

SUNWAY CONSTRUCTION GROUP BERHAD

Registration No. 201401032422 (1108506-W)
(Incorporation in Malaysia)

EXTRACT OF MINUTES OF THE SIXTH ANNUAL GENERAL MEETING OF SUNWAY CONSTRUCTION GROUP BERHAD (“COMPANY”) HELD VIRTUALLY VIA LIVE STREAMING AND ONLINE VOTING AT THE BROADCAST VENUE AT THE PENTHOUSE, LEVEL 20, MENARA SUNWAY, JALAN LAGOON TIMUR, BANDAR SUNWAY, 47500 SUBANG JAYA, SELANGOR DARUL EHSAN ON WEDNESDAY, 5 AUGUST 2020 AT 3.00 P.M.

PRESENT : **Board of Directors:**
Dato’ Ir Goh Chye Koon (Chairman) *
Dato’ Dr Ir Johari Bin Basri ^
Dato’ Siow Kim Lun ^
Dr Sarinder Kumari A/P Oam Parkash ^
Dato’ Chew Chee Kin ^
Mr Chung Soo Kiong *
Mr Evan Cheah Yean Shin ^

Chief Financial Officer

Ms Ng Bee Lien *

External Auditors – Messrs BDO PLT

Mr Law Kian Huat *

Independent Scrutineers – BDO Consulting Sdn Bhd

Mr Jagadieeswaran A/L Ramu Naidu *

Mr Ganeshwaran Manoharan *

IN ATTENDANCE : Mr Tan Kim Aun – Company Secretary *

SHAREHOLDERS/
PROXIES/GUESTS : As per online participation lists

Notes:

* *Attend in person at the broadcast venue*

^ *Participate via online live streaming*

1.0 **OPENING ADDRESS**

Dato’ Ir Goh Chye Koon (“**Dato’ Chairman**”) called the Meeting to order at 3.00 p.m. and welcomed all members present at the Sixth Annual General Meeting (“**Meeting**”).

Dato’ Chairman informed the shareholders that this was the Company’s first virtual Annual General Meeting (“**AGM**”) conducted through live streaming and online remote voting using the Remote Participation and Voting (“**RPV**”) facility in accordance with Section 327 of the Companies Act 2016 and Clause 60 of the Company’s Constitution.

Dato' Chairman then proceeded to introduce the members of the Board present at the broadcast venue and participating via video conferencing. Dato' Chairman also introduced the Company Secretary, the Chief Financial Officer, representative of Messrs BDO PLT, Auditors of the Company. Present in the Meeting was also the representatives from BDO Consulting Sdn Bhd, who were the independent scrutineers for the polling exercise for today's Meeting.

2.0 CONFIRMATION OF QUORUM

Upon enquiry from Dato' Chairman, the Company Secretary confirmed that there was sufficient quorum for the convening of the Meeting.

3.0 CONFIRMATION OF PROXIES

Upon enquiry from Dato' Chairman, the Secretary reported that as at 3.00pm on 4 August 2020, shareholders of 1,097,840,916 ordinary shares had lodged their proxies within the stipulated time, and shareholders of 735,087,440 ordinary shares had appointed Dato' Chairman of the Meeting as proxy.

4.0 CONFIRMATION OF NOTICE SENT

Upon enquiry from Dato' Chairman, the Secretary confirmed that the notice convening the Meeting had been duly sent to all members.

Dato' Chairman declared that the notice of the Meeting which had been sent to all members within the prescribed period, be taken as read.

5.0 ONLINE E-POLLING PROCEDURES

Dato' Chairman informed that all motions tabled at the Meeting, would be voted by poll using online polling via the RPV facility. BDO Consulting Sdn Bhd had been appointed as the Independent Scrutineers for the polling exercise. The online polling system had been thoroughly verified and proven reliable by BDO Consulting Sdn Bhd.

Dato' Chairman informed that Ms Chen Pooi Yen and Ms Yong Siew Mee who were members of the Company, had offered themselves to be the proposer and seconder for all the resolutions of the Meeting. As such, all resolutions tabled at the Meeting were duly proposed and seconded.

Dato' Chairman welcomed the shareholders to submit their questions online.

He then requested the Poll Administrator to play a video clip on how to vote online and the process to login to the voting platform.

After the video finished playing, Dato' Chairman announced that the online voting session had commenced.

6.0 PRESENTATION BY GROUP MANAGING DIRECTOR

Dato' Chairman then invited the Group Managing Director, Mr Chung Soo Kiong ("**Group MD**") to give a presentation of the operational and financial performance of the Company and its subsidiaries ("**Group**") as well as their achievements for the financial year ended 31 December 2019.

