borrowings. The contracts entitled the Group to pay interest at fixed rates on notional principal amounts and obliged it to receive interest at floating rates on the same amounts. Under the swaps, the Group agreed with the other parties to exchange, the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

(c) The weighted average interest rates per annum of borrowings that were effective as at the end of the reporting period were as follows:

	Group	
	2025 %	2024 %
Long term borrowings		
Term loans (INR denominated)	**9.20**	-
Short term borrowings		
Secured term loans (SGD denominated)	**-**	4.70
Secured term loans (INR denominated)	**9.20**	10.21
Unsecured revolving credits (MYR denominated)	**-**	3.98
Unsecured revolving credits (SGD denominated)	**-**	4.92
Unsecured bills discounting (MYR denominated)	**3.36**	3.71

Notes to the Financial Statements

For the financial year ended 31 December 2025

31. BORROWINGS (CONTD.)

(d) The secured term loans of the Group are secured by way of:

(i) A short term fund as disclosed in Note 30(c) to the financial statements.

(ii) A legal charge over the equity interest in a joint venture as disclosed in Note 19.1(d) to the financial statements.

(iii) A first floating charge over the Operating Account and a first fixed charge over the Financial Service Reserve Account.

(iv) A fresh deed of subordination of all presents and future shareholders' and/or related companies advances and loans.

(v) A first ranking charge over the borrower's movable and intangible assets, bank accounts, receivables and investments, assignments of rights under project documents, approvals, guarantees and insurance policies, charges over subordinated loan receivables, and pledges over shares in the borrower.

(e) At the end of the reporting period, the interest rate profile of the borrowings was:

	Group	
	2025 RM'000	2024 RM'000
Fixed rate	**150,000**	233,996
Floating rate	**150,241**	496,624

Sensitivity analysis for fixed rate borrowings at the end of the reporting period is not presented as it is not affected by the changes in interest rates.

A change of 25 basis points in interest rates, assuming all other variables remained constant, at the end of the reporting period would result in the profit net of tax of the Group to be lower/(higher) by RM285,400 (2024: RM943,500).

(f) The maturity profile of the Group's borrowings at the end of the reporting period based on contractual undiscounted repayment obligations is summarised in the table below:

Group	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
As at 31 December 2025	**168,585**	**159,948**	**-**	**328,533**
As at 31 December 2024	752,611	-	-	752,611

Notes to the Financial Statements

For the financial year ended 31 December 2025

31. BORROWINGS (CONTD.)

(g) The maturity periods of revolving credits and bills discounting are on demand or within one year. The maturity period for term loans is as follows:

	Group	
	2025 RM'000	2024 RM'000
Not later than 1 year	**7,706**	496,624
Later than 1 year and not later than 5 years	**142,535**	-
Later than 5 years	**-**	-
	150,241	496,624

(h) Reconciliation of liabilities arising from financing activities

	Group			
	1.1.2025 RM'000	Cash flows RM'000	Non-cash changes RM'000	31.12.2025 RM'000
Term loans	**496,624**	**(331,935)**	**(14,448)**	**150,241**
Revolving credits	**133,996**	**(133,670)**	**(326)**	**-**
Bills discounting	**100,000**	**50,000**	**-**	**150,000**
	730,620	**(415,605)**	**(14,774)**	**300,241**

	Group			
	1.1.2024 RM'000	Cash flows RM'000	Non-cash changes RM'000	31.12.2024 RM'000
Term loans	603,274	(76,951)	(29,699)	496,624
Revolving credits	121,708	14,273	(1,985)	133,996
Bills discounting	200,977	(100,942)	(35)	100,000
	925,959	(163,620)	(31,719)	730,620

Notes to the Financial Statements
For the financial year ended 31 December 2025

32. DEFERRED TAX

	Group	
	2025 RM'000	2024 RM'000
At beginning of financial year	**21,760**	8,634
Recognised in profit or loss (Note 12)	**22,560**	13,260
Exchange differences	**(51)**	(134)
At end of financial year	**44,269**	21,760
Presented after appropriate offsetting as follows:		
Deferred tax assets, net *	**44,958**	21,760
Deferred tax liabilities, net *	**(689)**	-
	44,269	21,760

* The amount of set-off between deferred tax assets and deferred tax liabilities was NIL (2024: RM2,220,000) for the Group.

(a) The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group:

	Construction contracts RM'000	Others RM'000	Total RM'000
At 1 January 2024	5,055	6,752	11,807
Recognised in profit or loss	3,049	9,258	12,307
Exchange difference	-	(134)	(134)
At 31 December 2024/1 January 2025	8,104	15,876	23,980
Recognised in profit or loss	**16,639**	**4,383**	**21,022**
Exchange difference	**-**	**(44)**	**(44)**
At 31 December 2025	**24,743**	**20,215**	**44,958**

Deferred tax liabilities of the Group:

	Property, plant and equipment RM'000	Total RM'000
At 1 January 2024	3,173	3,173
Recognised in profit or loss	(953)	(953)
At 31 December 2024/1 January 2025	2,220	2,220
Recognised in profit or loss	**(1,538)**	**(1,538)**
Exchange difference	**7**	**7**
At 31 December 2025	**689**	**689**

Notes to the Financial Statements
For the financial year ended 31 December 2025

32. DEFERRED TAX (CONTD.)

(b) Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2025 RM'000	2024 RM'000
Unused tax losses		
- Expires by 31 December 2028	**438**	438
- Expires by 31 December 2032	**949**	995
- Expires by 31 December 2033	**747**	781
- Expires by 31 December 2034	**2,000**	2,000
- Expires by 31 December 2035	**61**	-
Unabsorbed capital allowances	**16**	11,624
Other deductible temporary differences	**395**	(2,997)
	4,606	12,841

The Group has assessed the likelihood of sufficient future profit available to recover the amounts of deductible temporary differences. Deferred tax assets have not been recognised in respect of these items as they have arisen in subsidiary companies that have a recent history of losses or in subsidiary companies where future taxable profits may be insufficient to trigger the utilisation of these items.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local tax authorities. Unutilised tax losses of the subsidiary companies incorporated in Malaysia can be carried forward up to 10 consecutive years of assessment immediately following the assessment under the tax legislation of Inland Revenue Board.

(c) The Malaysian parliament had on 29 December 2023 gazetted the Organisation for Economic Co-Operation and Development (OECD) Pillar Two ("**Pillar Two**") legislation through the Finance Act (No. 2) 2023, which will take effect from financial years beginning on or after 1 January 2025. Based on the assessment, the Group falls within scope of the enacted Pillar Two legislation. The Group has applied the exception to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group is subjected to Pillar Two legislation through its diversified business portfolio across multiple jurisdictions. All jurisdictions within the Group have an effective tax rate exceeding 15%, with only a limited number of entities having an effective tax rate below 15%, which does not have a material impact on the Group. The Group's effective tax rate was not materially impacted by the implementation of the Pillar Two legislation during the financial year ended 31 December 2025.

Notes to the Financial Statements

For the financial year ended 31 December 2025

33. TRADE PAYABLES

	Group	
	2025 RM'000	2024 RM'000
Third parties	**2,350,716**	1,563,953

(a) Trade payables are classified as financial liabilities carried at amortised cost.

(b) The normal trade credit terms granted to the Group range from 14 days to 60 days (2024: 14 days to 60 days).

(c) The maturity profile of the trade payables of the Group at the end of the reporting period based on contractual undiscounted repayment obligations is payable on demand or within one year.

34. OTHER PAYABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Sundry payables	**27,446**	26,925	**4**	4
Advances received on contracts	**213,809**	66,048	**-**	-
Dividend payable	**141,272**	-	**141,272**	-
Accruals	**231,940**	148,738	**3,831**	1,238
	614,467	241,711	**145,107**	1,242

(a) Other payables are classified as financial liabilities carried at amortised cost.

(b) The maturity profile of other payables of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is payable on demand or within one year.

(c) Included in other payables of the Group is amounts due to related parties of RM4,000 (2024: RM3,000).

(d) Included in the advances received on contracts are advances received in relation to eight (8) (2024: eight (8)) construction contracts awarded to the Group.

(e) Included in the accruals of the Group is payroll related accruals amounting to RM116,093,000 (2024: RM67,976,000).

35. LEASE LIABILITIES

	Group	
	2025 RM'000	2024 RM'000
Non-current liabilities	**9,772**	1,139
Current liabilities	**7,650**	1,474
Total lease liabilities	**17,422**	2,613

Notes to the Financial Statements

For the financial year ended 31 December 2025

35. LEASE LIABILITIES (CONTD.)

(a) Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date.

After initial recognition, lease liabilities are measured by increasing the carrying amounts to reflect interest on the lease liabilities, reducing the carrying amounts to reflect the lease payments made and remeasuring the carrying amounts to reflect any reassessment or lease modifications.

The corresponding right-of-use assets of the lease liabilities are presented as property, plant and equipment as disclosed in Note 15 to the financial statements.

Variable lease payments, lease payments associated with short term leases and low value assets

The Group recognises variable lease payments when the condition that triggers those payments occur while lease payments associated with short term leases (leases with lease term of 12 months or less) and low value assets (leases for which the underlying asset is RM20,000 and below) are recognised on a straight-line basis over the lease terms. The variable lease payments and lease payments associated with short term leases and low value assets are recognised in profit or loss as rental expenses as disclosed in Note 9 to the financial statements.

Extension and termination options

Extension and termination options are included in certain property leases of the Group, which are negotiated for purposes such as providing operational flexibility to the Group. The extension and termination options are mainly exercisable by the Group and not by the respective lessors.

The Group determines the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group is reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for the Group to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Group.

During the current financial year, the Group had reassessed the lease terms of certain property leases in relation to the likelihood of exercising of extension options, taking into consideration the current relevant facts and circumstances. There were also modifications on the terms and conditions of certain property leases of the Group during the current financial year.

The effects of the lease reassessments and modifications to the Group during the current financial year was a decrease in recognised lease liabilities of RM1,138,000 (2024: RM794,000) and right-of-use assets of RM1,141,000 (2024: RM605,000) (Note 15) as well as a gain on reassessments and modifications of leases of RM3,000 (2024: RM189,000) recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2025

35. LEASE LIABILITIES (CONTD.)

(b) The maturity profile of the Group's lease liabilities at the end of the reporting period based on contractual undiscounted repayment obligations is summarised in the table below:

	Group	
	2025 RM'000	2024 RM'000
Not later than 1 year	**8,418**	1,582
Later than 1 year and not later than 2 years	**6,620**	970
Later than 2 years and not later than 3 years	**1,418**	219
Later than 3 years and not later than 4 years	**183**	-
Later than 4 years and not later than 5 years	**189**	-
Later than 5 years	**2,937**	-
Total undiscounted lease payments	**19,765**	2,771
Less: Future finance charges	**(2,343)**	(158)
Present value of lease liabilities	**17,422**	2,613
Analysis of present value of lease liabilities		
Not later than 1 year	**7,650**	1,474
Later than 1 year and not later than 2 years	**6,221**	923
Later than 2 years and not later than 3 years	**1,283**	216
Later than 3 years and not later than 4 years	**82**	-
Later than 4 years and not later than 5 years	**91**	-
Later than 5 years	**2,095**	-
	17,422	2,613
Less: Amount due within 12 months	**(7,650)**	(1,474)
Amount due after 12 months	**9,772**	1,139

(c) The lease payments are discounted using the Group's annual incremental borrowing rate of 4.19% to 4.49% (2024: 2.92% to 5.12%).

(d) Lease liabilities are fixed rate instruments. Sensitivity analysis at the end of the reporting period is not presented as it is not affected by changes in interest rates.

Notes to the Financial Statements

For the financial year ended 31 December 2025

35. LEASE LIABILITIES (CONTD.)

(e) Reconciliation of liabilities from financing activities to the statements of financial position and statements of cash flows are as follows:

	Group	
	2025 RM'000	2024 RM'000
At beginning of financial year	**2,613**	3,876
Cash flows		
- Payments of lease liabilities	**(6,366)**	(3,535)
- Payments of lease interests	**(851)**	(181)
Non-cash flows		
- Additions	**20,329**	3,079
- Reassessments and modifications	**1,138**	(794)
- Exchange differences	**(292)**	(13)
- Interest expense	**746**	181
- Capitalisation of interest expense	**105**	-
At end of financial year	**17,422**	2,613

(f) The following are total cash outflows for leases as a lessee:

	Group	
	2025 RM'000	2024 RM'000
Included in net cash from operating activities		
- Payments relating to short-term leases and low value assets	**17,341**	3,593
- Payments relating to variable lease payment not included in the measurement of lease liabilities	**25**	53
	17,366	3,646
Included in net cash from financing activities		
- Payments of lease liabilities	**6,366**	3,535
- Interests paid in relation to lease liabilities	**851**	181
	7,217	3,716
Total cash outflows for leases	**24,583**	7,362

Notes to the Financial Statements

For the financial year ended 31 December 2025

36. SHARE CAPITAL AND TREASURY SHARES

	Group/Company			
	Number of shares		Amount	
	2025 '000	2024 '000	2025 RM'000	2024 RM'000
Ordinary shares				
Issued and fully paid with no par value:				
At beginning of financial year	**1,292,900**	1,292,900	**258,580**	258,580
Issued during the financial year pursuant to ESOS	**28,453**	-	**119,789**	-
At end of financial year	**1,321,353**	1,292,900	**378,369**	258,580

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(a) During the financial year, the Company increased its issued and paid-up ordinary share capital from 1,292,900,010 to 1,321,353,410 by way of issuance of 28,453,400 new ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM3.74 per ordinary share for cash.

As at 31 December 2025, the Company held a total of 3,540,900 (2024: 3,540,900) ordinary shares as treasury shares out of its total issued and paid up share capital of 1,321,353,410 ordinary shares. Such treasury shares are recorded at a carrying amount of RM6,989,694 (2024: RM6,989,694). None of the treasury shares repurchased had been sold as at 31 December 2025.

(b) The Company's ESOS was approved by the shareholders at the Extraordinary General Meeting held on 23 December 2024 and became effective on the same day. The ESOS is applicable to the eligible employees (including Executive Directors) [collectively referred to as "Eligible Persons"] of the Group (excluding subsidiaries which are dormant).

The main features of the ESOS are as follows:

(i) The allocation of the Company's ordinary shares available for each offer and aggregate number of ordinary shares that may be allotted to an Eligible Persons under the ESOS shall be determined at the sole and absolute discretion of the ESOS Committee from time to time during the tenure of the ESOS, after taking into consideration, among others the Eligible Person's designation, length of service, work performance and any other criteria/factors which the ESOS Committee deems relevant.

(ii) The ESOS shall be in force for a duration of six (6) years from the effective date of implementation. The Company may, if the Board of Directors deems fit and upon the recommendation of the ESOS Committee, extend the ESOS for a further period of four (4) years immediately from the expiry of the first six (6) years. The duration shall not in aggregate exceed a duration of ten (10) years from the effective date of implementation or such longer period as may be allowed by the relevant authorities.

(iii) Subject to any adjustments made in accordance with the provisions of the By-Laws and pursuant to the Listing Requirements, the ESOS Exercise Price at which the Eligible Person(s) are entitled to subscribe for new ordinary shares of the Company shall be determined by the Board, upon recommendation of the ESOS Committee and shall be fixed based on the 5-day Volume Weighted Average Market Price (VWAMP) of the Company's ordinary shares as at the ESOS Award Date, with a discount of not more than ten percent (10%) during the tenure of the ESOS.

Notes to the Financial Statements

For the financial year ended 31 December 2025

36. SHARE CAPITAL AND TREASURY SHARES (CONTD.)

(b) (contd.)

(iv) Any new ordinary shares to be allotted and issued under the ESOS arising from the exercise of the share options shall, upon allotment and issue or transfer and full payment, rank equally in all respects with the existing ordinary shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid prior to the date of allotment and issuance of such new ordinary shares/transfer of existing ordinary shares.

(v) The Eligible Persons shall be entitled to exercise such number of the vested options within the option period and they shall have no right to exercise all or any of the share options that have been granted but not vested to them.

Share options exercisable in a particular year but not exercised shall be carried forward to subsequent years within the option period provided that no share options shall be exercised beyond the date of expiry of the ESOS.

Details of the share options granted, vested and exercised to subscribe for ordinary shares of the Company pursuant to the ESOS as at 31 December 2025 are as follows:

(i) Options granted

Grant No	Grant Date	As at Grant Date	Movement during the financial year			Balance as at 31.12.2025	Exercise Price RM/Share Option	Exercise Period
			Exercised	Forfeited	Rejected			
First	20.1.2025	59,524,500	(28,453,400)	(306,160)	(204,500)	30,560,440	3.74	24.1.2025 - 19.1.2031

(ii) Options vested - First grant of options over ordinary shares

Vesting Date	Vested	Exercisable as at 24.1.2025	Movement during the financial year			Exercisable as at 31.12.2025	Exercise Price RM/Share Option	Exercise Period
			Exercised	Forfeited	Rejected			
24.1.2025	31,802,760	31,802,760	(28,453,400)	(306,160)	-	3,043,200	3.74	24.1.2025 - 19.1.2029

Share options exercised during the financial year resulted in the issuance of 28,453,400 ordinary shares at an option price of RM3.74 each.

Notes to the Financial Statements

For the financial year ended 31 December 2025

36. SHARE CAPITAL AND TREASURY SHARES (CONTD.)

(b) (contd.)

Fair value of share options was estimated by the Group using the Black-Scholes-Merton option pricing model, taking into account the terms and conditions upon which the options were granted. Fair value of share options measured at grant date and assumptions used are as follow:

	2025
Fair value of share options granted on 20 January 2025 based on vesting date (RM)	
- 24 January 2025	**0.47**
- 19 January 2026	**0.69**
- 19 January 2027	**0.88**
Exercise price	**3.74**
Expected volatility (%)	**38.46 - 48.13**
Risk free rate of interest (%)	**3.22 - 3.63**
Expected dividend yield (%)	**2.23 - 2.50**

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the options were incorporated into the measurement of fair value.

37. RESERVES

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Non-distributable:					
Merger reserve	(a)	**(37,894)**	(37,894)	**-**	-
Foreign currency translation reserve	(b)	**(7,624)**	2,205	**-**	-
Capital contribution by intermediate holding company	(c)	**641**	641	**-**	-
Other capital reserve	(d)	**471**	471	**-**	-
Share option reserve	(e)	**12,176**	-	**12,176**	-
		(32,230)	(34,577)	**12,176**	-
Distributable:					
Retained earnings		**444,774**	660,899	**30,223**	137,238
		412,544	626,322	**42,399**	137,238

The movements in each category of reserves are disclosed in the statements of changes in equity.

Notes to the Financial Statements

For the financial year ended 31 December 2025

37. RESERVES (CONTD.)

The natures of each category of reserves are as follows:

(a) Merger reserve

The merger reserve represents the following:

(i) Premium on the issue of shares for the acquisition of the remaining shares in Sunway Builders Sdn. Bhd.; and

(ii) The excess of the consideration paid over the share capital and capital reserves of Sunway Construction Sdn. Bhd. and its subsidiaries as at the acquisition date under the pooling of interest method of accounting.

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group.

(c) Capital contribution by intermediate holding company

Capital contribution by intermediate holding company represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options.

(d) Other capital reserve

The other capital reserve represents the bonus issue of shares undertaken by a subsidiary.

(e) Share option reserve

The share option reserve represents the equity-settled share options ranted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options.

