

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5263
COMPANY NAME : Sunway Construction Group Berhad
FINANCIAL YEAR : December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

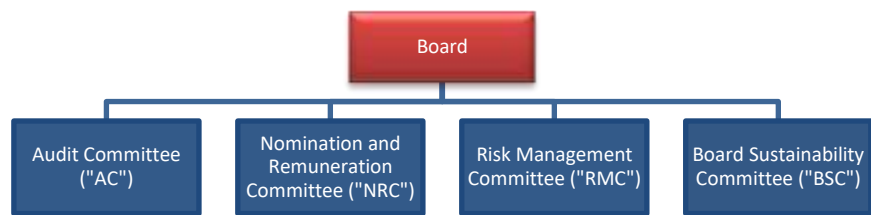
Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is responsible for the leadership and collectively responsible for the achievement of the objectives and goals of the Company and its subsidiaries (the “Group”). The Board sets the Group overall strategic direction, core values and management of the Group to ensure that the Group operates with integrity and in compliance with all the applicable laws, rules and regulations as well as ensure good corporate governance culture is practised within the Group.</p> <p>The Board is guided by the Board Charter which outlines its duties and responsibilities. The Board Charter was updated on 18 November 2021 to align with the recently revised Malaysia Code of Corporate Governance 2021 (“MCCG 2021”). The Board Charter is available on the Company's website at www.sunwayconstruction.com.my/investor-relations/.</p> <p>The Board is also guided by its core values which encompasses:</p> <p>(a) Integrity – Doing the right thing at all times:</p> <ul style="list-style-type: none">• By conducting ourselves in an honest and trustworthy manner• Acting professionally, ethically and honourably• Ensuring our actions are consistent with our words <p>(b) Humility – Being humble:</p> <ul style="list-style-type: none">• Never stop learning• Care for and respect people and the environment• Seek first to understand, then to be understood <p>(c) Excellence – Take pride in all that we do:</p> <ul style="list-style-type: none">• Strive to deliver high quality products and services• Continuously innovate and improve greater progress• Seek to inspire others to excel

	<p>The Board assumes the following roles and functions:-</p> <ul style="list-style-type: none"> • Setting the vision, mission, objectives, goals and strategic plans for the Group with a view to maximising shareholders' value as well as ensuring long term sustainability of the Group's performance. • Ensuring the strategic plans of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations as well as good governance underpinning sustainability. • Adopting and monitoring progress of the Group's strategies, budgets, plans and policies. • Monitoring the Group's various businesses and evaluate whether the businesses are properly managed to achieve its targeted returns. • Identifying principal risks of the Group and ensuring the implementation of appropriate systems to mitigate and manage these risks. The Board through the Risk Management Committee, sets, where appropriate, objectives, performance targets and policies to manage the key risks faced by the Group. • Setting the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks. • Considering Management's recommendations on key issues including acquisitions, divestments, restructuring, funding and significant capital expenditure, and monitoring the implementation by Management. • Human resources planning and talent development in particular, management succession planning. • Reviewing the adequacy and integrity of the Group's internal control systems and management information systems, including cyber-security, systems for compliance with applicable laws, regulations, rules, directives and guidelines. • Promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour. • Developing and implementing a communications policy for the Company that enables effective communication with stakeholders and ensuring that the Group has in place procedures to enable effective communication with stakeholders. • Ensuring that the Company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders. • Reviewing the adequacy and the integrity of the financial and non-financial reporting of the Group. <p>The Board is assisted by the following Board committees to effectively discharge its functions and responsibilities:-</p>
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The Board committees operated under the Board-approved written terms of reference (“**TORs**”), which was updated on 18 November 2021 to align with the recently revised MCCG 2021. The approved TOR of the respective Board committees are available for reference on the Company’s website.

Approval of Group Business Plan and Budget 2021 (“Group BP”)

It has in place an annual business plan process at the beginning of the year whereby the Group Managing Director (“**GMD**”), together with his Senior Management team, discussed with the Board the recommended corporate and operational strategies together with the proposed financial targets, investment plans, capital expenditure and human resource planning for the ensuing year.

On 14 January 2021, the GMD together with Senior Management presented the Group BP for brainstorming, review and approval. The Group BP comprised the business plans for construction, renewable energy division, precast division and geotechnical division. The Group BP analysed the Group’s performance for year 2020, its order book outstanding, future strategic direction, industry & market outlook, competitors’ analysis as well as talent management. At the meeting, the Board and Management discussed the industries to enter into, geographical expansion plans, targeted order book highlighting specific tender projects, various operational and tactical strategies to achieve asset optimisation, capital management strategy, cost efficiency and containment, and productivity per employee. The Board also deliberated on sustainability and Environmental, Social & Governance (“**ESG**”) initiatives.

The Board provided ideas and input as well as challenged Management’s views and assumptions used in the financial forecast in achieving the performance target. The Board also reviewed and approved the budgeted capital expenditure and set the key performance indicators (“**KPIs**”) for the Management.

Quarterly reporting of financial results and performance review

The GMD has the executive responsibility 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 Company.

	<p>On a quarterly basis, the GMD together with the Managing Director of Sunway Construction Sdn Bhd (“MD of SCSB”) and Chief Financial Officer (“CFO”) presented their reports to the Board covering the following aspects:</p> <ul style="list-style-type: none"> • GMD’s quarterly report; • updates on operational matters for each divisions and actual financial performance vs budget; • latest status of the order book of the Group; • update on economic situation; and • position of shareholdings in the Company. <p>The GMD and the CFO on a quarterly basis briefed the Board on the progress of all on-going construction projects. The Board provided useful perspective and solutions to assist Management in resolving bottle necks and speed up the completion of the projects.</p> <p>The GMD reported on outstanding order book, new order book secured, tenders submitted and progress of achieving the order book target as per the Business Plan. He also updated the Board on staff strength, staff productivity, staff turnover rate, work place safety record, inventories level such as steel bars and machinery utilisation rate.</p> <p>The GMD and CFO also reported on the Group’s quarterly financial performance and results. The actual results were compared against the Group BP targets at the quarterly Board meetings held on 23 February 2021, 20 May 2021, 19 August 2021 and 18 November 2021. This enabled the Board and Management to keep track of the budgeted KPIs against the actual results. Variances were highlighted and explained by the management as well as the action plans undertaken to rectify or mitigate the situation.</p> <p>There were 9 Board meetings held during the financial year under review. The Board meetings were held on 14 January 2021, 23 February 2021, 19 April 2021, 12 May 2021, 20 May 2021, 19 August 2021, 25 August 2021, 29 September 2021 and 18 November 2021 respectively.</p> <p>During the financial year under review, the Board had approved several tenders of significant value. It has also revised the Corporate Disclosure Policy and Board Charter.</p>
Explanation for departure	:
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Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is led by an Independent Non-Executive Chairman, Dato' Ir Goh Chye Koon ("Dato' Ir Goh") who has extensive skills and experience in the construction industry.</p> <p>The Chairman is responsible for leadership of the Board in ensuring that it is effective in its overall governance and objective oversight of Management as well as ensuring a high performance Board. The roles of the Chairman are as follows:</p> <ul style="list-style-type: none">(a) leading the Board in setting the Company's core values and business ethics;(b) ensuring appropriate board governance processes and good corporate governance practices;(c) setting Board agenda together with management and ensuring accurate, timely and clear information are given to all Directors for robust decision-making. Ensuring adequate time for each agenda or key issues brought to the Board for discussion;(d) ensuring that members of the Board work together with the Management in a constructive manner to formulate strategies and policies to achieve sustainable growth in the best interest of the Company;(e) leads the Board in monitoring business and financial performance and risk management issues;(f) encourage openness and ensuring that all views of Board members and Management are taken into consideration;(g) maintaining a cordial relationship of trust with and between the GMD and Non-Executive Directors;(h) chairing General Meetings of shareholders together with GMD and CFO; and(i) ensuring effective communication with shareholders and relevant stakeholders. <p>Given his vast experience in the construction sector, Dato Ir Goh is able to provide effective leadership in the Board and give clear directions for the Board and Management in achieving a sustainable growth in the best interest of all stakeholders.</p> <p>The roles and responsibilities of the Chairman are clearly spelt out in paragraph 4.1 of the Board Charter which is available on the Company's</p>

	website at https://www.sunwayconstruction.com.my/investor-relations/ under “Corporate Governance” section.	
Explanation for departure	:	
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Measure	:	
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Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of Chairman and GMD are held by two different individuals to ensure balance of power and authority. Dato' Ir Goh is the Independent Non-Executive Chairman of the Board while Mr Chung Soo Kiong is the GMD. The roles of Chairman are stated in the Practice 1.2 of this Report.</p> <p>The GMD acts as the conduit between the Board and the Management and has the executive responsibility for the day-to-day operations of the Company's business and the execution of the agreed business strategies and policies set by the Board and of all operational decisions in managing the Company. The GMD leads a senior management team in carrying out the day-to-day operations of the Company.</p> <p>The separate roles and responsibilities of the Chairman and the GMD are clearly defined in the Board Charter, a copy of which is available on the Company's website at https://www.sunwayconstruction.com.my/investor-relations/ under "Corporate Governance" section.</p>
Explanation for departure	:	
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Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Applied
Explanation on application of the practice	:	The Chairman of the Board resigned as a member of the AC and the NRC with effect from 1 June 2021.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by 2 Company Secretaries. Both of them are qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016 and are Associate members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").</p> <p>The Company Secretaries advise the Board, Management and shareholders on corporate governance matters of the Company. They worked with the Board and Management to strengthen corporate governance policies and processes. In addition, they facilitate:</p> <ul style="list-style-type: none">a) the Board governance process and systems;b) orientation of new Board members;c) interaction between the Board and Management as well as Board evaluation;d) Board and Board committees' evaluations;e) minutes recording and manage follow-up actions;f) identifying and assisting training and development of Directors;g) the Board in understanding regulatory requirements and listing rules;h) disclosure of material information to shareholders in a timely manner;i) reporting on any breach of regulatory requirements;j) statutory filings and information; andk) the organisation of general meetings and polling process. <p>The Board has unrestricted access to the advice and services of the Company Secretaries. The Company Secretaries advise the Board on its roles and responsibilities and to ensure adherence to the Board's and Board committees' policies and procedures. They also provide updates of the regulatory requirements related to Company and securities regulations as well as Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") to the Board. In addition, the Company Secretaries also manage Board and Board committees' meetings logistics, attend and record minutes of the Board and Board committees' meetings as well as facilitate Board communications. The Company Secretaries also manage processes pertaining to the general meetings of the Company.</p> <p>During the FY2021, the Company Secretaries:</p>

