

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

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SUNWAY CONSTRUCTION GROUP BERHAD

[Registration No. 201401032422 (1108506-W)]
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

in relation to

Part A

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED
NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

Part B

**PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN
SHARES**

Part C

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

AND

EXTRACT OF THE NOTICE OF ANNUAL GENERAL MEETING

The resolutions in respect of the above proposals will be tabled at the Seventh Annual General Meeting (“AGM”) of the Company to be held fully virtual through live streaming and online remote voting at the broadcast venue at Penthouse, Level 20, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on Wednesday, **23 June 2021** at **3.00 p.m.** or any adjournment thereof. The Notice of the 7th AGM, Proxy Form, AGM Administrative Details, Annual Report 2020 and this Circular/Statement can be downloaded at the Company’s website at www.sunwayconstruction.com.my/investor-relations/ under ‘AGM’ section.

Shareholders are encouraged to participate, speak and vote at the AGM using remote participation and electronic voting facility. If you are unable to participate in the AGM, you may appoint a proxy or proxies to participate and vote on your behalf. In such event, you should complete and deposit the Proxy Form at the Registered Office of the Company at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor either by hand, post, electronic mail to sunwaymanagement@sunway.com.my or fax to (603) 5639 9507 not later than 24 hours before the time set for holding the AGM or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from participating and voting at the AGM should you subsequently wish to do so.

The last day and time for lodging the Proxy Form	: Tuesday, 22 June 2021 at 3.00 p.m.
Date and time of the 7 th AGM	: Wednesday, 23 June 2021 at 3.00 p.m.
Meeting Platform	: www.sunwaymanagement.com.my

This Circular is dated 25 May 2021

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

“Act”	: The Malaysian Companies Act 2016 as amended from time to time and any re-enactment thereof
“Adrian Cheah”	: Adrian Cheah Yean Sun
“AGM”	: Annual General Meeting
“Board”	: The Board of Directors of SunCon
“Bursa Securities”	: Bursa Malaysia Securities Berhad (Registration No.: 200301033577 [635998-W])
“Code”	: Malaysian Code on Take-Overs and Mergers 2016 and any amendment thereof
“Dato’ Siow Kim Lun”	: Dato’ Siow Kim Lun @ Siow Kim Lin
“Director”	: Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and for the purpose of the Proposed Shareholders’ Mandate, includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of the Company, its subsidiary or holding company
“Dr Sarinder Kumari”	: Dr Sarinder Kumari A/P Oam Parkash
“EPS”	: Earnings Per Share
“Evan Cheah”	: Evan Cheah Yean Shin
“Gopeng Berhad Group”	: Gopeng Berhad (Registration No.: 198301014072 [109465-X]), its subsidiaries and associated companies.
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time
“LPD”	: 26 April 2021, being the latest practicable date prior to the printing of this Circular/Statement
“Major Shareholder”	: A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of such shares, is – (a) 10% or more of the total number of voting shares in the Company; or (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company

For the purpose of the Proposed Shareholders' Mandate, it includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company or any other company which is its subsidiary or holding company

For the purpose of this definition, "interest in shares" has the meaning given in Section 8 of the Act

“Mandated Related Parties”	: Sunway Group, Sunway Real Estate Investment Trust, Sunway Technology Group, Directors and Major Shareholders of SunCon and its subsidiaries and Persons Connected with them
“NA”	: Net Assets
“Person Connected”	: Shall have the meaning given in Paragraph 1.01, Chapter 1 of the Listing Requirements
“Proposed Shareholders' Mandate” or “Proposal”	: Proposed renewal of existing shareholders' mandate and proposed new shareholders' mandate for RRPT to be entered into by SunCon Group from the date of the forthcoming AGM until the next AGM as set out in paragraph 2D of this Circular
“Proposed Renewal of Share Buy-Back Authority”	: Proposed renewal of authority for the Company to purchase its own shares of up to 10% of the total number of Shares
“Puan Sri Susan Cheah”	Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng
“Related Party”	: Director, Major Shareholder or Person Connected with such Director or Major Shareholder
“Related Party Transaction”	: A transaction entered into by the Company or its subsidiaries which involves the interest, direct or indirect, of a Related Party
“RPV”	: Remote participation and voting facility
“RRPT”	: Related party transactions which are recurrent, of a revenue or trading nature and which are necessary for SunCon Group's day-to-day operations and are in the ordinary course of business
“Sarena Cheah”	: Sarena Cheah Yean Tih
“Share(s)” or “SunCon Share(s)”	: Ordinary share(s) in the Company
“Substantial Shareholder”	: Shall have the meaning given in Section 136 of the Act
“SunCon” or “the Company”	: Sunway Construction Group Berhad (Registration No.: 201401032422 [1108506-W])
“SunCon Group” or “the Group”	: SunCon, its subsidiaries and jointly controlled entities (incorporated and unincorporated)
“Sunway”	: Sunway Berhad (Registration No.: 201001037627 [921551-D])

“Sunway Group”	: Sunway, its subsidiaries and associated companies
“Sunway Technology Group”	: Sunway Technology Sdn Bhd (Registration No.: 199001018410 [210079-H]), its subsidiaries and associated companies
“Tan Sri Jeffrey Cheah”	: Tan Sri Dato’ Seri Dr Jeffrey Cheah Fook Ling AO

All references to “**you**” in this Circular/Statement are to our shareholders.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. References to persons shall include corporations.

Any reference to any enactment in this Circular/Statement is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time or date in this Circular/Statement is a reference to Malaysian time or date, unless otherwise stated.

Any discrepancy in the tables between the amounts listed, actual figures and the totals in this Circular/Statement are due to rounding.

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CONTENTS

PART A

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1.	INTRODUCTION	2
2.	DETAILS OF THE PROPOSAL	3
	A. Part E, Paragraphs 10.08 and 10.09 of Chapter 10 and Practice Note 12 of the Listing Requirements	3
	B. Proposed Shareholders' Mandate	4
	C. Classes of Mandated Related Parties	5
	D. Nature of RRPT	6
	E. Amount due and owing to SunCon Group by Mandated Related Parties	10
	F. Rationale for, and the benefit to, the Group for transacting with Mandated Related Parties	10
	G. Review Procedures for RRPT	11
	H. Audit Committee's Statements	12
3.	INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS AND/OR PERSON CONNECTED WITH THEM	12
4.	CONDITION OF THE PROPOSED SHAREHOLDERS' MANDATE	14
5.	DIRECTORS' RECOMMENDATION	14
6.	AGM	14
7.	FURTHER INFORMATION	15

PART B

STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

1.	INTRODUCTION	17
2.	DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY	17
3.	RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY	19

CONTENTS (cont'd)	Page
<u>PART B (cont'd)</u>	
4. EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY	20
4.1 Share Capital	20
4.2 NA and Working Capital	21
4.3 EPS	21
4.4 Shareholdings of Directors, Major Shareholders, Substantial Shareholders and Person connected with Directors and/or Major or Substantial Shareholders	21
4.5 Dividends	22
4.6 Implication relating to the Code	22
5. SHARE PRICES	23
6. PURCHASES, REALES OR CANCELLATION MADE IN THE PRECEDING 12 MONTHS	23
7. APPROVAL REQUIRED	23
8. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS AND/OR PERSON CONNECTED WITH THEM	24
9. DIRECTORS' RECOMMENDATION	24
10. AGM	24
11. FURTHER INFORMATION	24
<u>PART C</u>	
LETTER TO THE SHAREHOLDERS IN RELATION TO THE PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY	
1. INTRODUCTION	25
2. DETAILS AND RATIONALE OF THE PROPOSED AMENDMENTS	26
3. EFFECT OF THE PROPOSED AMENDMENTS	26
4. APPROVAL REQUIRED	26
5. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS AND/OR PERSON CONNECTED WITH THEM	26
6. DIRECTORS' RECOMMENDATION	26
7. AGM	26

CONTENTS (cont'd)	Page
8. FURTHER INFORMATION	27
APPENDICES	
APPENDIX I FURTHER INFORMATION	28
APPENDIX II PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY	32
EXTRACT OF THE NOTICE OF 7TH AGM	

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PART A

PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE



SUNWAY CONSTRUCTION GROUP BERHAD

(Registration No. 201401032422 [1108506-W])

(Incorporated in Malaysia)

Registered Office:
Level 16, Menara Sunway
Jalan Lagoon Timur
Bandar Sunway
47500 Subang Jaya
Selangor Darul Ehsan

25 May 2021

Board of Directors:

Dato' Ir Goh Chye Koon (*Independent Non-Executive Chairman*)

Dato' Dr Johari Bin Basri (*Senior Independent Non-Executive Director*)

Dato' Siow Kim Lun (*Independent Non-Executive Director*)

Dr Sarinder Kumari (*Independent Non-Executive Director*)

Tan Sri Dato' (Dr) Chew Chee Kin (*Non-Independent Non-Executive Director*)

Evan Cheah Yean Shin (*Non-Independent Non-Executive Director*)

Chung Soo Kiong (*Group Managing Director*)

Liew Kok Wing (*Alternate Director to Chung Soo Kiong*)

To: The Shareholders of the Company

Dear Sir/Madam

PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

Pursuant to Paragraph 10.09 of the Listing Requirements, the Company had procured the shareholders' mandate at its last AGM held on 5 August 2020 for the Company and its subsidiaries, in their normal course of business, to enter into those transactions which are recurrent and of a revenue or trading nature which are necessary for the Group's day-to-day operations as set out in paragraph 2D below, with the Group's Related Parties. The shareholders' mandate will be in force until the conclusion of the forthcoming AGM of the Company, unless the mandate is renewed.