38. CAPITAL COMMITMENTS

	Group 2025 RM'000	Group 2024 RM'000
Capital expenditure:		
Approved and contracted for property, plant and equipment	**286**	121
Approved and contracted for investment in India concessionaire	**7,201**	395
	7,487	516

Notes to the Financial Statements

For the financial year ended 31 December 2025

39. CONTINGENT LIABILITIES

(a) Material outstanding litigations

(i) On 4 September 2008, the solicitors of Sunway Construction Sdn. Bhd. ("**SunCon**") had been served with a Statement of Claim ("**Statement of Claim**") by Shristi Infrastructure Development Corporation Ltd ("**Claimant**").

Pursuant to an agreement signed between SunCon and the National Highway Authority of India for the rehabilitation and upgrading of NH-25 to a four-lane configuration in the state of Uttar Pradesh being a part of the East-West Corridor Project, SunCon had entered into a work order with the Claimant for the upgrading and rehabilitation of the stretch of NH-25 from 143.6 km to 170.0 km, of which the Claimant has provided two bank guarantees ("**Bank Guarantees**") to SunCon.

The Claimant has failed to carry out its obligations under the work order and SunCon has terminated the work order and cashed the Bank Guarantees. The Claimant had filed an application in the Supreme Court of India for the appointment of an arbitrator to arbitrate upon the disputes between the parties. The Supreme Court had appointed the late Mr H.L. Agarwal as the sole arbitrator.

The Statement of Claim was raised in respect of various claims and the total amount claimed is Rs.891.5 million (approximately equivalent to RM43.9 million) in addition to interest and cost.

In the counterclaim, SunCon is seeking for Rs.781.4 million (approximately equivalent to RM38.4 million) for inter alia, additional costs incurred by SunCon to complete the works, recovery of mobilisation advance and interest charges, loss of reputation and loss of profits.

On 11 January 2013, the arbitrator that presided over the case passed away and 75 hearings had been held.

SunCon was notified by its solicitors that an arbitration petition had been filed by the Claimant on 7 January 2016 in the Supreme Court of India for the appointment of a new arbitrator. The Supreme Court of India by an order dated 5 January 2017 appointed Hon'ble Mr. Justice Vikramajit Sen (a former Judge of the Supreme Court of India) as arbitrator. The first hearing before Mr. Justice Vikramajit Sen was held on 24 February 2017 and cross examination had been completed on 7 October 2017.

The Arbitrator published his award on 9 April 2019 and awarded the Claimant Rs.128.4 million (approximately equivalent to RM6.3 million).

SunCon had filed an appeal with the High Court of New Delhi in early July 2019 to set aside the arbitral award. The claimant has also filed an execution application against SunCon for enforcement of the arbitral award.

On 10 February 2020, the Honorable Court has directed SunCon to deposit, on a without prejudice basis, the decretal amount with interest with the Registrar General of the High Court of Delhi. SunCon has deposited Rs.135.7 million (approximately equivalent to RM6.7 million) on 26 February 2020 and the amount has been fully provided in the accounts on prudence grounds. Subject to compliance of the said direction, the Honorable Court has stayed the Arbitral Award dated 9 April 2019.

On 4 March 2020, the Claimant filed an application in the High Court of Delhi to permit the Claimant to withdraw the decretal amount deposited by SunCon.

Notes to the Financial Statements

For the financial year ended 31 December 2025

39. CONTINGENT LIABILITIES (CONTD.)

(a) Material outstanding litigations (contd.)

(i) (contd.)

On 27 August 2020, the Court directed the release of Rs.67.2 million (approximately equivalent to RM3.3 million) on the basis of a corporate guarantee to be furnished by Srei Infrastructure Finance Ltd. ("**SIFL**"). The balance to be released upon the Claimant providing a bank guarantee. On 3 November 2020, the Court placed on record the corporate guarantee issued on 21 September 2020 and directed the registry to release the amount in terms of the Court order. On 18 November 2020, the Claimant withdrew their application for withdrawal without a bank guarantee and it has been dismissed accordingly.

On 20 July 2023, SIFL filed an application for release of corporate guarantee and discharge itself from all obligations under the corporate guarantee. Application was heard on 31 July 2023 and is re-notified for arguments on 29 August 2023 and adjourned to 23 November 2023.

On 20 December 2023, SunCon filed a contempt application against the Claimant and Srei Infrastructure Finance Ltd ("**Respondents**"). The application was listed on 22 December 2023 and the Court has duly issued notice to the Respondents. The matter was part heard and the next hearing date was scheduled for 17 March 2025. However, due to an abrupt change in the Delhi High Court Roster effective from 17 March 2025, the sitting judge previously assigned to the matter has been reassigned to a different determination. As a result, the case will now be heard by a new judge. The matter was listed for 31 July 2025, 11 November 2025, 4 January 2026 and renotified for 16 April 2026.

(ii) PNSB Acmar Sdn. Bhd. ("**Plaintiff**") had on 14 November 2019 served a Writ of Summon and a Statement of Claim both dated 8 November 2019 on Prasarana Malaysia Berhad ("**Prasarana**") (1st Defendant) and Sunway Construction Sdn. Bhd. ("**SunCon**") (2nd Defendant).

The Plaintiff is claiming that all the construction works in relation to the project known as "Construction and Completion of Light Rail Transit Line 3 (LRT3) from Bandar Utama to Johan Setia" ("**Project**") and the structures such as the Project's poles, bars, and LRT stations had trespassed and/or encroached into the Plaintiff's own development project area and has resulted in losses and damages towards the Plaintiff.

Prasarana is the owner of the Project and SunCon is the awarded Works Package Contractor for the contract known as "Contract No. Prasarana/GSC/CTT/2.06080/ 2017: Construction and Completion of Guideway, Stations Iconic Bridge, Park and Rides, Ancillary Buildings and other Associated Works for Package GS07-08 for Light Rail Transit 3 (LRT3) from Bandar Utama to Johan Setia" in relation to the Project.

The Plaintiff files a claim trespass and encroachment, negligence, private and public nuisance against the Defendants for the sum for RM711,367,434.46. The 2nd Defendant's filed its Defence on 02 January 2020 disputing the Plaintiff's claim. The Plaintiff amend its Statement of Claim and reduced its claim to the sum of RM643,851,825.01 in the Amended Statement of Claim dated 21 July 2021.

On 27 July 2021, SunCon issued a Third Party Notice dated 24 July 2021 to Setia Utama LRT 3 Sdn. Bhd. ("**the Third Party**") and claimed against the Third Party for indemnity and/or contribution for any sum that may be due from the SunCon to the Plaintiff. On 03 September 2021, the Third Party issued its Defence and Counterclaim.

On 01 April 2022, the matter was transferred to the Shah Alam High Court (Construction Division) and a new suit number of BA-22C-18-05/2022 was assigned to the matter.

Notes to the Financial Statements

For the financial year ended 31 December 2025

39. CONTINGENT LIABILITIES (CONTD.)

(a) Material outstanding litigations (contd.)

(ii) (contd.)

The Court has fixed the trial dates on 9 June 2025 to 13 June 2025, 6 October 2025 and 7 October 2025, 17 November 2025 to 20 November 2025, 6 April 2026 to 9 April 2026, 27 April 2026 and 28 April 2026, 4 May 2026 to 7 May 2026 and 22 June 2026 to 25 June 2026, 7 August 2026, 14 August 2026, 21 August 2026 and 28 August 2026 and 4 September 2026, 11 September 2026, 18 September 2026 and 25 September 2026.

From the evidence available, upon a review of the pleadings and documents provided and a review of the law, SunCon's solicitor's considered opinion is that the Plaintiff's claim for the sum of RM643,851,825.01 is excessively inflated and speculative. The Third Party is to indemnify SunCon in the event SunCon is found liable towards the Plaintiff.

On 29 September 2025, the High Court allowed the Plaintiff to discontinue its actions filed under the Writ of Summons and Statement of Claim against SunCon without liberty to file afresh, and ordered the Plaintiff to pay fixed costs of RM100,000.00 to SunCon.

Consequently, SunCon has discontinue the third party proceedings against Setia Utama LRT 3 Sdn. Bhd. ("**Third Party**") without liberty to file afresh, and the High Court has ordered SunCon to pay the Third Party proceedings costs amounting to RM30,000.00.

As a result, all the trial dates have been vacated.

40. RELATED PARTY DISCLOSURES

(a) Significant related party transactions

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

Group	2025 RM'000	2024 RM'000
Rental income of plant and machinery from:		
Related companies:		
Deco Style Sdn. Bhd.	**3**	-
Emerald Tycoon Sdn. Bhd.	**-**	2
Sunway Enterprise (1988) Sdn. Bhd.	**79**	-
Sunway Marketing Sdn. Bhd.	**49**	87
Sunway Putra Hotel Sdn. Bhd.	**4**	-
Related parties:		
Sunway Real Estate Investment Trust *	**1**	-

Notes to the Financial Statements

For the financial year ended 31 December 2025

40. RELATED PARTY DISCLOSURES (CONTD.)

(a) Significant related party transactions (contd.)

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (contd.)

Group (contd.)	2025 RM'000	2024 RM'000
Contract revenue from:		
Related companies:		
Deco Style Sdn. Bhd.	**(288)**	17,710
Sunway Belfield Sdn. Bhd.	**7,537**	138,201
Sunway Flora Sdn. Bhd.	**117,121**	109,516
Sunway Integrated Properties Sdn. Bhd.	**-**	595
Sunway Integrated Properties Sdn. Bhd. - RTS	**205,371**	-
Sunway Lagoon Sdn. Bhd.	**1,500**	396
Sunway Lost World Water Park Sdn. Bhd. (Mall Division)	**144,449**	55,096
Sunway PFM Sdn. Bhd.	**-**	3,129
Sunway Resort Hotel Sdn. Bhd.	**115**	-
Sunway Serene Sdn. Bhd.	**1,051**	353
Sunway South Quay Sdn. Bhd.	**294,665**	425,295
Sunway Velocity Two Sdn. Bhd.	**3,301**	76,601
Related parties:		
Gopeng Berhad *	**-**	47,899
Paradigm Fairview Sdn. Bhd. ^	**18,808**	73,984
Sunway Marketplace Sdn. Bhd. ^	**-**	3,634
Sunway Medical Centre Sdn. Bhd. ^	**101,414**	36,163
Sunway Medical Centre (Ipoh) Sdn. Bhd. ^	**22,389**	85,721
Sunway Medical Centre (Penang) Sdn. Bhd. (formerly known as Alliance Parade Sdn. Bhd.) ^	**5,212**	2,027
Sunway Real Estate Investment Trust *	**50,321**	135,559
Distribution income from:		
Structured entities controlled by its intermediate holding company:		
Kenanga Money Extra Fund II	**-**	2,561
Maybank Shariah Institutional Income Fund	**-**	2,162
Management fees charged by: (Note 9)		
Related company:		
Sunway Services Sdn. Bhd.	**(24,542)**	(17,630)

Notes to the Financial Statements

For the financial year ended 31 December 2025

40. RELATED PARTY DISCLOSURES (CONTD.)

(a) Significant related party transactions (contd.)

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (contd.)

Group (contd.)	2025 RM'000	2024 RM'000
Rental of land charged by:		
Related party:		
Sunway Iskandar Sdn. Bhd. ^	**(636)**	(627)
Rental of office space charged by:		
Related companies:		
Emerald Tycoon Sdn. Bhd.	**(727)**	(2,907)
Rich Worldclass Sdn. Bhd.	**-**	(11)
Sunway Enterprise (1988) Sdn. Bhd.	**(24)**	-
Sunway Majestic Sdn. Bhd. (formerly known as Legend Dignity Sdn. Bhd.)	**(25)**	-
Sunway Marketing (Vietnam) Co Ltd	**-**	(16)
Sunway Pyramid Development Sdn. Bhd.	**(12)**	(31)
Sunway Services Sdn. Bhd.	**(18)**	(103)
Related party:		
Sunway Real Estate Investment Trust *	**(1,396)**	(1,387)
Service level agreement fees paid to: (Note 9)	**-**	3,634
Related companies:		
Sunway FSSC Sdn. Bhd.	**(941)**	(797)
Sunway HR Shared Services Sdn. Bhd.	**(802)**	(1,010)
Sunway Shared Services Sdn. Bhd.	**(1,792)**	(1,874)
Purchases of goods/services from:		
Intermediate holding company:		
Sunway Berhad	**(40)**	(31)

Notes to the Financial Statements

For the financial year ended 31 December 2025

40. RELATED PARTY DISCLOSURES (CONTD.)

(a) Significant related party transactions (contd.)

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (contd.)

Group (contd.)	2025 RM'000	2024 RM'000
Purchases of goods/services from: (contd.)		
Related companies:		
Credit Bureau Malaysia Sdn.Bhd.	**(28)**	(7)
Deco Style Sdn. Bhd.	**(7,933)**	(21,168)
Emerald Tycoon Sdn. Bhd.	**(16)**	(36)
Fame Parade Sdn. Bhd.	**-**	(1,266)
Kinta Sunway Resort Sdn. Bhd.	**-**	(3)
Pasir Mas Holdings Sdn. Bhd.	**(173)**	(375)
Sunway Artessa Sdn. Bhd.	**(48)**	-
Sunway City (Ipoh) Sdn. Bhd.	**(34)**	-
Sunway City (JB) Sdn. Bhd.	**(9)**	(9)
Sunway Coating Solutions Sdn. Bhd.	**(3,799)**	(1,862)
Sunway Computer Services Sdn. Bhd.	**(46,330)**	-
Sunway Design Sdn. Bhd.	**(32)**	(42)
Sunway Enterprise (1988) Sdn. Bhd.	**(28,215)**	(85)
Sunway Flora Sdn. Bhd.	**(17)**	-
Sunway FSSC Sdn. Bhd.	**(6)**	(2)
Sunway Geo Sdn. Bhd.	**-**	(4)
Sunway HR Shared Services Sdn. Bhd.	**(311)**	(299)
Sunway Hotel Seberang Jaya Sdn. Bhd.	**(2)**	(1)
Sunway Integrated Parking Sdn. Bhd.	**(138)**	(117)
Sunway Integrated Properties Sdn. Bhd.	**-**	(33)
Sunway Integrated Properties Sdn. Bhd. - RTS	**(648)**	-
Sunway Lagoon Club Bhd.	**(148)**	(141)
Sunway Lagoon Sdn. Bhd.	**(321)**	(443)
Sunway Leadership Center Sdn. Bhd.	**(66)**	(13)
Sunway Leasing Sdn. Bhd.	**(5)**	(6)
Sunway Little Sunshine Child Care Centre Sdn. Bhd.	**(5)**	(2)
Sunway Lost World Hotel Sdn. Bhd.	**(4)**	(1)
Sunway Lost World Water Park Sdn. Bhd.	**(2)**	(24)
Sunway Management Sdn. Bhd.	**(155)**	(79)
Sunway Marketing Sdn. Bhd.	**(406,595)**	(94,204)
Sunway Material Handling Sdn. Bhd.	**(8)**	(115)
Sunway Money Sdn. Bhd.	**(25)**	-

Notes to the Financial Statements

For the financial year ended 31 December 2025

40. RELATED PARTY DISCLOSURES (CONTD.)

(a) Significant related party transactions (contd.)

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (contd.)

Group (contd.)	2025 RM'000	2024 RM'000
Purchases of goods/services from: (contd.)		
Related companies: (contd.)		
Sunway Paving Solutions Sdn. Bhd.	**(1,227)**	(3,425)
Sunway Quarry Industries Sdn. Bhd.	**(615)**	(1,498)
Sunway REM Sdn. Bhd.	**(42)**	-
Sunway Resort Hotel Sdn. Bhd.	**(153)**	(174)
Sunway Risk Management Sdn. Bhd.	**-**	(166)
Sunway Services Sdn. Bhd.	**(21)**	(107)
Sunway Shared Services Sdn. Bhd.	**(2,113)**	(2,585)
Sunway South Quay Sdn. Bhd.	**11**	(11)
Sunway Spun Pile Sdn. Bhd.	**(65)**	-
Sunway Sustainability Solutions Sdn. Bhd.	**(24)**	(33)
Sunway Travel Sdn. Bhd.	**(404)**	(174)
Sunway Treasury Sdn. Bhd.	**(87)**	(303)
Sunway United Star Sdn. Bhd.	**(1,474)**	(924)
Sunway Velocity Two Sdn. Bhd.	**(3)**	(4)
Sunway Velocity Three Sdn. Bhd. (formerly known as Tanda Warisan Sdn. Bhd.) ^	**(21)**	(56)
Related parties:		
Hitachi Sunway Information Systems Sdn. Bhd. +	**(1)**	(13)
Paradigm Fairview Sdn. Bhd. ^	**(2)**	-
SunMed Velocity Sdn. Bhd. ^	**(17)**	(263)
Sunway Big Box Sdn. Bhd. ^	**(110)**	-
Sunway Big Box Hotel Sdn. Bhd. ^	**(111)**	(29)
Sunway Computer Services Sdn. Bhd. +	**-**	(12,652)
Sunway Digital Wave Sdn. Bhd. +	**(13)**	(125)
Sunway Iskandar Sdn. Bhd. ^	**(157)**	(230)
Sunway Medical Centre Sdn. Bhd. ^	**(3,463)**	(9,154)
Sunway Medical Centre (Ipoh) Sdn. Bhd. ^	**(6)**	-
Sunway Medical Centre (Penang) Sdn. Bhd. (formerly known as Alliance Parade Sdn. Bhd.) ^	**(2)**	(1)
Sunway Real Estate Investment Trust *	**821**	245

Notes to the Financial Statements

For the financial year ended 31 December 2025

40. RELATED PARTY DISCLOSURES (CONTD.)

(a) Significant related party transactions (contd.)

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (contd.)

Company	2025 RM'000	2024 RM'000
Distribution income from: (Note 8)		
Structured entities controlled by its intermediate holding company:		
Kenanga Money Extra Fund II	**-**	200
Maybank Shariah Institutional Income Fund	**-**	1,634
Management fees charged by:		
Subsidiary:		
Sunway Construction Sdn. Bhd. (Note 9)	**(3,209)**	(1,641)
Service level agreement fee paid to:		
Related company:		
Sunway FSSC Sdn. Bhd. (Note 9)	**(6)**	(5)
Purchases of goods/services from:		
Intermediate holding company:		
Sunway Berhad	**-**	(2)
Related companies:		
Sunway HR Shared Services Sdn. Bhd.	**(1)**	-
Sunway Management Sdn. Bhd.	**(81)**	(45)
Sunway Resort Hotel Sdn. Bhd.	**(90)**	-
Sunway Services Sdn. Bhd.	**-**	(1)
Sunway Shared Services Sdn. Bhd.	**(9)**	(1)
Sunway Travel Sdn. Bhd.	**-**	(7)
Sunway Treasury Sdn. Bhd.	**(1)**	-
Related party:		
Sunway Big Box Hotel Sdn. Bhd.	**-**	(4)

* *Sunway Real Estate Investment Trust and Gopeng Berhad are associates of the intermediate holding company.*

^ *Sunway Medical Centre Sdn. Bhd., Sunway Nursery and Landscape Sdn. Bhd., Paradigm Fairview Sdn. Bhd., SunMed Velocity Sdn. Bhd., Sunway Medical Centre (Ipoh) Sdn. Bhd., Sunway Medical Centre (Penang) Sdn. Bhd. (formely known as Alliance Parade Sdn. Bhd.), Sunway Iskandar Sdn. Bhd., Sunway Velocity Mall Sdn. Bhd., Sunway Big Box Hotel Sdn. Bhd., Sunway Velocity Three Sdn. Bhd. (formerly known as Tanda Warisan Sdn. Bhd.) and Sunway Marketplace Sdn. Bhd. are joint ventures of Sunway City Sdn. Bhd..*

\+ *Sunway Computer Services Sdn. Bhd., Sunway Digital Wave Sdn. Bhd. and Hitachi Sunway Information Systems Sdn. Bhd. are companies in which a Director of the Company has deemed substantial interests.*

The related party transactions described above were carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties.