	<ul style="list-style-type: none"> (i) attended all Board and Board committees' meetings; (ii) prepared and circulated the annual meeting calendar in advance of financial year 2021 ("FY2021"); (iii) managed the logistics of all Board and Board committees' meetings and responsible for the proper conduct of the meetings according to applicable rules and regulations; (iv) constantly keep themselves updated of the regulatory changes and corporate governance developments by attending workshops, conferences and training programmes organised by MAICSA, Bursa Securities, ICLIF Executive Education Center, etc; (v) regularly updated and advised the Board on new status, regulations and directives issued by regulatory authorities; (vi) collaborated with the Share Registrar and organised the Company's fully virtual Annual General Meeting ("AGM") held on 25 August 2021; (vii) briefed the Board on the following developments in laws and regulations: <ul style="list-style-type: none"> (a) Amendments to the Listing Requirements of Bursa Securities in relation to the public security holding spread released on 23 February 2021; (b) Bursa Malaysia Berhad Sustainability Disclosure Review 2020: Key Observations & Recommendations released on 25 February 2021; (c) Guidelines on Conduct of Directors of Listed Corporations and their subsidiaries issued by the Securities Commission Malaysia ("SC") on 12 April 2021; and (d) Updates to the MCCG 2021 by the SC on 28 April 2021 <p>The Company Secretaries in collaboration with the Share Registrar of the Company had implemented the Company's fully virtual AGM using Remote Participation and Voting facility whereby shareholders participated virtually in the AGM and voted online at the Company's 7th AGM held on 25 August 2021.</p> <p>The Board was satisfied with the professionalism, competencies and support rendered by the Company Secretaries in discharging their functions.</p> <p>The roles and responsibilities of the Company Secretaries are stipulated in paragraph 18 of the Board Charter, a copy of which is available on the Company's website at https://www.sunwayconstruction.com.my/investor-relations/ under "Corporate Governance" section.</p>
Explanation for departure	:

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
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Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>The schedule of Board and Board committees' meetings and AGM are planned in advance for each new year. On 19 November 2020, the schedule of Board and Board committees' meetings for FY2021 was circulated to the Board to facilitate the Directors in planning ahead. In addition, the schedule of the pre-planned meetings as well as closed periods for dealing in securities of the Company by Directors were uploaded onto the Directors' electronic devices.</p> <p>The Board meets regularly at least once every quarter to review financial, operational and business performance. The meetings are scheduled in advance in the third quarter of the preceding year to allow the Board to plan their schedules. Notices and agenda of meetings duly endorsed by the Chairman of the Board or Board committees together with the relevant Board papers are normally distributed at least one week prior to the meetings for the Directors to study and evaluate the matters to be discussed. Occasionally, Board meetings or Board committees' meetings may be held at short notice, when decisions of a time-critical nature need to be made.</p> <p>The Group has implemented paperless meetings where Board papers are uploaded onto a secure online platform and are accessible via laptops, tablet devices and mobile phones. The Directors can conveniently and instantly download and access electronic Board papers wherever they are. The Board papers provided include inter alia, financial results, business plan and budget, progress report on the Group's projects, risk management and internal control reports, minutes of meetings of Board and Board committees, regulatory/statutory updates and other operational and financial issues for the Board's information and/or approval.</p> <p>Notwithstanding the pandemic, the Board was able to meet regularly and safely via zoom virtual meetings without any disruption. Information flows between the Board and Management were not in any way hindered due to the availability of secured online platform.</p> <p>The Company Secretaries ensure that a Director who has an interest in any proposal or transaction, either direct or indirect, which is being presented for the Board's approval, declare his or her interest and abstain from deliberation and voting of the same at the Board meeting.</p>

	<p>All conflicts of interests disclosed will be recorded in the minutes of the meetings.</p> <p>Detailed Board papers are attached to all circular resolutions. All Directors' Circular Resolutions are approved using online electronic means resulting in efficient and timely Board decision and facilitating speedy Management implementation.</p> <p>Upon conclusion of each meeting, the minutes of meetings will be circulated for comments and for follow up actions by the Management within 14 days from the date of meeting.</p> <p>Upon confirmation by the Board or Board committees at the following meetings, the minutes will be signed by the Chairman of the said meeting as a correct record of the proceedings of the meeting.</p> <p>Actionable items would be recorded in the minutes as matters arising until they are eventually resolved.</p>	
Explanation for departure	:	
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Timeframe	:	

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board operates under a Board Charter that clearly defines the respective roles and responsibilities of the Board, Board committees, individual Directors and Management as well as issues and decisions reserved for the Board.</p> <p>The Board Charter sets out among others, the Board's role and responsibilities, Board composition, the roles and functions of Chairman of the Board and the GMD as well as the functions of the Board committees.</p> <p>As stated in the Board Charter, the Board is in charge of leading and managing the Company in an effective and responsible manner. Each Director has a legal duty to act for a proper purpose and in good faith and in the best interest of the Company. The Board members shall exercise reasonable care, skills and diligence in discharging their duties.</p> <p>As for the day-to-day management of the Group, it is delegated to the GMD. This formal structure of delegation is further cascaded by the GMD to the management team. The GMD and Management remain accountable to the Board for the authority that is delegated and for the performance of the Group.</p> <p>The Board, however, takes full responsibility for the oversight and overall performance of the Company. The Board reserves full decision making powers, amongst others, on the following matters:</p> <ul style="list-style-type: none"> • Conflict of interest issues involving substantial shareholders or Directors and senior management in decision making positions; • Material acquisitions and disposals of undertakings not in the ordinary course of business; • Material investments in capital projects; • Material bid/tenders for construction projects and investment proposals; • Overseas ventures;

	<ul style="list-style-type: none"> • Annual business plan and budgets (including major capital commitments); • Material corporate or financial exercise/restructuring; • Declaration of dividend; • Directors' Fees and allowances; • Annual and interim financial results; • Management approval authority limits; • Donation above RM100,000.00; and • Corporate Governance issues and related policies. <p>The GMD is supported by his team of management on the day-to-day operations. The responsibilities of the management are to:</p> <ul style="list-style-type: none"> • Formulate, recommend and implement the strategic objectives of the Company; • Translate the approved strategic plan into operation and financial action plans; • Manage the Company's human, physical and financial resources to achieve the Company's objectives; • Operate within the delegated authority limits set by the Board; • Assume the day-to-day responsibilities for the Group's conformance with relevant laws and regulations, its compliance framework and all other aspects of the day to-day running of the Group; • Develop, implement and manage the Company's risk management and internal control systems within the risk appetite and framework; • Develop, implement and update policies and procedures; • Keep pace with industry and economic trends in the Company's operating environment; and • Provide the Board with accurate, timely and clear information to enable the Board to perform its responsibilities. <p>To ensure the effective discharge of its functions and responsibilities, the Board has delegated specific responsibilities to the relevant Board committees and the Board committees are governed by the respective TOR of the Board committees.</p> <p>The Board Charter and the TOR are reviewed by the Board from time to time to ensure they continue to remain relevant and appropriate as well as for compliance with legislation and governance standards. The Board Charter was last reviewed and amended by the Board on 18 November 2021.</p> <p>The details of the Board Charter are available at the Company's website at www.sunwayconstruction.com.my/investor-relations/.</p>
Explanation for departure	:

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Measure	:	
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Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has a Code of Conduct and Business Ethics Policy ("Code") which provides an ethical framework to guide the actions and behaviours of all Directors and its employees while at work. The Code also provides guidance on the standards of behaviours expected of all directors and employees of the Group and where applicable, counterparts and business partners.</p> <p>The Code reflects the increasing need for effective corporate governance compliance measures in the conduct of the Group's business domestically and worldwide. It also emphasizes and advances the principles of discipline, good conduct, professionalism, loyalty and cohesiveness that are critical to the success and well-being of the Group.</p> <p>The Company has the following policies to guide its business conduct:</p> <ul style="list-style-type: none">(i) Anti-Bribery and Corruption ("ABC") Policy;(ii) Anti-Money Laundering ("AML") Policy;(iii) Insider Trading Policy;(iv) Sunway E-Policy governing the use of corporate e-mails, information systems and intellectual assets owned by the Company;(v) Management conflict of interest disclosure policy; and(vi) Donation and Contribution Policy <p>All employees of the Group are required by the Group Human Resources to read and understand the above policies as well as adhering to the Code and policies at all time during their services with the Group.</p> <p>In line with good corporate governance practices, the Management and Board of the Company encourage all employees and stakeholders of the Group to report suspected inappropriate behaviour or misconduct relating to fraud, corrupt practices and/or abuses involving the Group's</p>

