

# SUNWAY BERHAD

(Company No. 921551-D)  
(Incorporated in Malaysia)

MINUTES OF THE NINTH ANNUAL GENERAL MEETING OF SUNWAY BERHAD HELD AT GRAND CONGRESS, LEVEL 12, SUNWAY RESORT HOTEL & SPA, PERSIARAN LAGOON, BANDAR SUNWAY, 47500 SUBANG JAYA, SELANGOR DARUL EHSAN ON THURSDAY, 20 JUNE 2019 AT 3.00 P.M.

**PRESENT** : **Board of Directors:**  
Dato' Sri Idris Jala (*Chairman*)  
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO  
Tan Sri Datuk Seri Razman M Hashim  
Tan Sri Dato' Dr Lin See Yan  
Tan Sri Datuk Dr Rebecca Fatima Sta Maria  
Dato' Chew Chee Kin  
Wong Chin Mun  
Lim Swe Guan  
Sarena Cheah Yean Tih

**SHAREHOLDERS/  
PROXIES/GUESTS** : As per Attendance Lists

**IN ATTENDANCE** : Tan Kim Aun (*Company Secretary*)

**BY INVITATION** Chong Chang Choong (*Chief Financial Officer*)  
BDO (*External Auditors*)  
BDO Governance Advisory Sdn Bhd (*Independent Scrutineer*)

## **OPENING ADDRESS**

Dato' Sri Chairman called the Meeting to order at 3.00 p.m. and welcomed all members present at the Meeting.

He also highlighted certain key ground rules for the conduct of the Meeting.

## **CONFIRMATION OF QUORUM**

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

## **CONFIRMATION OF PROXIES**

Upon enquiry from Dato' Sri Chairman, the Secretary reported that up to 19 June 2019 at 3.00 pm, the Company had received a total of 3,180,670,050 ordinary shares represented by proxies and a total of 596,184,136 ordinary shares appointing Dato' Sri Chairman as proxy.

## **CONFIRMATION OF NOTICE SENT**

Upon enquiry from Dato' Sri Chairman, the Secretary confirmed that the notice convening the Meeting had been duly sent to all members and with the permission of the members, it was taken as read.

## **PRESENTATION BY THE PRESIDENT**

Before proceeding to the resolutions of the Meeting, Dato' Sri Chairman invited Dato' Chew Chee Kin, the President, to give a brief presentation of the overall financial performance of the Group and the respective business segments' achievements for the financial year ended 31 December 2018.

After Dato' Chew's presentation, Dato' Sri Chairman informed the Meeting that all motions tabled, would be voted by poll using electronic means. BDO Governance Advisory Sdn Bhd was appointed as the Independent Scrutineers for the polling exercise. Dato' Sri Chairman informed that the e-polling system had been thoroughly tested and proven reliable by BDO Governance Advisory Sdn Bhd. He then invited Ms Grace Ng from the Share Registrar to brief the members on the electronic polling procedures.

## **1.0 AUDITED FINANCIAL STATEMENTS, DIRECTORS' AND AUDITORS' REPORTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

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The Audited Financial Statements, Directors' and Auditors' Reports for the financial year ended 31 December 2018 were tabled for discussion.

Dato' Sri Chairman invited Ms Janet Lim Lee San, the Senior Manager-Corporate Finance to address the queries raised by the Minority Shareholders Watch Group ("MSWG") vide its letter dated 7 June 2019. The queries raised by MSWG together with the Company's responses were then presented for the information of the members as follows:-

a) Strategic and Financial Matters

**Q1 In the Management Discussion and Analysis Report, the Others business segment reported a higher revenue of RM125.6 million, an increase of RM19.0 million or 17.8% as compared to RM106.6 million in FY 2017.**

**The Profit Before Tax ("PBT") for FY 2018 was higher at RM73.6 million, an increase of RM28.6 million or 63.5% as compared to RM45.0 million in FY 2017. (page 45 of the Annual Report)**

**What is the revenue and PBT contribution from the various business units within the Others business segment for FYs 2018 and 2017?**

Answer:

The Others business segments mainly consist of the Group's smaller business operations and support services such as Investment Holdings and management & secretarial services companies.

The increase in revenue were generated from the portfolio of business operations whereas the increase in the profitability was substantially underpinned by higher contribution from the Group's treasury functions in capital management.