The Group MD's presentation covered the following topics:

- (a) 2019 Highlights
 - Financial Highlights
 - Revenue
 - Profit Before Tax
- (b) Project Highlights
 - Completed Projects during 2019
 - Outstanding Order Book
- (c) Prospects 2020 & Beyond
 - Business Resilience Amidst Covid-19
 - Reinventing Business
 - Leaner Through Partnership
 - The New Norm
 - Commitment to Sustainability

7.0 AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 AND DIRECTORS' AND AUDITORS' REPORTS THEREON

Dato' Chairman then proceeded to table the Audited Financial Statements of the Company for the financial year ended 31 December 2019 together with the Directors' and Auditors' Reports thereon ("**AFS FYE2019**") for discussion.

Dato' Chairman then opened the floor for Questions and Answers ("**Q&A**") session and invited the shareholders to submit their questions on the AFS FYE2019. He informed that all questions would be addressed on first come first serve basis.

The Company Secretary then assisted to read out the questions received. The Q&A session were summarised as below:

- (i) **Question:** With the savings from having AGM via online meeting, kindly reward shareholders who take interest to participate in this virtual AGM with e-vouchers.

Answer: The Board opined that it would be better to reward shareholders with consistent dividend pay-out annually. Nevertheless, the Board would take this request into consideration.

- (ii) **Question:** Due to the Movement Control Order ("**MCO**") and the subsequent Conditional MCO ("**CMCO**") and Recovery MCO ("**RMCO**") arising from the COVID-19 pandemic, will the Company still pay dividend based on the dividend policy?

Answer: Despite reduction in profit due to non-work activity during MCO, CMCO and RMCO, the Company would still do its best to reward shareholders with dividend based on the stipulated dividend policy of 35% of net profit. We thanked you for your continuous support.

- (iii) **Question:** Will there be any lay-off of staffs during this COVID-19 pandemic crisis?

Answer: As of to-date, the Company and its group of companies ("**Group**") had never laid off any workers during this crisis.

- (iv) **Question:** Will there be any pay-cut for the employees as well as for Directors of the Company?

Answer: Yes. Pay-cut had been effected on those whose earnings start from RM10,000 and above. The quantum of pay-cut varied based on the scale of their earnings starting from a minimum of 4%. In addition, all other work related allowances had been reduced by 50%.

- (i) **Question:** Were there any share buy-back during the COVID-19 pandemic crisis or MCO period? How many shares have been bought back and how much the Company have paid for the share buy-back?

Answer: There was no share buy-back during the MCO, CMCO or RMCO period. As of to-date, the Company had bought back 3,540,900 shares at a total consideration of RM6,990,048 (*inclusive of transaction cost and tax*).

- (v) **Question:** Who are the other Malaysian contractors embarking on 4D Building Information Modeling (“4D BIM”)?

Answer: Management believed that most of the established construction companies have implemented 4D BIM in their projects. The Company had been extensively practicing 4D BIM throughout all its projects.

- (vi) **Question:** What are the ten repetitive tasks automated? How much could the Company save from the ten automated tasks as compared to its invested cost?

Answer: The Group had taken continuous effort in process automation especially in Building Information Modelling (“BIM”) and Integrated Project Delivery (IPD). The Design Management, Scheduled Control, Value Engineering and Asset Information Modelling and Innovation integrate with the management of BIM models as well as people and processes. The Group had also embarked on Robotic Total Station which aimed at enhancing its competitive edge by reducing delivery time, construction costs, wastages, project lifecycle maintenance cost as well as improved quality.

The Group had to-date reduced the manpower resources by 7% and there was 28% of time saving from drawing production as well as improved data collection along the process. Throughout the years, the BIM had enhanced the Group’s competitiveness in securing external projects.

Apart from that, the Group had implemented e-invoicing and e-bidding where all payments and bidding process were done electronically. This had increased efficiency and improved transparency. A lot of the Group’s ERP (Enterprise Resource Planning) process were also done electronically such as e-Delivery Order and the use of robotics in accounting processes.

- (vii) **Question:** How do you foresee local construction sector in second half of the year and next year?

Answer: The local construction sector remained soft. As at June 2020, the Group’s outstanding order book stood at RM5.4 billion. Management was hopeful of securing the targeted new order book of RM2.0 billion by end of 2020 despite the slowdown in construction sector. The Group’s operation was seriously

affected by the MCO in the second quarter of 2020. However, it has gradually gone into full swing starting June 2020.

After dealing with the questions, Dato' Chairman proceeded to the next agenda.

8.0 ORDINARY RESOLUTION 1

• Directors' Fees for the Financial Year Ended 31 December 2019

Dato' Chairman informed that Ordinary Resolution 1 was in relation to the payment of fees to Non-Executive Directors amounting to RM695,000 for the financial year ended 31 December 2019.

Upon confirmation by the Secretary that there were no questions received on this agenda, Dato' Chairman proceeded to the next agenda.