Notes to the Financial Statements

For the financial year ended 31 December 2025

40. RELATED PARTY DISCLOSURES (CONTD.)

(b) Remuneration of key management personnel

Key management personnel are persons who have authorities and responsibilities for planning, directing and controlling the activities of the Group or the Company either directly or indirectly. This includes any Director, whether executive or otherwise, of the Group and of the Company.

The remuneration of the Executive Directors and other members of key management during the financial year are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Short-term employee benefits	**18,942**	15,932	**-**	-
Post-employment benefits:				
- Defined contribution plan	**2,064**	1,600	**-**	-
Estimated money value of benefits-in-kind	**147**	170	**-**	-
Share options granted under ESOS	**5,358**	-	**-**	-
	26,511	17,702	**-**	-

Included in the total key management personnel are:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Executive Director's remuneration (Note 11)	**11,359**	6,268	**-**	-

41. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Subsequent to the reporting date and up to the date of authorisation of these financial statements, geopolitical tensions in the Middle East have continued and/or escalated, contributing to heightened volatility in global energy markets and increases in oil prices.

The Group's principal exposure relates to supply chain and cost pressures that may arise from higher fuel-linked transportation and logistics costs, and from potential increases in prices charged by suppliers and subcontractors. Management continues to monitor developments and assess the implications for project execution, including potential impacts on project costs, margins and cash flows.

At the date of authorisation of these financial statements, management is unable to reliably quantify the financial impact of these developments, as the outcome remains dependent on factors that are not presently determinable. These include the duration and severity of the disruptions, future movements in oil prices, the degree of secondary impacts on the Group's supply chain, and the effectiveness of the Group's mitigating actions. Mitigating measures may include procurement and sourcing strategies, operational efficiencies and, where contractually available, variations, claims and/or cost pass-through mechanisms. Accordingly, a reasonable estimate of the financial impact cannot presently be made.

Notes to the Financial Statements

For the financial year ended 31 December 2025

42. ADOPTION OF NEW MFRSS AND AMENDMENTS TO MFRSS

(a) New Amendment adopted during the financial year

The accounting policies adopted are consistent with those of the previous financial year except as follows:

During the financial year, the Group and the Company adopted the following Amendment that is mandatory for annual financial periods beginning on or after 1 January 2025.

Title	Effective date
Amendments to MFRS 121 *Lack of Exchangeability*	1 January 2025

Adoption of the above Amendment did not have any material effect on the financial performance or position of the Group and of the Company.

(b) New MFRSs and Amendments that have been issued, but only effective for annual periods beginning on or after 1 January 2026

The Standards and Amendments that are issued but not yet effective up to the date of issuance of financial statements of the Group and of the Company are disclosed below. The Group and the Company intend to adopt these Amendments and Standards, if applicable, when they become effective.

Title	Effective date
Amendments to MFRS 9 and MFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Amendments to MFRS 9 and MFRS 7 *Contracts Referencing Nature-dependent Electricity*	1 January 2026
Annual Improvement to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendment to MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendment to MFRS 121 *Translation to a Hyperinflationary Presentation Currency*	1 January 2027
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for the future financial years.

Directors' Interests in Shares

Based on the Register of Directors' Shareholdings

As at 31 March 2026

DIRECTORS' INTEREST IN THE COMPANY
SUNWAY CONSTRUCTION GROUP BERHAD

Name of Directors	Ordinary Shares No.	Ordinary Shares %
Direct interests		
Datuk Kwan Foh Kwai	100,816	0.01
Evan Cheah Yean Shin	13,435	#
Liew Kok Wing	880,000	0.07
Lim Vin Tze	431,200	0.03
Deemed interests		
Dato' Ir Goh Chye Koon [a]	5,000	#
Datuk Kwan Foh Kwai [b]	222,785	0.02
Evan Cheah Yean Shin [c]	821,415,118	62.02

Name of Directors	First grant of options over ordinary shares (Exercise price of RM3.74 per share) Share Options over Ordinary Shares Balance of Vested Options	Balance of Options Granted
Direct Interests		
Liew Kok Wing	-	480,000
Lim Vin Tze	45,000	325,000

DIRECTORS' INTEREST IN INTERMEDIATE HOLDING COMPANY
SUNWAY BERHAD

Name of Directors	Ordinary Shares No.	Ordinary Shares %
Direct interests		
Datuk Kwan Foh Kwai	1,340,950	0.02
Evan Cheah Yean Shin	5,819,194	0.09
Liew Kok Wing	381,013	0.01
Dato' Tan Kia Loke	14,441,836	0.21
Lim Vin Tze	316,082	#
Deemed interests		
Dato' Ir Goh Chye Koon [a]	148,341	#
Datuk Kwan Foh Kwai [d]	1,319,998	0.02
Evan Cheah Yean Shin [e]	4,077,365,312	60.31

Directors' Interests in Shares

Based on the Register of Directors' Shareholdings

As at 31 March 2026

DIRECTORS' INTEREST IN RELATED COMPANY
SUNWAY HEALTHCARE HOLDINGS BERHAD

Name of Directors	Ordinary Shares No.	Ordinary Shares %
Direct interests		
Datuk Kwan Foh Kwai	134,095	#
Datuk Mohd Anuar Bin Taib	200,000	#
Evan Cheah Yean Shin	781,919	0.01
Liew Kok Wing	38,101	#
Dato' Tan Kia Loke	1,574,182	0.01
Lim Vin Tze	31,608	#
Deemed interests		
Dato' Ir Goh Chye Koon [a]	14,834	#
Datuk Kwan Foh Kwai [d]	131,999	#
Evan Cheah Yean Shin [f]	8,395,261,903	73.00

DIRECTOR'S INTEREST IN PENULTIMATE HOLDING COMPANY
SUNGEI WAY CORPORATION SENDIRIAN BERHAD

Name of Director	Ordinary Shares No.	Ordinary Shares %
Deemed interest		
Evan Cheah Yean Shin [g]	20,000,000	100.00

Name of Director	Non-Cumulative Redeemable Preference Shares No.	Non-Cumulative Redeemable Preference Shares %
Deemed interest		
Evan Cheah Yean Shin [h]	2,026,800,000	100.00

DIRECTOR'S INTEREST IN ULTIMATE HOLDING COMPANY
ACTIVE EQUITY SDN. BHD.

Name of Director	Ordinary Shares No.	Ordinary Shares %
Direct interest		
Evan Cheah Yean Shin	25,500	15.00
Deemed interest		
Evan Cheah Yean Shin [h]	102,000	60.00

Name of Director	Non-Cumulative Redeemable Preference Shares No.	Non-Cumulative Redeemable Preference Shares %
Deemed interest		
Evan Cheah Yean Shin [h]	848,000,000	100.00

NOTES:

 # Negligible

*a Deemed interest by virtue of Section 8 of the Companies Act 2016 ("**Act**") held through Affin Hwang Trustee Berhad GCK Family Trust.*

b Deemed interest by virtue of Section 59(11)(c) of the Act held through spouse and children.

c Deemed interest by virtue of Section 8 of the Act held through Active Equity Sdn. Bhd., Sungei Way Corporation Sendirian Berhad, Sunway Berhad, Sunway Holdings Sdn. Bhd., Jef-San Enterprise Sdn. Bhd. and parent.

d Deemed interest by virtue of Section 59(11)(c) of the Act held through spouse.

e Deemed interest by virtue of Section 8 of the Act held through Active Equity Sdn. Bhd., Sungei Way Corporation Sendirian Berhad, Jef-San Enterprise Sdn. Bhd. and parent.

f Deemed interest by virtue of Section 8 of the Act held through Active Equity Sdn. Bhd., Sungei Way Corporation Sendirian Berhad, Jef-San Enterprise Sdn. Bhd., Sunway Berhad, Sunway City Sdn. Bhd. and parent.

g Deemed interest by virtue of Section 8 of the Act held through Active Equity Sdn. Bhd. and parent.

h Deemed interest by virtue of Section 8 of the Act held through parent.

Analysis of Shareholdings

As at 31 March 2026

Issued Share : 1,327,973,610 ordinary shares
Treasury Shares : 3,540,900 treasury shares held by the Company
Class of Shares : Ordinary shares
Voting Rights : One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
Less than 100	3,353	22.86	140,489	0.01
100 - 1,000	6,583	44.87	2,738,687	0.21
1,001 - 10,000	3,522	24.01	13,101,936	0.99
10,001 - 100,000	807	5.50	25,595,921	1.93
100,001 - 66,221,634 (Less than 5% of issued shares)	401	2.73	613,497,251	46.32
66,221,635 (5% and above of issued shares)	4	0.03	669,358,426	50.54
	14,670	100	1,324,432,710*	100

Note:
* *Exclude a total of 3,540,900 treasury shares retained by the Company as per record of depositors as at 31 March 2026.*

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

(without aggregating the securities from different securities accounts belong to the same person)

	Name of Shareholders	No. of Shares	%
1	**Sunway Holdings Sdn. Bhd.**	332,032,609	25.07
2	**RHB Nominees (Tempatan) Sdn. Bhd.** - Malaysian Trustees Berhad Pledged Securities Account for Sunway Holdings Sdn. Bhd.-T8	121,000,000	9.14
3	**RHB Nominees (Tempatan) Sdn. Bhd.** - Pledged Securities Account-Sumitomo Mitsui Banking Corporation Malaysia Berhad for Sunway Holdings Sdn. Bhd.	120,000,000	9.06
4	**Sungei Way Corporation Sendirian Berhad**	50,205,817	3.79
5	**HLB Nominees (Tempatan) Sdn. Bhd.** - Pledged Securities Account for Sunway Holdings Sdn. Bhd. (PJCAC)	46,500,000	3.51
6	**Sungei Way Corporation Sendirian Berhad**	46,120,000	3.48
7	**RHB Nominees (Tempatan) Sdn. Bhd.** - Malaysian Trustees Berhad Pledged Securities Account for Sunway Holdings Sdn. Bhd.-T18	40,000,000	3.02
8	**UOBM Nominees (Tempatan) Sdn. Bhd.** - United Overseas Bank Ltd (Labuan Branch) for Sunway Holdings Sdn. Bhd.	39,000,000	2.94
9	**Citigroup Nominees (Tempatan) Sdn. Bhd.** - Exempt AN for AIA Bhd.	36,807,900	2.78
10	**Citigroup Nominees (Tempatan) Sdn. Bhd.** - Employees Provident Fund Board (ISLAMIC)	25,666,700	1.94

Analysis of Shareholdings

As at 31 March 2026

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS (CONTD.)

(without aggregating the securities from different securities accounts belong to the same person)

	Name of Shareholders	No. of Shares	%
11	**Citigroup Nominees (Asing) Sdn. Bhd.** - UBS AG	22,313,920	1.68
12	**Amanahraya Trustees Berhad** - Amanah Saham Bumiputera	19,855,700	1.50
13	**Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling KBE AO**	17,556,692	1.33
14	**HSBC Nominees (Asing) Sdn. Bhd.** - Morgan Stanley & Co. International PLC (Firm A/C)	12,233,867	0.92
15	**HSBC Nominees (Asing) Sdn. Bhd.** - JPMSE LUX for Stichting Depositary APG Emerging Markets Equity Pool	11,242,000	0.85
16	**HSBC Nominees (Asing) Sdn. Bhd.** - Exempt AN for Morgan Stanley & Co. LLC (Client)	9,049,935	0.68
17	**Cartaban Nominees (Asing) Sdn. Bhd.** - Exempt AN for Barclays Capital Securities LTD (SBL/PB)	8,035,400	0.61
18	**Permodalan Nasional Berhad**	8,000,000	0.60
19	**HSBC Nominees (Asing) Sdn. Bhd.** - J.P. Morgan Securities PLC	7,699,269	0.58
20	**Amanahraya Trustees Berhad** - Amanah Saham Bumiputera 3 - Didik	7,520,500	0.57
21	**HSBC Nominees (Asing) Sdn. Bhd.** - JPMCB NA For Blackrock Institutional Trust Company, N.A. Investment Funds for Employee Benefit Trusts	7,147,948	0.54
22	**HSBC Nominees (Asing) Sdn. Bhd.** - JPMCB NA For Vanguard Total International Stock Index Fund	6,719,200	0.51
23	**HSBC Nominees (Asing) Sdn. Bhd.** - JPMCB NA For Vanguard Emerging Markets Stock Index Fund	6,429,300	0.49
24	**Citigroup Nominees (Tempatan) Sdn. Bhd.** - Employees Provident Fund Board	6,201,900	0.47
25	**Citigroup Nominees (Asing) Sdn. Bhd.** - CBNY for iShares Core MSCI Emerging Markets ETF	6,053,600	0.46
26	**RHB Nominees (Tempatan) Sdn. Bhd.** - Malaysian Trustees Berhad Pledged Securities Account for Sunway Holdings Sdn. Bhd.-T16	5,000,000	0.38
27	**Pertubuhan Keselamatan Sosial** - PKSACT41969 P2	4,600,000	0.35
28	**HSBC Nominees (Asing) Sdn. Bhd.** - Societe Generale Paris	4,509,000	0.34
29	**Jef-San Enterprise Sdn. Bhd.**	4,000,000	0.30
30	**Citigroup Nominees (Tempatan) Sdn. Bhd.** - Great Eastern Life Assurance (Malaysia) Berhad (PAR 3)	3,781,400	0.28
Total Shareholdings		**1,035,282,657**	**78.17**

Substantial Shareholders

Based on the Register of Substantial Shareholders

As at 31 March 2026

		DIRECT		DEEMED	
	Name of Substantial Shareholders	No. of Shares	%	No. of Shares	%
1	Sunway Berhad	-	-	703,532,609[a]	53.12
2	Sunway Holdings Sdn. Bhd.	703,532,609	53.12	-	-
3	Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling KBE AO	17,556,692	1.33	803,929,588[b]	60.70
4	Puan Sri Datin Seri Dr. Susan Cheah Seok Cheng	-	-	821,486,280[c]	62.03
5	Datin Paduka Sarena Cheah Yean Tih S.M.S.	57,727	*	821,415,216[d]	62.02
6	Evan Cheah Yean Shin	13,435	*	821,415,118[e]	62.02
7	Adrian Cheah Yean Sun	-	-	821,415,118[e]	62.02
8	Sungei Way Corporation Sendirian Berhad	96,325,817	7.27	703,532,609[f]	53.12
9	Active Equity Sdn. Bhd.	-	-	799,858,426[g]	60.39

NOTES:

* *Negligible*

a *Deemed interest by virtue of Section 8 of the Companies Act 2016 ("**Act**") held through Sunway Holdings Sdn. Bhd.*

b *Deemed interest by virtue of Section 8 of the Act held through Active Equity Sdn. Bhd., Sungei Way Corporation Sendirian Berhad, Sunway Berhad, Sunway Holdings Sdn. Bhd., Jef-San Enterprise Sdn. Bhd. and children.*

c *Deemed interest held through spouse and children.*

d *Deemed interest by virtue of Section 8 of the Act held through Active Equity Sdn. Bhd., Sungei Way Corporation Sendirian Berhad, Sunway Berhad, Sunway Holdings Sdn. Bhd., Jef-San Enterprise Sdn. Bhd., spouse and parent.*

e *Deemed interest by virtue of Section 8 of the Act held through Active Equity Sdn. Bhd., Sungei Way Corporation Sendirian Berhad, Sunway Berhad, Sunway Holdings Sdn. Bhd., Jef-San Enterprise Sdn. Bhd. and parent.*

f *Deemed interest by virtue of Section 8 of the Act held through Sunway Berhad and Sunway Holdings Sdn. Bhd..*

g *Deemed interest by virtue of Section 8 of the Act held through Sungei Way Corporation Sendirian Berhad, Sunway Berhad and Sunway Holdings Sdn. Bhd..*

Corporate Directory

SUNWAY CONSTRUCTION GROUP BERHAD 201401032422 (1108506-W)

BUILDING AND CIVIL / INFRASTRUCTURE SERVICES

SUNWAY CONSTRUCTION SDN. BHD.
197601001216 (27175-V)

Head Office
Levels 7, 8, 9, Menara Sunway
Jalan Lagoon Timur, Bandar Sunway
47500 Subang Jaya, Selangor Darul Ehsan
T (603) 5639 9696
F (603) 5639 9530
W sunwayconstruction.com.my
E enquirysuncon@sunway.com.my

Ipoh Office
No. R-S-02 & R-S-03
Apartment Sunway Onsen
Jalan Onsen 2
Sunway City Ipoh
31150 Ipoh, Perak

Johor Office
Suite 23-01, Level 23,
Ibrahim International Business District
Menara Jland
Jalan Tun Abdul Razak
Bandar Johor Bahru
80888 Johor Bahru, Johor

India Office
No. 20, 2nd Floor, Uniworth Plaza
Sankey Road, Bengaluru
Karnataka, 560020 India

SUNWAY RNS TJ PRIVATE LIMITED
CIN NO. U45202KA2020FTC136307
SUNWAY RNSIL MC PRIVATE LIMITED
CIN NO. U45209KA2020FTC141025
Naveen Complex, 7th Floor
14, M.G. Road, Bengaluru
Karnataka, 560001 India

SUNWAY CONSTRUCTION INDIA PTE. LTD.
CIN NO. U45203KA2001PTC029947
No. 20, 2nd Floor, Uniworth Plaza
Sankey Road, Bengaluru
Karnataka, 560020 India

MECHANICAL, ELECTRICAL & PLUMBING SERVICES

SUNWAY ENGINEERING SDN. BHD.
199501012685 (341887-W)

Level 9, Menara Sunway
Jalan Lagoon Timur, Bandar Sunway
47500 Subang Jaya, Selangor Darul Ehsan
T (603) 5639 9696
F (603) 5639 9530

SUSTAINABLE ENERGY

SUNWAY RE SDN. BHD.
202301036163 (1530086-A)

Level 9, Menara Sunway
Jalan Lagoon Timur, Bandar Sunway
47500 Subang Jaya, Selangor Darul Ehsan
T (603) 5639 9696
F (603) 5639 9530

FOUNDATION AND GEOTECHNICAL ENGINEERING SERVICES

SUNWAY GEOTECHNICS (M) SDN. BHD.
199601041661 (414014-W)

Level 7, Menara Sunway
Jalan Lagoon Timur, Bandar Sunway
47500 Subang Jaya, Selangor Darul Ehsan
T (603) 5639 9696
F (603) 5639 9530

MANUFACTURING AND SALE OF PRECAST CONCRETE PRODUCTS

SUNWAY PRECAST INDUSTRIES SDN. BHD.
199201000271 (231775-X)

Senai, Johor
No. 18, Jalan Idaman 1/1
Taman Perindustrian Senai
81400 Senai, Johor Darul Takzim
T (607) 5955 222

SUNWAY CONCRETE PRODUCTS (M) SDN. BHD.
201601039388 (1210329-A)

Iskandar, Johor
Plot 5, Lots PTD 200684 & PTD 200685
Medini Zone F
Bandar Medini Iskandar Malaysia
79250 Iskandar Puteri, Johor Darul Takzim
T (607) 5955 222

SUNWAY CONCRETE PRODUCTS (S) PTE. LTD.
(199409213Z)
10, Punggol Barat Lane #04-01
Singapore 797359
T (65) 6582 8089
F (65) 6581 0482

INTEGRATED CONSTRUCTION AND PREFABRICATION HUB (ICPH)
10, Punggol Barat Lane #04-01
Singapore 797359