The Board had on 19 April 2021 announced to Bursa Securities that the Company proposes to seek the shareholders' approval for the Proposed Shareholders' Mandate at the forthcoming AGM of the Company.

The purpose of this Circular is to provide you with the details pertaining to the Proposal and to seek your approval for the resolution thereto to be tabled at the forthcoming 7th AGM of the Company to be held fully virtual via live streaming and online remote voting at the broadcast venue at Penthouse, Level 20, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on Wednesday, 23 June 2021 at 3.00 p.m. Please refer to the AGM Administrative Details on the procedures in relation to the registration, participation and voting remotely via the RPV.

YOU ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSAL.

2. DETAILS OF THE PROPOSAL

A. Part E, Paragraphs 10.08 and 10.09 of Chapter 10 and Practice Note 12 of the Listing Requirements

The details of the RRPT of a revenue or trading nature pursuant to Part E, Paragraph 10.09, which should be read in conjunction with Paragraph 10.08 of the Listing Requirements to be dealt with at the forthcoming AGM, are as follows:-

- (a) Under Part E, Paragraph 10.08 (1) to (4) of the Listing Requirements, where transactions are entered into by the Company or its subsidiary(ies) with a Related Party, the Company must make an immediate announcement to Bursa Securities in respect of such transactions where any one of the percentage ratios is 0.25% or more, unless the value of the consideration of the transaction is less than RM500,000 or it is a RRPT.
- (b) For a Related Party Transaction where any one of the percentage ratios is 5% or more, the Company must comply with the following, in addition to (a) above:-
 - (i) send a circular to the shareholders;
 - (ii) obtain the shareholders' approval of the transaction in general meeting; and
 - (iii) appoint an independent adviser who is a corporate finance adviser within the meaning of the Securities Commission's Principal Adviser Guidelines, before the terms of the transaction are agreed upon.

The independent adviser referred to in (iii) above must, in relation to the transaction:-

- (i) comment as to whether the transaction is fair and reasonable so far as the shareholders are concerned and whether the transaction is to the detriment of minority shareholders and such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion;
 - (ii) advise the minority shareholders on whether they should vote in favour of the transaction; and
 - (iii) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice.
- (c) For a Related Party Transaction other than a RRPT where any one of the percentage ratios is 25% or more, in addition to (a) and (b) above, the Company must appoint a main adviser, who is a Principal Adviser within the meaning of the Securities Commission's Principal Adviser Guidelines, before the terms of the transaction are agreed upon, and it shall be the duty and responsibility of the main adviser to:-
 - (i) advise whether such transaction is carried out on fair and reasonable terms and conditions, and not to the detriment of minority shareholders of the Company;
 - (ii) ensure that such transaction complies with the relevant laws, regulations or guidelines, where applicable;
 - (iii) ensure full disclosure of all information required to be disclosed in the announcement and circular to shareholders; and
 - (iv) confirm to Bursa Securities after the transaction has been completed and all the necessary approvals have been obtained, that it has discharged its responsibility with due care in regard to the transaction.

- (d) Under Part E, Paragraph 10.09 of the Listing Requirements, the Company may seek shareholders' mandate in respect of Related Party Transactions involving recurrent transactions of a revenue or trading nature, which are necessary for its day-to-day operations such as supplies of materials, subject to the following:-
- (i) The transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
 - (ii) The shareholders' mandate is subject to annual renewal and disclosure of the aggregate value of such transactions conducted during the financial year where the aggregate value is equal to or more than the threshold prescribed under the Listing Requirements, is made in the annual report;
 - (iii) Issuing of circular to shareholders by the Company for the shareholders' mandate;
 - (iv) In a meeting to obtain shareholders' mandate, the interested Director, Major Shareholder or Persons Connected with a Director or Major Shareholder; and where it involves the interest of the Persons Connected with a Director or Major Shareholder, such Director or Major Shareholder must not vote on the resolution approving the transactions. An interested Director or Major Shareholder must ensure that Persons Connected with him abstain from voting on the resolution approving the transactions; and
 - (v) The listed company immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed company exceeds the estimated value of the RRPT disclosed in the circular by 10% or more.

Where the Company has procured shareholders' mandate pursuant to Paragraph 10.09 of the Listing Requirements, the provisions of Paragraph 10.08 of the Listing Requirements will not apply.

B. Proposed Shareholders' Mandate

The principal activity of the Company is investment holding, whilst its subsidiaries, jointly controlled entity, unincorporated joint ventures and unincorporated consortium are principally involved in the following:

- (i) provision of construction services, comprising:
 - (a) building and civil/infrastructure construction services;
 - (b) foundation and geotechnical engineering services;
 - (c) mechanical, electrical and plumbing services;
 - (d) renewable energy services;
- (ii) manufacturing and sale of precast concrete products in Malaysia and Singapore; and
- (iii) investment holding.

The Board is seeking approval from the shareholders for the Proposed Shareholders' Mandate in respect of RRPT to be entered into by the SunCon Group from the date of the forthcoming AGM to the next AGM. These RRPT are conducted in the ordinary course of business with the Mandated Related Parties and are on normal commercial terms which are not more favourable to the Mandated Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

The Proposed Shareholders' Mandate, if approved by the shareholders at the AGM, will take effect from and including 23 June 2021, being the date of the forthcoming AGM, and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at the next AGM, the Proposal is renewed; or
 - (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - (c) revoked or varied by a resolution passed by the shareholders in general meeting,
- whichever is the earlier.

Thereafter, approval from shareholders will be sought for the Proposal at each subsequent AGM of the Company.

C. Classes of Mandated Related Parties

The Proposal will apply to the following classes of Mandated Related Parties:-

	Mandated Related Parties	Principal Activities
(i)	Sunway Group	The principal activities of Sunway are investment holding and providing management services. The principal activities of its subsidiaries (save for SunCon Group), associates and jointly controlled entities are in the businesses of property development, property investment & real estate investment trust, quarry, building materials, trading and manufacturing, hospitality, leisure and healthcare.
(ii)	Sunway Real Estate Investment Trust	A real estate investment trust where funds from investors are pooled and invested towards a specified goal as set out in the investment objective of the fund, to provide the unitholders with an exposure to a diversified portfolio of authorised investments that will provide stable cash distributions with the potential for sustainable growth of the net asset value per unit.
(iii)	Sunway Technology Group	Investment holding; trading in computer hardware and software and related components; software developers, consultants and advisors and provision of other computer software services; provision of training, information technology and consultancy services; and sale and marketing of internet/broadband services and related products.
(iv)	Gopeng Berhad Group	Cultivation of oil palm, investment holding and deriving income therefrom and property development.
(v)	Directors and Major Shareholders of SunCon and its subsidiaries and Persons Connected with them <i>(collectively referred to as the "Mandated Related Parties")</i>	N/A

D. Nature of RRPT

The types of RRPT which will be covered by the Proposed Shareholders' Mandate are transactions of a revenue or trading nature which are necessary for the day-to-day operations of the SunCon Group and are on terms not more favourable to the Mandated Related Parties than those generally available to the public.

(a) Existing Shareholders' Mandate

Mandated Related Parties	Interested Directors/Major Shareholders/ Persons Connected	Nature of RRPT	Previous estimated value as disclosed in the Circular to Shareholders dated 3 July 2020 ("Estimated Value")	Actual value transacted from the last AGM up to the LPD ("Actual Value")	New estimated value from this AGM to the next AGM ("New Estimated Value")
			RM'000	RM'000	RM'000
Sunway Group	Tan Sri Jeffrey Cheah and Sarena Cheah are Directors and Major Shareholders of Sunway as well as directors in several subsidiaries of Sunway. Tan Sri Dato' (Dr) Chew Chee Kin is a director of Sunway as well as director in several subsidiaries of Sunway. Evan Cheah and Adrian Cheah are Major Shareholders of Sunway as well as directors in several subsidiaries of Sunway. Puan Sri Susan Cheah, Sungei Way Corporation Sdn Bhd and Active Equity Sdn Bhd are the Major Shareholders of Sunway. Sunway Holdings Sdn Bhd is a wholly-owned subsidiary of Sunway. Sunway, Sunway Holdings Sdn Bhd, Tan Sri Jeffrey Cheah, Sarena Cheah, Evan Cheah, Adrian Cheah, Puan Sri Susan Cheah, Sungei Way Corporation Sdn Bhd and Active Equity Sdn Bhd are the Major Shareholders of SunCon. Tan Sri Dato' (Dr) Chew Chee Kin and Evan Cheah are Directors of SunCon.	Construction* and related services, foundation geotechnical engineering, mechanical engineering plumbing, renewable energy and related services	#	607,257	#
		Purchase of building materials, spare parts and subcontract of related construction materials and services	#	67,603	#
		Leasing/rental of premises/properties**	4,000	2,385	4,000
		Charges on recreational club and theme park facilities, time sharing and medical tourism services	1,000	256	1,000
		Hotel and related services	1,000	5	1,000
		Ticketing and tour related services	2,000	140	2,000
		Staff medical and related services	1,000	301	1,000