9.0 ORDINARY RESOLUTION 2

• Payment of Benefits Payable to Non-Executive Directors from 5 August 2020 Until the Next AGM to be held in 2021

Dato' Chairman informed that Ordinary Resolution 2 was pertaining to the payment of benefits payable to Non-Executive Directors of up to RM200,000 for the period from 5 August 2020 until the conclusion of the next AGM of the Company to be held in 2021. The benefits payable comprises mainly meeting allowances and allowances for site visit, if any.

As there were no questions raised by the shareholders, Dato' Chairman moved on to the next agenda.

10.0 ORDINARY RESOLUTION 3 AND 4

• Re-election of Retiring Directors Pursuant to the Company's Constitution

Dato' Chairman highlighted that in accordance with Clause 106(1) of the Company's Constitution, Dato' Dr Ir Johari Bin Basri and Dato' Chew Chee Kin, who retired by rotation and being eligible, had offered themselves for re-election.

Dato' Chairman informed the shareholders that the Nomination and Remuneration Committee had assessed all the retiring directors' performance and had recommended both Dato' Ir Dr Johari Bin Basri and Dato' Chew Chee Kin be re-elected as Directors.

As there were no questions raised by the shareholders, Dato' Chairman proceeded to the next agenda.

11.0 ORDINARY RESOLUTION 5

• Re-appointment of Auditors

Dato' Chairman informed that Ordinary Resolution 5 was in relation to the re-appointment of Messrs BDO PLT as Auditors of the Company for the ensuing year and to authorize the Directors to fix their remuneration. Dato' Chairman also informed that Messrs BDO PLT had indicated their willingness to continue office for the ensuing year.

Since there were no questions raised by the shareholders, the Chairman moved on to the next agenda.

12.0 ORDINARY RESOLUTION 6

• Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016

Dato' Chairman informed that Ordinary Resolution 6 was in relation to the authority for the Company to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 ("Act").

He explained that the Company was always on the lookout for investment opportunities to enhance the earning potential of the Company. If any investment opportunities involve the issuance of new shares, the Directors, under present circumstances, would have to convene a general meeting to approve the issue of new shares even though the number involved might be less than 10% of the issued share capital.

In order to avoid any delay and costs involved in convening a general meeting to approve such issuance of shares, it was thus considered appropriate that the Directors be empowered to issue new shares in the Company, up to an amount not exceeding in total 10% of the issued share capital of the Company at any time, for such purpose. This authority, unless revoked or varied at a general meeting, would expire at the next AGM of the Company.

Upon confirmation by the Secretary that there were no questions received, Dato' Chairman proceeded to the next agenda.

13.0 ORDINARY RESOLUTION 7

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

Dato' Chairman informed that Ordinary Resolution 7 was to consider and approve the proposed renewal of shareholders' mandate for recurrent related party transactions ("RRPTs") of a revenue or trading nature.

The Board was seeking the shareholders' mandate for the Company and its subsidiaries to enter into the categories of RRPTs with the classes of related parties, as set out in Part A of the Circular to Shareholders dated 3 July 2020. The transactions would be of a revenue or trading nature necessary for the day-to-day operations and would be made at arm's length basis, on normal commercial terms and 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.

As there were no questions raised by the shareholders, Dato' Chairman proceeded to the next agenda.

14.0 ORDINARY RESOLUTION 8

- Proposed Renewal of Share Buy-Back Authority

Dato' Chairman informed that Ordinary Resolution 8 was pertaining to the proposed renewal of share buy-back authority.

The proposed renewal of share buy-back authority would enable the Company to utilise its financial resources not immediately required for use, to purchase its own shares in the manner as set out in the Share Buy-Back Statement as contained in Part B of the Circular to Shareholders dated 3 July 2020. This might enhance the earnings per share and reduce the liquidity level of the shares in Bursa Malaysia Securities Berhad, which generally would have a positive impact on the market price of the shares.

The Company Secretary then read out a question received from a shareholder. The Q&A was summarised as below:

- (i) **Question:** Will the Company considering distributing its treasury shares (from share buy-back) as dividends?

Answer: As of to-date, there were only 3,540,900 treasury shares. The Company would consider distributing its treasury shares when the number of treasury shares become substantial.

15.0 POLLING PROCESS

Dato' Chairman then proceeded to the polling process and reminded the shareholders to vote via the RPV facility as the voting session would end in 10 minutes.

After 10 minutes, Dato' Chairman announced that the online voting session for the Meeting had closed.

While waiting for the polling results, Dato' Chairman informed that the Company had received more questions from the shareholders. The Group MD then proceeded to answer the questions. Below was the summary of the Q&A:

- (i) **Question:** Does the Management feel positive with the upcoming Budget 2021 and Twelfth Malaysia Plan?