Corporate Information

BOARD OF DIRECTORS

Independent Non-Executive Chairman

- **Dato' Ir Goh Chye Koon**

Senior Independent Non-Executive Director

- **Dr Sarinder Kumari A/P Oam Parkash**

Independent Non-Executive Director

- **Tan Ler Chin**
- **Datuk Kwan Foh Kwai**
- **Norchahya Binti Ahmad**

Non-Independent Non-Executive Director

- **Datuk Mohd Anuar Bin Taib**
- **Evan Cheah Yean Shin**
  (Alternate Director: Dato' Tan Kia Loke)

Group Managing Director Non-Independent Executive Director

- **Liew Kok Wing**
  (Alternate Director: Lim Vin Tze)

AUDIT COMMITTEE

- **Norchahya Binti Ahmad (Chairperson)**
- Dr Sarinder Kumari A/P Oam Parkash
- Tan Ler Chin
- Datuk Kwan Foh Kwai

NOMINATION AND REMUNERATION COMMITTEE

- **Dr Sarinder Kumari A/P Oam Parkash (Chairperson)**
- Tan Ler Chin
- Datuk Kwan Foh Kwai
- Norchahya Binti Ahmad
- Datuk Mohd Anuar Bin Taib
- Evan Cheah Yean Shin

RISK MANAGEMENT COMMITTEE

- **Tan Ler Chin (Chairperson)**
- Dato' Ir Goh Chye Koon
- Dr Sarinder Kumari A/P Oam Parkash
- Datuk Kwan Foh Kwai
- Norchahya Binti Ahmad
- Evan Cheah Yean Shin

SUSTAINABILITY COMMITTEE

- **Tan Ler Chin (Chairperson)**
- Dr Sarinder Kumari A/P Oam Parkash
- Datuk Kwan Foh Kwai
- Eric Tan Chee Hin

EMPLOYEES' SHARE OPTION SCHEME COMMITTEE

- **Dato' Ir Goh Chye Koon (Chairman)**
- Norchahya Binti Ahmad
- Evan Cheah Yean Shin
- Liew Kok Wing
- Lim Vin Tze

COMPANY SECRETARIES

- **Tan Kim Aun** (MAICSA 7002988)
  (SSM PC No. 202008001249)
- **Chang Mei Yee** (MAICSA 7064078)
  (SSM PC No. 201908000539)

REGISTERED OFFICE

Level 16, Menara Sunway
Jalan Lagoon Timur
Bandar Sunway, 47500 Subang Jaya
Selangor Darul Ehsan, Malaysia
T (603) 5639 8889
F (603) 5639 9507
E enquirysuncon@sunway.com.my

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.
Registration No. 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia
T (603) 2783 9299
E is.enquiry@vistra.com
W www.vistra.com

AUDITORS

BDO PLT Registration No. 201906000013 (LLP0018825-LCA & AF0206)
Chartered Accountants

Level 8, BDO @ Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Wilayah Persekutuan, Malaysia
T (603) 2616 2888
F (603) 2616 3190 / 3191

SOLICITORS

- **Harold & Lam Partnership**
- **Yatiswara, Ng & Chan**

PRINCIPAL BANKERS

- **HSBC Bank Malaysia Berhad**
- **Standard Chartered Bank Malaysia Berhad**
- **Malayan Banking Berhad**

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name SUNCON
Stock Code 5263
Shariah Compliant

WEBSITE ADDRESS

www.sunwayconstruction.com.my

INVESTOR RELATIONS

Crystal Teh
T (603) 5639 8864

Angelynn Low
T (603) 5639 9684

E irsuncongroup@sunway.com.my

GRI Content Index

Statement of use : Sunway Construction Goup has reported the information cited in this GRI content index for the period 1 Jan 2025 to 31 Dec 2025 with reference to the GRI Standards.

GRI 1 used : GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE		LOCATION / OMISSION
GRI 2: General Disclosures 2021	2-1	Organizational details	About This Report, page 2
	2-2	Entities included in the organization's sustainability reporting	About This Report, page 2
	2-3	Reporting period, frequency and contact point	About This Report, page 2
	2-4	Restatements of information	No restatements made in this reporting year
	2-5	External assurance	Statement of Assurance, page 368-377
	2-6	Activities, value chain and other business relationships	Corporate Profile, page 6
	2-7	Employees	Employee Management Performance, page 100 - 101
	2-8	Workers who are not employees	We report on the number of interns (page 98). We track the safety hours of workers who are hired under other companies but work at our construction sites. (page 109)
	2-9	Governance structure and composition	Sustainability Governance, page 68-69 Corporate Governance Overview Statement, page 163-173
	2-10	Nomination and selection of the highest governance body	Nomination and Remuneration Committee, page 173-177
	2-11	Chair of the highest governance body	Corporate Governance Overview Statement, page 149, 166
	2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Overview Statement, page 164-165
	2-13	Delegation of responsibility for managing impacts	Corporate Governance Overview Statement, page 177
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance, page 68-69
	2-15	Conflicts of interest	Profile of Board of Directors, page 159 Corporate Governance Overview Statement, page 183
	2-16	Communication of critical concerns	Sustainability Governance, page 68-69 Whistleblowing Policy and Procedures, page 71
	2-17	Collective knowledge of the highest governance body	Corporate Governance Overview Statement, page 179-182
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement, page 175
	2-19	Remuneration policies	Remuneration Policy for Directors and Senior Management *https://ir2.chartnexus.com/suncon/doc/cg/Policy%2010.%20Remuneration%20Policy%20for%20Directors%20and%20Senior%20Management.pdf*

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION / OMISSION
GRI 2: General Disclosures 2021	2-20 Process to determine remuneration	Corporate Governance Overview Statement, page 175
	2-21 Annual total compensation ratio	Key Performance Data 2025, page 343
	2-22 Statement on sustainable development strategy	Chairman's Statement, page 10 Progressing on the Sustainability Journey, page 62-63
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	2-29 Approach to stakeholder engagement	Stakeholder Engagement, page 47-52
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GRI 3: Material Topics 2021	3-1 Process to determine material topics	Our Material Matters, page 53
	3-2 List of material topics	Our Material Matters, page 53
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GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	ISSB Statement, page 119-145
GRI 204: Procurement Practices 2016	3-3 Management of material topics	Responsible Supply Chain, page 72
	204-1 Proportion of spending on local suppliers	Priorisiting Local Suppliers and Vendors, page 73
GRI 205: Anti-corruption 2016	3-3 Management of material topics	Anti-Corruption and Anti-Bribery, page 69
	205-1 Operations assessed for risks related to corruption	Supply Chain Due Diligence, page 70
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	205-3 Confirmed incidents of corruption and actions taken	Anti-Corruption Performance Data, page 71
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	301-1 Materials used by weight or volume	Sourcing Materials Responsibly, page 73
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	305-4 GHG emissions intensity	Emissions Management, page 77
	305-5 Reduction of GHG emissions	Emissions Management, page 78
	305-6 Emissions of ozone-depleting substances (ODS)	Key Performance Data, page 341-352
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Key Performance Data, page 333-344
GRI 306: Waste 2020	3-3 Management of material topics	Applying Circularity Across Our Operations, page 85
	306-1 Waste generation and significant waste-related impacts	Circular Economy, page 85
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	306-3 Waste generated	Waste Generated, page 88
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GRI 308: Supplier Environmental Assessment 2016	3-3 Management of material topics	Responsible Supply Chain, page 72
	308-1 New suppliers that were screened using environmental criteria	Responsible Supply Chain, page 72
GRI 401: Employment 2016	3-3 Management of material topics	Employee Management, page 96
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	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Competitive Remuneration and Benefits, page 99
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	403-5 Worker training on occupational health and safety	Strengthening OSH Competency Through Training and Engagement, page 107
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GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	Diversity, Equality and Inclusion, page 97
	405-1 Diversity of governance bodies and employees	Employee Management Data, page 100-101 Board diversity, page 169
GRI 406: Non-discrimination 2016	3-3 Management of material topics	Diversity, Equality and Inclusion, page 97
	406-1 Incidents of discrimination and corrective actions taken	SunCon has zero discrimination case in this reporting period.
GRI 408: Child Labor 2016	3-3 Management of material topics	Upholding Labour and Human Rights, page 102
	408-1 Operations and suppliers at significant risk for incidents of child labor	Upholding Labour and Human Rights, page 102-103
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	414-1 New suppliers that were screened using social criteria	Responsible Supply Chain, page 72
GRI 418: Customer Privacy 2016	3-3 Management of material topics	Data Privacy and Security, page 71
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Privacy and Security, page 71

Key Performance Data 2025

Air Monitoring – $PM_{2.5}$

Project Site	Compliance Limit (µg/m³)	Average Baseline (µg/m³)	Average Reading (µg/m³)	Maximum (µg/m³)	Minimum (µg/m³)
DAISO	**35**	7.0	13.2	15.1	12.0
JHBX10	**35**	15.0	22.8	33.0	14.0
K2	**35**	24.0	21.0	26.0	13.0
KUL03	**35**	15.3	15.3	24.0	6.0
KUL070	**35**	24.7	23.0	25.0	20.0
KUL072	**35**	19.0	24.0	29.0	21.0
MSPR	**100**	31.0	18.2	44.0	7.0
RTS P5	**35**	<5.0	16.9	31.0	5.0
SCIM	**35**	18.0	23.6	27.0	19.0
S.FLORA	**35**	4.6	16.7	19.8	13.4
S. SQUARE	**35**	-	14.0	27.0	2.0

Requirement: New Malaysian Ambient Air Quality Standard (2020)

Air Monitoring – PM_{10}

Project Site	Compliance Limit	2022		2023		2024				2025			
		Minimum (µg/m³)	Maximum (µg/m³)	Minimum (µg/m³)	Maximum (µg/m³)	Average Baseline (µg/m³)	Average Reading (µg/m³)	Minimum (µg/m³)	Maximum (µg/m³)	Average Baseline (µg/m³)	Average Reading (µg/m³)	Minimum (µg/m³)	Maximum (µg/m³)
BELFIELD	**100**	15.0	49.0	16.0	39.0	8.0	25.3	20.0	33.0	-	-	-	-
S.SQUARE	**100**	7.2	34.5	5.4	60.5	-	22.4	9.5	86.0	-	23.1	6.1	56.5
SMCD	**100**	15.0	30.0	16.0	30.0	27.0	37.3	21.0	48.0	-	-	-	-
SV2PB	**100**	16.0	47.0	22.0	44.0	24.0	24.2	22.0	26.0	-	-	-	-
S.FLORA	**100**	-	-	5.8	12.9	14.7	17.7	3.8	33.2	14.7	22.7	10.0	32.0
SMCI	**100**	43.0	45.0	35.0	45.0	14.0	41.5	37.0	46.0	-	-	-	-
JHB1X0	**100**	-	-	26.0	86.0	69.0	41.0	35.0	47.0	69.0	46.2	29.0	57.0
K2	**100**	-	-	28.0	50.0	29.5	48.5	27.0	68.0	62.0	63.2	43.0	96.0
RTS P5	**100**	27.0	53.0	15.0	80.0	9.6	41.2	16.0	85.0	9.6	31.8	14.0	69.0
SC1R	**100**	-	-	47.0	47.0	47.0	59.0	44.0	77.0	47.0	66.0	66.0	66.0
LSS Kapar	**100**	-	-	26.0	95.0	-	-	-	-	15.0	30.3	15.0	55.0
LSS Gopeng	**100**	-	-	27.0	67.0	-	-	-	-	-	-	-	-
SCIM	**100**	-	-	-	-	33.0	35.5	33.0	38.0	32.0	45.0	31.0	56.0
KUL03	**100**	-	-	-	-	26.7	35.9	21.0	59.0	26.7	28.2	16.0	43.0
DAISO	**100**	-	-	-	-	15.0	19.0	15.0	25.0	15.0	24.6	22.6	27.6
KUL072	**100**	-	-	-	-	30.5	30.8	24.0	38.0	30.5	39.0	30.0	46.0
KUL070	**100**	-	-	-	-	46.3	45.1	42.0	50.0	46.3	44.2	40.0	50.0
MSPR	**100**	-	-	-	-	-	-	-	-	44.0	28.1	12.0	53.0

Requirement: New Malaysian Ambient Air Quality Standard (2020)

Key Performance Data 2025

Air Monitoring – SO_x

Project Site	Compliance Limit	2022		2023		2024				2025			
		Minimum (µg/m³)	Maximum (µg/m³)	Minimum (µg/m³)	Maximum (µg/m³)	Average Baseline (µg/m³)	Average Reading (µg/m³)	Minimum (µg/m³)	Maximum (µg/m³)	Average Baseline (µg/m³)	Average Reading (µg/m³)	Minimum (µg/m³)	Maximum (µg/m³)
BELFIELD	**80**	<5	<5	< 5	< 5	<5	<5	<5	<5	-	-	-	-
S.FLORA	**80**	-	-	< 20	< 20	<20	<20	<20	<20	<20	<20	<20	<20
SMCD	**80**	<5	<5	< 5	< 5	<5	<5	<5	<5	-	-	-	-
SV2PB	**80**	7.0	9.0	< 5	< 5	<5	<5	<5	<5	-	-	-	-
SMCI	**80**	<2.619	<2.619	0.0	0.0	<2.619	ND<2.619	ND<2.619	ND<2.619	-	-	-	-
JHB1X0	**80**	-	-	< 5	< 6	<5	<5	<5	<5	<5	<5	<5	<5
K2	**250**	-	-	0.0	0.0	<5	<5	<5	<5	<0.1	<0.1	<0.1	<0.1
RTS P5	**80**	-	-	< 5	10.0	-	5.0	5.0	<5	-	<5	<5	<5
LSS Gopeng	**80**	-	-	< 5	16.0	-	-	-	-	-	-	-	-
SCIM	**80**	-	-	-	-	ND(<1)	ND(<1)	ND(<1)	ND(<1)	ND(<1)	ND(<1)	ND(<1)	ND(<1)
KUL03	**80**	-	-	-	-	<5	<5	<5	<5	<5	<5	<5	<5
DAISO	**80**	-	-	-	-	3.6	4.2	5.2	3.6	3.6	4.1	3.4	4.9
KUL072	**80**	-	-	-	-	ND(<1)	ND(<1)	ND(<1)	ND(<1)	ND(<1)	ND(<1)	ND(<1)	ND(<1)
KUL070	**80**	-	-	-	-	ND(<1)	ND(<1)	ND(<1)	ND(<1)	ND(<1)	ND(<1)	ND(<1)	ND(<1)
MSPR	**80**	-	-	-	-	-	-	-	-	<5	<5	<5	<5

Requirement: New Malaysian Ambient Air Quality Standard (2020)

Air Monitoring – NO_x

Project Site	Compliance Limit	2022		2023		2024		2025			
		Minimum (µg/m³)	Maximum (µg/m³)	Minimum (µg/m³)	Maximum (µg/m³)	Minimum (µg/m³)	Maximum (µg/m³)	Average Baseline (µg/m³)	Average Reading (µg/m³)	Minimum (µg/m³)	Maximum (µg/m³)
LRT GS3 07 & 08	**70**	<0.5	<0.5	< 0.5	< 0.5	-	-	-	-	-	-
LRT3 GS06	**70**	-	-	< 0.5	3.6	2.1	1.0	-	-	-	-
BELFIELD	**70**	<0.5	<0.5	< 0.5	< 0.5	<0.5	<0.5	-	-	-	-
S.FLORA	**70**	-	-	6.7	30.8	<6.0	<6.0	26.1	<6.0	<6.0	<6.0
SMCD	**70**	< 0.5	< 0.5	< 0.5	< 0.5	<0.5	<0.5	-	-	-	-
SV2PB	**70**	3.0	6.0	< 0.5	< 0.5	<0.5	<0.5	-	-	-	-
SMCI	**70**	<1.882	<1.882	ND	< 1.882	ND<1.882	ND<1.882	-	-	-	-
JHB1X0	**70**	-	-	ND	< 0.5	<0.5	<0.5	<0.5	<0.5	<0.5	<0.5
K2	**280**	-	-	< 0.5	< 0.5	<0.5	<0.5	42.7	51.6	27.9	79.7
RTS	**70**	8.0	38.0	2.0	11.0	4.5	<0.5	-	<0.5	<0.5	<0.5
LSS Gopeng	**70**	-	-	1.2	7.7	-	-	-	-	-	-
SCIM	**70**	-	-	-	-	ND(<40)	ND(<40)	ND(<40)	ND(<40)	ND(<40)	ND(<40)
KUL03	**70**	-	-	-	-	<0.5	<0.5	<0.5	<0.5	<0.5	<0.5
DAISO	**70**	-	-	-	-	11.3	3.85	10.9	3.4	3.2	3.6
KUL072	**70**	-	-	-	-	ND(<1)	ND(<1)	ND(<1)	ND(<1)	ND(<1)	ND(<1)
KUL070	**70**	-	-	-	-	ND(<1)	ND(<1)	ND(<1)	ND(<1)	ND(<1)	ND(<1)
MSPR	**70**	-	-	-	-	-	-	<0.5	<0.5	<0.5	<0.5

Requirement: New Malaysian Ambient Air Quality Standard (2020)

Key Performance Data 2025

Air Monitoring – CO_x

Project Site	Compliance Limit	2022		2023		2024		2025			
		Minimum (µg/m³)	Maximum (µg/m³)	Minimum (µg/m³)	Maximum (µg/m³)	Minimum (µg/m³)	Maximum (µg/m³)	Average Baseline (µg/m³)	Average Reading (µg/m³)	Minimum (µg/m³)	Maximum (µg/m³)
LRT3 GS07 & 08	**30**	1.0	3.3	0.7	3.6	-	-	-	-	-	-
LRT3 GS06	**30**	-	-	2.1	5.0	3.6	2.1	-	-	-	-
BELFIELD	**10**	0.3	1.4	0.7	1.4	1.1	0.7	-	-	-	-
S.FLORA	**10**	-	-	< 5	< 5.7	<5.7	<5.7	<5	<5.7	<5.7	<5.7
SMCD	**10**	0.7	1.4	0.7	1.7	1.4	1.4	-	-	-	-
SV2PB	**10**	0.7	1.4	0.78	1.4	1.4	1.4	-	-	-	-
SMCI	**10**	<2.29	<2.29	ND	< 2.29	ND<2.29	ND<2.29	-	-	-	-
JHB1X0	**10**	-	-	1.4	3.3	3.1	2.1	2.3	3.3	2.9	4.0
K2	**30**	-	-	2.9	4.0	4.2	1.4	2.1	3.1	1.5	6.5
RTS	**10**	1.2	6.4	1.4	8.6	8.6	1.9	<0.2	4.6	1.9	7.2
LSS Gopeng	**10**	-	-	0.7	4.3	-	-	-	-	-	-
SCIM	**10**	-	-	-	-	1.4	1.0	1.3	1.2	1.0	1.4
KUL03	**10**	-	-	-	-	1.4	0.7	0.7	0.7	0.7	0.7
DAISO	**10**	-	-	-	-	3.5	2.5	3.1	2.2	2.0	2.5
KUL072	**10**	-	-	-	-	1.4	1.1	1.25	1.3	1.0	1.6
KUL070	**10**	-	-	-	-	1.4	1.1	1.4	1.3	1.1	1.6
MSPR	**10**	-	-	-	-	-	-	5.7	4.9	2.0	7.2

Requirement: New Malaysian Ambient Air Quality Standard (2020)

Air Monitoring – O_x

Project Site	Compliance Limit (µg/m³)	Average Baseline (µg/m³)	Average Reading (µg/m³)	Maximum (µg/m³)	Minimum (µg/m³)
JHB1X0	**100**	<5	<5	<5	<5
K2	**180**	5.3	7.6	14.0	4.7
KUL03	**100**	<5	<5	<5	<5
KUL070	**100**	ND(<5)	ND(<5)	ND(<5)	ND(<5)
KUL072	**100**	ND(<5)	ND(<5)	ND(<5)	ND(<5)
MSPR	**100**	<5	<5	<5	<5
RTS P5	**100**	<5	<5	<5	<5
SCIM	**180**	ND(<5)	ND(<5)	ND(<5)	ND(<5)
S.FLORA	**100**	<20	<20	<20	<20