Mandated Related Parties	Interested Directors/Major Shareholders/ Persons Connected	Nature of RRPT	Previous estimated value as disclosed in the Circular to Shareholders dated 3 July 2020 ("Estimated Value")	Actual value transacted from the last AGM up to the LPD ("Actual Value")	New estimated value from this AGM to the next AGM ("New Estimated Value")
			RM'000	RM'000	RM'000
		Sale of petrol, mini-mart products and related services	-	-	-
		Rental and management of car parks and related services**	700	96	700
		Management fees and related services	22,000	7,499	22,000
		Service fees for human resources, branding, communication, share services for finance and information technology	10,000	4,141	10,000
		Office maintenance and services charges	1,500	44	1,500
		Purchase, rental, maintenance and repair of office equipment, plant and machineries and other related services	#	150	#
		Machinery rental income	500	206	500
		Hire purchase/ lease expense**	1,000	-	1,000
		Financial and treasury related services	2,000	746	2,000
		Other staff benefit services	500	373	500
		Share registration, secretarial and related services	800	160	800
		Car repair, car rental, car park rental, car transfer fee, lubricants, car accessories and related services	600	198	600

Mandated Related Parties	Interested Directors/Major Shareholders/Persons Connected	Nature of RRPT	Previous estimated value as disclosed in the Circular to Shareholders dated 3 July 2020 ("Estimated Value")	Actual value transacted from the last AGM up to the LPD ("Actual Value")	New estimated value from this AGM to the next AGM ("New Estimated Value")
			RM'000	RM'000	RM'000
Sunway Real Estate Investment Trust ("Sunway REIT")	Sunway is a major unitholder of Sunway REIT. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Adrian Cheah, Sungei Way Corporation Sdn Bhd and Active Equity Sdn Bhd, being Major Shareholders of Sunway, also have deemed interests in Sunway REIT via Sunway.	Construction* and related services, foundation geotechnical engineering, mechanical engineering plumbing, renewable energy and related services	#	116,367	#
	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Adrian Cheah, Sungei Way Corporation Sdn Bhd and Active Equity Sdn Bhd are Major Shareholders of SunCon.	Leasing/rental of premises/properties**	2,000	1,313	2,000
Sunway Technology Sdn Bhd and its group of companies	Tan Sri Jeffrey Cheah and Evan Cheah are Directors of Sunway Technology Sdn Bhd. Evan Cheah is also a Director in several subsidiaries of Sunway Technology Sdn Bhd. Tan Sri Jeffrey Cheah and Evan Cheah are major shareholders of Sunway Technology Sdn Bhd via their interest in Active Equity Sdn Bhd. Evan Cheah is a child of Tan Sri Jeffrey Cheah.	Provision of information technology services	2,500	573	2,500
		Purchase of information technology software or hardware	3,000	-	3,000
	Tan Sri Jeffrey Cheah and Evan Cheah are the Major Shareholders of SunCon. Evan Cheah is also a Director of SunCon.				

Notes:

The estimated value of the transactions cannot be determined as the transactions are on project-by-project basis.

* Include inter-alia, construction of civil and building works and precast concrete building contracts.

** The tenures of the premises/properties (and such other new properties that may be rented out to/ by the Group) are of varying length and the rental payment is on a monthly basis

(b) New Shareholders' Mandate

Mandated Related Parties	Interested Directors/Major Shareholders/Persons Connected	Nature of RRPT	Previous estimated value as disclosed in the Circular to Shareholders dated 3 July 2020 ("Estimated Value")	Actual value transacted from the last AGM up to the LPD ("Actual Value")	New estimated value from this AGM to the next AGM ("New Estimated Value")
			RM'000	RM'000	RM'000
Gopeng Berhad Group	Tan Sri Dato' (Dr) Chew Chee Kin, a Director of SunCon, is also a Director of Gopeng Berhad.	Construction* and related services, foundation geotechnical engineering, mechanical engineering plumbing, renewable energy and related services	N/A	-	#

Notes:

The estimated value of the transactions cannot be determined as the transactions are on project-by-project basis.

* *Include inter-alia, construction of civil and building works and precast concrete building contracts.*

E. Amount due and owing to SunCon Group by Mandated Related Parties

The breakdown and ageing analysis of amount due and owing to SunCon Group by the Mandated Related Parties pursuant to the RRPT, which exceeded the credit term for the following periods as at the end of the financial year ended 31 December 2020, are as follows:-

Principal Sum (RM)	Late Payment Interest (RM)	Total Outstanding Amount (RM)	Ageing Analysis (RM)			
			≤ 1 year	> 1 years to 3 years	> 3 years to 5 years	> 5 years
3,658,859	-	3,658,859	1,363,813	2,150,980	144,066	-

There was no late payment interest charged on the outstanding amount owing by the Mandated Related Parties, as the quantum involved is immaterial. The management has and will continue to discuss with the Mandated Related Parties to actively pursue early settlement of the outstanding amount due. The Board is of the opinion that there will be no recoverability issues as the overdue amount is closely monitored by the management and the management is optimistic that the amount is recoverable.

F. Rationale for, and the benefit to, the Group for transacting with Mandated Related Parties

The SunCon Group has a long-standing business relationship with the Mandated Related Parties. The Mandated Related Parties are both good customers of the SunCon Group as well as reliable suppliers of raw materials, goods and services with proven track records required by the SunCon Group for its businesses. The raw materials, goods and services provided by as well as sales made to the Mandated Related Parties are priced competitively and all transactions between the SunCon Group and the Mandated Related Parties are carried out on an arm's length basis and on terms not more favourable to the Mandated Related Parties than those generally available to the public. The raw materials, goods and services can be obtained from the Mandated Related Parties even when short notice is given to them in order to meet the tight orders of the SunCon Group's customers. The SunCon Group can also obtain various products, which are out of the product range of the SunCon Group, from the Mandated Related Parties to meet the orders of its customers. The close cooperation between the SunCon Group and the Mandated Related Parties has reaped mutual benefits and has been and is expected to continue to be beneficial to the businesses of the SunCon Group.

In this regard, the Company would like to seek its shareholders' approval for the Proposed Shareholders' Mandate.

The Proposal is intended to facilitate transactions in the normal course of business of the SunCon Group which are transacted from time to time with the Mandated Related Parties, provided that they are carried out at arm's length and on the SunCon Group's normal commercial terms and are not prejudicial to its shareholders and on terms not more favourable to the Mandated Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

The procurement of the Proposed Shareholders' Mandate on an annual basis would eliminate the need to convene separate general meetings from time to time to seek shareholders' approval as and when potential RRPT with the Mandated Related Parties arise, thereby substantially reducing administrative time and expenses in convening such meetings, without compromising the corporate objectives and business opportunities available to the SunCon Group.

Disclosure will be made in the annual report of the Company of the aggregate value of RRPT conducted pursuant to the Proposed Shareholders' Mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under the Listing Requirements. In making the disclosure, the Company must provide a breakdown of the aggregate value of the RRPT made during the financial year, amongst others, based on the following information:-

- (a) the type of RRPT made; and
- (b) the names of the Mandated Related Parties involved in each type of the RRPT made and their relationship with the Group.

The above disclosure will also be made in the Company's annual report for subsequent financial years during which the shareholders' mandate remains in force.

G. Review Procedures for RRPT

There are procedures established by the SunCon Group to ensure that RRPT are undertaken on an arm's length basis and on the SunCon Group's normal commercial terms and on terms not more favourable to the Mandated Related Parties than those generally available to the public. The terms are consistent with the SunCon Group's usual business practices and policies, which are generally not more favourable to the Mandated Related Parties than those extended to unrelated third parties and are not to the detriment of the minority shareholders.

The SunCon Group's review method and procedures governing RRPT are as follows:-

- (i) At least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison (wherever possible) to determine whether the price and terms offered to/by the Mandated Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there are no unrelated third party vendors/customers of similar products/services, or if the product/service is a proprietary item), the price and terms of the RRPT will be in accordance with applicable industry norms, prevailing commercial rates and at rates not more favourable to the Mandated Related Parties than those generally available to the public and are not detrimental to the Group or the minority shareholders.
- (ii) For the supply of general goods and services, a minimum of 3 quotations, where applicable, shall be obtained every year. Where it is not practical to obtain a minimum of 3 quotations due to logistical and monopolistic constraints, there may be a situation whereby less than 3 quotations will be acceptable. These quotations shall be reviewed in respect of pricing, quality and service level by a team comprising different functional management staff.
- (iii) A list of Mandated Related Parties has been circulated to the Company's subsidiaries to notify that all RRPT are required to be undertaken on an arm's length basis and normal commercial terms and on terms not more favourable to the Mandated Related Parties than those generally available to the public.
- (iv) Records are maintained by the Company to capture all RRPT which are entered into pursuant to the Proposed Shareholders' Mandate.

- (v) All RRPT with value equal to or exceeding RM1 million per transaction or percentage ratio of RRPT is 1% or more of the NA of the Group, whichever is higher, are reviewed and approved by a committee to ensure compliance with the Listing Requirements on RRPT. RRPT with value below the abovementioned threshold are reviewed and authorised by different personnel of managerial level.
- (vi) Where any person(s) has an interest in the transactions to be reviewed, such person(s) shall abstain from deliberation and decision making in respect of that transaction.
- (vii) The annual internal audit plan shall incorporate a review of RRPT entered into pursuant to the Proposed Shareholders' Mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to.
- (viii) The Audit Committee shall review the internal audit report to ascertain that the procedures established to monitor RRPT have been complied with, and the review shall be done at every quarter together with the review of quarterly results.
- (ix) The Board and the Audit Committee have reviewed and shall continue to review the adequacy and appropriateness of the procedures as and when required, with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate.