Answer: The Group MD was optimistic about the budget and plan. He opined that the country needed a positive budget for the betterment of the economy.

- (ii) **Question:** Does the Management expects construction contract award to pick up in second half of the year?

Answer: The Government's infrastructure projects were expected to be rolled out in year 2021. For the second half of 2020, it would be driven by private sector's construction projects.

- (iii) **Question:** Would you like to share the current outstanding order book value?

Answer: As at June 2020, the Group had approximately RM8.6 billion active tenders.

- (iv) **Question:** The Company has been employing a lot of foreign workers for its construction projects. In view of the MCO and the COVID-19 pandemic threat, what has the Company done to address the threat?

Answer: Since the inception of the MCO, the Company had implemented its Business Continuity Plan to deal with the COVID-19 pandemic. New standard operating procedures (“SOP”) have been established and implemented to safeguard the workers. Besides practicing physical distancing and wearing face mask at work, Management kept emphasising on workers’ personal hygiene. At the Company’s central labour quarter, regular inspection and constant education on workers’ personal hygiene had been conducted to ensure SOPs were observed at all times.

Dato’ Chairman informed that all questions received from shareholders had been duly responded and there were no further questions received during the voting session. An extract of the minutes of the Meeting with all the questions and answers would be posted on the Company’s website as soon as possible after the Meeting.

16.0 POLL RESULTS

At 4.18 p.m., Dato’ Chairman called the Meeting to order for the declaration of the poll results.

Dato’ Chairman invited the Company Secretary to read out the poll results of the Meeting to the shareholders.

Ordinary Resolution 1: Directors’ Fees for the Financial Year Ended 31 December 2019

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 1	1,076,903,216	99.9988	12,745	0.0012

Dato’ Chairman declared that Ordinary Resolution 1 was duly approved as follows:

“THAT the payment of fees to Non-Executive Directors amounting to RM695,000 for the financial year ended 31 December 2019 be hereby approved.”

Ordinary Resolution 2: Payment of Benefits Payable to Non-Executive Directors from 5 August 2020 Until the Next AGM to be held in 2021

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 2	1,076,902,216	99.9988	12,745	0.0012

Dato’ Chairman declared that Ordinary Resolution 2 was duly approved as follows:

“THAT the payment of benefits payable to Non-Executive Directors of up to RM200,000 for the period from 5 August 2020 until the conclusion of the next Annual General Meeting of the Company be hereby approved.”

**Ordinary Resolution 3:
Re-election of Dato' Dr Ir Johari Bin Basri**

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 3	1,075,697,778	99.8868	1,219,104	0.1132

Dato' Chairman declared that Ordinary Resolution 3 was duly approved as follows:

"THAT Dato' Dr Ir Johari Bin Basri be hereby re-elected as a Director of the Company."

**Ordinary Resolution 4:
Re-election of Dato' Chew Chee Kin**

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 4	1,074,130,875	99.7413	2,786,169	0.2587

Dato' Chairman declared that Ordinary Resolution 4 was duly approved as follows:

"THAT Dato' Chew Chee Kin be hereby re-elected as a Director of the Company."

**Ordinary Resolution 5:
Re-appointment of Auditors**

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 5	1,076,916,945	99.9999	1,100	0.0001

Dato' Chairman declared that Ordinary Resolution 5 was duly approved as follows:

"THAT Messrs BDO PLT be hereby re-appointed as Auditors of the Company for the ensuing year until the next Annual General Meeting at a remuneration to be fixed by the Directors."

**Ordinary Resolution 6:
Authority to Issue shares pursuant to Sections 75 and 76 of the Companies Act 2016**

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 6	968,414,793	90.0056	107,534,154	9.9944

Dato' Chairman declared that Ordinary Resolution 6 was duly approved as follows:

"THAT subject always to the Companies Act 2016 ("Act"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company's Constitution and the approvals of the relevant government and/or regulatory authorities, the Directors be hereby empowered pursuant to Sections 75 and 76 of the Act to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the

Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

**Ordinary Resolution 7:
Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 7	246,661,967	99.9991	2,102	0.0009

Dato’ Chairman declared that Ordinary Resolution 7 was duly approved as follows:

“THAT approval be 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 3 July 2020 which are of a revenue or trading nature and carried out in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company, subject to the compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Companies Act 2016 (“Act”), the Company’s Constitution and all other applicable laws, guidelines, rules and regulations.

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

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

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 8	1,076,915,482	99.9998	2,067	0.0002

Dato' Chairman declared that Ordinary Resolution 8 was duly approved as follows:

*"THAT subject to the Companies Act 2016 ("Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant authorities, the Company be 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 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 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.”

CONCLUSION

There being no other business, the Meeting closed at 4.25 p.m. with a vote of thanks to the Chair and to those present.