Key Performance Data 2025

Water Monitoring – Inland Water (Total Suspended Solid (TSS))

Project Site	Compliance Limit (µg/m³)	Average Baseline (µg/m³)	Average Reading (µg/m³)	Maximum (µg/m³)	Minimum (µg/m³)
CGPP	**150**	-	5.9	12.0	2.0
DAISO	**100**	-	336.9	1080.0	15.0
JHB1X0	**150**	30.0	113.1	488.0	15.0
K2	**150**	28.0	20.5	49.0	5.0
KUL03	**100**	-	36.6	63.0	13.0
KUL072	**150**	18.4	22.92	66.0	9.0
KUL070	**150**	19.8	19.95	41.0	6.0
RTS P5	**150**	49.6	0.0	0.0	0.0
SCIM	**150**	8.5	19.1	35.0	6.0
SC1R	**50**	-	59.5	111.0	8.0
S.FLORA	**150**	98.0	45.4	211.0	8.0
S. SQUARE	**50 (Drainage)**	11.0	13.0	190.0	5.0
	150 (River water)	-	28.1	81.0	8.6

Water Monitoring – Silt Trap (Total Suspended Solid (TSS))

Project Site	Compliance Limit (µg/m³)	Average Reading (µg/m³)	Maximum (µg/m³)	Minimum (µg/m³)
CGPP	**100**	5.9	11.0	2.0
DAISO	**100**	17.0	35.0	8.0
K2	**100**	35.8	92.0	10.0
JHB1X0	**100**	18.4	74.0	2.0
KUL03	**150**	18.8	37.0	12.0
KUL072	**50**	12.8	31.0	6.0
KUL070	**50**	20.5	50.0	6.0
MSPR	**100**	30.0	30.0	30.0
SCIM	**150**	23.8	63.0	6.0
S. FLORA	**50**	33.9	42.0	21.3
S. SQUARE	**100**	9.0	30.0	5.0

Key Performance Data 2025

Noise Monitoring

Project Site	Day		Night	
	Avg Baseline - LAeq - dB(A)	Average Reading - LAeq - dB(A)	Avg Baseline - LAeq - dB(A)	Average Reading - LAeq - dB(A)
CGPP	**55.0**	52.6	50.0	50.0
DAISO	**59.7**	62.0	54.2	54.8
JHB1X0	**60.5**	57.0	62.3	54.5
K2	**63.6**	63.6	61.4	56.9
KUL03	**61.0**	60.4	58.9	54.9
KUL072	**60.5**	57.3	54.35	52.4
KUL070	**57.0**	60.3	53.5	52.3
RTS	**64.0**	67.2	59.7	62.6
SC1R	**68.4**	67.5	68.4	61.1
SCIM	**60.5**	60.8	49.7	54.2
S.FLORA	**62.8**	59.5	57.7	52.6
S. SQUARE	**66.5**	62.9	63.1	55.8
MSPR	**65.7**	67.6	60.9	63.3

Key Performance Data 2025

	Measurement	2023	2024	2025
ENVIRONMENT				
WATER				
Total Water Use	Megaliters	340.08	315.10	316.82
- Worksites	Megaliters	319.77	273.53	269.65
- Accommodations	Megaliters	20.31	41.57	47.17
Water Use Intensity	Megalitres/ RM mil'	0.13	0.09	0.06
ENERGY MANAGEMENT				
Diesel Consumption	mil' litres	2.63	4.51	5.09
Electricity Consumption	MWh	8,970	9,077	28,073
- Worksites	MWh	8,634	8,465	27,348
- Accommodations	MWh	336	612	725
Total Energy Consumed	MWh	37,406	57,644	89,969
Energy Intensity	MWh/ RM mil'	13.87	16.27	16.85
EMISSION MANAGEMENT				
Scope 1:				
GHG Emissions from Company-Owned Vehicles and Machinery	tonnes CO_2e	7,440	12,283	13,402
Scope 2:				
Indirect emissions from purchased electricity	tonnes CO_2e	6,997	6,729	20,400
Scope 3: Indirect Emissions from:				
- Business Travel (Land)				
CO_2e	tonnes	427	450	311
CO_2	tonnes	333	351	310
CH_4	tonnes	1	1	0.69
N_2O	tonnes	1	1	0.61
- Business Travel (Air)				
CO_2e	tonnes	43	44	39
CO_2	tonnes	42	36	38
CH_4	tonnes	0	0	0
N_2O	tonnes	0	0	0.5
- Employee Commuting	tonnes CO_2e	1,368	1,243	1,594
- Waste Generation	tonnes CO2e	1,784	6,800	4,556
- Purchased Goods	tonnes CO_2e	310,792	239,808	227,714
- Upstream Transportation	tonnes CO_2e	-	482	354
- Downstream Transportation	tonnes CO_2e	-	124	156
Total Scope 3:				
CO_2e	tonnes	314,414	248,952	234,724
Total GHG Emission				
- GHG Emissions: Scope 1 & 2	tonnes CO_2e	14,437	19,011	33,802
- Total GHG Emissions: Scope 1, 2 & 3	tonnes CO_2e	328,851	267,963	268,526

Key Performance Data 2025

	Measurement	2023	2024	2025
ENVIRONMENT				
WASTE MANAGEMENT				
Total waste generated	Metric tonnes (MT)	14,079	46,896	35,420
Total waste diverted from landfills	Metric tonnes (MT)	10,312	32,729	26,769
Concrete	Metric tonnes (MT)	215	4,769	13,179
Timber	Metric tonnes (MT)	108	473	3,383
Steel	Metric tonnes (MT)	2,484	5,857	3,129
Construction	Metric tonnes (MT)	7,089	20,172	3,995
Domestic	Metric tonnes (MT)	415	368	386
Plastic	Metric tonnes (MT)	-	-	266
Paper	Metric tonnes (MT)	-	-	104
Aluminum	Metric tonnes (MT)	-	-	0.2
Reuse & Recycle	Metric tonnes (MT)	-	1,046	2,299
Others	Metric tonnes (MT)	1	45	28
Total waste disposed to landfills	Metric tonnes (MT)	3,767	14,167	8,652
Concrete	Metric tonnes (MT)	489	2,092	305
Timber	Metric tonnes (MT)	188	1,270	521
Construction	Metric tonnes (MT)	2,947	9,811	6,926
Domestic	Metric tonnes (MT)	144	994	901
BIODIVERSITY				
Operations Assessed for Biodiversity Risks	Percentage	-	50%	50%
Size and Location of Habitat Areas Protected or Restored	Number	-	-	-
Total Number of IUCN Red List Threatened Species with Habitats in Areas Affected by Operations	Number	-	-	-
EFFLUENTS				
Total Water Discharged	Megalitre	-	0.40	6.88

	Measurement	2023	2024	2025
SOCIAL – SUPPLY CHAIN MANAGEMENT				
MATERIALS				
Total Materials Used:	Metric tonnes (MT)	669,225	784,179	841,509
Steel Bar & Mesh	Metric tonnes (MT)	64,760	47,337	39,949
Cement	Metric tonnes (MT)	38,810	19,412	17,348
Sand	Metric tonnes (MT)	81,627	61,296	46,179
Ready Mixed Concrete	Metric tonnes (MT)	359,061	473,992	609,391
Quarry	Metric tonnes (MT)	124,586	181,703	124,931
Premix	Metric tonnes (MT)	410	440	3,711
SUPPLY CHAIN MANAGEMENT				
Proportion of Spending on Local Suppliers	Percentage	61%	98.6%	85%

Key Performance Data 2025

	Measurement	2023	2024	2025
SOCIAL – SUPPLY CHAIN MANAGEMENT				
SUPPLIER ENVIRONMENTAL ASSESSMENT				
Assessment of New Suppliers	Percentage	100%	100%	100%
No. Suppliers Assessed for Environmental Impacts	Number	-	330	-
SUPPLIER SOCIAL ASSESSMENT				
Assessment of New Suppliers	Percentage	100%	100%	100%
No. of Suppliers Assessed for Social Impacts	Number	475	330	-
SOCIAL - WORKPLACE				
DIVERSITY				
Total Number of Employees	Number	1,820	1887	1,747
Percentage of Employees by Gender and Age:				
- Age Group - Overall				
< 30	Percentage	29%	28%	27%
30 – 50	Percentage	60%	62%	64%
> 50	Percentage	11%	10%	9%
- Age Group by Employee Category				
Senior Management:				
< 30	Percentage	0	0	0
30 – 50	Percentage	22%	33%	24%
> 50	Percentage	78%	67%	76%
Management:				
< 30	Percentage	0	0	0
30 – 50	Percentage	73%	78%	79%
> 50	Percentage	27%	22%	21%
Executive				
< 30	Percentage	35%	38%	38%
30 – 50	Percentage	54%	52%	53%
> 50	Percentage	11%	10%	9%
Non-Executive				
< 30	Percentage	31%	27%	24%
30 – 50	Percentage	62%	66%	71%
> 50	Percentage	7%	7%	5%
- Gender Group - Overall				
Male	Percentage	85%	84%	82%
Female	Percentage	15%	16%	18%

Key Performance Data 2025

	Measurement	2023	2024	2025
SOCIAL - WORKPLACE				
DIVERSITY				
Percentage of Employees by Gender and Age:				
- Gender Group by Employee Category				
Senior Management:				
Male	Percentage	94%	89%	82%
Female	Percentage	6%	11%	18%
Management:				
Male	Percentage	71%	67%	69%
Female	Percentage	29%	33%	31%
Executive:				
Male	Percentage	64%	67%	66%
Female	Percentage	36%	33%	34%
Non-Executive:				
Male	Percentage	96%	96%	96%
Female	Percentage	4%	4%	4%
Percentage of Employees that are Contractors or Temporary Staff	Percentage	53%	56%	60%
Number of Physically Challenged Employees	Number	2	4	3
Percentage of Directors by Gender and Age Group				
Gender:				
Male	Percentage	75%	67%	57%
Female	Percentage	25%	33%	43%
Age:				
< 60	Percentage	25.0%	22%	29%
61 – 70	Percentage	37.5%	33%	43%
> 71	Percentage	37.5%	44%	29%
Ethnicity:				
Malay	Percentage	12.5%	11%	14%
Chinese	Percentage	75.0%	78%	71%
Indian	Percentage	12.5%	11%	14%
LABOUR PRACTICES AND STANDARDS				
TRAINING				
Total Spent on Training	RM	780,605	1,046,690	889,854
Employee Participation in Training	Number	1,239	1,297	1,189
Total Training Hours	Hours	37,769	43,203	34,678
- Training Hours by Employment Type				
Permanent Staff	Hours	32,851	32,135	23,033
Contract or Temporary Staff	Hours	4,918	11,068	11,645

Key Performance Data 2025

	Measurement	2023	2024	2025
SOCIAL - WORKPLACE				
LABOUR PRACTICES AND STANDARDS				
TRAINING				
Training Hours by Employee Category:				
Senior Management	Hours	689	664	570
Management	Hours	7,036	7,156	6,418
Executive	Hours	22,360	26,325	22,560
Non-Executive	Hours	7,684	9,058	5,130
Average Man-Days of Training per Employee	Days	4.47	4.70	4.01
Average Training Hours per Employee	Hours	35.7	37.6	32.1
EMPLOYEE TURNOVER RATES				
Industry Average	Number	17.7%	17.7%	20.0%
Attrition Rates	Percentage	18.5%	19.8%	15.3%
- Voluntary	Percentage	17.5%	19.0%	13.3%
- Involuntary	Percentage	1.0%	0.8%	2.0%
Employee Turnover:				
- Gender				
Male	Number	139	166	122
Female	Number	41	42	39
- Age				
< 30	Number	66	67	51
30 – 50	Number	80	104	94
> 50	Number	34	37	16
EMPLOYEE TURNOVER RATES				
Employee Category				
Senior Management	Number	1	2	4
Management	Number	20	25	16
Executive	Number	111	108	96
Non-Executive	Number	48	73	45
Number of Substantiated Complaints on Human Rights Violation	Number	0	0	0
SOCIAL - PARENTAL LEAVE				
PARENTAL LEAVE				
Employees Exercised Paternity Leave	Number	22	22	27
Employees Exercised Maternity Leave	Number	9	12	17
Return to Work Rates (Return to work after parental leave period:				
- Gender				
Male	Percentage	100%	100%	100%
Female	Percentage	100%	100%	100%

Key Performance Data 2025

	Measurement	2023	2024	2025
SOCIAL – COMPARISION OF PAY				
COMPARISON OF PAY				
Total Men Basic Salary	RM	62,748,390	69,491,778	72,408,964
Average Annual Men Basic Salary	RM	81,386	85,205	93,481
Average Number of Men Paid	Number	771	816	775
Total Women Basic Salary	RM	21,814,020	24,163,531	27,316,644
Average Annual Women Basic Salary	RM	77,630	81,427	88,403
Average Number of Women Paid	Number	281	297	309
Ratio of Men to Women Pay Equity	Ratio	1.00:0.95	1.00:0.96	1:00 : 0.95
REMUNERATION DATA DISCLOSURE (ANNUAL PAY)				
Group MD Annual Total Remuneration to Median Annual Total Remuneration	Ratio	30.2 : 1.0	40.2 : 1.0	47.9 : 1.0
Mean Pay	RM	130,367	137,081	168,837
Median Pay	RM	96,178	100,619	123,795
Lowest total pay	RM	24,077	24,285	25,489
Highest total pay*	RM	1,653,120	2,188,253	2,772,795
SOCIAL - OCCUPATIONAL HEALTH AND SAFETY				
HEALTH & SAFETY				
Total Worked Man-hours	Manhours	16,156,813	23,187,220	21,997,334
Work-related Fatal Accidents	Number	1	0	0
Employee	Number	0	0	0
Temporary Employee	Number	0	0	0
Contractor Employee	Number	1	0	0
Lost Time Injury Accidents	Number	0	0	2
Employee	Number	0	0	0
Temporary Employee	Number	0	0	0
Contractor Employee	Number	0	0	2
Total No. of Reportable Accidents	Number	2	1	3
Lost Time Incident Rate (LTIR)	Rate	0.15	0.00	0.26
Accident Frequency Rate (AFR)	Rate	0.06	0.00	0.09
No. of Employees Trained on Health & Safety Standards	Number	1,820	1,887	1,747
SOCIAL – COMMUNITY/ SOCIETY				
Total Amount Invested for External Beneficiaries	RM	2.63 million	2.86 million	2.53 million
Total No. of Beneficiaries of the Investment in Communities	Number	18,350	12,066	7,638

* *Highest total pay excludes remuneration of Group Managing Director*

Key Performance Data 2025

	Measurement	2023	2024	2025
GOVERNANCE				
ANTI-CORRUPTION				
Employees Trained on Anti-corruption				
Senior Management	Percentage	100%	100%	100%
Management	Percentage	100%	100%	100%
Executive	Percentage	100%	100%	100%
Non-Executive	Percentage	100%	100%	100%
Operations Assessed for Corruption Risk	Percentage	85%	74%	100%
Confirmed Incidents of Corruption	Number	0	0	1
DATA PRIVACY AND SECURITY				
No. of Substantiated Breaches Incidents	Number	0	0	0
WHISTLEBLOWING INFORMATION				
Confirmed Incidents of Whistleblowing	Number	0	0	0*

* *During the FY2025, there was one whistleblower case reported through the whistleblowing channel. However, the case was unrelated to the Company. As such, no confirmed whistleblowing incidents were recorded for SunCon during the year.*

IFRS S1 Disclosure Content Index

Indicator	Description	Location of Disclosure
Connected Information		
S1.20	An entity's sustainability-related financial disclosures shall be for the same reporting entity as the related financial statements.	Reporting Boundary, ISSB Statement
S1.21	An entity shall provide information in a manner that enables users of general purpose financial reports to understand the following types of connections: (a) the connections between the items to which the information relates—such as connections between various sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects; and (b) the connections between disclosures provided by the entity: (i) within its sustainability-related financial disclosures—such as connections between disclosures on governance, strategy, risk management and metrics and targets; and (ii) across its sustainability-related financial disclosures and other general purpose financial reports published by the entity—such as its related financial statements (see paragraphs B39-B44).	Financial effects, ISSB Statement ISSB Statement ISSB Statement
S1.22	An entity shall identify the financial statements to which the sustainability-related financial disclosures relate.	Financial Statements
S1.23	Data and assumptions used in preparing the sustainability-related financial disclosures shall be consistent—to the extent possible considering the requirements of IFRS Accounting Standards or other applicable GAAP—with the corresponding data and assumptions used in preparing the related financial statements (see paragraph B42).	Connectivity with Financial Statements, ISSB Statement
S1.24	When currency is specified as the unit of measure in the sustainability-related financial disclosures, the entity shall use the presentation currency of its related financial statements.	Connectivity with Financial Statements, ISSB Statement
Governance		
S1.27	To achieve this objective, an entity shall disclose information about: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of sustainability-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about: (i) how responsibilities for sustainability-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s); (ii) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to sustainability-related risks and opportunities; (iii) how and how often the body(s) or individual(s) is informed about sustainability-related risks and opportunities; (iv) how the body(s) or individual(s) takes into account sustainability-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and (v) how the body(s) or individual(s) oversees the setting of targets related to sustainability-related risks and opportunities, and monitors progress towards those targets, including whether and how related performance metrics are included in remuneration policies.	Sustainability Governance, ISSB Statement

IFRS S1
Disclosure Content Index

Indicator	Description	Location of Disclosure
Governance		
S1.27	(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities, including information about: (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of sustainability-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Sustainability Governance, ISSB Statement
Strategy		
S1.29	Specifically, an entity shall disclose information to enable users of general purpose financial reports to understand: (a) the sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects (see paragraphs 30-31); (b) the current and anticipated effects of those sustainability-related risks and opportunities on the entity's business model and value chain (see paragraph 32); (c) the effects of those sustainability-related risks and opportunities on the entity's strategy and decision-making (see paragraph 33); (d) the effects of those sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those sustainability-related risks and opportunities have been factored into the entity's financial planning (see paragraphs 34-40); and (e) the resilience of the entity's strategy and its business model to those sustainability-related risks (see paragraph 41-42).	Environment-related risks and opportunities and social-related risks and opportunities, ISSB Statement
S1.30	An entity shall disclose information that enables users of general purpose financial reports to understand the sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall: (a) describe sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects; (b) specify the time horizons—short, medium or long term—over which the effects of each of those sustainability-related risks and opportunities could reasonably be expected to occur; and (c) explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	Environment-related risks and opportunities and social-related risks and opportunities, ISSB Statement
S1.32	An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose: (a) a description of the current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain; and (b) a description of where in the entity's business model and value chain sustainability-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Environment-related risks and opportunities and social-related risks and opportunities, ISSB Statement

IFRS S1
Disclosure Content Index

Indicator	Description	Location of Disclosure
Governance		
S1.33	An entity shall disclose information that enables users of general purpose financial reports to understand the effects of sustainability-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose information about: (a) how the entity has responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making; (b) the progress against plans the entity has disclosed in previous reporting periods, including quantitative and qualitative information; and (c) Trade-offs between sustainability-related risks and opportunities that the entity considered (for example, in making a decision on the location of new operations, an entity might have considered the environmental impacts of those operations and the employment opportunities they would create in a community).	Environment-related risks and opportunities and social-related risks and opportunities, ISSB Statement
S1.34	An entity shall disclose information that enables users of general purpose financial reports to understand: (a) the effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects); and (b) the anticipated effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how sustainability-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	Environment-related risks and opportunities and social-related risks and opportunities, ISSB Statement
S1.35	Specifically, an entity shall disclose quantitative and qualitative information about: (a) how sustainability-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; (b) the sustainability-related risks and opportunities identified in paragraph 35(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements; (c) how the entity expects its financial position to change over the short, medium and long term, given its strategy to manage sustainability-related risks and opportunities, taking into consideration: (i) its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to; and (ii) its planned sources of funding to implement its strategy; and (d) how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage sustainability-related risks and opportunities.	Environment-related risks and opportunities and social-related risks and opportunities, ISSB Statement