**Q2 Jaya DIY Mart, is the Group's retail DIY chain selling hardware and household products as disclosed on page 67 of the Annual Report.**

a) **What is Jaya DIY Mart's revenue and profit contribution to the Group's revenue and profit for FYs 2018 and 2017?**

b) **What is the number of Jaya DIY Mart shops as at 31/12/2018 and where are Jaya DIY Marts shops located by regions?**

c) **What is the expected number of Jaya DIY Marts shops to be opened in FY 2019?**

**d) What is the expected capital expenditure to be incurred for carrying out a rebranding exercise for the existing Jaya DIY Marts shops?**

Answers:

- a) Jaya DIY's mart business is still not material and contribute less than 1% to the Group's revenue, and it is still incurring small losses for both FYs 2018 and 2017.
- b) As at 31 December 2018, there is only one Jaya DIY Mart outlet located in the Klang Valley.
- c) We plan to open two more Jaya DIY Mart outlets in 2019 and it will also be located in the Klang Valley.
- d) The expected capital expenditure to be incurred for carrying out a rebranding exercise for the existing Jaya DIY Mart outlet will be minimal not exceeding RM100,000.

**Q3 The Group's Profit Before Tax in FY 2017 was impacted by the impairment loss for the Bus Rapid Transit ("BRT") Park N' Ride facilities. (page 44 of the Annual Report).**

- a) **Is there any impairment loss for the BRT Park N' Ride facilities in FY 2018?**
- b) **What was the amount of impairment loss for the BRT Park N' Ride facilities in FY 2017?**
- c) **Is the BRT Park N' Ride facilities contributing to the Group's PBT? If not, when is it expected to turnaround?**

Answer:

- a) There was no impairment loss for the BRT Park N' Ride facilities in FY2018 as the impairment loss was fully taken up in FY2017.
- b) The amount of impairment loss for the BRT Park N' Ride facilities in FY 2017 was RM18 million.
- c) The BRT Park N' Ride facilities was loss-making in FY 2018. We expect the financial performance to turnaround by the end of the year, as current year-to-date results are showing positive improvement.

**Q4 The Company in its announcement to Bursa Malaysia on 25/5/2018 stated that Sunglobal Resources Sdn Bhd ("Sunglobal") has entered a Master Sales and Purchase Agreement with Setapak Heights Development Sdn Bhd ("Setapak Heights") for the acquisition of 47 completed individual residential units of Residensi Infiniti 3 developed by Setapak Heights for a cash consideration of RM45,795,860.**

**Sunglobal has changed its name to Sunway Avila Sdn Bhd ("Sunway Avila").**

- a) **What is Sunway Berhad's internal investment hurdle rate required for the acquisition?**
- b) **Has Sunway Avila managed to sell any of the 47 units of Residensi Infiniti 3?**
- c) **What is the financial impact of the disposal of the Residensi Infiniti 3 to Sunway Avila?**

Answer:

- a) Sunway's decision for the acquisition was based on financial and non-financial strategic reasons. Financially, the investment was forecasted to meet our minimum internal rate of return of 10-12% for local projects. Strategically, we believe it gave us an opportunity to understand the Wangsa Maju market before the launch of our Sunway Avila project, which was launched successfully in May 2019 with a take up of 80% to-date. In addition, Infiniti 3's properties, which are large-sized condominiums, complements Sunway Avila's smaller-sized condominiums and allows us to offer a complete range of properties to our customers in the area.
- b) Currently, we have sold 8 units with bookings for another 9 units.
- c) Infiniti 3 was acquired by Sunglobal which is now known as Sunway Avila in May 2018. The Group believes the eventual disposal of all the Infiniti 3's units to end purchasers will contribute positively to the Group's profits.

Dato' Sri Chairman then opened the floor for further questions.

The salient enquiries and comments made by the members and proxies as well as responses from the Board and Management were as follows:-

- 1) Mr Ong Lek Ping, a member, observed that the Company had recently bought back its ordinary shares from the market and had also distributed the treasury shares to the shareholders in the form of dividend in-specie. He enquired on the rationale for such an exercise.

Answer:

In response, Mr Chong Chang Choong ("**Mr Chong**") explained that the share buyback exercise was part of the Company's cash management strategy whereby the Company would buy back its undervalued shares in the market with an option to distribute them as dividend in-specie to its shareholders.