H. Audit Committee's Statements

With the support and assistance from the Group Internal Audit and the management, the Audit Committee will review the relevant RRPT and also review the established procedures as stated in paragraph 2G above to ascertain that they have been complied with. Further, if during these periodic reviews by the Audit Committee, the Audit Committee is of the view that the procedures as stated above are not sufficient to ensure that the RRPT are on the SunCon Group's normal commercial terms and on terms not more favourable to the Mandated Related Parties than those generally available to the public and will be prejudicial to the shareholders, the Company will revert immediately to its shareholders for a fresh mandate based on new or additional procedures, and in any case before the next transaction is entered into.

The Audit Committee, comprising Dato' Siow Kim Lun (Chairman), Dato' Ir Goh Chye Koon, Dato' Dr Johari Bin Basri and Dr Sarinder Kumari, all of whom are Independent Non-Executive Directors, has reviewed the procedures mentioned in paragraph 2G above and is satisfied that the said procedures are sufficient to ensure that the RRPT will be made with the Mandated Related Parties in accordance with the SunCon Group's normal commercial terms and on terms not more favourable to the Mandated Related Parties than those generally available to the public, and hence, not prejudicial to the shareholders nor disadvantageous to the Company and its subsidiaries and are not to the detriment of the minority shareholders.

The Audit Committee is of the view that the SunCon Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner. These procedures and processes are reviewed annually.

3. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS AND/OR PERSON CONNECTED WITH THEM

As at LPD, the direct and deemed interests of the Directors, Major Shareholders and Persons Connected with Directors and Major Shareholders of SunCon are as follows:-

Interests of the Directors

Name of Directors	No. of Ordinary Shares			
	Direct	%	Deemed	%
Dato' Ir Goh Chye Koon	-	-	5,000 ^h	*
Dato' Siow Kim Lun	-	-	-	-
Dato' Dr Johari Bin Basri	-	-	-	-
Dr Sarinder Kumari	-	-	-	-
Tan Sri Dato' (Dr) Chew Chee Kin	-	-	-	-
Evan Cheah	13,435	*	841,482,318 ^e	65.26
Chung Soo Kiong	46	*	-	-

Interests of the Major Shareholders

Name of Major Shareholders	No. of Ordinary Shares			
	Direct	%	Deemed	%
Sunway Berhad	-	-	703,532,609 ^a	54.56
Sunway Holdings Sdn Bhd [#]	703,532,609	54.56	-	-
Tan Sri Jeffrey Cheah	7,923,892	0.61	833,629,588 ^b	64.65
Puan Sri Susan Cheah	-	-	841,553,480 ^c	65.27
Sarena Cheah	57,727	*	841,482,416 ^d	65.26
Evan Cheah	13,435	*	841,482,318 ^e	65.26
Adrian Cheah	-	-	841,482,318 ^e	65.26
Sungei Way Corporation Sdn Bhd	130,025,817	10.08	703,532,609 ^f	54.56
Active Equity Sdn Bhd	-	-	833,558,426 ^g	64.65

Notes:

* Negligible.

[#] Sunway Holdings Sdn Bhd is a wholly-owned subsidiary of Sunway Berhad.

^a Deemed interest by virtue of Section 8 of the Act held through Sunway Holdings Sdn Bhd.

^b Deemed interest by virtue of Section 8 of the Act held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Sunway Berhad, Sunway Holdings Sdn Bhd and children.

^c Deemed interest held through spouse and children.

^d Deemed interest by virtue of Section 8 of the Act held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Sunway Berhad, Sunway Holdings Sdn Bhd, spouse and parent.

^e Deemed interest by virtue of Section 8 of the Act held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Sunway Berhad, Sunway Holdings Sdn Bhd and parent.

^f Deemed interest by virtue of Section 8 of the Act held through Sunway Berhad and Sunway Holdings Sdn Bhd.

^g Deemed interest by virtue of Section 8 of the Act held through Sungei Way Corporation Sdn Bhd, Sunway Berhad and Sunway Holdings Sdn Bhd.

^h Deemed interest by virtue of Section 8 of the Act held through Affin Hwang Trustee Berhad GCK Family Trust.

Interests of the Interested Persons Connected to Directors and Major Shareholders

Name of Persons Connected	No. of Ordinary Shares			
	Direct	%	Deemed	%
Tan Yit Chong	98	*	57,727 [#]	*

Notes:

* Negligible

[#] Deemed interest held through spouse, Sarena Cheah.

The interested Directors, namely Tan Sri Dato' (Dr) Chew Chee Kin and Evan Cheah are deemed interested in the Proposal. Accordingly, they have abstained and will continue to abstain from Board deliberations and voting on the Proposal in respect of their direct and/or indirect shareholdings in SunCon, if any, at the AGM to be convened.

The interested Major Shareholders, namely Tan Sri Jeffrey Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation Sdn Bhd, and Sunway Holdings Sdn Bhd will abstain from voting on the Proposal at the AGM to be convened, in respect of their direct and/or indirect shareholdings in SunCon.

Tan Yit Chong (the spouse of Sarena Cheah), being Person Connected with the Major Shareholders, will abstain from voting on the Proposal at the AGM, in respect of his direct and/or indirect shareholdings in SunCon.

In addition, the interested Directors and Major Shareholders will ensure that Persons Connected with them will abstain from voting, deliberating and approving the Proposal in respect of their direct and/or indirect shareholdings in SunCon at the AGM.

Save as disclosed above, none of the other Major Shareholders of SunCon or Persons Connected with them has any interest, directly or indirectly in the Proposal.

4. CONDITION OF THE PROPOSAL

The Proposal is conditional upon the approval of the shareholders of SunCon being obtained at the forthcoming AGM.

5. DIRECTORS' RECOMMENDATION

The Directors who are deemed interested in respect of the RRPT under Section 2D of this Circular, have abstained from expressing an opinion and making any recommendation to the shareholders in respect thereof.

The Board (except for Tan Sri Dato' (Dr) Chew Chee Kin and Evan Cheah who are deemed interested in the Proposal), having considered all aspects of the Proposal, is of the opinion that the Proposal is in the best interest of the Company and recommends that you vote in favour of the resolution pertaining to the Proposal to be tabled at the forthcoming AGM.

6. AGM

The 7th AGM, the notice of which is set out in the Company's website and an extract of which in relation to the Proposal is also enclosed in this Circular, will be held fully virtual at the broadcast venue at Penthouse, Level 20, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on Wednesday, 23 June 2021 at 3.00 p.m. for the purpose of considering and, if thought fit, passing the resolution to give effect to the Proposal pursuant to the agenda of Special Business as detailed in the Notice of 7th AGM.

The Proxy Form for the 7th AGM can be downloaded at the Company's website at www.sunwayconstruction.com.my, which you are urged to complete and deposit at the Registered Office of the Company at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan not less than 24 hours before the time set for the 7th AGM or any adjournment thereof. The lodging of the Proxy Form will not preclude you from participating and voting at the 7th AGM to be held virtually via live streaming should you subsequently wish to do so.

7. FURTHER INFORMATION

You are requested to refer to Appendix I contained in this Circular for further information.

Yours faithfully

For and on behalf of the Board of Directors

SUNWAY CONSTRUCTION GROUP BERHAD

Dato' Ir Goh Chye Koon

Independent Non-Executive Chairman

PART B

**PROPOSED RENEWAL OF AUTHORITY FOR THE
COMPANY TO PURCHASE ITS OWN SHARES**



SUNWAY CONSTRUCTION GROUP BERHAD

(Registration No. 201401032422 [1108506-W])

(Incorporated in Malaysia)

STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

1. INTRODUCTION

At the 6th AGM of the Company held on 5 August 2020, the Board obtained the shareholders' approval for the authority to purchase its own shares of up to a maximum of ten percent (10%) of the issued and paid-up share capital of the Company. This authority which took effect upon the passing of the ordinary resolution, will expire at the conclusion of the forthcoming 7th AGM of the Company unless it is renewed.

The Company had on 19 April 2021 announced to Bursa Securities that it proposes to seek the approval of its shareholders at the forthcoming 7th AGM for the Proposed Renewal of Share Buy-Back Authority.

The purpose of this Statement is to provide you with details pertaining to the Proposed Renewal of Share Buy-Back Authority and to seek your approval for the resolution thereto to be tabled at the forthcoming AGM of the Company to be held fully virtual via live streaming and online remote voting at the broadcast venue at Penthouse, Level 20, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on Wednesday, 23 June 2021 at 3.00 p.m. Please refer to the AGM Administrative Details on the procedures in relation to the registration, participation and voting remotely via the Remote Participation and Voting facility.

YOU ARE ADVISED TO READ THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY.

2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Board of SunCon proposes to seek the approval from the shareholders of the Company to purchase and/or hold its own shares of up to a maximum of 10% of the total number of issued shares of the Company at any point in time subject to compliance with Section 127 of the Act, the Listing Requirements and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of purchase.