IFRS S1
Disclosure Content Index

Indicator	Description	Location of Disclosure
Governance		
S1.40	If an entity determines that it need not provide quantitative information about the current or anticipated financial effects of a sustainability-related risk or opportunity applying the criteria set out in paragraphs 38–39, the entity shall: (a) explain why it has not provided quantitative information; (b) provide qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that sustainability-related risk or opportunity; and (c) provide quantitative information about the combined financial effects of that sustainability-related risk or opportunity with other sustainability-related risks or opportunities and other factors unless the entity determines that quantitative information about the combined financial effects would not be useful.	Environment-related risks and opportunities and social-related risks and opportunities, ISSB Statement
S1.41	An entity shall disclose information that enables users of general purpose financial reports to understand its capacity to adjust to the uncertainties arising from sustainability-related risks. An entity shall disclose a qualitative and, if applicable, quantitative assessment of the resilience of its strategy and business model in relation to its sustainability-related risks, including information about how the assessment was carried out and its time horizon. When providing quantitative information, an entity may disclose a single amount or a range.	Judgements and Measurement Uncertainties, ISSB Statement
Risk Management		
S1.44	To achieve this objective, an entity shall disclose information about: (a) the processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks, including information about: (i) the inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the entity uses scenario analysis to inform its identification of sustainability-related risks; (iii) how the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the entity prioritises sustainability-related risks relative to other types of risk; (v) how the entity monitors sustainability-related risks; and (vi) whether and how the entity has changed the processes it uses compared with the previous reporting period; (b) the processes the entity uses to identify, assess, prioritise and monitor sustainability-related opportunities; and (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring sustainability-related risks and opportunities are integrated into and inform the entity's overall risk management process.	(a)(i) - (ii): Materiality Assessment, ISSB Statement (a)(iii) - (v): Risk Management, ISSB Statement (a)(vi): Materiality Assessment, ISSB Statement (b): Materiality Assessment, ISSB Statement (c): Risk Management, ISSB Statement

IFRS S1
Disclosure Content Index

Indicator	Description	Location of Disclosure
Metrics and Targets		
S1.46	An entity shall disclose, for each sustainability-related risk and opportunity that could reasonably be expected to affect the entity's prospects: (a) metrics required by an applicable IFRS Sustainability Disclosure Standard; and (b) metrics the entity uses to measure and monitor: (i) that sustainability-related risk or opportunity; and (ii) its performance in relation to that sustainability-related risk or opportunity, including progress towards any targets the entity has set, and any targets it is required to meet by law or regulation.	Environment-related risks and opportunities and social-related risks and opportunities, ISSB
S1.48	Metrics disclosed by an entity shall include metrics associated with particular business models, activities or other common features that characterise participation in an industry.	Compliance with IFRS Sustainability Disclosure Standards, ISSB Statement
S1.49	If an entity discloses a metric taken from a source other than IFRS Sustainability Disclosure Standards, the entity shall identify the source and the metric taken.	Compliance with IFRS Sustainability Disclosure Standards, ISSB Statement
S1.50	If a metric has been developed by an entity, the entity shall disclose information about: (a) how the metric is defined, including whether it is derived by adjusting a metric taken from a source other than IFRS Sustainability Disclosure Standards and, if so, which source and how the metric disclosed by the entity differs from the metric specified in that source; (b) whether the metric is an absolute measure, a measure expressed in relation to another metric or a qualitative measure; (c) whether the metric is validated by a third party and, if so, which party; and (d) the method used to calculate the metric and the inputs to the calculation, including the limitations of the method used and the significant assumptions made.	(a):Compliance with IFRS Sustainability Disclosure Standards, ISSB Statement (b): All metrics are absolute measurement (c): Assurance Statement (d): Metrics and Targets, ISSB Statement
S1.51	An entity shall disclose information about the targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation. For each target, the entity shall disclose: (a) the metric used to set the target and to monitor progress towards reaching the target; (b) the specific quantitative or qualitative target the entity has set or is required to meet; (c) the period over which the target applies; (d) the base period from which progress is measured; (e) any milestones and interim targets; (f) performance against each target and an analysis of trends or changes in the entity's performance; and (g) any revisions to the target and an explanation for those revisions.	(a) - (f): Environment-related risks and opportunities and social-related risks and opportunities, ISSB Statement (g): Environment-related risks and opportunities, ISSB Statement
S1.52	The definition and calculation of metrics, including metrics used to set the entity's targets and monitor progress towards reaching them, shall be consistent over time.	Environment-related risks and opportunities and social-related risks and opportunities, ISSB Statement
S1.53	An entity shall label and define metrics and targets using meaningful, clear and precise names and descriptions.	Environment-related risks and opportunities and social-related risks and opportunities, ISSB Statement

IFRS S1
Disclosure Content Index

Indicator	Description	Location of Disclosure
General Requirements		
S1.59	An entity shall identify: (a) the specific standards, pronouncements, industry practice and other sources of guidance that the entity has applied in preparing its sustainability-related financial disclosures, including, if applicable, identifying the disclosure topics in the SASB Standards; and (b) the industry(s) specified in the IFRS Sustainability Disclosure Standards, the SASB Standards or other sources of guidance relating to a particular industry(s) that the entity has applied in preparing its sustainability-related financial disclosures, including in identifying applicable metrics.	Compliance with IFRS Sustainability Disclosure Standards, ISSB Statement
S1.60	An entity is required to provide disclosures required by IFRS Sustainability Disclosure Standards as part of its general purpose financial reports.	Compliance with IFRS Sustainability Disclosure Standards, ISSB Statement
S1.62	An entity may disclose information required by an IFRS Sustainability Disclosure Standard in the same location as information disclosed to meet other requirements, such as information required by regulators. The entity shall ensure that the sustainability-related financial disclosures are clearly identifiable and not obscured by that additional information.	Compliance with IFRS Sustainability Disclosure Standards, ISSB Statement
Metrics and Targets		
S1.64	An entity shall report its sustainability-related financial disclosures at the same time as its related financial statements. The entity's sustainability-related financial disclosures shall cover the same reporting period as the related financial statements.	Compliance with IFRS Sustainability Disclosure Standards, ISSB Statement
S1.66	When an entity changes the end of its reporting period and provides sustainability-related financial disclosures for a period longer or shorter than 12 months, it shall disclose: (a) the period covered by the sustainability-related financial disclosures; (b) the reason for using a longer or shorter period; and (c) the fact that the amounts disclosed in the sustainability-related financial disclosures are not entirely comparable.	Not Applicable
S1.70	Unless another IFRS Sustainability Disclosure Standard permits or requires otherwise, an entity shall disclose comparative information in respect of the preceding period for all amounts disclosed in the reporting period. If such information would be useful for an understanding of the sustainability-related financial disclosures for the reporting period, the entity shall also disclose comparative information for narrative and descriptive sustainability-related financial information	Applied relief for disclosure of comparative information
S1.72	An entity whose sustainability-related financial disclosures comply with all the requirements of IFRS Sustainability Disclosure Standards shall make an explicit and unreserved statement of compliance. An entity shall not describe sustainability-related financial disclosures as complying with IFRS Sustainability Disclosure Standards unless they comply with all the requirements of IFRS Sustainability Disclosure Standards.	Compliance with IFRS Sustainability Disclosure Standards, ISSB Statement
S1.74	An entity shall disclose information to enable users of general purpose financial reports to understand the judgements, apart from those involving estimations of amounts, that the entity has made in the process of preparing its sustainability-related financial disclosures and that have the most significant effect on the information included in those disclosures.	Judgement and Measurement Uncertainties, ISSB Statement

IFRS S1
Disclosure Content Index

Indicator	Description	Location of Disclosure
Metrics and Targets		
S1.77	An entity shall disclose information to enable users of general purpose financial reports to understand the most significant uncertainties affecting the amounts reported in its sustainability-related financial disclosures.	Judgement and Measurement Uncertainties, ISSB Statement
S1.78	An entity shall: (a) identify the amounts that it has disclosed that are subject to a high level of measurement uncertainty; and (b) in relation to each amount identified in paragraph 78(a), disclose information about: (i) the sources of measurement uncertainty—for example, the dependence of the amount on the outcome of a future event, on a measurement technique or on the availability and quality of data from the entity's value chain; and (ii) the assumptions, approximations and judgements the entity has made in measuring the amount.	Judgement and Measurement Uncertainties, ISSB Statement
S1.83	An entity shall correct material prior period errors by restating the comparative amounts for the prior period(s) disclosed unless it is impracticable to do so.	No restatements

IFRS S2 Disclosure Content Index

Indicator	Description	Location of Disclosure
Governance		
S2.6	To achieve this objective, an entity shall disclose information about: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about: (i) how responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s); (ii) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; (iii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; (iv) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and (v) how the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets (see paragraphs 33–36), including whether and how related performance metrics are included in remuneration policies (see paragraph 29(g)). (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Sustainability Governance, ISSB Statement
Strategy		
S2.10	An entity shall disclose information that enables users of general purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall: (a) describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects; (b) explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long term—the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	Environment-related Risks and Opportunities, ISSB Statement

IFRS S2 Disclosure Content Index

Indicator	Description	Location of Disclosure
Strategy		
S2.13	An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose: (a) a description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain; and (b) a description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	(a): Financial effects, Environment-related Risks and Opportunities, ISSB Statement (b): Effects on business model and value chain, Environment-related Risks and Opportunities, ISSB Statement
S2.14	An entity shall disclose information that enables users of general purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose: (a) information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about: (i) current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities (for example, these changes could include plans to manage or decommission carbon-, energy- or water-intensive operations; resource allocations resulting from demand or supply-chain changes; resource allocations arising from business development through capital expenditure or additional expenditure on research and development; and acquisitions or divestments); (ii) current and anticipated direct mitigation and adaptation efforts (for example, through changes in production processes or equipment, relocation of facilities, workforce adjustments, and changes in product specifications); (iii) current and anticipated indirect mitigation and adaptation efforts (for example, through working with customers and supply chains); (iv) any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies; and (v) how the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets, described in accordance with paragraphs 33–36. (b) information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 14(a). (c) quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 14(a).	(a)(i): Effects on business model and value chain, Environment-related Risks and Opportunities, ISSB Statement (a)(ii)-(iv); Climate resilience and capacity to adjust or adapt strategy and business model, Environment-related Risks and Opportunities, ISSB Statement (a)(v): Processes, controls and policies to manage climate-related risks and opportunities, Environment-related Risks and Opportunities, ISSB Statement (b): Climate-related risks and opportunities, ISSB Statement (c): Environmental KPIs and Targets, Sustainability Statement

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Indicator	Description	Location of Disclosure
Strategy		
S2.15	An entity shall disclose information that enables users of general purpose financial reports to understand: (a) the effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects); and (b) the anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	Financial effects, Environment-related Risks and Opportunities, ISSB Statement
S2.16	Specifically, an entity shall disclose quantitative and qualitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; (b) the climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements; (c) how the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to; and (ii) its planned sources of funding to implement its strategy; and (d) how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities (for example, increased revenue from products and services aligned with a lower-carbon economy; costs arising from physical damage to assets from climate events; and expenses associated with climate adaptation or mitigation).	Climate-related risks' disclosures and Climate-related opportunities' disclosures, ISSB Statement
S2.21	If an entity determines that it need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity applying the criteria set out in paragraphs 19–20, the entity shall: (a) explain why it has not provided quantitative information; (b) provide qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that climate-related risk or opportunity; and (a) provide quantitative information about the combined financial effects of that climate-related risk or opportunity with other climate-related risks or opportunities and other factors unless the entity determines that quantitative information about the combined financial effects would not be useful.	Not Applicable

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Indicator	Description	Location of Disclosure
Strategy		
S2.22	An entity shall disclose information that enables users of general purpose financial reports to understand the resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities. The entity shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with the entity's circumstances (see paragraphs B1–B18). In providing quantitative information, the entity may disclose a single amount or a range. Specifically, the entity shall disclose: (a) the entity's assessment of its climate resilience as at the reporting date, which shall enable users of general purpose financial reports to understand: (i) the implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the entity's assessment of its climate resilience; (iii) the entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term, including; (1) the availability of, and flexibility in, the entity's existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities; (2) the entity's ability to redeploy, repurpose, upgrade or decommission existing assets; and (3) the effect of the entity's current and planned investments in climate-related mitigation, adaptation and opportunities for climate resilience; and (b) how and when the climate-related scenario analysis was carried out, including: (i) information about the inputs the entity used, including: (1) which climate-related scenarios the entity used for the analysis and the sources of those scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the entity used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) the time horizons the entity used in the analysis; and (7) what scope of operations the entity used in the analysis (for example, the operating locations and business units used in the analysis);	(a) Climate resilience, Environment-related Risks and Opportunities, ISSB Statement (b)(i): Climate-related scenario analysis, Environment-related Risks and Opportunities, ISSB Statement

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Indicator	Description	Location of Disclosure
Strategy		
S2.22	(b) how and when the climate-related scenario analysis was carried out, including: (continued) (ii) the key assumptions the entity made in the analysis, including assumptions about: (1) climate-related policies in the jurisdictions in which the entity operates; (2) macroeconomic trends; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) energy usage and mix; and (5) developments in technology; and (iii) the reporting period in which the climate-related scenario analysis was carried out (see paragraph B18).	(b)(ii)(1)-(3): Compliance with IFRS Sustainability Disclosure Standards and Climate-related scenario analysis, Environment-related Risks and Opportunities, ISSB Statement (b)(ii)(4)-(5): Climate-related scenario analysis, Environment-related Risks and Opportunities, ISSB Statement (b)(iii): Climate-related scenario analysis, Environment-related Risks and Opportunities, ISSB Statement
S2.23	In preparing disclosures to meet the requirements in paragraphs 13–22, an entity shall refer to and consider the applicability of cross-industry metric categories, as described in paragraph 29, and industry-based metrics associated with disclosure topics defined in the Industry-based Guidance on Implementing IFRS S2 as described in paragraph 32.	
Risk Management		
S2.24	The objective of climate-related financial disclosures on risk management is to enable users of general purpose financial reports to understand an entity's processes to identify, assess, prioritise and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process.	Climate-related risks' disclosures and Financial effects, Environment-related Risks and Opportunities, ISSB Statement
S2.25	To achieve this objective, an entity shall disclose information about: (a) the processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about: (i) the inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the entity prioritises climate-related risks relative to other types of risk; (v) how the entity monitors climate-related risks; and (vi) whether and how the entity has changed the processes it uses compared with the previous reporting period;	Environment-related Risks and Opportunities, ISSB Statement

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Indicator	Description	Location of Disclosure
Risk Management		
S2.25	To achieve this objective, an entity shall disclose information about: (continued) (b) the processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities; and (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	
S2.26	In preparing disclosures to fulfil the requirements in paragraph 25, an entity shall avoid unnecessary duplication in accordance with IFRS S1 (see paragraph B42(b) of IFRS S1). For example, although an entity shall provide the information required by paragraph 25, if oversight of sustainability-related risks and opportunities is managed on an integrated basis, the entity would avoid duplication by providing integrated risk management disclosures instead of separate disclosures for each sustainability-related risk and opportunity.	Materiality Assessment, ISSB Statement
Metrics and Targets		
S2.29	An entity shall disclose information relevant to the cross-industry metric categories of: (a) greenhouse gases—the entity shall: (i) disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO2 equivalent (see paragraphs B19–B22), classified as: (1) Scope 1 greenhouse gas emissions; (2) Scope 2 greenhouse gas emissions; and (3) Scope 3 greenhouse gas emissions; (ii) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless the entity is required, in whole or in part, by a jurisdictional authority or an exchange on which it is listed to use a different method for measuring its greenhouse gas emissions (see paragraphs B23–B25); (iii) disclose the approach it uses to measure its greenhouse gas emissions (see paragraphs B26–B29) including: (1) the measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions; (2) the reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (3) any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (iv) for Scope 1 and Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(1)–(2), disaggregate emissions between: (1) the consolidated accounting group (for example, for an entity applying IFRS Accounting Standards, this group would comprise the parent and its consolidated subsidiaries); and (2) other investees excluded from paragraph 29(a)(iv)(1) (for example, for an entity applying IFRS Accounting Standards, these investees would include associates, joint ventures and unconsolidated subsidiaries);	(a)(i)-(iii): GHG Emissions, Environment-related Risks and Opportunities, ISSB Statement (a)(iii): GHG Emissions, Environment-related Risks and Opportunities, ISSB Statement (a)(iv): Reporting Boundary, ISSB Statement

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Disclosure Content Index

Indicator	Description	Location of Disclosure
Metrics and Targets		
S2.29	An entity shall disclose information relevant to the cross-industry metric categories of: (continued) (a) greenhouse gases—the entity shall: (continued) (v) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(2), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions (see paragraphs B30–B31); and (vi) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(3), and with reference to paragraphs B32–B57, disclose: (1) the categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and (2) additional information about the entity's financed emissions (which are part of Category 15 greenhouse gas emissions), if its activities include asset management, commercial banking or insurance (see paragraphs B58–B63A); (b) climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks; (c) climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks; (d) climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities; (e) capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities; (f) internal carbon prices—the entity shall disclose: (i) an explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis); and (ii) the price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions; (g) remuneration—the entity shall disclose: (i) a description of whether and how climate-related considerations are factored into executive remuneration (see also paragraph 6(a)(v)); and (ii) the percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations.	(a)(v): GHG Emissions, Environment-related Risks and Opportunities, ISSB Statement (a)(vi): GHG Emissions, Environment-related Risks and Opportunities, ISSB Statement (b)-(d): Climate-related risks' disclosures and Climate-related opportunities' disclosures, ISSB Statement (e): Not disclosed in this reporting year (f): Not Applicable (g)(i): Impact of sustainability on remuneration policies, ISSB Statement (g)(ii): Not disclosed in this reporting year
S2.32	An entity shall disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the entity discloses, the entity shall refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the Industry-based Guidance on Implementing IFRS S2.	Overview of the Group, ISSB Statement

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Indicator	Description	Location of Disclosure
Metrics and Targets		
S2.33	An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose: (i) the metric used to set the target (see paragraphs B66–B67); (ii) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (iii) the part of the entity to which the target applies (for example, whether the target applies to the entity in its entirety or only a part of the entity, such as a specific business unit or specific geographical region); (iv) the period over which the target applies; (v) the base period from which progress is measured; (vi) any milestones and interim targets; (vii) if the target is quantitative, whether it is an absolute target or an intensity target; and (viii) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target	Metrics and Target, Environmental-related Risks and Opportunities, ISSB Statement
S2.34	An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the entity's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions.	The Group's GHG emission reduction targets are aligned with SBTi
S2.35	An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.	Climate Action, Sustainability Statement
S2.36	For each greenhouse gas emissions target disclosed in accordance with paragraphs 33–35, an entity shall disclose: (a) which greenhouse gases are covered by the target. (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target. (c) whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target (see paragraphs B68–B69). (d) whether the target was derived using a sectoral decarbonisation approach. (e) the entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits the entity shall disclose information including, and with reference to paragraphs B70–B71: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use (for example, assumptions regarding the permanence of the carbon offset).	(a) Emissions Management, Sustainability Statement (b)-(d): GHG Emissions, Environment-related Risks and Opportunities, ISSB Statement (e)(i): Metrics and Targets, Environment-related Risks and Opportunities, ISSB Statement (e)(ii)-(iv): Contractual Instruments, Environment-related Risks and Opportunities, ISSB Statement (e)(iv): Not Applicable

Notice of 12th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 12th Annual General Meeting of SUNWAY CONSTRUCTION GROUP BERHAD [201401032422 (1108506-W)] ("**Company**") will be held physically at Grand Congress, Level 12, Sunway Resort Hotel, Persiaran Lagoon, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia on **Friday, 29 May 2026** at **3.00 p.m.** for the following purposes:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Directors' and Auditors' Reports thereon.
   (Please refer to Explanatory Note No. 1)

2. To approve the payment of the Directors' and Board Committees' fees amounting to RM961,999.99 to the Non-Executive Directors for the financial year ended 31 December 2025. *(Ordinary Resolution 1)*

3. To approve the payment of benefits payable to the Non-Executive Directors of up to RM230,000 for the period from 30 May 2026 until the conclusion of the next Annual General Meeting of the Company to be held in 2027. *(Ordinary Resolution 2)*

4. To re-elect the following Directors:

   4.1 Mr Evan Cheah Yean Shin who retires by rotation pursuant to Clause 106(1) of the Company's Constitution and being eligible, offers himself for re-election. *(Ordinary Resolution 3)*

   4.2 Datuk Mohd Anuar Bin Taib who retires pursuant to Clause 89 of the Company's Constitution and being eligible, offers himself for re-election. *(Ordinary Resolution 4)*

   Dato' Ir Goh Chye Koon who retires by rotation pursuant to Clause 106(1) of the Company's Constitution, has expressed his intention not to seek for re-election. Hence, he will retain office until the close of the 12th Annual General Meeting.