	<p>resources. No individual will be discriminated or suffer any act of retaliation for reporting in good faith.</p> <p>The Group adopted a ZERO TOLERANCE policy against all forms of bribery and corruption. The Company's employees and associates must not offer, promise or give a bribe to anyone and must not request, agree to accept or take bribe from anyone. All employees will be subjected to stern disciplinary action, including dismissal as well as civil and criminal liability if he/she is found in violation of this policy.</p> <p>The ABC Policy provides guidance to all the employees and persons associated with the Group concerning how to deal with bribery and corruption and related issues that may arise in the course of business. It covers the Group's policy on gifts, entertainment and hospitality; donations, sponsorship and corporate responsibilities; political contributions; facilitation payments and kickbacks, money laundering, dealing with associates and third parties, dealing with public officials; recruitment of employees and whistleblowing policy.</p> <p>The AC is responsible to oversight the effectiveness and compliance of the ABC Policy. The RMC is responsible in ensuring that structured policies and procedures on anti-corruption are in place as part of its annual risk assessment of the Group.</p> <p>The AML Policy provides guidance to the employees of the Group on anti-money laundering governance. It reiterates the Group's commitment to comply with the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 as well as terrorism financing. The Group strongly objects to all practices related to money laundering including dealings in the proceeds of criminal activities and terrorism financing.</p> <p>The Group would provide regular trainings and communications to its employees and associates to educate them on the requirements and obligations of the policies.</p> <p>All of the above-mentioned Code and policies are published at the Company's website at www.sunwayconstruction.com.my.</p>
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Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>In line with good corporate governance practices, the Management and Board encourage all employees and stakeholders to report suspected inappropriate behaviour or misconduct relating to fraud, corrupt practices and/or abuses involving the Group's resources.</p> <p>The Company has in place a Whistleblowing Policy & Procedures to provide a mechanism for all level 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 on a timely basis for management action. The Policy was published in its website.</p> <p>The whistleblowing procedure is also intended to be used as an ultimate remedy, if no other means are available to address the matter. The Chairman of AC and the Head of Internal Audit Department ("IAD") are responsible for administration and compliance with this policy and procedures.</p> <p>Employees or member of the public who has knowledge or is aware that of any improper conduct within the Group is encouraged to disclose through the following reporting channels:</p> <p><u>Whistleblowing Hotlines</u> Tel: (603) 5639 8025 Email: whistleblowing@sunway.com.my Fax: +603 5639 8027</p> <p>Calls, emails and faxes sent to these channels will be directed to the Head of IAD and the Chairman of the AC.</p> <p>The Head of IAD will maintain a record of the complaints and will track their receipt, investigation and resolution. The IAD will investigate each claim independently based on standard IAD practices and fraud responses procedures. Upon completion of each investigation, IAD will prepare a report to the Chairman of AC for further action. The Head of IAD shall prepare a summary report and present it to the AC on a quarterly basis.</p>

	During the FY2021, the Head of IAD did not receive any whistleblowing report.			
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Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group recognised the important role of sustainability plays in the company. It always prioritise sustainability in everything the Group do to stay true to Sunway's Group corporate vision – "To be Asia's model corporation in sustainable development, innovating to enrich lives for a better tomorrow".</p> <p>The Board of Directors was supported by the Sustainability Steering Committee ("SSC") in driving the sustainability agenda and strategies within the Group. The SSC was assisted by the Sustainability Working Committee ("SWC") which was spearheaded by General Manager – Operations, with its members consist of representatives from various key departments in relation to the ESG pillars of sustainability. SWC was responsible to identify potential materials matters and propose relevant sustainability policies and strategies to the SSC in tandem with the Group's corporate vision.</p> <p>To further strengthen the Group's commitment in sustainability governance, the BSC was established on 18 November 2021 with the responsibility to assist the Board in fulfilling its oversight on the Group's sustainability strategies and championing the sustainability agenda.</p> <p>The sustainability areas under the purview of the BSC are as below:</p> <ul style="list-style-type: none">• Mitigation and adaptation to climate change;• Sustainability and climate change risks and opportunities;• Safety and health;• Resource use and efficiency;• Fair employment and labour practices;• Product stewardship and quality management;• Sustainable procurement practices;• Governance and ethics;• Waste management;

	<ul style="list-style-type: none"> • Biodiversity protection; • Capacity building, diversity and inclusiveness; • Community engagement and development; • Organization innovation; and • Other areas deemed material from time to time <p>The BSC members are appointed by the Board from amongst the Directors of the Group and shall have at least three (3) members. All members of the BSC, including the Chairman, shall hold office during their tenure as Directors of the Board. The Chairman of the BSC shall be elected from the members of the committee and must be an Independent Non-Executive Director. The BSC shall meet at least twice a year and at any other times as may be necessary. The members of the BSC for FY2021 were Dato' Dr Johari Bin Basri ("Dato' Dr Johari") (as Chairman), Ms Cindy Tan Ler Chin ("Ms Cindy Tan") and Mr Chung Soo Kiong.</p> <p>BSC is supported by the Sustainability Working Team in executing and driving the Group's sustainability strategies and initiatives. The team is spearheaded by subject matter experts within the Group in relation to material topics within the ESG pillars, synergizing the knowledge and expertise within the Group to best manage sustainability risks and opportunities.</p> <p>The BSC assumes the following duties and responsibilities:</p> <ol style="list-style-type: none"> Assist the Board in overseeing matters pertaining to sustainability and climate change; Report to the Board on the Group's sustainability agenda, climate change risk management, strategic direction and key initiatives on sustainable development; Oversee the Group's sustainability strategies, consider and approve proposals from Sustainability Working Team and recommend its adoption by the Board; Monitor the adequacy of resources allocated in achieving compliance with strategies, targets, policies and roadmap pertaining to the Group's sustainability agenda; Monitor and review the Group's ESG key performance indicators that are criteria for yearly appraisal and remuneration; Oversee the processes, standards and strategic directions designed to manage ESG risks; Identify potential opportunities to enhance the Group's ESG adoption and adaptation; Consider and recommend to the Board on the Group's position pertaining to emerging sustainability issues; and Consider any other matters relevant to sustainability or ESG matters that are referred to it by the Board.
Explanation for departure	:

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied	
Explanation on application of the practice	:	The Board discloses the Company's approach to sustainability and the Group's sustainability goals and targets in its Integrated Report 2021 ("IR 2021"). The Company disclosed in the IR 2021 its priority and the approaches to be taken in relation to United Nations Sustainable Development Goals ("SDGs"). The Company also included in the IR 2021 on its long-term targets and interim annual targets towards the SDGs with a clear progress tracking showing the progress of the Group towards the SDGs.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors was supported by the SSC, led by GMD in driving the sustainability agenda and strategies within the Group. The SSC was assisted by the SWC which was spearheaded by General Manager – Operations, with its members consist of representatives from various key departments in relation to the ESG pillars of sustainability. The SWC was responsible to identify potential material matters and climate-related risks and opportunities and propose relevant sustainability policies and strategies to the SSC in tandem with the Group’s corporate vision.</p> <p>On 18 November 2021, the BSC was formed, consisting of three (3) Board members, and tasked with the responsibility to assist the Board in fulfilling its oversight on the Group’s sustainability strategies and championing its sustainability agenda. The BSC, supported by the Sustainability Working Team, assumes the responsibilities which includes to report to the Board of Directors on the Group’s sustainability agenda, climate-related risks and opportunities and risk management, and risks and opportunities with regards to sustainability matters.</p> <p>The BSC will meet at least twice a year. The Chairman of the BSC will report to the Board on the deliberations of each BSC meeting and make the necessary recommendations for improvement.</p> <p>The first BSC meeting was held on 20 January 2022.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	Apart from the usual financial targets, the performance scorecard of the GMD and Senior Management included measurement of their performance on the areas of strategic initiatives, branding and sustainability. Sustainability initiatives comprised a total of 20% of Senior Management's balance scorecard, which directly impacts significantly their remuneration.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Adopted
Explanation on adoption of the practice	:	Mr Chung Soo Kiong, the GMD, is responsible to review the Company's policies and processes to identify areas in which improvements can be made to enhance performance in sustainability. Mr Chung is also responsible to drive the Company's implementation strategies to address ESG concerns including but not limited to responsible consumption and production, emissions reduction, product innovation, training and education, and embracing technology as competitive edge. Within the reporting period, Mr Chung has spearheaded the establishment of BSC and the development of SunCon Sustainability Policy.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>During the year under review, the NRC had interviewed and recommended the appointment of an additional woman director, Ms. Cindy Tan. Ms Cindy Tan's appointment was formally approved by the Board on 15 September 2021. Consequently, the Board now has two (2) woman directors. Ms Cindy Tan brings into the Board her expertise and knowledge in managing amongst others, operational risks, technology risks, investment risks and investment market risks.</p> <p>Pursuant to Clause 106 of the Company's Constitution, 1/3 of the Directors (including the GMD) are subject to retirement by rotation at each AGM and the retiring Directors shall be eligible for re-election. In addition, Clause 89 of the Company's Constitution further states that a Director appointed to fill a casual vacancy or as an additional director shall hold office only until the next AGM and shall be eligible for re-election.</p> <p>During the year under review, Dr Sarinder Kumari A/P Oam Parkash ("Dr Sarinder Kumari"), Mr Evan Cheah Yean Shin and Mr Chung Soo Kiong were subject to retirement by rotation pursuant to Clause 106 of the Company's Constitution. All the retiring Directors had offered themselves for re-election at the 7th AGM of the Company held on 25 August 2021.</p> <p>The NRC had reviewed the performances and contributions of the retiring Directors. Based on the Directors' performance evaluation and the Directors' peer evaluation, the NRC was satisfied with the retiring Directors performance and endorsed their re-election at the 7th AGM. Dr Sarinder Kumari, being a member of the NRC, had recused herself and abstained from deliberating and voting on the resolution pertaining to her own re-election. The resolutions to re-elect the said Directors were subsequently approved by the shareholders at the Company's 7th AGM.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied
Explanation on application of the practice	:	The Board comprises majority Independent Directors. Out of the eight (8) Directors, five (5) of them are Independent Non-Executive Directors. The Chairman of the Board is an Independent Non-Executive Director. The Independent Non-Executive Directors confirmed in writing to the Board on 23 February 2021 that they had met the independence criteria prescribed under the Listing Requirements of Bursa Securities. In addition, they continued to be “independent in mind” and had committed to protect the interest of minority shareholders as well as acting in the best interest of all stakeholders of the Company.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has a policy whereby an Independent Non-Executive Director who has reached the threshold of nine (9) years tenure will be subjected to annual shareholders’ approval. If the Board continues to retain the Independent Director after the twelfth (12th) year, the Director has to obtain shareholders’ approval through two tier voting process as stipulated in the Malaysian Code of Corporate Governance.</p> <p>To-date, none of the existing Independent Directors of the Company have exceeded a cumulative term limit of nine (9) years tenure.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has a formal policy on selection process and assessment criteria for appointment of new directors. The policy details the processes and the criteria for selection and assessment of potential candidates for election to the Board. It sets out the criteria for assessment of the appropriateness of the board mix and composition.</p> <p>Based on the policy, the Board has delegated the responsibility for recommending a potential candidate to fill a Board vacancy to the NRC but the ultimate decision on the appointment of a candidate is solely that of the Board as a whole.</p> <p>The NRC will source for potential candidates for board appointment from professional bodies such as the Institute of Corporate Directors Malaysia (“ICDM”), Malaysian Directors Academy (“MINDA”), Malaysian Institute of Directors, independent search firms etc. Nomination for candidates may also come from the Directors and shareholders.</p> <p>The NRC will screen the initial selection of the candidates and assessed the candidates before recommending to the Board for approval. This is to ensure that the candidate possesses the appropriate knowledge, skills, competencies, experience, independence, sound industry knowledge, integrity and time to effectively discharge his/her role as a director. Besides that, the NRC will also take into consideration diversity of the Board’s composition which inter alia, includes gender, ethnicity, age, etc. The Board will adopt “a fit and proper policy” to ensure candidate for directorship meets the test of probity, competency and financial integrity. He or she must not have any conflict of interest.</p> <p>The Board had adopted a Diversity and Inclusion policy and is committed to encouraging diversity and inclusion in the workplace.</p> <p>The Group aims to create a culture that respects and values each other’s differences, promotes equality and diversity, and encourages individuals to grow and develop in order to realize their full potential.</p>

	<p>Diversity and inclusion are closely tied to the Group's core values of integrity, humility and excellence which are embedded into every facet of the Group's business and goals. Nonetheless, the Board will also prioritise selection criteria based on an effective mix of competencies and skills as well as relevant experience and knowledge in order to strengthen the Board.</p> <p>The Board assessed and reviewed the competencies of each Director annually using Board Skills Matrix. It will be used as a guide when deciding on future appointment of new Director(s) to identify any complementary skills.</p> <p>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. The policy has been incorporated into 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.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has a formal policy on selection process and assessment criteria for appointment of new directors. It sets out the criteria for assessment of the appropriateness of the board mix and composition.</p> <p>The policy allows the Board to engage executive search firms and other channels such as professional bodies, for e.g. the ICDM, MINDA, Malaysian Institute of Directors, etc., to assist in finding candidates with the relevant skills and background. Under the policy, the candidate must possess high standards of ethics, integrity and professionalism, display independent and sound business judgment and have meaningful experience as well as expertise in business, corporate, property, accountancy, law, finance or other relevant endeavours. The qualifications of a candidate will be considered in addition to other factors it deems appropriate based on the current needs and requirements of the Board including specific desired business and financial expertise as well as experience as a director of public listed company, age, gender and ethnic diversity. In addition to the criteria set above, the nominee for an Independent Director's vacancy must fulfil the independence test under the Listing Requirements of Bursa Securities.</p> <p>In addition, the Directors are required to seek prior consent from the Chairman of the Board, before they can accept any new directorship in public listed companies outside the Group. In the event that it involves the Chairman of the Board, then this matter shall be decided by the Chairman of NRC. In addition to the Mandatory Accredited Programme as required by Bursa Securities, the Board members are also encouraged to attend seminars, training programmes organised by the relevant regulatory authorities and professional bodies to broaden their knowledge and to keep abreast with the relevant changes in laws.</p> <p>During the year under review, Ms Cindy Tan was assessed for the position as Independent Non-Executive Director of the Company. The NRC met and interviewed Ms Cindy Tan to assess her character, experience, time commitment, independence and potential</p>

	<p>contribution to the Board. The NRC was satisfied with the suitability of Ms Cindy Tan. In addition, her appointment would enhance gender diversity in the Board. Ms. Cindy Tan's appointment as Independent Non-executive Director was approved by the Board.</p> <p>The Board did not source for any other candidate from external sources as the Board felt that Ms Cindy Tan has met the NRC's selection criteria.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>The details of the newly appointed director such as name, age, gender, working experience and occupation, conflict of interest (if any), any other directorships in public companies and listed issuers will be included in the announcement released to Bursa Securities.</p> <p>The Company's Constitution provides that 1/3 of the Board is subject to retirement by rotation at each AGM. Each Director shall retire once every three years but shall be eligible for re-election. The Directors to retire in each year are those who have been longest in office since their last election or appointment.</p> <p>The profiles of retiring directors standing for re-election and their other details such as personal details, records of meeting attendance and shareholdings (where applicable) are disclosed in the Company's IR 2021 to assist the shareholders in determine on the reappointment of the Directors.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	The NRC is chaired by Dato’ Dr Johari, who is a Senior Independent Non-Executive Director.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	During the financial year under review, Ms Cindy Tan was appointed as Independent Non-Executive Director on 15 September 2021. The Board now comprises two (2) women directors, i.e. equivalent to 25% of the Board composition.	
		The Board supports having 30% women representation in the Board. Nevertheless, it will take time for the NRC to continue its search for the right candidate to meet the 30% target.	
		The NRC annually evaluates the Board size, competencies mix, relevant experience, skills set and diversity in the Board to ensure it is appropriate to the businesses of the Company while mindful of the fact that the Board has yet to fulfil the 30% target.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The NRC will continue to look out for a suitable women candidate based on a set of criteria relevant to the Company’s businesses	
Timeframe	:	Others	No timeframe fixed. It will be based on the availability of suitable candidate at any time.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has disclosed the Group's diversity and inclusiveness policy in the IR 2021. It recognises that diversity at the Board and senior management is critical in ensuring their effectiveness, competitiveness and compliance to the best governance practices.</p> <p>Diversity and inclusion are closely tied to the Group's core values of integrity, humility and excellence which are embedded into every facet of the Group's businesses and goals. Nonetheless, the Board will also prioritize selection criteria based on merit with an effective mix of competencies, skills as well as relevant experience and knowledge in order to strengthen the Board.</p> <p>The NRC is responsible to review and assess the composition and performance of the Board as well as identifying suitable candidates for Board appointments before recommending to the Board for approval. Among the criteria reviewed and assessed are the appropriate knowledge, skills, competencies, experience, integrity, time commitment and diversity of the Board composition which include gender, ethnicity, age, etc.</p> <p>In line with the call for greater diversity on the Board, the Company had appointed Ms Cindy Tan as the Independent Non-Executive Director during the financial year under review. The Board now comprises 2 women representatives, which is equivalent to 25% of the Board composition. The appointment reinforces the Company's commitment to gender diversity, which is an integral component of good corporate governance.</p> <p>The Company also recognises the importance of diversity and inclusiveness in senior management to achieve the strategic objectives and sustainable growth as well as to promote good corporate governance within the Group. It has a Diversity and Inclusion Policy which is applicable to the employees of the Group including the senior management. The Group is committed to diversity and inclusion in the workplace.</p> <p>The Group focused on empowering its people by creating an inclusive and engaging work environment for them. Recognising and embracing the diversity of its people will not only enable the Group to create a diverse workforce that can generate different ideas and perspectives;</p>