- 2) Mr Leo Ann Puat, a member, made the following enquires:
  - a) The Group's revenue had increased from RM5.2 billion in 2017 to RM5.4 billion in 2018. However, the gross profit margin had declined. Which business division had resulted in the higher cost of sales which subsequently reduced the Group's gross profit margin?

Answer:

Mr Chong explained that on a macro perspective, the cost of sales would increase in accordance with its revenue. Under Note 9 of the Financial Statements, the increase in cost of sales were substantially attributed to the higher cost of goods sold and services rendered which was incurred by the Trading and Manufacturing Division as well as construction contract costs incurred by the Construction Division.

In relation to the lower profit margin, Mr Chong commented that the Group had to be more competitive to achieve sales in the challenging market condition.

- b) Based on the detailed segmental results, the performance of Property Development Division (“PDD”) had declined significantly as compared to the previous financial year. What is the outlook for 2019?

Answer:

Mr Chong explained that MFRS 15 *Revenue from Contract with Customers* did not allow recognition of profit from PDD overseas projects until the projects were completed. The entire profit could only be recognized upon completion of the projects. He informed that the Group had PDD projects in China and Singapore and they were performing well. However, the Group was not able to recognize their profits at the moment. The project in China was anticipated to be completed in 2019 and if completed, the Group would be able to recognize its entire profit in 2019.

- 3) Mr Ng Hock Leong, a member, highlighted that he had raised a question on the unlocking of the value of the shares held by the Group in Sunway Construction Group Berhad (“SunCon Shares”) at the Seventh Annual General Meeting in 2017. He noted that the Group’s SunCon Shares were still recorded in the books of the Company at about 20 sen i.e. the par value of the shares then. He then enquired on the net asset value (“NAV”) per share of the Company had the value of SunCon Shares be based on its current market price.

Answer:

Mr Chong explained that the accounting treatment on long term investment had not changed. He further elaborated that if the Group were to divest all the SunCon Shares at the current market price, he believed that it would boost the Group’s NAV per share by approximately 22 sen. He further highlighted that the Group had a lot of other assets which were currently recorded at their historical value. If Management were to perform revaluation of its net assets, he believed that it would further increase the Company’s NAV per share by another 30 to 40 sen.

- 4) Ms Yue Jia Huey, a member, noted that the Group was expanding its healthcare services. She gave the following suggestions for Management’s consideration:
- a) Provision of Chinese and Indian traditional medicine or even Malay massage at Sunway Velocity Hospital due to the large Chinese and Indian population in Cheras. This would enable the said Hospital to have new business initiatives.
  - b) A healthcare television programme to market and create awareness of the Group’s existing Hospitals.
  - c) Undertake activities such as breast cancer awareness programme, diabetes talk show as part of the Group’s corporate social responsibility activities.

Answer:

Tan Sri Dato' Seri Dr Jeffrey Cheah informed that the Group was fast expanding its Healthcare Division. The Group would be building another 6 hospitals in the country, with Sunway Velocity Hospital expected to be opened in August 2019. The Group had also opened a Traditional Complementary Medicine ("TCM") at Sunway Geo located opposite Sunway Medical Centre. Management would be monitoring the market for TCM and if it performed well, it would be extended to Sunway Velocity Hospital. He also highlighted that the Ministry of Health was very strict in its rules and regulations and the Group had to abide by them.

5) Encik Rien Hashim, a proxy, raised the following enquires/suggestions:

a) What was the utilization rate for Sunway Lagoon and the Hotels of the Group.

Answer:

Dato' Sri Chairman informed that Management implemented dynamic pricing for all visits to Sunway Lagoon and staying at the Group's Hotels.

b) Noted that the valuation of the investment properties had decreased from RM2 billion in 2017 to RM1.8 billion in 2018. Had the Group revalued its investment properties recently?

Answer:

Mr Chong explained that the Group had earmarked an education asset for divestment to Sunway Real Estate Investment Trust with valuation of close to RM486 million in 2018. Based on the accounting standard, the Group had to account for it in its financial statements since it was a disposal in transit. This adjustment had reduced the valuation of the investment properties in 2018.

c) Why did the Company have an Executive Chairman, a Co-Chairman and a Deputy Chairman?