5. To re-appoint Messrs BDO PLT as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 5)*

AS SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification(s), the following Ordinary Resolutions:

6. **ORDINARY RESOLUTION:**
   Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016

   "THAT subject always to the Companies Act 2016 ("**Act**"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), the Company's Constitution and the approvals of the relevant government and/or regulatory authorities, the Board of Directors (the "**Board**" or the "**Directors**") be and is hereby empowered pursuant to Sections 75 and 76 of the Act to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

Notice of 12th Annual General Meeting

THAT pursuant to Section 85 of the Act, read together with Clause 49(1) of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares in the Company arising from the allotment and issuance of new shares pursuant to the exercise of authority granted pursuant to Sections 75 and 76 of the Act AND THAT the Board is exempted from the obligation to offer such new shares first to the existing shareholders of the Company, provided however that if following the passing of this resolution, this paragraph is or is found to be in any way void, invalid or unenforceable, then this paragraph shall be ineffective to the extent of such voidness, invalidity or unenforceability and the remaining provisions of this resolution shall remain in full force and effect." *(Ordinary Resolution 6)*

7. **ORDINARY RESOLUTION:**
   Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

   "THAT approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions from time to time, which are necessary for the day-to-day operations as set out in Section 2D of Part A of the Company's Circular to Shareholders dated 30 April 2026 which are of a revenue or trading nature and carried out in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company, subject to the compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Companies Act 2016 ("**Act**"), the Company's Constitution and all other applicable laws, guidelines, rules and regulations.

   THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:

   (a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company at which time the mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed; or

   (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

   (c) revoked or varied by resolution passed by the shareholders in general meeting,

   whichever is the earlier.

   AND THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution." *(Ordinary Resolution 7)*

8. **ORDINARY RESOLUTION:**
   Proposed Renewal of Share Buy-Back Authority

   "THAT subject to the Companies Act 2016 ("**Act**"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution, the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant authorities, the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company PROVIDED THAT:

Notice of 12th Annual General Meeting

(a) the aggregate number of ordinary shares in the Company ("**SunCon Shares**") which may be purchased and/or held by the Company shall not exceed 10% of the total number of issued shares in the ordinary share capital of the Company at any point of time, subject to a restriction that the share capital of the Company does not fall below the applicable minimum share capital requirements of the Listing Requirements of Bursa Securities;

(b) the maximum funds to be allocated by the Company for the purpose of purchasing the SunCon Shares shall not exceed the Company's audited retained profits at any point of time;

(c) the authority conferred by this resolution will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("**AGM**") at which time it shall lapse unless by Ordinary Resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the next AGM after that date is required by law to be held; or

(iii) revoked or varied by Ordinary Resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first; and

(d) upon completion of the purchase(s) of the SunCon Shares by the Company, the Directors of the Company be and are hereby authorised to cancel the SunCon Shares so purchased or to retain the SunCon Shares so purchased as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act), or to retain part of the SunCon Shares so purchased as treasury shares and cancel the remainder and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the purchase(s) of the SunCon Shares with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company."

(Ordinary Resolution 8)

By Order of the Board

TAN KIM AUN (MAICSA 7002988) (SSM PC No. 202008001249)
CHANG MEI YEE (MAICSA 7064078) (SSM PC No. 201908000539)
Company Secretaries

Bandar Sunway
30 April 2026

Notice of 12th Annual General Meeting

NOTES:

*1) For the purpose of shareholders who shall be entitled to attend, speak and vote (collectively, "**participate**") at the 12th Annual General Meeting ("**AGM**"), the Company shall be requesting the Record of Depositors as of 21 May 2026. Only shareholders whose names appear in the Record of Depositors on 21 May 2026, shall be entitled to participate at the 12th AGM or appoint proxy to participate on his/her behalf.*

2) A shareholder of the Company who is entitled to participate at the 12th AGM, may appoint more than one (1) proxy to participate on his/her behalf. A proxy need not be a shareholder.

3) Where a shareholder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

*4) Where a shareholder is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*

5) Where a shareholder appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. A proxy appointed to participate at the 12th AGM shall have the same rights as the shareholder to participate at the 12th AGM.

*6) If a shareholder has appointed a proxy to participate at the 12th AGM and subsequently, he/she decides to participate at the 12th AGM instead of the proxy, he/she has to revoke the appointment in writing/email which must reach Boardroom Share Registrars Sdn. Bhd. ("**Boardroom**"), the Poll Administrator of the Company's 12th AGM, not later than 24 hours before the 12th AGM. The appointed proxy shall therefore be null and void.*

7) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing, or if such appointer is a corporation, either under its common seal or the hand of its officer or attorney duly authorised.

8) The appointment of proxy may be submitted in a hardcopy form or by electronic means as specified below not less than 24 hours before the time appointed for the taking of the poll or no later than Thursday, 28 May 2026 at 3.00 p.m.:

*(i) **In hardcopy form***
The proxy form shall be completed and deposited at the office of Boardroom at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

*(ii) **By electronic means***
*The proxy form shall be completed and lodged electronically with Boardroom via Boardroom Smart Investor Portal at http://investor.boardroomlimited.com ("**e-Proxy Lodgement**"). For further information on the e-Proxy Lodgement, please refer to the Administrative Notes for the 12th AGM. Alternatively, the proxy form can be emailed to Boardroom at bsr.proxy@boardroomlimited.com.*

9) Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of 12th AGM will be put to vote on poll.

10) Please refer to the Administrative Notes for the 12th AGM for further information.

Notice of 12th Annual General Meeting

EXPLANATORY NOTES:

Ordinary Business

1. To Receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Directors' and Auditors' Reports thereon

The Audited Financial Statements are for discussion only as they do not require shareholders' approval pursuant to the provision of Section 340(1) of the Companies Act 2016 ("**Act**"). As such, this agenda will not be put for voting.

2. Ordinary Resolutions 1 and 2

Section 230(1) of the Act provides amongst others, that fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval is sought for the payment of fees and benefits payable to the Non-Executive Directors ("**NEDs**"), in two (2) separate resolutions as follows:

(a) Ordinary Resolution 1 – Directors' and Board Committees' fees amounting to RM961,999.99 to the NEDs for the financial year ended 31 December 2025

The Company has adopted the following fees structure for the NEDs:

Type of Fee	Chairman / Chairperson (RM/annum)	Member (RM/annum)
Board	180,000	100,000
Audit Committee	10,000	5,000
Nomination and Remuneration Committee	10,000	5,000
Risk Management Committee	10,000	5,000
Sustainability Committee	10,000	5,000
Employees' Share Option Scheme Committee	10,000	5,000

The payment of the NEDs' fees in respect of the preceding financial year ended 31 December 2025 will only be made if the proposed Ordinary Resolution 1 has been passed at the 12th Annual General Meeting ("**AGM**").

There is no revision to the proposed fees.

(b) Ordinary Resolution 2 – Benefits payable to the NEDs for the period from 30 May 2026 until the conclusion of the next AGM of the Company to be held in 2027 ("Current Period")

The benefits payable to the NEDs of the Company comprises the meeting allowance of RM1,000 per meeting for attending the Board or Board Committee Meetings.

The total amount of benefits payable to the NEDs is estimated to be up to RM230,000 for the Current Period taking into account the number of scheduled and special meetings for the Board and Board Committees, the number of NEDs involved in these meetings and a provisional sum set aside as a contingency. This amount is the same as the approved amount at the 11th AGM which was up to RM230,000. The payment of the NEDs' benefits payable for the Current Period will be paid as and when they are incurred.

The Board opined that the payments to the NEDs are just and equitable, taking into account their roles and responsibilities towards the Group and the services that they have rendered to the Group.

NEDs who are shareholders of the Company will abstain from voting on the aforesaid resolutions concerning remuneration to the NEDs at the 12th AGM.

Notice of 12th Annual General Meeting

3. Ordinary Resolutions 3 and 4

(a) Ordinary Resolution 3 – Re-election of Director who retires by rotation in accordance with Clause 106(1) of the Company's Constitution

Clause 106(1) of the Company's Constitution provides that one-third or the number nearest to one-third of the Directors of the Company (including Managing Director) for the time being shall retire by rotation at each AGM of the Company. Each Director shall retire from office once at least in each three (3) years but shall be eligible for re-election.

Mr Evan Cheah Yean Shin ("**Mr Evan Cheah**"), who retires by rotation in accordance with Clause 106(1) of the Company's Constitution, being eligible, has offered himself for re-election at the 12th AGM.

Dato' Ir Goh Chye Koon who retires by rotation in accordance with Clause 106(1) of the Company's Constitution has expressed his intention not to seek for re-election at the 12th AGM as a Director of the Company. Hence, he will hold office as Director of the Company until the conclusion of the 12th AGM.

The Nomination and Remuneration Committee ("**NRC**") has assessed the performance and the contribution of Mr Evan Cheah who is subject to re-election at the 12th AGM including his skills, experience, character, integrity, competency, commitment and contribution to determine his eligibility to stand for re-election at the 12th AGM. The NRC has also considered the fitness and propriety of Mr Evan Cheah in accordance with the Company's Fit and Proper Policy.

Based on the findings of the Board Effectiveness Evaluation for financial year 2025 carried out by the Company Secretaries, the performance and contribution of Mr Evan Cheah was found to be satisfactory and he is competent and able to discharge his fiduciary duties as Director of the Company. The NRC is satisfied that Mr Evan Cheah meets the fit and proper criteria as set out in the Company's Fit and Proper Policy.

(b) Ordinary Resolution 4 – Re-election of Director who retires in accordance with Clause 89 of the Company's Constitution

Clause 89 of the Company's Constitution provides that Directors appointed by the Board shall hold office only until the next AGM of the Company and shall be eligible for re-election. Datuk Mohd Anuar Bin Taib ("**Datuk Anuar**") who was appointed as Non-Independent NED on 1 January 2026 is standing for re-election as a Director and being eligible, has offered himself for re-election at the 12th AGM. Datuk Anuar has completed the Mandatory Accreditation Programme in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The NRC is satisfied that Datuk Anuar meets the fit and proper criteria as set out in the Company's Fit and Proper Policy. The NRC has reviewed his performance and provided its concurrence on his re-election as a Director.

Datuk Anuar was not subject to the annual Board Effectiveness Evaluation for financial year 2025 as he was appointed in 2026, subsequent to the completion of evaluation.

The retiring Directors do not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

Based on the above, the Board had endorsed the NRC's recommendation to seek shareholders' approval for the re-election of the retiring Directors at the 12th AGM.

The detailed profile of each retiring Director is set out in the Profile of the Board of Directors on pages 149 to 159 of the Company's Integrated Annual Report 2025.

The retiring Directors had abstained from all deliberations and decisions on their own eligibility to stand for re-election at the relevant NRC and/or Board meetings. Any retiring Director who is a shareholder of the Company will abstain from voting on the resolution in respect of his/her re-election at the 12th AGM.

Notice of 12th Annual General Meeting

4. Ordinary Resolution 5 – Re-appointment of Messrs BDO PLT as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration

Based on the results of the External Auditors Evaluation for the financial year ended 31 December 2025 and at the recommendation of the Audit Committee, the Board had at its meeting on 31 March 2026 approved the re-appointment of Messrs BDO PLT ("**BDO**") as Auditors of the Company on the basis that BDO had satisfactorily performed their audit and that BDO had discharged their professional responsibilities in accordance to the rules on professional conduct and ethics of BDO and the By-Laws (on Professional Ethics, Conducts and Practice) issued by the Malaysian Institute of Accountants.

The Board was also satisfied that the provisions of non-audit services by BDO to the Company for the financial year ended 31 December 2025 did not in any way impair their objectivity and independence as External Auditors of the Company.

Special Business

5. Ordinary Resolution 6 - Authority to Issue Shares

The Company is always on the lookout for investment opportunities to enhance the earnings potential of the Company. If any investment opportunities involve the issue of new shares, the Directors, under present circumstances, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the total number of issued shares of the Company.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be empowered to issue new shares in the Company, up to an amount not exceeding in total 10% of the total number of issued shares of the Company at any time, for such purpose. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company. By voting in favour of Ordinary Resolution 6, the shareholders of the Company will agree to waive their statutory pre-emptive rights under Section 85 of the Act read together with Clause 49(1) of the Company's Constitution to allow the Directors to issue new shares which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares under this general mandate.

The renewal of this mandate will provide flexibility to the Company for any potential fund raising activities, including but not limited to placement of shares, for purpose of funding future investments, working capital and/or any acquisition.

At this juncture, there is no decision to issue new shares under this general mandate. Should there be a decision to issue new shares after the authorisation is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

The Company did not issue any new shares under the general mandate which was approved at its 11th AGM held on 30 May 2025.

6. Ordinary Resolution 7 - Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The details on the proposed renewal of existing shareholders' mandate and proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature are set out in Part A of the Company's Circular to Shareholders dated 30 April 2026.

7. Ordinary Resolution 8 - Proposed Renewal of Share Buy-Back Authority

The details on the Proposed Renewal of Share Buy-Back Authority by the Company are set out in the Share Buy-Back Statement in Part B of the Company's Circular to Shareholders dated 30 April 2026.

Notice of 12th Annual General Meeting

PERSONAL DATA PRIVACY

By lodging a completed Proxy Form of the Company for appointing a proxy(ies) and/or representative(s) to participate at the 12th AGM and/or any adjournment thereof, a shareholder of the Company is hereby:

*(i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the 12th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 12th AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"),*

(ii) warrants that where the shareholder discloses the personal data of the shareholder's, proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and

(iii) agrees that the shareholder will fully indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

For the purposes of this paragraph, "personal data" and "processing" shall have the same meaning given in Section 4 of the Personal Data Protection Act 2010.

Assurance Statements

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Independent Limited Assurance Statement to the Board of Directors
SUNWAY CONSTRUCTION GROUP BERHAD

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the selected sustainability information (the "Subject Matters") listed below for the year ended 31 December 2025 as published in the Sustainability Report 2025 (the "Report") of Sunway Construction Group Berhad (the "Company" or "SunCon").

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matters are not prepared, in all material respects, in accordance with the Reporting Criteria.

Scope of Work

BDO PLT ("BDO" or "we"), was engaged by the Company to provide limited assurance engagement as defined by the International Standard on Assurance Engagements ("ISAE") 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information on the Subject Matters for the year ended 31 December 2025 as published in the Report.

Subject Matters

The Subject Matters on which we provided limited assurance, consist of:

Subject Matters	Unit	Value 2025
GHG Emission: Scope 1	tCO_2e	13,402*
(after offsets of carbon credits)	tCO_2e	7,285
GHG Emission: Scope 2	tCO_2e	20,400*
(after offsets of carbon credits)	tCO_2e	2,793
GHG Emission: Scope 3	tCO_2e	234,724
▪ Purchased goods and services	tCO_2e	227,714
▪ Upstream transportation and distribution	tCO_2e	354
▪ Waste generated in operations	tCO_2e	4,556
▪ Business travel	tCO_2e	350
▪ Employee commuting	tCO_2e	1,594
▪ Downstream transportation and distribution	tCO_2e	156
Electricity Consumption	MWh	28,073
Solar energy generation	MWh	7,225
Waste diverted from landfill	Ton	26,769

Note:

***** Emissions reported are presented prior to any offsets of carbon credits.

BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), Chartered Accountants, a Limited Liability Partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms

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The GHG emissions subject to limited assurance cover the following Properties owned by SunCon:

Boundary - FYE 2025	
21 Construction Sites	1 Office
3 Precast Plants	1 Machinery Operation (until March 2025)

The scope of our work was limited to the Subject Matters presented in the Report and did not include coverage of data sets or information unrelated to the data and information underlying the Subject Matters; nor did it include information reported outside of the Report, comparisons against historical data, or management's forward-looking statements.

Reporting Criteria

In preparing the Subject Matters mentioned above, the Company applied the following criteria:

- Listing Requirements of Bursa Malaysia Securities Berhad [paragraph 9.45(2) and paragraph (29), Part A of Appendix 9C of the Main Market Listing Requirements (supplemented by Practice Note 9)];
- Sustainability Reporting Guide 3rd Edition issued by Bursa Malaysia Securities Berhad; and
- Group's relevant policies and procedures.

Inherent Limitation

Inherent limitations of assurance engagements include use of judgement and selective testing of data, which means that it is possible that fraud, error or non-compliance may occur and not be detected in the course of performing the engagement. Accordingly, there is some risk that a material misstatement may remain undetected. Further, our limited assurance engagement is not designed to detect fraud or error that is immaterial.

The absence of a significant body of established practice on which to measure and evaluate the Subject Matters, allows for different, but acceptable, measurement basis and can affect comparability between entities over time.

In addition, Greenhouse Gas ("GHG") quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gasses.

The Subject Matters are subject to more inherent limitations than financial information, given the characteristics and methods used for determining underlying information. The precision of different measurement techniques may also vary.

Our Independence and Quality Management

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, together with the ethical requirements that are relevant to our assurance engagement of the Subject Matters in Malaysia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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Our firm applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly, maintains a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Management's Responsibilities

Management of the Company is responsible for:

- The preparation of the Subject Matters in accordance with the Reporting Criteria;
- Selection and application of appropriate methods to prepare the Subject Matters reported in the Report, which includes but not limited to the use of assumptions and estimates for disclosure which are reasonable; and
- Designing, implementing and maintaining internal control relevant to the preparation of the Subject Matters, in accordance with the Reporting Criteria, to enable the preparation of such information that is free from material misstatement, whether due to fraud or error

Our Responsibilities

Our responsibility is to express our conclusion on whether anything has come to our attention that causes us to believe that the Subject Matters and related disclosures as presented in the Report are not prepared, in all material respects, in accordance with the Reporting Criteria.