	<p>the various background and experiences will also foster greater innovation as well as better problem-solving and decision-making skills.</p> <p>The Group does not discriminate against any demographic background including gender, age, ethnicity (nationality and religion), sexual orientation and disability, as it ensures equal opportunities and treatment across its workforce when it comes to employment, rewards, remuneration and recognition. In 2021, there were no cases of discrimination reported and the Group targets to maintain the status of zero cases of discrimination.</p>			
Explanation for departure	:			
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>				
Measure	:			
Timeframe	:	<table border="1"> <tr> <td></td><td></td></tr> </table>		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: <p>The NRC has a formal and rigorous internal annual assessment each year to determine the performance and effectiveness of its Board, Board committees and the individual Directors. The process is facilitated internally by the Company Secretaries. The Board was satisfied with the current evaluation methodology as each Director was able to provide candid, frank opinion and recommendation to improve its effectiveness and overall oversight role.</p> <p>At the start of the Board evaluation process, the NRC will review the scope of the assessment particularly on the key areas to focus.</p> <p>Notwithstanding this, the Board has decided to appoint ICDM to undertake an external independent evaluation of the Board and Board committee's effectiveness for financial year 2022.</p> <p>During the FY2021, the NRC was entrusted with the responsibility of carrying out the evaluation process of the Board and the Board committees' effectiveness.</p> <p>There were a total of 7 assessment areas conducted:</p> <ul style="list-style-type: none">(i) Evaluation on Board Effectiveness;(ii) Evaluation of the Independent Non-Executive Directors;(iii) Director's Peer Evaluation;(iv) Board committees' Evaluation;(v) AC Evaluation;(vi) AC Members' Self and Peer Evaluation; and(vii) Independent Directors' Self-Assessment

	<p>The evaluation criteria were approved by the NRC on 19 August 2021. The approved evaluation forms were uploaded on the online platform for Directors' completion. All directors, including the new Director, Ms Cindy Tan, who was appointed to the Board on 15 September 2021, participated in the assessment.</p> <p>Upon completion of the assessment process, the Company Secretary compiled the results of the assessments into Executive Reports which were tabled for NRC review and discussion at its meeting. The Summary Reports were then tabled to the Board for further deliberation on 23 February 2022.</p> <p>All Directors were satisfied with the Board's performance and the Board rated itself being effective in discharging roles and responsibilities. The Board works well as a whole.</p> <p>The following aspects of the Board's dynamics were rated as excellent:</p> <ul style="list-style-type: none"> (i) Good mix of directors with various expertise, relevant industry knowledge, skills and competencies; (ii) The Company's performance was good compared to its peers; (iii) With guidance and leadership of the Board, the Company had won several regional and local recognitions by winning the following awards:- <ul style="list-style-type: none"> • Master Builders Association Malaysia – Construction Industry Trade Awards (CITA): Mechanical and Electrical Contractor Award • 4th Asia Sustainability Reporting Awards (ASRA) Singapore – Asia's Best Sustainability Report within Annual Report (Bronze); • FTSE4Good Bursa Malaysia Index – ESG rating was increased from 2.9 to 3.1; • Inclusion in the MSCI Malaysia Small Cap Index; and • 35th International Annual Report Competition (ARC) Awards 2021 – Bronze Awards under Construction & Building category. (iv) Board meetings were well attended and efficiently conducted to meet its objectives. During the various Movement Control Order period, the Board was able to meet virtually without affecting its function; (v) The Board with the assistance from the Company Secretarial team had successfully conducted a fully virtual AGM with online polling; (vi) The Chairman of the Board had consistently encouraged open, honest discussion and healthy debate; (vii) There was no risk of group think; (viii) A good cordial relationship and frank communication existed between the Board and the Management led by its GMD;
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	<p>(ix) Directors had challenged financial assumptions and contributed much inputs and ideas to the formulation of the Company's business strategy and financial targets;</p> <p>(x) With guidance from the Board, Management was able to identify and venture into emerging opportunities such as renewable energy sector;</p> <p>(xi) The Board through the AC and RMC had a pulse on the Group's exposure to potential risks, internal control matters and accurate financial reporting and good corporate governance practices;</p> <p>(xii) The Board through RMC had regularly reviewed the Company's risk profiles and risk management practices and policies;</p> <p>(xiii) The Chairman of the Board had shown great leadership and was instrumental in guiding the Board's effectiveness as a whole;</p> <p>(xiv) The GMD had worked very closely with the Board in delivering agreed key performance targets;</p> <p>(xv) The Board had reviewed periodically reviewed and revised the Corporate Disclosure policy; and</p> <p>(xvi) The Board with assistance from the Management has established comprehensive Board policies.</p> <p>Each Board member was satisfied with each other's contribution in sharing their insights, ideas, experience as well as knowledge. All the Directors had good grasp and understanding of the issues raised in the agenda of the meetings. They were not afraid to express their honest opinions and were ready to challenge the assumptions made in the Board paper presented.</p> <p>The Board was also satisfied with the Chairman's leadership, role and performance. The Chairman had a healthy working relationship with the GMD and was respected by the Management. The Chairman was able to lead the Board in an open discussion on the agenda items of the meetings. He had encouraged and promoted a culture of frank opinions in all meetings which allowed for rigorous and deliberations and healthy debates to take place.</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>: The Board has appointed an external independent expert to facilitate the Board and Board committees' assessment for financial year ending 31 December 2022.</p>
<p>Timeframe</p>	<p>: Within 1 year</p>

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has adopted a remuneration policy which set out the principles in determining the appropriate level of remuneration for the Directors and Key Senior Management. The remuneration policy is available at its website for reference.</p> <p>The remuneration policy spelt out the remuneration package for the Executive Directors and Key Senior Management of the Group. It is made up of fixed monthly salary, performance-based remuneration such as bonus, long-term incentive, share options and benefits-in-kind. The remuneration packages are annually reviewed to ensure that they are competitive and benchmarked against the market and the competitors in the same industry. The NRC with the assistance from the Group HR has a transparent procedure to ensure that the Executive Directors and Key Senior Management remuneration package are determined in a fair and equitable manner.</p> <p>The Group uses SAP SuccessFactors programme to facilitate performance management and measurement process for the GMD and Key Senior Management. The review will be conducted on half-yearly basis. The NRC had on 19 August 2021 reviewed and discussed the mid-year performance appraisal of the GMD and Key Senior Management against the approved performance scorecards. On 23 February 2022, the final performance appraisal of the GMD and Key Senior Management were presented to the NRC for review and approval.</p> <p>In the case of Non-Executive Directors, the remuneration package is meant to reflect their level of responsibilities, expertise and complexity of the Group's activities. In addition, the aforesaid fees are benchmarked annually against peers of similar size in the same industry. The remuneration of Non-Executive Directors shall consist of fixed Directors' fee per annum and meeting allowances for every Board</p>

	<p>or Board committees’ meeting attended. The Non-Executive Directors will not be eligible for employees share option scheme to ensure their independency. The Board will conduct annual review of annual fees for the Non-Executive Directors.</p> <p>On 29 March 2022, the Board as a whole approved the annual fees payable to the Non-Executive Directors with the individual Directors abstaining from deliberating and voting on their individual remunerations. The fees payable to Non-Individual Directors are then recommended to the shareholders for approval at the forthcoming 8th AGM.</p> <p>For the FY2021, subject to shareholders’ approval, the Chairman of the Board is entitled to a Director’s fee of RM180,000/- per annum while the rest of the Independent Non-Executive Directors are entitled to a fee of RM100,000/- per annum. In addition, the Non-Executive Directors are also entitled to a meeting allowance of RM500/- per individual per meeting and construction site visit allowance of RM1,000/- per visit for discharging the duty as Chairman of the BSC of the Company.</p> <p>The Chairman and members of AC are paid a fee in respect of their oversight responsibility in respect to financial reporting, internal control system, risk management, internal and external audit function. The AC’s fees are RM6,000/- per annum for the Chairman and RM3,000/- per annum for each of the AC members. The AC’s fees are also subject to shareholders’ prior approval and will be paid annually together with the payment of Directors’ fees.</p>	
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC ensures a fair differential between the remuneration of Executive Directors and Key Senior Management and other levels of management is maintained. It also assumes the responsibility for all elements of Executive Directors and Key Senior Management's remuneration matters.</p> <p>The members of NRC are Dato' Dr Johari (Chairman), Tan Sri Dato' (Dr) Chew Chee Kin, Dato' Siow Kin Lun, Dr Sarinder Kumari and Ms Cindy Tan. Majority of them are Independent Directors.</p> <p>Dato Ir Goh, the Chairman of the Board had resigned on 1 June 2021 as a member of the NRC in accordance with the best practice of the MCCG 2021. Ms Cindy Tan was appointed as a member of the NRC with effect from 15 September 2021.</p> <p>The NRC has a written TOR which set out the duties and responsibilities of NRC and is available on the Company's website at www.sunwayconstruction.com.my.</p> <p>The NRC with the assistance of the Group HR, evaluates the performance of the GMD, CFO and MD of SCSB twice a year. They were assessed based on a set of pre-approved KPIs using performance balanced scorecard. The KPIs of GMD and MD of SCSB comprised budgeted financial targets, business strategic initiatives, branding and sustainability, operational targets and people development. The CFO's KPIs encompassed the Company's financial performance, operational targets and people development and engagement.</p> <p>The NRC would determine the salary increments and performance bonuses of the GMD, MD of SCSB and CFO based on their performance appraisals. The NRC also reviews the remuneration packages of the</p>