Answer:

Dato' Sri Chairman clarified that he was invited to join the Board as an Independent Co-Chairman to oversee the corporate governance of the Group for check and balance purposes. As for Tan Sri Dato' Seri Dr Jeffrey Cheah, he is the founder and it is imperative that he remained as the Executive Chairman to provide his strategic inputs and vision as the Group is a conglomerate with many different business segments. Tan Sri Datuk Seri Razman is an Executive Deputy Chairman.

d) Please explain on the transactions in relation to foreign exchange loss on unrealized (hedged items) and the cashflow hedge reserve recycled to profit or loss which had the same amount. The 2 items seemed to offset each other in arriving at the Group's profit before taxes.

Answer:

Mr Chong explained that hedging on foreign exchange gain/loss was part of the Group's treasury operation in terms of seeking funding in foreign denominated currency loans. This was to take advantage of the more attractive lower effective interest rates after the foreign loans are fully hedged. Pursuant to the accounting standards, the Group had to show the foreign exchange losses or gains and at times, the corresponding assets which were hedged to cover the losses.

Since there were no further queries, the Meeting proceeded to the next agenda.

**2.0 ORDINARY RESOLUTION NO. 1**

**• Payment of Directors' Fees**

In response to Encik Rien Hashim's query, Dato' Sri Chairman informed that there was no increase in the Directors' fees for the financial year ended 31 December 2018.

Ordinary Resolution No. 1 on the payment of Directors' fees was duly proposed and seconded.

Based on the members and proxies who were present and voted, the resolution was duly passed with 3,180,381,510 ordinary shares (99.9945%) voted for the resolution and 175,843 ordinary shares (0.0055%) voted against the resolution.

It was hereby RESOLVED THAT the payment of Directors' fees amounting to RM893,079.45 for the financial year ended 31 December 2018 be hereby approved.

**3.0 ORDINARY RESOLUTION NO. 2**

**• Payment of benefits payable to Non-Executive Directors**

In response to Encik Rien Hashim's query, Dato' Sri Chairman informed that the benefits payable to Non-Executive Directors comprised mainly meeting allowances and the details of the meeting allowances were disclosed in the Annual Report 2018. There were no increase in the meeting allowances from the previous financial year.

Ordinary Resolution No. 2 on the payment of benefits payable to Non-Executive Directors was duly proposed and seconded.

Based on the members and proxies who were present and voted, the resolution was duly passed with 3,181,947,349 ordinary shares (99.9935%) voted for the resolution and 205,476 ordinary shares (0.0065%) voted against the resolution.

It was hereby RESOLVED THAT the payment of benefits payable to Non-Executive Directors of up to an amount of RM600,000.00 from 21 June 2019 until the conclusion of the next Annual General Meeting of the Company be hereby approved.

**4.0 ORDINARY RESOLUTION NOS. 3 TO 5**

**• Re-election of retiring Directors**

In accordance with the Company's Constitution, Tan Sri Datuk Seri Razman M Hashim, Dato' Chew Chee Kin and Mr Wong Chin Mun retired by rotation pursuant to Clause 106(1) of the Company's Constitution and being eligible, had offered themselves for re-election.

Dato' Sri Chairman informed that the Nomination Committee had assessed the performances of the retiring Directors who were seeking re-election, and had recommended them for re-election. They had demonstrated that they were committed to their roles as Directors and would continue to be effective and valuable members of the Board.

### **ORDINARY RESOLUTION NO. 3**

Ordinary Resolution No. 3 on the re-election of Tan Sri Datuk Seri Razman M Hashim as a Director of the Company was duly proposed and seconded.

Based on the members and proxies who were present and voted, the resolution was duly passed with 3,165,133,046 ordinary shares (96.6629%) voted for the resolution and 10,705,127 ordinary shares (0.3371%) voted against the resolution.

It was hereby RESOLVED THAT Tan Sri Datuk Seri Razman M Hashim be hereby re-appointed as a Director of the Company.

### **ORDINARY RESOLUTION NO. 4**

Ordinary Resolution No. 4 on the re-election of Dato' Chew Chee Kin as a Director of the Company was duly proposed and seconded.

Based on the members and proxies who were present and voted, the resolution was duly passed with 3,148,091,545 ordinary shares (99.7181%) voted for the resolution and 8,899,439 ordinary shares (0.2819%) voted against the resolution.

It was hereby RESOLVED THAT Dato' Chew Chee Kin be hereby re-appointed as a Director of the Company.

### **ORDINARY RESOLUTION NO. 5**

Ordinary Resolution No. 5 on the re-election of Mr Wong Chin Mun as a Director of the Company was duly proposed and seconded.