For illustration, based on the issued share capital of the Company as at LPD is RM258,580,002 comprising 1,292,900,010 Shares (inclusive of 3,540,900 treasury shares), the maximum number of shares which may be purchased by the Company shall not exceed 129,290,001. The purchase of own shares will be carried out on Bursa Securities through an appointed stockbroker.

The Listing Requirements stipulates that the Proposed Renewal of Share Buy-Back Authority must be made wholly out of retained profits of the listed company. Accordingly, the Board proposes to allocate an amount of up to the retained profits of the Company for the Proposed Renewal of Share Buy-Back Authority subject to compliance with Section 127 of the Act, the Listing Requirements and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of purchase. The audited retained profits of the Company as at 31 December 2020 is RM265.5 million.

The SunCon Shares purchased by the Company may be dealt with by the Directors in accordance with Section 127 of the Act in the following manner:-

- (i) to cancel the SunCon Shares so purchased; or
- (ii) to retain the SunCon Shares so purchased as treasury shares for:
 - (a) distribution as dividends to the shareholders of the Company;
 - (b) re-sell on Bursa Securities in accordance with the relevant rules of the Stock Exchange;
 - (c) transfer for the purposes of or under an employees' share scheme;
 - (d) transfer as purchase consideration;
 - (e) cancellation; or
 - (f) sell, transfer or otherwise use for such other purpose as the Minister may by order prescribe.
- (iii) to retain part of the SunCon Shares so purchased as treasury shares and cancel the remainder.

The holder of the treasury shares shall not be conferred the right to attend or vote at meetings and the right to receive dividends or other distribution, whether cash or otherwise, of the Company's assets including any distribution of assets upon winding up of the Company. The treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

If the Company decides to cancel the shares purchased, it is required to make an immediate announcement on the day the cancellation is made providing the number of shares cancelled, the date of cancellation and the outstanding issued share capital of the Company after the cancellation. In the event the Company retains the shares purchased as treasury shares, the said shares may be dealt with in the manner as stated in accordance with Section 127(7) of the Act.

The approval from the shareholders for the Proposed Renewal of Share Buy-Back Authority would be effective immediately upon the passing of the ordinary resolution for the Proposed Renewal of Share Buy-Back Authority until:-

- (a) the conclusion of the next AGM of the Company at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

Pursuant to the Listing Requirements, the Company may only purchase its own shares at a price which is not more than 15% above the weighted average market price of SunCon Shares for the past 5 market days immediately before the purchase(s). Under Paragraph 12.18 of the Listing Requirements, the Company may only resell the purchased shares held as treasury shares at:-

- (a) a price which is not less than the weighted average market price of SunCon Shares for the 5 market days immediately before the resale; or
- (b) a discounted price of not more than 5% to the weighted average market price of SunCon Shares for the 5 market days immediately before the resale provided that:-
 - (i) the resale takes place not earlier than 30 days from the date of purchase; and
 - (ii) the resale price is not less than the cost of purchase of the shares being resold.

The Proposed Renewal of Share Buy-Back Authority will allow the Directors to purchase SunCon Shares at any time within the abovementioned time period using the funds of the SunCon Group. The aforesaid funds will be sourced from both internally generated funds of the SunCon Group and/or external borrowings, the portion of which to be utilised will depend on the actual number of SunCon Shares to be purchased, the price of SunCon Shares and the availability of funds at the time of the purchase(s). If borrowings are used for the Proposed Renewal of Share Buy-Back Authority, the Company will experience a decline in its net cash flow to the extent of the interest costs associated with such borrowings but the Board does not foresee any difficulty in repayment of borrowings, if any, used for the Proposed Renewal of Share Buy-Back Authority. Based on the audited consolidated financial statements as at 31 December 2020, the Group has a net borrowing position of approximately RM100.8 million.

The actual number of SunCon Shares to be purchased, the total amount of funds involved for each purchase and the timing of the purchase(s) will depend on the market conditions and sentiments of the stock market, the available financial resources of the Group and the amount of retained profits of the Company.

The public shareholding spread of the Company based on the Record of Depositors as at LPD was approximately 34.68%. If the Proposed Renewal of Share Buy-Back Authority is implemented in full i.e. up to 10% of the SunCon Shares are purchased from the public entirely and all the Shares purchased are either cancelled or held as treasury shares, and assuming the shareholdings of the Directors, substantial shareholders or persons connected with the Directors and/or substantial shareholders remain the same, the public shareholding spread of the Company is expected to be approximately 27.62%. The Company, in implementing the Proposed Renewal of Share Buy-Back Authority, will be mindful in ensuring that the minimum public shareholding spread of 25% is met and maintained.

3. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Share Buy-Back Authority will enable the Company to utilise its financial resources not immediately required for use, to purchase its own Shares. The Proposed Renewal of Share Buy-Back Authority may enhance the EPS and reduce the liquidity level of the SunCon Shares in Bursa Securities, which generally will have a positive impact on the market price of the SunCon Shares.

The potential advantages of the Proposed Renewal of Share Buy-Back Authority to the Company and its shareholders are as follows:-

- (a) allows the Company to take preventive measures against speculation particularly when its Shares are undervalued which would in turn stabilise the market price of SunCon Shares and hence, enhance investors' confidence;

- (b) allows the Company flexibility in achieving the desired capital structure, in terms of the debt and equity composition and the size of equity; and
- (c) as the SunCon Shares bought back by the Company will be cancelled, shareholders of the Company are likely to enjoy an increase in the value of their investment in the Company as the net EPS of the Company will increase.

The potential disadvantages of the Proposed Renewal of Share Buy-Back Authority to the Company and its shareholders are as follows:-

- (a) the Proposed Renewal of Share Buy-Back Authority will reduce the financial resources of the SunCon Group and may result in the SunCon Group foregoing better investment opportunities that may emerge in future; and
- (b) as the Proposed Renewal of Share Buy-Back Authority can only be made out of retained profits and/or share premium of the Company, it may result in the reduction of financial resources available for distribution to shareholders in the immediate future.

The Proposed Renewal of Share Buy-Back Authority, if exercised, will reduce the financial resources of the Company, but since the amount is not substantial, it will not affect the furtherance of the Company's business or payment of dividends. Nevertheless, the Board will be mindful of the interest of the Company and its shareholders in undertaking the Proposed Renewal of Share Buy-Back Authority and in the subsequent cancellation of the SunCon Shares purchased.

4. EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The effects of the Proposed Renewal of Share Buy-Back Authority and the implication relating to the Code are as follows:-

4.1 Share Capital

The effect of the Proposed Renewal of Share Buy-Back Authority on the issued share capital of the Company assuming that the maximum number of SunCon Shares (of up to 10% of the total number of issued shares) authorised under the Proposed Renewal of Share Buy-Back Authority are purchased and cancelled, is as set out below:-

	Number of SunCon Shares
Number of issued shares as at LPD	1,292,900,010
Assuming SunCon Shares purchased are cancelled (up to 10% of the issued and paid-up share capital)	(129,290,001)
	<u>1,163,610,009</u>

On the other hand, if the SunCon Shares purchased are retained as treasury shares, the Proposed Renewal of Share Buy-Back Authority will not affect the issued and paid-up share capital of the Company but the rights attached to them in relation to voting, dividends or other distribution, whether cash or otherwise, of the Company's assets including any distribution of assets upon winding up of the Company, will be suspended. The treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on the resolution at a meeting.

4.2 NA and Working Capital

The effect of the Proposed Renewal of Share Buy-Back Authority on the NA of the SunCon Group will depend on the purchase price(s) of the SunCon Shares and the effective funding cost to the SunCon Group to finance the purchase of SunCon Shares or any loss in interest income to the Company.

In the event that all the SunCon Shares are cancelled, the Proposed Renewal of Share Buy-Back Authority would reduce the NA of the SunCon Group when the purchase price per SunCon Share exceeds the NA per SunCon Share at the relevant point in time, and vice versa.

The Proposed Renewal of Share Buy-Back Authority will reduce the working capital of the SunCon Group, the quantum of which will depend on the purchase price(s) of the SunCon Shares and the number of SunCon Shares purchased.

The NA per SunCon Share will decrease if the purchased Shares are retained as treasury shares due to the requirement for treasury shares to be carried at cost and be offset against equity, resulting in a decrease in the NA by the cost of the treasury shares. If the treasury shares are resold on Bursa Securities, the NA per SunCon Share will increase if the Company realises a gain from the resale, and vice versa. If the treasury shares are distributed as share dividends, the NA per SunCon Share will decrease by the cost of the treasury shares.

4.3 EPS

The effect of the Proposed Renewal of Share Buy-Back Authority on the EPS of the SunCon Group will depend on the purchase price(s) of the SunCon Shares and the effective funding cost to the SunCon Group to finance the purchase of SunCon Shares or any loss in interest income to the Company.

Assuming the SunCon Shares purchased are retained as treasury shares and resold, the effects on the EPS of the SunCon Group will depend on the actual selling price, the number of treasury shares resold and the effective gain or interest savings arising from the exercise.

If the SunCon Shares so purchased are cancelled, the Proposed Renewal of Share Buy-Back Authority will increase the EPS of the SunCon Group provided the income forgone and/or interest expense incurred on the SunCon Shares purchased is less than the EPS before the Proposed Renewal of Share Buy-Back Authority.