	<p>GMD, MD of SCSB and CFO to ensure that they commensurate with the scope of responsibilities and performance achieved as well as benchmarked against its peers in the same industry.</p> <p>During the financial year under review, the NRC met to discuss and deliberate on the following remuneration matters:</p> <ul style="list-style-type: none"> (i) on 23 February 2021, the NRC: <ul style="list-style-type: none"> (a) reviewed the revised performance appraisals of the GMD, MD of SCSB and CFO for financial year 2020 which were being revised due to the impact from COVID-19 pandemic; and (b) reviewed the new KPIs for performance scorecards of the GMD, MD of SCSB and CFO for the financial year 2021 (ii) on 19 April 2021, the NRC: <ul style="list-style-type: none"> (a) approved the revised and updated performance scorecard of the CFO which embedded a new KPI namely, “Awards and Recognition (Branding)”; and (b) reviewed the incentive formula of Group MD (iii) on 19 August 2021, the NRC: <ul style="list-style-type: none"> (a) endorsed the revised and updated performance scorecards of the Group MD and MD of SCSB which included two additional key results areas under “Strategic Initiatives, Branding and Sustainability”; and (b) discussed and endorsed the mid-year performance appraisal of the GMD, CFO and MD of SCSB (iv) on 18 November 2021, the NRC reviewed and endorsed the updated Remuneration Policy for Directors and Senior Management. <p>The Head of HR, the Group Chief HR Officer and the GMD were invited to attend the meeting(s) to facilitate the discussions.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	<p>The details of the remuneration received and receivable by the Directors and Mr Liew Kok Wing ("Mr Liew") for FY2021 are set out in the table below.</p> <p>Prior to Mr Liew's appointment as GMD of the Company on 1 April 2022, he was MD of SCSB and the Alternate Director of Mr Chung Soo Kiong on the Board of the Company.</p> <p>The fees to be payable to the Non-Executive Directors for FY2021 are subject to the shareholders' approval at the forthcoming 8th AGM.</p> <p><u>Note:</u> <i>*the remuneration paid by a major subsidiary company, SCSB</i></p>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Ir Goh Chye Koon	Independent Director	181.25	10.50	-	-	-	-	191.75	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Dato' Dr Johari Bin Basri	Independent Director	103.00	13.00	-	-	-	-	116.00	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Dato' Siow Kim Lun	Independent Director	106.00	13.00	-	-	-	-	119.00	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Dr Sarinder Kumari A/P Oam Parkash	Independent Director	103.00	13.00	-	-	-	-	116.00	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Tan Sri Dato' (Dr) Chew Chee Kin	Non-Executive Non-Independent Director	100.00	6.50	-	-	-	-	106.50	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
6	Evan Cheah Yean Shin	Non-Executive Non-Independent Director	100.00	7.00	-	-	-	-	107.00	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
7	Cindy Tan Ler Chin	Independent Director	30.33	2.50	-	-	-	-	32.83	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Chung Soo Kiong*	Executive Director	-	-	-	-	-	-	-	-	-	1,035.84	1,232.40	22.29	272.19	2,562.72
9	Liew Kok Wing* (Alternate Director to Chung Soo Kiong)	Executive Director	-	-	-	-	-	-	-	-	-	876.00	730.00	192.72	35.12	1,833.84
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Given the highly competitive industries in which the Group is operating, the Group is facing challenges in talent management and retention. Therefore, the Board is of the opinion that disclosing the remuneration package of the senior management on a named basis would be a disadvantage to the Group.	
		As an alternative, the Group has disclosed the remuneration received by its top five Senior Management personnel in bands of RM50,000 and the number of persons in each band, as follows:	
		Total Remuneration in Bands of RM50,000	No. of Key Senior Management Personnel
		RM900,000 to RM950,000	2
		RM1,050,000 to RM1,100,000	1
		RM1,400,000 to RM1,450,000	1
		RM1,500,000 to RM1,550,000	1
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board has decided to disclose the remuneration paid to the top five senior management for the financial year in a band range of RM50,000.	
Timeframe	:	Others	Not disclosing

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied															
Explanation on application of the practice	:	<p>The AC is led by Dato' Siow Kin Lun, an Independent Non-Executive Director who is not a Chairman of the Board.</p> <p>During the financial year under review, there were some changes to the composition of the AC:</p> <p>(i) Dato' Ir Goh resigned as a member of AC in compliance with the best practice 1.4 of MCG 2021, whereby the Chairman of the Board should not sit in the AC; and</p> <p>(ii) Ms Cindy Tan was appointed as a member of AC on 15 September 2021.</p> <p>Consequently, the AC comprises 4 members, all of whom were Independent Non-Executive Directors and satisfied the test of independence under the Listing Requirements. The members of the AC are:</p> <table><tr><th>No.</th><th>Director/ Designation</th><th>Membership</th></tr><tr><td>1</td><td>Dato' Siow Kim Lun (Independent Non-Executive Director)</td><td>Chairman</td></tr><tr><td>2</td><td>Dato' Dr Johari (Senior Independent Non-Executive Director)</td><td>Member</td></tr><tr><td>3</td><td>Dr Sarinder Kumari (Independent Non-Executive Director)</td><td>Member</td></tr><tr><td>4</td><td>Ms Cindy Tan (Independent Non-Executive Director)</td><td>Member</td></tr></table> <p>A detailed report of the AC is set out in the Company's IR 2021.</p>	No.	Director/ Designation	Membership	1	Dato' Siow Kim Lun (Independent Non-Executive Director)	Chairman	2	Dato' Dr Johari (Senior Independent Non-Executive Director)	Member	3	Dr Sarinder Kumari (Independent Non-Executive Director)	Member	4	Ms Cindy Tan (Independent Non-Executive Director)	Member
No.	Director/ Designation	Membership															
1	Dato' Siow Kim Lun (Independent Non-Executive Director)	Chairman															
2	Dato' Dr Johari (Senior Independent Non-Executive Director)	Member															
3	Dr Sarinder Kumari (Independent Non-Executive Director)	Member															
4	Ms Cindy Tan (Independent Non-Executive Director)	Member															
Explanation for departure	:																
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>																	

Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	<p>The AC has a policy that requires a former key audit partner to observe a cooling-off period of at least 3 years before being appointed as a member of AC.</p> <p>This policy is included in the TOR of the AC which is available on the Company’s website.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The AC has direct oversight of Group audit and it is included in the TOR of AC that it is responsible to assess the suitability, objectivity and independence of the External Auditors annually.</p> <p>The Board has a Policy on Selection of External Auditors and Non-Audit Services. These policies outline the criteria and procedures for the AC to assess and select the External Auditors and provision of non-audit services by the External Auditors. The policy is available on the Company's website.</p> <p>The External Auditors can be engaged to perform non-audit services that are not, and are not perceived to be in conflict with their role as External Auditors. However, all engagements to provide non-audit services above the statutory audit fee are subject to the approval and endorsement of the AC. Any non-audit services rendered by the External Auditors must have the prior approval of the AC and the total non-audit fees payable each financial year must not exceed 50% of total fees payable to the External Auditors. The CFO is also required to table the non-audit fees incurred for the financial year to the AC for approval and endorsement.</p> <p>The External Auditors will rotate their audit engagement partner every seven (7) years with a cooling-off period of five (5) years in line with BDO PLT's ("BDO") internal policy which in accordance with the By-Laws (on professional, ethics, conduct and practice) of the Malaysia Institute of Accountants. The current audit engagement partner has held the position for seven (7) years. The rotation of the new audit engagement partner within BDO will take place in financial year 2022.</p> <p>The External Auditor's suitability is assessed based on its independence, audit performance, adequacy of resources, track record of auditing similar size public listed companies. They are assessed annually by the AC, the CFO and the Head of IAD. The Assessment Report for year 2021 were tabled to the AC on 29 March 2022. The AC, the CFO and the Head of IAD were satisfied with the External Auditors' performance and had recommended to the shareholders their re-appointment for the financial year ending 31 December 2022 at the forthcoming 8th AGM of</p>

	the Company. The Board had on its meeting held on 29 March 2022 approved the AC's recommendation.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	All members of AC are Independent Non-Executive Directors.

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>During the financial year under review, the AC comprised 4 members in which all of them are Independent Non-Executive Directors. The AC has a mixture of qualified and experience professionals in the field of accountancy, banking and finance, capital market, economics, construction, safety and health, general management, strategic planning and human capital development. All the AC members are independent and financially literate.</p> <p>Dato' Siow Kim Lun, the Chairman of AC, fulfilled the requirements under Paragraph 15.09(1)(c) of the Listing Requirements of Bursa Securities. In addition, all members of AC are financially literate and have the appropriate level of knowledge, skills and experiences to discharge their responsibilities effectively. All the members have adequate understanding of the Company's various businesses.</p> <p>The AC Chairman leads the AC in providing oversight on the areas of financial reporting, internal control environment, internal audit and external audit processes, related party transactions as well as management's conflict of interest.</p> <p>During the financial year, the principal activities carried out by the AC included the following:</p> <ul style="list-style-type: none">(a) reviewed the quarterly and year-end financial statements of the Group and Company and recommended them for approval by the Board;(b) reviewed and monitored the performance of external and internal audit functions;(c) reviewed all related party transactions and management's potential conflict of interest; and