We have performed our limited assurance engagement in accordance with the scope of work agreed with SunCon as stated in our Engagement Letter dated 12 November 2025, including performing the engagement in accordance to ISAE 3000 which was issued by the International Auditing and Assurance Standards Board. The Standard require that we plan and perform our engagement to obtain limited assurance about whether the Subject Matters as presented in the Report are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 involves assessing the suitability in the circumstances of SunCon's use of the Reporting Criteria specified as the basis of preparation used for the selected Subject Matters presented in the Report, assessing the risks of material misstatement thereof, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matters in the Report. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Procedures Performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing

Assurance Statements

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procedures relating to checking aggregation or calculation of data within IT systems.

Our limited assurance engagement on the Subject Matters consists of making enquiries, primarily of persons responsible for the preparation of the Subject Matters presented in the Report and applying analytical and other evidence gathering procedures as appropriate.

Our procedures included:

- Gaining an understanding of the Company's business, internal processes and approach to sustainability;
- Conducting interviews with key personnel and collating evidence to understand the Company's process for reporting performance indicators and disclosures, including inquiring regarding risks of misstatement and quality controls to address risks;
- Conducting limited assurance procedures over the selected Subject Matters, including:
  - i. Undertaking analytical procedures to support the reasonableness of the data;
  - ii. Checking that the calculation Reporting Criteria have been applied as per the methodologies for the Subject Matters;
  - iii. Identifying and testing assumptions supporting calculations;
  - iv. Testing, on a sample basis, underlying source information to check accuracy of the data;
  - v. Checking that measurements made at the end of the reporting period are entered in the records and the Report;
  - vi. Obtaining appropriate representations from management, in the form of a management representation letter addressed to us to confirm that the management believes that it has fulfilled its responsibilities.

Other Matters

Information relating to prior reporting periods has not been subject to assurance procedures. Our report does not extend to any disclosures or assertions relating to future performance plans and/or strategies disclosed in the Report. The maintenance and integrity of SunCon's website is the responsibility of SunCon's management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to the Subject Matters and related disclosures, the Report or to our independent limited assurance report that may have occurred since the initial date of presentation on the SunCon's website.

Restriction on distribution and use and disclaimer of liability to third parties and for any other purpose

This report, including the conclusion, has been prepared solely for the Board of Directors of SunCon, in accordance with the agreement between us, in connection with the performance of an independent limited assurance engagement on the Subject Matters, as reported by SunCon in the Report and should not be used or relied upon for any other purposes.

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We consent the inclusion of this report in the Report to be disclosed on the website of SunCon at https://www.sunwayconstruction.com.my/ to assist the Board of Directors in responding to their governance responsibilities by obtaining an independent limited assurance report on the Subject Matters in connection with the preparation of the Report.

As a result, we will not accept any liability or responsibility to any other party to whom our report is shown or into whose hands it may come. Any reliance on this report by any third party is entirely at its own risk.

BDO PLT
Kuala Lumpur
31 March 2026

Assurance Statements

SIRIM QAS INTERNATIONAL SDN BHD INDEPENDENT ASSURANCE STATEMENT

To Board of Directors, Stakeholders, and Interested Parties,

SIRIM QAS International Sdn. Bhd. was engaged by Sunway Construction Group Berhad (hereafter referred to as SunCon) to perform an independent verification and provide assurance of the SunCon Sustainability Statement 2025. The main objective of the verification process is to provide assurance to SunCon and its stakeholders on the accuracy and reliability of the information as presented in this statement. The verification by SIRIM QAS International pertains to sustainable performance information (subject matter) within the assurance scope which is included in SunCon Sustainability Statement 2025.

The management of SunCon was responsible for the preparation of the Sustainability Statement. The objective and impartiality of this statement is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of the SunCon's Sustainability Statement, and the Integrated Annual Report 2025.

The assurance engagement was designed to provide limited assurance in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, and BURSA Sustainability Reporting Guide, irrespective of the organization's ability to achieve its objectives, targets or expectations on their subject matter and sustainability-related issues. The assurance activity evaluates the adequacy of SunCon Sustainability Statement and its overall presentation against respective frameworks such as UN-SDGs, GRI Standards requirement, IFRS S1 & S2 requirements and other relevant frameworks. The assurance process involves verification of applicable subject matters as presented through the Environment, Social and Governance Section. In addition to this, we also review and verify the sustainability indicators outlined by Bursa Malaysia to ensure the accuracy, completeness, and reliability of the reported information. The results of this verification process have been systematically tabulated in Appendix 1 and Appendix 2, with further details provided therein.

The verification was carried out by SIRIM QAS International between March and April 2026, with the following methodologies:

- Reviewing and verifying the traceability, consistency and accuracy of information collected from various sources; internal and external documentation made available during the assessment.
- Verifying the data presented in the Sustainability Statement, which includes a detailed review of the sampled data.
- Interviewing key personnel responsible for collating information and developing various sections of the report to substantiate the veracity of the claims.

The verification process was subjected to the following limitations:

- The scope of work did not involve verification of other information reported in the SunCon's Integrated Annual Report 2025.
- The review excluded all financial-related data, as these are subjected to the company's financial audit.
- The scope of this review excludes GHG emissions and all associated data, including energy and waste management data contributing to Scope 1, Scope 2 and Scope 3 emissions, and any information relating to SunCon's GHG accounting and reporting.

Assurance Statements

- As part of this assurance engagement, the verification team visited SunCon's corporate office at Menara Sunway, Sunway City KL. However, the verification process did not include physical inspections of any of SunCon's buildings, offices and sites.
- The verification team did not assess or verify any data related to contractors or third parties.

Conclusion

SIRIM QAS International, the Conformity Assessment Body (CAB) in Malaysia, is accredited to ISO/IEC 17021-1:2015 and ISO/IEC 17065:2012 for the provision of management system certification, product certification, and testing services across its full scope of operational activities. Building on this foundation, SIRIM QAS International is accredited as a Validation and Verification Body (VVB) under ISO/IEC 17029:2019 and ISO 14065:2020, enabling it to provide independent, impartial, and technically robust validation and verification services in accordance with internationally recognized standards. The appointed assessors performing the assurance engagement were selected appropriately based on our internal qualifications, training and experience. The verification process is reviewed by management to ensure that the approach and assurance are strictly followed and operated transparently. During the verification process, issues were raised, and clarifications were sought from the management of SunCon relating to the accuracy of some of the information contained in the statement. In response to the findings, the Sustainability Statement was subsequently reviewed and revised by SunCon. It is confirmed that changes that have been incorporated into the final version of the statement have addressed all issues. Based on the scope of the assessment process and evidence obtained, the following represents SIRIM QAS International's opinion:

- The level of data accuracy included in SunCon Sustainability Statement 2025 is fairly stated;
- The level of disclosure of the applicable sustainability performance information presented in the statement was found to be properly prepared;
- The personnel responsible were able to demonstrate the origin(s) and interpretation of data contained in the statement;
- The Sustainability Statement 2025 presents a reasonable and balanced view of Sunway Construction Group Berhad's sustainability performance.

List of Assessors.

1) Ms. Aernida Abdul Kadir : Team Leader
2) Ms. Kamini Sooriamoorthy : Team Member
3) En. Azhar Mustapha : Team Member

Statement Prepared by:

AERNIDA BINTI ABDUL KADIR
Team Leader
Management System Certification Department
SIRIM QAS International Sdn. Bhd.
Date: 3 April 2026

Statement Approved by:

WAN SHAHIMA BINTI MIOR AHMED SHAHIMI
General Manager
Management System Certification Department
SIRIM QAS International Sdn. Bhd
Date: 8 April 2026

Note: This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd does not express an opinion on, nor guarantee the integrity and/or accuracy of the information provided with the view that the conclusion was conducted post verification assessment, hence not verified. SIRIM QAS International shall not be responsible for any changes or additions made after the referred date (3 April 2026).

Assurance Statements

Appendix 1
BURSA Performance Data

Indicator	Measurement Unit	2025
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	100.0
Management	Percentage	100.0
Executive	Percentage	100.0
Non-executive	Percentage	100.0
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.0
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	1
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR (million)	2.53
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	7,638
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Overall Under 30	Percentage	27.0
Overall Between 30-50	Percentage	64.0
Overall Above 50	Percentage	9.0
Senior Management Under 30	Percentage	0.0
Senior Management Between 30-50	Percentage	24.0
Senior Management Above 50	Percentage	76.0
Management Under 30	Percentage	0.0
Management Between 30-50	Percentage	79.0
Management Above 50	Percentage	21.0
Executive Under 30	Percentage	38.0
Executive Between 30-50	Percentage	53.0
Executive Above 50	Percentage	9.0
Non-Executive Under 30	Percentage	24.0
Non-Executive Between 30-50	Percentage	71.0
Non-Executive Above 50	Percentage	5.0
Gender Group by Employee Category		
Overall Male	Percentage	82.0
Overall Female	Percentage	18.0
Senior Management Male	Percentage	82.0
Senior Management Female	Percentage	18.0
Management Male	Percentage	69.0
Management Female	Percentage	31.0
Executive Male	Percentage	66.0
Executive Female	Percentage	34.0
Non-Executive Male	Percentage	96.0
Non-Executive Female	Percentage	4.0
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	57.0
Female	Percentage	43.0
Under 60	Percentage	29.0
Between 61-70	Percentage	43.0
Above 70	Percentage	29.0
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.26
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,747
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	570
Management	Hours	6,418
Executive	Hours	22,560
Non-executive	Hours	5,130
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	60.0
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	4
Management	Number	16
Executive	Number	96
Non-executive	Number	45
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	85.0
Bursa S6(a) Assessment of New Suppliers (Social)	Percentage	100.0
Bursa S7(a) Assessment of New Suppliers (Environment)	Percentage	100.0
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total Volume of Water Used	Megalitres	316.82
Bursa S8(a) Total Water Discharged	Megalitres	6.88
Bursa (Biodiversity)		
Bursa S1(a) Operations Assessed for Biodiversity Risks	Percentage	50.0
Bursa S1(b) Size and Location of Habitat Areas Protected or Restored	Number	0
Bursa S1(c) Total Number of IUCN Red List Threatened Species with Habitats in Areas Affected by Operations	Number	0

Assurance Statements

Appendix 2 The topics and subject matters covered in this assessment are tabulated below:	CLASSIFICATION OF DATA			
	HIGH	MEDIUM	LOW	UN SUBSTANTIATED
Progressing on the Sustainability Journey				
Governance				
Governance and Ethical Business				
Responsible Supply Chain				
Data Privacy and Security				
Anti-Corruption and Anti-Bribery				
Risk and Regulatory Compliance				
Environmental				
Climate Action				
ᴸ Emissions Management	Excluded from the assessment scope			
ᴸ Energy Management – Energy Efficiency Initiatives only				
ᴸ Energy Management – Renewable / Clean Energy Initiatives only				
ᴸ Energy Management – Green Building Delivery only				
Circular Economy				
ᴸ Waste Generated	Excluded from the assessment scope			
Water Protection				
Biodiversity				
Social				
Employee Management				
Occupational Safety and Health				
Community Enrichment				
Fair Labour Practice				
Product Quality and Responsibility				

Note 1:
This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd shall not be responsible for any changes or additions made after the referred date (3 April 2026).
Note 2:
The assurance involves activity aims to obtain sufficient appropriate evidence to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party, about the subject matter information. It comprises of activities carried out to assess the quality and credibility of the qualitative and quantitative information reported by the organization. This assurance is different from activities used to assess or validate the organization's performance, such as compliance assessments or the issuing of certifications against specific standards.
Note 3:
Definition of HIGH, MEDIUM, LOW and UNSUBSTANTIATED Classification of Data.
HIGH: The data and information reviewed has been confirmed with the direct owners. The source of the data origin was provided during the conduct of the assessment.
MEDIUM: Data and information have been confirmed with the direct owners. However, the source of the data has been based on secondary data, where the data origin is not accessible by the verifiers during the conduct of the assessment.
LOW: Data and information reviewed has been based on information endorsed by the data owners. Verifiers did not have access to the source of the data origin. It has been identified as one of the limitations during the conduct of the assessment.
UNSUBSTANTIATED: The sources of data and information disclosed were not made available during the assessment review period due to reasons like confidentiality, unattainable data source and unavailable data owner. It has been identified as one of the limitations during the conduct of the assessment.

Assurance Statements

SUNWAY CONSTRUCTION

ASSURANCE STATEMENT BY INTERNAL AUDIT DEPARTMENT

Assurance undertaken

In strengthening the credibility of the Sustainability Statement, selected indicators of this Sustainability Statement have been subjected to an internal review by the company's internal auditors and has been approved by the company's Audit Committee.

Subject matter and indicators

The sustainability matters and indicators covered are as follows:

No.	Sustainability Matters	Sustainability Indicators
1	Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category
		Percentage of operations assessed for corruption-related risks
		Confirmed incidents of corruption and action taken
2	Community/ Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer
		Total number of beneficiaries of the investment in communities
3	Diversity	Percentage of employees by gender and age group, for each employee category
		Percentage of directors by gender and age group
4	Energy management	Total energy consumption
5	Health and safety *	Number of work-related fatalities
		Lost time incident rate
		Number of employees trained on health and safety standards
6	Labour practices and standards	Total hours of training by employee category
		Percentage of employees that are contractors or temporary staff
		Total number of employee turnover by employee category
		Number of substantiated complaints concerning human rights violations
7	Supply chain management	Proportion of spending on local suppliers
8	Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data
9	Water	Total volume of water used

** Data boundary is only for Malaysia operations, excludes overseas subsidiaries.*

Scope

The boundary of the internal review includes all Sunway Construction Group Berhad's operations in Malaysia and Singapore.

Sunway Construction Group Berhad Internal Audit Department
31 March 2026

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PROXY FORM

12th Annual General Meeting

SUNWAY CONSTRUCTION

SUNWAY CONSTRUCTION GROUP BERHAD
Registration No.: 201401032422 (1108506-W)
(Incorporated in Malaysia)

Number of share(s) held	
CDS Account No.	

*I/We (Full Name) ....., *NRIC No./Passport No./Registration No. .....,

of (Full Address) .....

.....

having Tel./Mobile No. ..... and email address .....

being a shareholder of **SUNWAY CONSTRUCTION GROUP BERHAD** ("**Company**") and entitled to vote, hereby appoint:

Full Name	NRIC No./Passport No.	Proportion of Shareholdings Represented	
Tel./Mobile No.	Email Address	No. of Shares	%

and/or failing *him/her,

Full Name	NRIC No./Passport No.	Proportion of Shareholdings Represented	
Tel./Mobile No.	Email Address	No. of Shares	%

or failing *him/her, the CHAIRMAN OF THE MEETING as *my/our proxy to participate and vote for *me/us on *my/our behalf at the 12th Annual General Meeting of the Company to be held physically at Grand Congress, Level 12, Sunway Resort Hotel, Persiaran Lagoon, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia on **Friday, 29 May 2026** at **3.00 p.m.** and at any adjournment thereof. My/our proxy/proxies shall vote as follows:

** Strike out whichever not applicable*

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	To approve the payment of the Directors' and Board Committees' fees to the Non-Executive Directors (NEDs)		
2.	To approve the payment of benefits payable to the NEDs		
3.	To re-elect Mr Evan Cheah Yean Shin as Director		
4.	To re-elect Datuk Mohd Anuar Bin Taib as Director		
5.	To re-appoint Messrs BDO PLT as Auditors and to authorise the Directors to fix their remuneration		
6.	To authorise the Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		
7.	To approve the Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
8.	To approve the Proposed Renewal of Share Buy-Back Authority		

Please indicate with an "**X**" in the spaces provided above as to how you wish your votes to be cast. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting on the resolutions at his/her/their discretion.

Dated this..... day of 2026

Common Seal

Signature of Shareholder .....

NOTES:

1) *For the purpose of shareholders who shall be entitled to attend, speak and vote (collectively, "**participate**") at the 12th Annual General Meeting ("**12th AGM**"), the Company shall be requesting the Record of Depositors as of 21 May 2026. Only shareholders whose names appear in the Record of Depositors on 21 May 2026, shall be entitled to participate at the 12th AGM or appoint proxy to participate on his/her behalf.*
2) *A shareholder of the Company who is entitled to participate at the 12th AGM, may appoint more than one (1) proxy to participate on his/her behalf. A proxy need not be a shareholder.*
3) *Where a shareholder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
4) *Where a shareholder is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*
5) *Where a shareholder appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. A proxy appointed to participate at the 12th AGM shall have the same rights as the shareholder to participate at the 12th AGM.*
6) *If a shareholder has appointed a proxy to participate at the 12th AGM and subsequently,he/she decides to participate at the 12th AGM instead of the proxy, he/she has to revoke the appointment in writing/email which must reach Boardroom Share Registrars Sdn. Bhd. ("**Boardroom**"), the Poll Administrator of the Company's 12th AGM, not later than 24 hours before the 12th AGM. The appointed proxy shall therefore be null and void.*
7) *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing, or if such appointer is a corporation, either under its common seal or the hand of its officer or attorney duly authorised.*
8) *The appointment of proxy may be submitted in a hardcopy form or by electronic means as specified below not less than 24 hours before the time appointed for the taking of the poll or no later than Thursday, 28 May 2026 at 3.00 p.m.:*
   - *(i) **In hardcopy form***
     The proxy form shall be completed and deposited at the office of Boardroom at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
   - *(ii) **By electronic means***
     *The proxy form shall be completed and lodged electronically with Boardroom via Boardroom Smart Investor Portal at http://investor.boardroomlimited.com ("**e-Proxy Lodgement**"). For further information on the e-Proxy Lodgement, please refer to the Administrative Notes for the 12th AGM. Alternatively, the proxy form can be emailed to Boardroom at bsr.proxy@boardroomlimited.com.*
9) *Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of 12th AGM will be put to vote on poll.*
10) *Please refer to the Administrative Notes for the 12th AGM for further information.*

PLEASE FOLD HERE

STAMP

Poll Administrator
SUNWAY CONSTRUCTION GROUP BERHAD
Registration No. 201401032422 (1108506-W)
c/o Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

PLEASE FOLD HERE

PERSONAL DATA PRIVACY

By lodging a completed Proxy Form of the Company for appointing a proxy(ies) and/or representative(s) to participate at the 12th AGM and/or any adjournment *thereof, a shareholder of the Company is hereby:*

*(i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the 12th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 12th AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");*

(ii) warrants that where the shareholder discloses the personal data of the shareholder's, proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and

(iii) agrees that the shareholder will fully indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

For the purposes of this paragraph, "personal data" and "processing" shall have the same meaning given in Section 4 of the Personal Data Protection Act 2010.

REDUCING THE ENVIRONMENTAL IMPACT OF THIS REPORT

Printed with **eco ink** made with a higher percentage of vegetable oil to reduce the emission of volatile organic compounds (VOCs). Contains low levels of chemicals, thus reducing environmental pollution throughout the printing process.

The total carbon footprint for one copy of the Sunway Construction Integrated Annual Report 2025 is **13.58 kg CO_2e** per book. We are committed to reducing the environmental impact of our Integrated Annual Report and will continue working to reduce the amount of greenhouse gases (GHG) emitted throughout the entire design and printing process.

Paper and printing **waste is responsibly handled** through recycling and upcycling materials in order to reduce the burden on landfills.

Printed with **carbon neutral press machines,** using eco-materials and managed and certified under the **ISO 14001:2015** Environmental Management System to minimise environmental impact.

Eco-design is both a principle and an approach. It consists of **integrating environmental protection criteria** over a service or a product's life cycle.

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SUNWAY
CONSTRUCTION

SUNWAY CONSTRUCTION GROUP BERHAD
Registration No. 201401032422 (1108506-W)
www.sunwayconstruction.com.my
Tel : 6 03 5639 9696
Fax : 6 03 5639 9530
Email : enquirysuncon@sunway.com.my

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