4.4 Shareholdings of Directors, Major Shareholders, Substantial Shareholders and Persons connected with Directors and/or Major or Substantial Shareholders

Based on the Registers of Directors' Shareholdings and Substantial Shareholders' Shareholdings as at LPD and assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full (i.e. up to 10% of the issued and paid-up share capital) and that the SunCon Shares purchased are from shareholders other than the existing Directors, Major Shareholders, Substantial Shareholders and Persons connected to Directors and/or Major or Substantial Shareholders, the effect of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the existing Directors, Major Shareholders, Substantial Shareholders and Persons connected to Directors and/or Major or Substantial Shareholders by virtue of Section 127 of the Act are set out below:-

	Before Proposed Renewal of Share Buy-Back Authority				After Proposed Renewal of Share Buy-Back Authority			
	Direct		Deemed		Direct		Deemed	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Director and Major Shareholder								
Evan Cheah	13,435	*	841,482,318 ^(e)	65.26	13,435	*	841,482,318 ^(e)	72.32
Directors								
Dato' Ir Goh Chye Koon	-	-	5,000 ^(h)	*	-	-	5,000 ^(h)	*
Dato' Siow Kim Lun	-	-	-	-	-	-	-	-
Dato' Dr Johari Bin Basri	-	-	-	-	-	-	-	-
Dr Sarinder Kumari	-	-	-	-	-	-	-	-
Tan Sri Dato' (Dr) Chew Chee Kin	-	-	-	-	-	-	-	-
Chung Soo Kiong	46	*	-	-	46	*	-	-
Substantial Shareholder								
Employees Provident Fund Board	116,426,843	9.03	-	-	116,426,843	10.01	-	-
Major Shareholders								
Sunway Berhad	-	-	703,532,609 ^(a)	54.56	-	-	703,532,609 ^(a)	60.46
Sunway Holdings Sdn Bhd	703,532,609	54.56	-	-	703,532,609	60.46	-	-
Tan Sri Jeffrey Cheah	7,923,892	0.61	833,629,588 ^(b)	64.65	7,923,892	0.68	833,629,588 ^(b)	71.64
Puan Sri Susan Cheah	-	-	841,553,480 ^(c)	65.27	-	-	841,553,480 ^(c)	72.32
Sarena Cheah	57,727	*	841,482,416 ^(d)	65.26	57,727	*	841,482,416 ^(d)	72.32
Adrian Cheah	-	-	841,482,318 ^(e)	65.26	-	-	841,482,318 ^(e)	72.32
Sungei Way Corporation Sdn Bhd	130,025,817	10.08	703,532,609 ^(f)	54.56	130,025,817	11.17	703,532,609 ^(f)	60.46
Active Equity Sdn Bhd	-	-	833,558,426 ^(g)	64.65	-	-	833,558,426 ^(g)	71.64

Notes:

* Negligible

(a) Deemed interest by virtue of Section 8 of the Act held through Sunway Holdings Sdn Bhd.

(b) Deemed interest by virtue of Section 8 of the Act held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Sunway Berhad, Sunway Holdings Sdn Bhd and children.

(c) Deemed interest held through spouse and children.

(d) Deemed interest by virtue of Section 8 of the Act held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Sunway Berhad, Sunway Holdings Sdn Bhd, spouse and parent.

(e) Deemed interest by virtue of Section 8 of the Act held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Sunway Berhad, Sunway Holdings Sdn Bhd and parent.

(f) Deemed interest by virtue of Section 8 of the Act held through Sunway Berhad and Sunway Holdings Sdn Bhd.

(g) Deemed interest by virtue of Section 8 of the Act held through Sungei Way Corporation Sdn Bhd, Sunway Berhad and Sunway Holdings Sdn Bhd.

(h) Deemed interest by virtue of Section 8 of the Act held through Affin Hwang Trustee Berhad GCK Family Trust.

4.5 Dividends

The Proposed Renewal of Share Buy-Back Authority may reduce the cash available, which may otherwise be used for the dividend payment. Nonetheless, if SunCon Shares so purchased are retained as treasury shares, the treasury shares may be distributed as dividends to shareholders of the Company if the Company so decided.

4.6 Implication relating to the Code

If the Proposed Renewal of Share Buy-Back Authority results in the equity interest of any one of the substantial shareholders and their respective parties acting in concert obtain control in the Company or if his/their existing shareholdings is between 33% to 50% and increases by more than 2% in any 6 months period, the affected substantial shareholder and parties acting in concert would be obliged to undertake a mandatory offer for the remainder SunCon Shares not held by

the said affected substantial shareholder and parties acting in concert pursuant to the Code. However, a waiver to undertake a mandatory offer may be granted by the Securities Commission under the Code, subject to the affected substantial shareholder and parties acting in concert complying with certain conditions.

In this respect, the Board will be mindful of the potential implications relating to the Code. In the event that the obligations relating to the Code are expected to be triggered as a result of the Proposed Renewal of Share Buy-Back Authority, which is an action outside its direct participation, the affected substantial shareholder and parties acting in concert will apply to the Securities Commission for an exemption from undertaking the mandatory offer under the Code.

5. SHARE PRICES

The monthly highest and lowest prices of SunCon Shares traded on Bursa Securities for the last 12 months from April 2020 to March 2021 are as follows:-

<u>Month</u>	<u>High (RM)</u>	<u>Low (RM)</u>
<u>2020</u>		
April	1.90	1.50
May	2.00	1.78
June	2.01	1.82
July	2.00	1.86
August	2.01	1.70
September	1.98	1.76
October	1.90	1.77
November	1.98	1.73
December	2.00	1.86
<u>2021</u>		
January	1.93	1.54
February	1.69	1.50
March	1.90	1.65

The last transacted price of SunCon Shares on LPD was RM1.78.

(Source: Bloomberg)

6. PURCHASES, REALES OR CANCELLATION MADE IN THE PRECEDING 12 MONTHS

The Company did not purchase its own Shares in the preceding 12 months.

As at the date of this Circular, the Company had purchased a total number of 3,540,900 Shares and all the Shares are retained as treasury shares. The Company has neither made any resale nor any cancellation of its treasury shares.

7. APPROVAL REQUIRED

The Proposed Renewal of Share Buy-Back Authority is conditional upon the approval of the shareholders of SunCon at the forthcoming AGM.

8. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS AND/OR PERSON CONNECTED WITH THEM

None of the Directors and/or Major Shareholders of SunCon or Persons Connected with them has any interest, directly or indirectly in the Proposed Renewal of Share Buy-Back Authority.

9. DIRECTORS' RECOMMENDATION

The Board is of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of the Company. As such, the Directors recommend that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming AGM.

10. AGM

The 7th AGM, the notice of which is set out in the Company's website and an extract of which in relation to the Proposed Renewal of Share Buy-Back Authority is also enclosed in this Circular, will be held fully virtual at the broadcast venue at Penthouse, Level 20, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on Wednesday, 23 June 2021 at 3.00 p.m. for the purpose of considering and, if thought fit, passing the resolution to give effect to the Proposed Renewal of Share Buy-Back Authority pursuant to the agenda of Special Business as detailed in the Notice of 7th AGM.

The Proxy Form for the 7th AGM can be downloaded at the Company's website at www.sunwayconstruction.com, which you are urged to complete and deposit at the Registered Office of the Company at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan not less than 24 hours before the time set for the 7th AGM or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting at the 7th AGM to be held virtually via live streaming should you subsequently wish to do so.

11. FURTHER INFORMATION

Shareholders are requested to refer to Appendix I contained in this Circular for further information.

Yours faithfully

For and on behalf of the Board of Directors

SUNWAY CONSTRUCTION GROUP BERHAD

Dato' Ir Goh Chye Koon

Independent Non-Executive Chairman



SUNWAY CONSTRUCTION GROUP BERHAD

(Registration No. 201401032422 [1108506-W])

(Incorporated in Malaysia)

Registered Office:
Level 16, Menara Sunway
Jalan Lagoon Timur
Bandar Sunway
47500 Subang Jaya
Selangor Darul Ehsan

25 May 2021

Board of Directors:

Dato' Ir Goh Chye Koon (*Independent Non-Executive Chairman*)
Dato' Dr Johari Bin Basri (*Senior Independent Non-Executive Director*)
Dato' Siow Kim Lun (*Independent Non-Executive Director*)
Dr Sarinder Kumari (*Independent Non-Executive Director*)
Tan Sri Dato' (Dr) Chew Chee Kin (*Non-Independent Non-Executive Director*)
Evan Cheah Yean Shin (*Non-Independent Non-Executive Director*)
Chung Soo Kiong (*Group Managing Director*)
Liew Kok Wing (*Alternate Director to Chung Soo Kiong*)

To: The Shareholders of the Company

Dear Sir/Madam

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

1. INTRODUCTION

The Company had on 19 April 2021, announced to Bursa Securities that it proposes to seek the approval of its shareholders at the forthcoming 7th AGM for the proposed amendments to the Constitution of the Company ("**Proposed Amendments**").

The purpose of this Circular is to provide you with the relevant information on the Proposed Amendments and to seek your approval for the special resolution thereto to be tabled at the forthcoming 7th AGM of the Company.

YOU ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE SPECIAL RESOLUTION PERTAINING TO THE PROPOSED AMENDMENTS.

2. DETAILS AND RATIONALE FOR THE PROPOSED AMENDMENTS

The Proposed Amendments is to standardise the wording and to facilitate the receipt of proxy form in respect of the Company's general meeting via any form of transmission as specified by the Company from time to time, including but not limited to electronic or digital means.