	<p>(d) assessed and ensured the adequacy and effectiveness of the risk management and internal control system.</p> <p>A detailed report of the AC's activities for FY2021 is set out in the AC Report which is available in the IR 2021 of the Company.</p> <p>The AC members had during the financial year attended various training programmes and seminars organised by the relevant regulatory authorities and professional bodies to enhance their knowledge and to keep abreast with the relevant changes in law, regulations, audit standards and internal control systems as well as corporate governance practices. Details of the trainings or seminars attended by the AC members during the financial year under review are set out in the Corporate Governance Overview Statement under "Director' Induction, Training and Development" section in the IR 2021. The CFO and External Auditors also briefed the AC members on the relevant changes in financial reporting standards during the AC's meetings held during the financial year under review.</p> <p>The Board, through the NRC, had assessed and reviewed the performance of the AC. The Board was satisfied that the AC had performed their duties and responsibilities effectively. The AC was able to provide positive ideas and recommendations in their review of the financial reporting and internal control environment. The AC members' peer review had also indicated that each member of the AC had performed satisfactorily and continued to act objectively with vigilance and scepticism. They had committed their time to attending all AC meetings.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has established an effective management and internal control framework to identify, mitigate and monitor key risks with significant adverse impact on the achievement of the Group's objectives and strategies.</p> <p>The Group's internal control system encompasses formalised and documented internal policies, standards and procedures to ensure compliance with internal controls, relevant laws and regulations. It enables all division and operating subsidiaries to effectively and efficiently, operate and respond towards potential business, operational, financial, compliance and other risks in achieving the Group's goals and objectives. These documents are regularly reviewed to ensure its relevance and are published in the Group's online portal for employees' reference.</p> <p>The Group's risk management framework is benchmarked against the ISO31000:2009 Risk Management – Principles and Guidelines and is designed to embed Enterprise Risk Management into key activities, initiatives and processes of the Group. The Group has 4 core response strategies, i.e. risk termination, risk reduction, risk acceptance and risk transfer for risk management purposes.</p> <p>The Board is assisted by RMC to oversee the Group's risk management and internal control system. The RMC comprises 4 Independent Non-Executive Director and 1 Non-Executive Non-Independent Director.</p> <p>During the financial year under review, the RMC met 5 times to identify and monitor key business risks, review risk mitigation strategies, review and recommend risk management strategies and ensure all systems are in place to manage risks.</p> <p>The Board has established an internal audit function by setting up an IAD within the Group. The IAD assists the AC in reviewing, evaluating and monitoring the effectiveness of the Group's governance, risk management and internal control processes. IAD reports functionally to the AC and administratively to the Group MD or his designate. IAD has full, free and unrestricted access to all the Company's and Group's</p>

	activities, policies, records, properties and personnel at all levels and agents, in pursuant to its objectives.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's internal control system includes clear, formalised and documented internal policies, standards and procedures to ensure compliance with internal controls and relevant laws and regulations. It enables all divisions and operating subsidiaries to effectively and efficiently operate and respond proactively to potential business, operational, financial, compliance and other risks in achieving the Group's goals and objectives. These documents are regularly reviewed to ensure relevance and applicability and are published in the Group's online portal for employees' reference.</p> <p>The IAD carries out internal audits on divisions and business units of the Group based on a risk-based IA Plan approved annually by the AC. Based on these audits, IAD provides the AC with periodic reports highlighting observations, recommendations and action plans to improve the Group's internal control system. The AC reviews and deliberates on any matters relating to internal control highlighted by the External Auditors in the course of their statutory audit of the financial statements of the Group.</p> <p>Additionally, subsidiaries accredited with certifications such as International Organisation for Standardisation ("ISO") and Occupational Health and Safety Advisory Services ("OHSAS") are audited as scheduled by auditors of relevant certification bodies. Results of these audits are reported to management.</p> <p>The Group's risk management framework is benchmarked against the ISO31000:2009 Risk Management – Principles and Guidelines and is designed to embed Enterprise Risk Management ("ERM") into key activities, initiatives and processes of the Group. This enables the Group to identify, assess and mitigate risks that may prevent the Group from achieving its objectives. In doing so, the stakeholders are assured that their interest is protected. During the financial year, the Group constantly reinforces its risk management framework to remain relevant and effective given the present business environment.</p> <p>The framework is enterprise-wide and outlines policies and practices for effective risk mitigation. It allows the Group to:</p>

	<ul style="list-style-type: none"> • establish clear functional responsibilities and accountabilities within committee structures for management of risks; • enhance and improve corporate governance with a clear, concise and robust structure for the Group; • determine risk appetite and risk tolerance based on measurable parameters related to critical risks that may impact the strategy, performance and reputation of the Group; • set risk policies and limits consistent with the risk appetite and tolerance of the Group; and • ensure appropriate skills and resources are applied to risk management. <p>The Statement on Risk Management and Internal Control as set out in the Company's IA 2021 provides an overview of the state of risk management and internal controls within the Group.</p> <p>The RMC comprising majority of the Independent Directors, oversees the Group's risk management and internal control. Accountable to the Board, the RMC meets quarterly to:</p> <ul style="list-style-type: none"> • Identify, assess and monitor key business risks and review risk mitigation strategies; • Review and recommend risk management strategies, policies and levels of risk tolerance; and • Ensure infrastructure, resources and systems are in place to manage risks. <p>In 2021, the RMC had duly reviewed, appraised and assessed the efficacy of the controls and progress of action plans taken to mitigate, monitor and manage the Group's risk exposure and in particular, the impact of COVID-19 on the operations of the Group. RMC had subsequently provided assurance to the Board that the Group's risk management and internal control framework were operating adequately and effectively in all material aspects. Continuous focus on measures to protect and enhance shareholders value and business sustainability will remain a core practice for the Group.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Adopted																		
Explanation on adoption of the practice	:	<p>The RMC has oversight over the Company's risk management framework and policies. It also has the responsibilities to identify key principal risks within the Group and to come up with mitigation plan to minimise the risk. The RMC is assisted by a Risk Management Working Group which comprised key management across the business units of the Group.</p> <p>Majority of the members of the RMC are Independent Non-Executive Director and the composition of RMC is as follows:</p> <table><tr><th>No.</th><th>Director/ Designation</th><th>Membership</th></tr><tr><td>1</td><td>Dr Sarinder Kumari (Independent Non-Executive Director)</td><td>Chairperson</td></tr><tr><td>2</td><td>Dato' Ir Goh (Independent Non-Executive Chairman)</td><td>Member</td></tr><tr><td>3</td><td>Dato' Siow Kim Lun (Independent Non-Executive Director)</td><td>Member</td></tr><tr><td>4</td><td>Dato' Dr Johari (Senior Independent Non-Executive Director)</td><td>Member</td></tr><tr><td>5</td><td>Evan Cheah Yean Shin (Non-Independent Non-Executive Director)</td><td>Member</td></tr></table> <p>The TOR of the RMC is available for reference at the Company's website at www.sunwayconstruction.com.my/investor-relations/ under "Corporate Governance" section.</p>	No.	Director/ Designation	Membership	1	Dr Sarinder Kumari (Independent Non-Executive Director)	Chairperson	2	Dato' Ir Goh (Independent Non-Executive Chairman)	Member	3	Dato' Siow Kim Lun (Independent Non-Executive Director)	Member	4	Dato' Dr Johari (Senior Independent Non-Executive Director)	Member	5	Evan Cheah Yean Shin (Non-Independent Non-Executive Director)	Member
No.	Director/ Designation	Membership																		
1	Dr Sarinder Kumari (Independent Non-Executive Director)	Chairperson																		
2	Dato' Ir Goh (Independent Non-Executive Chairman)	Member																		
3	Dato' Siow Kim Lun (Independent Non-Executive Director)	Member																		
4	Dato' Dr Johari (Senior Independent Non-Executive Director)	Member																		
5	Evan Cheah Yean Shin (Non-Independent Non-Executive Director)	Member																		

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function is performed in-house and undertaken by the IAD team. The IAD team comprised a Head of IAD and 5 team members.</p> <p>The IAD reports functionality to the AC and administratively to the GMD. The Head of IAD has unrestricted access to the AC and reports directly to the AC. The IAD has full, free and unrestricted access to all the Group's activities, policies, records, properties and personnel at all levels, in pursuance of its objectives. The AC meets privately with the IAD team without the presence of management once a year.</p> <p>The AC reviews annually the adequacy of the scope, function and resources of the IAD to ensure that its responsibilities are fully discharged.</p> <p>On 23 February 2021, the AC reviewed and approved the Internal Audit Plan ("IA Plan") for FY2021. The key audit emphasis covered in the IA Plan FY2021 were:</p> <ul style="list-style-type: none">(i) to review the key processes including sub-contractor tender and award, certifications, resource management, project budgetary control, procurement as well as production and inventory management;(ii) to review the on-going building and civil projects;(iii) to review the mechanical and electrical components for external projects, precast division and major on-going renewable energy projects;(iv) to review on the functional and support processes; and(v) to review on compliance and governance related assignments <p>A total of 10 audit assignments were planned to be carried out for FY2021.</p> <p>The AC on quarterly basis reviewed the audit works performed by IAD and monitored the status of audit assignments. The IAD provided regular updates on its audit schedule.</p> <p>The AC had undertaken annual assessment on the performance of the IAD. Based on the evaluation, the AC was satisfied with IAD's performance and was in the opinion that it was able to provide the</p>

	<p>Directors and Senior Management with pertinent information on potential weaknesses in the internal control environment. It had provided Management with constructive input and ideas for remedial actions. All remedial actions proposed were tracked for successful completion by the IAD and its status were reported to the AC</p> <p>Details of the IAD's activities during the FY2021 are set out in the AC Report contained in the IR 2021.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose—