The Proposed Amendments is set out in Appendix II of this Circular.

3. EFFECTS OF THE PROPOSED AMENDMENTS

The Proposed Amendments will not have any effect on the issued share capital of the Company and shall not have any material effect on the substantial shareholding, NA, gearing and EPS of the Company.

4. APPROVAL REQUIRED

The Proposed Amendments is subject to the approval of the shareholders of SunCon at the forthcoming AGM.

5. INTEREST OF DIRECTORS AND MAJOR SHAREHOLDERS AND/OR PERSON CONNECTED WITH THEM

None of the Directors and/or Major Shareholders of SunCon or Person Connected with them has any interest, directly or indirectly in the Proposed Amendments.

6. DIRECTORS' RECOMMENDATION

The Board is of the opinion that the Proposed Amendments is in the best interest of the Company. As such, the Directors recommend that you vote in favour of the special resolution pertaining to the Proposed Amendments to be tabled at the forthcoming AGM.

7. AGM

The 7th AGM, the notice of which is set out in the Company's website and an extract of which in relation to the Proposed Amendments is also enclosed in this Circular, will be held fully virtual at the broadcast venue at Penthouse, Level 20, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on Wednesday, 23 June 2021 at 3.00 p.m. for the purpose of considering and, if thought fit, passing the resolution to give effect to the Proposed Amendments pursuant to the agenda of Special Business as detailed in the Notice of 7th AGM.

The Proxy Form for the 7th AGM can be downloaded at the Company's website at www.sunwayconstruction.com, which you are urged to complete and deposit at the Registered Office of the Company at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan not less than 24 hours before the time set for the 7th AGM or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting at the 7th AGM to be held virtually via live streaming should you subsequently wish to do so.

8. FURTHER INFORMATION

Shareholders are requested to refer to Appendix II contained in this Circular for further information.

Yours faithfully
For and on behalf of the Board of Directors
SUNWAY CONSTRUCTION GROUP BERHAD

Dato' Ir Goh Chye Koon
Independent Non-Executive Chairman

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY

This Circular has been seen and approved by the Directors of SunCon and they individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no facts, the omission of which would make any statement herein misleading.

2. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business) entered into by SunCon and its subsidiaries within the past 2 years preceding the LPD.

3. MATERIAL LITIGATION

Save as disclosed below, neither SunCon nor any of its subsidiaries is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Directors of SunCon do not have any knowledge of any proceedings, pending or threatened, against SunCon and/or its subsidiaries or of any facts likely to give rise to any proceedings which may materially affect the financial position or business of SunCon and/or its subsidiaries:-

- (a) On 4 September 2008, the solicitors of Sunway Construction Sdn Bhd (“SCSB”) had been served with a Statement of Claim (“**Statement of Claim**”) by Shristi Infrastructure Development Corporation Ltd (“**Claimant**”).

Pursuant to an agreement signed between SunCon and the National Highway Authority of India for the rehabilitation and upgrading of NH-25 to a four-lane configuration in the state of Uttar Pradesh being a part of the East-West Corridor Project, SunCon had entered into a work order with the Claimant for the upgrading and rehabilitation of the stretch of NH-25 from 143.6 km to 170.0 km, of which the Claimant has provided two bank guarantees (“**Bank Guarantees**”) to SunCon.

The Claimant has failed to carry out its obligations under the work order and SunCon has terminated the work order and cashed the Bank Guarantees. The Claimant had filed an application in the Supreme Court of India for the appointment of an arbitrator to arbitrate upon the disputes. The Supreme Court had appointed the late Mr H.L. Agarwal as the sole arbitrator.

The Statement of Claim was raised in respect of various claims and the total amount claimed is Rs.89,14,55,047.83 in addition to interest and cost.

In the counterclaim, SunCon is seeking for Rs.78,13,94,628.61 for inter alia, additional costs incurred by SunCon to complete the works, recovery of mobilisation advance and interest charges, loss of reputation and loss of profits.

On 11 January 2013, the arbitrator that presided over the case passed away and 75 hearings had been held.

SunCon was notified by its solicitors that an arbitration petition has been filed by Shristi on 7 January 2016 in the Supreme Court of India for the appointment of a new arbitrator. The

Supreme Court of India by an order dated 5 January 2017 appointed Hon'ble Mr Justice Vikramajit Sen (a former Judge of the Supreme Court of India) as arbitrator. The first hearing before Mr Justice Vikramajit Sen was held on 24 February 2017 and cross examination has been completed on 7 October 2017.

The Arbitrator published his award on 9 April 2019 and awarded the Claimant Rs. 12,84,41,929.37.

SunCon has filed an appeal with the High Court of New Delhi in early July 2019 to set aside the arbitral award. Shristi has also filed an execution application against SunCon for enforcement of the arbitral award.

On 10 February 2020, the Honorable Court has directed SunCon to deposit, on a without prejudice basis, the decretal amount with interest with the Registrar General of the High Court of Delhi. SunCon has deposited Rs 13,56,77,784.64 on 26 February 2020 and the amount has been fully provided in the accounts on prudence grounds. Subject to compliance of the said direction, the Honorable Court has stayed the Arbitral Award dated 9 April 2019. The matter has now been fixed for hearing on 2 June 2021.

The Claimant filed an application in the High Court of Delhi to permit the Claimant to withdraw the decretal amount deposited by SunCon on 4 March 2020 for release of Rs. 6,72,89,597 from the deposited Award Amount.

On 27 August 2020, the Court directed the release of Rs.6,71,95,972 on the basis of a corporate guarantee to the furnished by Srei Infrastructure Finance Ltd. The balance is to be released subject to furnishing of a bank guarantee. On 3 November 2020, the court place on record the corporate guarantee issued on 21 September 2020 and directed the registry to release the amount in terms of the Court order dated 27 August 2020. On 18 November 2020, Shristi withdrew their application for withdrawal without a bank guarantee and it has been dismissed accordingly.

- (b) SunCon was awarded a contract for the execution of the rehabilitation and upgrading of km 406 to km 449.15 of highway NH-76 in the State of Rajasthan, India to four-lane configuration ("NH-76 Highway Project") by the National Highways Authority ("NHA") in 2005. SunCon commenced separate arbitration proceedings against NHA on various disputes arising from the NH-76 Highway Project (each, a "Reference"). The following sets out the nature of SunCon's claims and the current status of the proceedings:

- (i) Reference 1 – In November 2009, SunCon claimed against NHA for the payment of the completed construction of fly ash for the highway embankment. The Arbitral Tribunal had, via an award dated 28 June 2011, awarded SunCon a sum of Rs.4,30,90,350.00. NHA appealed against the Arbitral Tribunal's decision to the High Court of Delhi. In 2012, the High Court ruled in favor of NHA and set aside SunCon's award.

SunCon appealed to the Supreme Court of India and was granted leave of appeal. Next date of hearing date fixed on 27 March 2020. The scheduled hearing was subsequently postponed until further notice due to the "COVID-19" pandemic. The solicitors acting for SunCon is of the view that SunCon has a good case on the merits and would depend on the perceptions of the Supreme Court.

- (ii) Reference 4 – In November 2012, SunCon claimed against NHA for the loss and expenses incurred during the extended project year which was due to NHA's delay. The Arbitral Tribunal had, via an award dated 29 April 2014, awarded SunCon a sum of Rs.31,03,47,836.00.

NHA appealed against the Arbitral Tribunal's award to the High Court. The case is now further adjourned to 14 October 2020 and due to "COVID-19" pandemic it was further adjourned to 1 June 2021.

The solicitors acting for SunCon, after taking into consideration of the narrow scope of challenge to the arbitral awards as permissible under the Indian Arbitration and Conciliation Act 1996, is of the view that SunCon has a high chance of success.

On 3 June 2020, SunCon has issued a letter to NHA with the intention to explore the possibility of an amicable resolution of the disputes with NHA through the mechanism of Conciliation Committee of Independent Experts ("CCIE"). We have selected our preferred CCIE panel but NHA has inclined for us to change our preferred panel as this selected panel schedule is full. We have written in to inform our decision to maintain our CCIE panel.

- (c) PNSB Acmar Sdn Bhd ("Plaintiff") has on 14 November 2019 served a Writ of Summon and a Statement of Claim both dated 8 November 2019 on Prasarana Malaysia Berhad ("Prasarana") (1st Defendant) and Sunway Construction Sdn Bhd ("SunCon") (2nd Defendant).

The Plaintiff is claiming that all the construction works in relation to the project known as "Construction and Completion of Light Rail Transit Line 3 (LRT3) from Bandar Utama to Johan Setia" ("Project") and the structures such as the Project's poles, bars, and LRT stations had trespassed and/or encroached into the Plaintiff's own development project area and has resulted in losses and damages towards the Plaintiff.

Prasarana is the owner of the Project and SunCon is the awarded Works Package Contractor for the contract known as "Contract No. Prasarana/GSC/CTT/2.06080/2017: Construction and Completion of Guideway, Stations Iconic Bridge, Park and Rides, Ancillary Buildings and other Associated Works for Package GS07-08 for Light Rail Transit 3 (LRT3) from Bandar Utama to Johan Setia" in relation to the Project.

The Plaintiff is claiming, amongst other, for the following:-

- (i) Special damages of RM711,367,434.46
- (ii) The costs between the solicitor and client amounts to RM400,000.00
- (iii) Interest rate of 5% per year from the date of trespass i.e. 30 April 2018 until the full settlement; and
- (iv) Court's declarations, injunctions, orders and other reliefs that the Honorable Court deems fit and proper.

On the case management on 5 March 2020, the Court had directed SunCon to file the application to strike out the case by 19 March 2020. On 30 October 2020, the striking out application by Prasarana and SunCon is dismissed and matter is to proceed for full trial. On 9 December 2020, the Plaintiff filed an application for discovery against the Defendants. The matter was initially fixed for hearing on 23 April 2021. Subsequently, the Court has fixed the decision for application for discovery on 10 May 2021 and is awaiting for final decision. On 19 February 2021, SunCon filed applications to include MRCB George Kent Sdn Bhd as co-defendant and third party to the suit. The applications have been scheduled for hearing on 25 June 2021.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal office hours on Mondays to Fridays (except public holidays) at the Registered Office of SunCon at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan from the date of this Circular up to the date of AGM:-

- (a) the Constitution of SunCon;
- (b) the audited financial statements of SunCon for the past 2 financial years ended 31 December 2019 and 31 December 2020 respectively; and
- (c) the relevant cause papers in respect of material litigation referred to in paragraph 3 above.

(The rest of this page has been intentionally left blank)

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

The Constitution of the Company is proposed to be amended in the following manner:

Clause No.	Existing Provisions	Proposed Amendments
84.	<p>How instrument to be executed</p> <p>The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if such appointer is a corporation, either under its common seal or the hand of its officer or attorney duly authorised. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand a poll on behalf of the appointer.</p>	<p>How instrument to be executed</p> <p>The instrument appointing a proxy shall be in writing under the hand of the Member or of his attorney duly authorised in writing or, if such Member is a corporation, either under its common seal or the hand of its officer or attorney duly authorised. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand a poll on behalf of the Member.</p>
85.	<p>Depositing of proxy form</p> <p>The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power of authority, shall be legible and deposited at the Office or at such other place within Malaysia (if any) as is specified for that purpose in the notice convening the meeting either personally, by fax, electronic mail or by sending it through the post in a prepaid letter during business hours not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting, as the case may be, at which the person named as proxy in such instrument proposes to vote or, in the case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll; otherwise the person so named shall not be entitled to vote in respect thereof. In the case where the Member is a corporation and the instrument appointing a proxy is delivered by fax or electronic mail, the original proxy form shall also be deposited at the Office either personally or by post not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting.</p>	<p>Depositing of proxy form</p> <p>The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power of authority, shall be legible and deposited at the Office, or at such other place within Malaysia or in such other manner as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting, as the case may be, at which the person named as proxy in such instrument proposes to vote or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll; otherwise the person so named shall not be entitled to vote in respect thereof.</p>



SUNWAY CONSTRUCTION GROUP BERHAD

[Registration No. 201401032422 (1108506-W)]

(Incorporated in Malaysia)

EXTRACT OF THE NOTICE OF 7th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 7th Annual General Meeting of SUNWAY CONSTRUCTION GROUP BERHAD [201401032422 (1108506-W)] ("**Company**") will be held fully virtual at the broadcast venue at Penthouse, Level 20, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on Wednesday, 23 June 2021 at 3.00 p.m. for the following purposes:-

AS SPECIAL BUSINESS

7. ORDINARY RESOLUTION:

Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

"THAT approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions from time to time, which are necessary for the day-to-day operations as set out in Section 2D of the Circular to Shareholders dated 25 May 2021 which are of a revenue or trading nature and carried out in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company, subject to the compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Companies Act 2016 ("**the Act**"), the Company's Constitution and all other applicable laws, guidelines, rules and regulations.

THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company at which time the mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

(Ordinary Resolution 8)

8. **ORDINARY RESOLUTION:**
Proposed Renewal of Share Buy-Back Authority

“THAT subject to the Companies Act 2016 (“**the Act**”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and any other relevant authorities, the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company PROVIDED THAT:-

- (a) the aggregate number of ordinary shares in the Company (“**SunCon Shares**”) which may be purchased and/or held by the Company shall not exceed 10% of the total number of issued shares in the ordinary share capital of the Company at any point of time, subject to a restriction that the share capital of the Company does not fall below the applicable minimum share capital requirements of the Main Market Listing Requirements of Bursa Securities;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing the SunCon Shares shall not exceed the Company’s retained profits at any point of time;
- (c) the authority conferred by this resolution will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:-
 - (i) the conclusion of the next Annual General Meeting (“**AGM**”) at which time it shall lapse unless by Ordinary Resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
 - (iii) revoked or varied by an Ordinary Resolution passed by the shareholders of the Company in a general meeting,whichever occurs first; and
- (d) upon completion of the purchase(s) of the SunCon Shares by the Company, the Directors of the Company be and are hereby authorised to cancel the SunCon Shares so purchased or to retain the SunCon Shares so purchased as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act), or to retain part of the SunCon Shares so purchased as treasury shares and cancel the remainder and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the Main Market Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the purchase(s) of the SunCon Shares with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company.”

(Ordinary Resolution 9)

9. **SPECIAL RESOLUTION:**
Proposed Amendments to the Constitution of the Company

“THAT the proposed amendments to Clauses 84 and 85 of the Constitution of the Company (as set out in the Circular to Shareholders dated 25 May 2021) as follows (“**Proposed Amendments**”) be and are hereby approved:

Clause 84 – How instrument to be executed

The instrument appointing a proxy shall be in writing under the hand of the **Member** or of his attorney duly authorised in writing or, if such **Member** is a corporation, either under its common seal or the hand of its officer or attorney duly authorised. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand a poll on behalf of the **Member**.

Clause 85 – Depositing of proxy form

The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power of authority, shall be legible and deposited at the Office, or at such other place within Malaysia **or in such other manner** as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting, as the case may be, at which the person named as proxy in such instrument proposes to vote or, in the case of a poll, not less than twenty-four (**24**) hours before the time appointed for the taking of the poll; otherwise the person so named shall not be entitled to vote in respect thereof.

AND THAT the Board of Directors of the Company be and are hereby authorized to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the Proposed Amendments.”

(Special Resolution 1)

By Order of the Board

TAN KIM AUN (MAICSA 7002988) (SSM PC No. 202008001249)
ONG WEI LENG (MAICSA 7053539) (SSM PC No. 202008001016)
Company Secretaries

Bandar Sunway
25 May 2021

NOTES:

- 1) The AGM of the Company will be conducted fully virtual through live streaming and online remote voting using the Remote Participation and Voting Facility (“RPV”). This is in line with the Guidance Notes and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 5 March 2021, as revised or amended from time to time.

NO SHAREHOLDERS/PROXIES/CORPORATE REPRESENTATIVES from the public shall be physically present at the Broadcast Venue on the day of the AGM.

Shareholders of the Company are to participate, speak (in the form of real time submission of typed texts) and vote remotely at the AGM using RPV provided by the Company's Share Registrar via its website at www.sunwaymanagement.com.my. Please follow the Procedures for RPV provided in the Administrative Details for the AGM.

- 2) A shareholder of the Company who is entitled to participate, speak and vote at the AGM via RPV, may appoint more than 1 proxy to participate and vote on his/her behalf. A proxy may but need not be a shareholder.
- 3) Shareholders may use the RPV to submit questions in real-time during the AGM. Shareholders may also submit questions to the Board prior to the AGM by emailing to irsuncongroup@sunway.com.my no later than 3.00 p.m. on 22 June 2021 or via Q&A platform in www.sunwaymanagement.com.my from 12.00 p.m. on 16 June 2021 up to 2.30 p.m. on 23 June 2021.
- 4) Where a shareholder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- 5) Where a shareholder is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- 6) Where a shareholder appoints more than 1 proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. A proxy appointed to participate, speak and vote at the AGM shall have the same rights as the shareholder to speak at the AGM.
- 7) If a shareholder has appointed a proxy to participate a meeting and subsequently he/she participates such meeting via the RPV, the appointment of such proxy shall be null and void, and his/her proxy shall not be entitled to participate at the AGM.
- 8) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing, or if such appointer is a corporation, either under its common seal or the hand of its officer or attorney duly authorised.
- 9) The instrument for the appointment of a proxy must be completed and deposited at the Registered Office of the Company at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia, not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof, either by hand, post, electronic mail to sunwaymanagement@sunway.com.my or fax to (603) 5639 9507, and in default, the instrument of proxy shall not be treated as valid. In the case where the Shareholder is a corporation and the proxy form is delivered by fax or electronic mail, the original proxy form shall also be deposited at the Registered Office, either by hand or post not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof.
- 10) If no name is inserted in the space for the name of your proxy, the Chairman of the AGM will act as your proxy.
- 11) Only a depositor whose name appears in the Record of Depositors of the Company as at 16 June 2021 shall be regarded as a Shareholder and entitled to participate, speak (in the form of real-time submission of typed texts) and vote remotely at the AGM using the RPV or appoint proxies to participate and/or vote on his/her or its behalf.

Personal Data Privacy:

By lodging of a completed proxy form to the Company for appointing proxy(ies) and/or representative(s) to participate and vote at the 7th AGM of the Company and any adjournment thereof, the shareholder accepts and agrees to the use of such data for purposes of processing and administration by the Company (or its agents), and to comply with any laws, listing rules, regulations and/or guidelines. The shareholder agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.