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>In accordance with the Internal Audit Charter, the IAD provides an independent, objective assurance and advisory function for purposes of examining and evaluating the Group's system of internal controls, risk management and governance processes in order to assist the members of the Management team and the Board of Directors (including members of the AC) in the effective discharge of their roles and responsibilities.</p> <p>The IAD is led by Ms Celia Lee Kat Li, who is a Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA). IAD has 5 internal auditors and a majority of them have relevant professional qualifications and are members of the Malaysian Institute of Accountants.</p> <p>The IAD is a member of the Malaysian Chapter of the Institute of Internal Auditors and adopts the IIA Standards laid down in the International Professional Practices Framework issued by the IIA. The external Quality Assessment Review ("QAR") performed by Protiviti Pte Ltd of Singapore in 2015 concluded that the IAD continues to meet or exceed the IIA Standards in all key aspects. The next assessment which was planned to take place in 2020 had been postponed to 2022 due to the COVID-19 pandemic.</p> <p>At the AC's meeting held on 19 April 2021, the IAD had confirmed its organisational independence, where the Head of IAD and all the internal auditors had signed a declaration that they were and had been independent, objective and in compliance with the Code of the Company and the professional standards laid down by the Institute of Internal Auditors in carrying out their duties.</p> <p>In accordance with the TOR of the AC, the AC had in the first quarter of 2022 conducted an annual assessment of the performance of the Internal Audit function for the FY2021. The results of which was compiled and tabled to the AC at its meeting held on 29 March 2022. The AC was satisfied with the performance of the internal audit function</p>

	in the financial year 2021. It has concluded that the IAD is able to provide Directors and Senior Management with pertinent information on potential weaknesses in the system of internal control and providing constructive input and idea to Management for remedial action.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company is committed to continuously disclose and disseminating timely information to its shareholders as well as the general investing public in order to enhance the shareholders' understanding of the Group as well as their ability in making informed investment decisions. The public can access to the information disseminated by the Company via the announcements released by the Company through Bursa LINK which can also be accessed via the Company's website.</p> <p>The Company has also incorporated a section for "Investor Relations" in its website at www.sunwayconstruction.com.my which provides all relevant information of the Group such as quarterly results, audited financial statements, Board Charter, minutes of general meetings, general announcements, policies, investor presentations, share price and financial information. The Company's integrated reports and circular to shareholders are also available at the Company's website for review.</p> <p>The Company served the notice of its 7th AGM 28 days before the meeting, 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 make necessary arrangement to particular in the virtual AGM as well as vote remotely using the online platform. A 28-day notice was given for the postponed 7th AGM.</p> <p>During the AGM, the Chairman provided ample time for the questions and answers ("Q&A") session and all suggestions and comments given by the shareholders were attended by the Management for consideration. The Company also distributed the administrative details such as the details of the virtual meeting, shareholders' entitlement to participate, right to appoint proxy and information as to who to act as a proxy, steps to participate and vote in the virtual meeting and etc together with the notice of the AGM. The GMD also gave a detailed briefing with slides presentation on the Group's financial performance at the commencement of the AGM. All the written questions raised by the shareholders prior to the meeting were addressed at the AGM as well.</p>

	<p>The Company disseminates Quarterly Report and Corporate Presentation to all research analysts and investors via email communication 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. The Company also provides a separate executive summary together with its Integrated Report, which highlight key financial information to facilitate shareholders' easy access to such key information. Besides announcing through Bursa Securities' website, all significant corporate development involving the Group are made known through press releases to the media.</p> <p>The Group's website has a section dedicated to the shareholders and investor relations which provide detailed information on the Group's businesses and latest developments. Any enquiries on investor related matters can be redirected to the email address of irsuncongroup@sunway.com.my directly or may also be conveyed to the following persons:</p> <ol style="list-style-type: none"> 1. Ms Crystal Teh Head of Investor Relations Tel: (603) 5639 8864 2. Ms Elaine Lai Senior Finance Manager Tel: (603) 5639 9793
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Applied	
Explanation on application of the practice	:	As part of the Group's efforts to improve quality information and communication between the Company and its stakeholders, the Company has adopted integrated reporting in its Annual Report since 2018.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company had served more than 28 days' notice for its 7th AGM which was initially scheduled to be held on 23 June 2021. However, pursuant to the Full Movement Control Order imposed by the Government and its subsequent extensions to curb the spread of COVID-19 and the Companies Commission of Malaysia's Practice Directive 8/2021 on the extension of time for circulation of financial statements and reports, holding of annual general meeting and lodgement of financial statements for companies affected by the implementation of Movement Control Order, the Board had postponed the 7th AGM to 25 August 2021. A 28-day notice was given for the postponed 7th AGM.</p> <p>The notice period given was well in advance of the 21-day requirements under the Companies Act 2016 and the Listing Requirements of Bursa Securities. The additional time given allowed the shareholders to have sufficient time to make an informed decision in exercising their voting rights.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied
Explanation on application of the practice	:	<p>All the Directors of the Company participated at the 7th AGM held virtually on 25 August 2021. The Chairman/ Chairperson of AC, RMC and NRC also attended the AGM and were there to response to questions addressed to them.</p> <p>At the 7th AGM, the GMD gave a detailed presentation on the financial performance of the Group and its achievements for the financial year ended 31 December 2020 as well as its prospects for year 2021.</p> <p>The shareholders were invited to submit their questions online. The Chairman, the GMD and the CFO responded to all the questions raised by the shareholders before all the resolutions were put to vote by way of online polling.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate—

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has started electronic voting instead of voting by show of hands since its 3rd AGM in 2017.</p> <p>In view of the movement restriction order imposed by the Government, the 7th AGM of the Company was conducted fully virtual through live streaming and online remote voting using Remote Participation and Voting (“RPV”) facility. The Scrutineer, BDO Consulting Sdn Bhd (“BDO Consulting”) had previously tested and verified the online poll voting system.</p> <p>All resolutions set out in the notice of the 7th AGM were voted by poll in accordance with Paragraph 8.29A of the Listing Requirements of the Bursa Securities. The Company had appointed its Share Registrar, Sunway Management Sdn Bhd as its poll administrator to conduct the online polling process and BDO Consulting as its independent scrutineer.</p> <p>For shareholders or proxies wishing to participate in the virtual AGM through the RPV, they were required to register themselves at the share registrar’s online portal at www.sunwaymanagement.com.my. Detailed registration procedures have been provided to shareholders in the Company’s Administrative Details for Shareholders intending to login into the AGM portal. Shareholders or proxies were notified via email that his or her registration for the remote participation had been approved. A tutorial video clip on how to access and vote using the online voting platform was uploaded to the Company’s website prior to the AGM. On the meeting day itself, prior to and at the start of the virtual 7th AGM, the tutorial video clip was played again.</p> <p>Shareholders and proxies were allowed to vote online at the beginning of the 7th AGM upon announcement by the Chairman. The calculation of the online polling results was conducted upon completion of the deliberation of all resolutions tabled at the 7th AGM. Prior to the closure of the voting window, shareholders and proxies were given another 5 minutes to vote.</p>

	Once the voting calculation was completed, the results for each resolution was displayed on the screen for viewing by the participants. Upon verification of the voting results by the Scrutineers, the poll results detailing the number of votes cast for and against each resolution were confirmed and signed by the Chairman and the Scrutineers. The Chairman then declared all the resolutions carried based on the results shown on the screen. The voting details for each resolution were then announced to Bursa Securities via Bursa LINK after 5.00 pm on the same day.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>All shareholders were invited to submit their questions to the Board prior to the 7th AGM by emailing to irsuncongroup@sunway.com.my or via the Q&A platform in the Share Registrar's portal.</p> <p>Upon the commencement of the 7th AGM, the Chairman invited the shareholders to submit their questions online using the Q&A platform in the webinar platform. The GMD also gave a detailed slides presentation on the Group's financial performance and achievements made for the financial year ended 31 December 2020. He also provided a briefing on the prospects for each business segments as well as new business the Group would be embarking on. The Chairman provided sufficient time for the Q&A session during the AGM. All questions raised by the shareholders were duly addressed and attended at the AGM by the Board and the Management.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

Application	:	Applied
Explanation on application of the practice	:	<p>The 7th AGM of the Company was conducted fully virtual through live streaming and online remote voting using the RPV facility. The Chairman, the Board and the Management were present virtually in accordance with the Guidance on Conduct of General Meeting for Listed Issuers issued by the Securities Commission of Malaysia.</p> <p>The shareholders were invited to submit their questions prior to the 7th AGM by emailing to irsuncongroup@sunway.com.my or via the Q&A platform in the Share Registrar's portal.</p> <p>During the 7th AGM, the Chairman introduced the members of the Board and Management to the shareholders prior to the commencement of the AGM. In addition, the Chairman also invited the shareholders to submit their questions online in real time during the 7th AGM using the Q&A platform in the webinar platform. All questions were read out either by the Chairman or the GMD.</p> <p>The Board and Management dealt with the questions raised immediately upon completion of the tabling of the last resolution. All the questions raised by the shareholders before and during the AGM were duly addressed by the Board and the Management.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	The Minutes of the 7 th AGM detailing the proceeding of the meetings including the questions raised by the shareholders and the response from the Board and the Management was made available on the Company's website for all shareholders information not later than 30 business days after the 7 th AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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