Based on the members and proxies who were present and voted, the resolution was duly passed with 3,177,564,015 ordinary shares (99.8761%) voted for the resolution and 3,943,145 ordinary shares (0.1239%) voted against the resolution.

It was hereby RESOLVED THAT Mr Wong Chin Mun be hereby re-appointed as a Director of the Company.

## **5.0 ORDINARY RESOLUTION NO. 6**

### **• Re-appointment of Messrs BDO PLT as Auditors**

In response to Encik Rien Hashim's query, Dato' Sri Chairman informed that Messrs BDO PLT had been appointed as External Auditors of the Company for the past 4 years.

Ordinary Resolution No. 6 on the re-appointment of Messrs BDO PLT as External Auditors was duly proposed and seconded.

Based on the members and proxies who were present and voted, the resolution was duly passed with 3,180,043,163 ordinary shares (99.9982%) voted for the resolution and 57,731 ordinary shares (0.0018%) voted against the resolution.

It was hereby RESOLVED THAT Messrs BDO PLT, having indicated their willingness to continue in office, be hereby re-appointed as External Auditors of the Company for the ensuing year until the next Annual General Meeting at a remuneration to be fixed by the Directors.

#### **6.0 ORDINARY RESOLUTION NO. 7**

##### **• Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016**

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In response to Encik Rien Hashim's query, Mr Chong informed that the Company had not undertaken any private placement since its listing.

Ordinary Resolution No. 7 on the Authority to issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016 was duly proposed and seconded.

Based on the members and proxies who were present and voted, the resolution was duly passed with 3,137,620,316 ordinary shares (98.5988%) voted for the resolution and 44,590,027 ordinary shares (1.4012%) voted against the resolution.

It was hereby RESOLVED THAT subject always to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, 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 Companies Act 2016 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 issued pursuant to this resolution did not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be also empowered to obtain the approval from Bursa Malaysia Securities Berhad 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.

#### **7.0 ORDINARY RESOLUTION 8**

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

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Dato' Sri Chairman informed that the Board wished to seek the shareholders' mandate for the Company and its subsidiaries to enter into the categories of recurrent related party transactions with the classes of related parties, as set out in Part A of the Circular to Shareholders dated 30 April 2019. 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 were not detrimental to the minority shareholders of the Company.

Disclosure would be made in the annual report of the Company of the aggregate value of recurrent related party transactions conducted pursuant to the mandate during the current financial year.

He then opened the floor for questions. As there were no queries raised, he proceeded with the voting process.

Ordinary Resolution No. 8 on the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature was duly proposed and seconded.

Based on the members and proxies who were present and voted, the resolution was duly passed with 936,054,716 ordinary shares (99.9992%) voted for the resolution and 7,426 ordinary shares (0.0008%) voted against the resolution.

It was hereby RESOLVED:-

- (I) 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 30 April 2019 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.
- (II) 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 would lapse, unless by a resolution passed at the next AGM, the mandate is renewed; or
  - (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
  - (c) revoked or varied by resolution passed by the shareholders in general meeting,whichever is the earlier.
- (III) THAT authority be 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.

## 8.0 ORDINARY RESOLUTION NO. 9

### • Proposed Renewal of Share Buy-Back Authority

Dato’ Sri Chairman informed that 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 30 April 2019. 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

He then opened the floor for questions.

Encik Rien Hashim enquired whether the shares bought back were retained as treasury shares. Mr Chong informed that presently, it was the Company's cash management policy to retain the shares bought back as treasury shares with the option to distribute back to the shareholders as dividend in-specie.

Ordinary Resolution No. 9 on the Proposed Renewal of Share Buy-Back Authority was duly proposed and seconded.

Based on the members and proxies who were present and voted, the resolution was duly passed with 3,181,968,843 ordinary shares (99.9985%) voted for the resolution and 48,662 ordinary shares (0.0015%) voted against the resolution.

It was hereby RESOLVED:-

- (l) 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 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 ("**Sunway Shares**") which might be purchased and/or held by the Company shall not exceed 10% of the total number of issued shares of the Company at any point of time, subject to a restriction that the share capital of the Company did 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 Sunway Shares shall not exceed the Company's retained profits at any point of time;
  - (c) the authority conferred by this resolution would commence immediately upon passing of this Ordinary Resolution and would 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 Sunway Shares by the Company, the Directors of the Company be hereby authorised to cancel the Sunway Shares so purchased or to retain the Sunway 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 Sunway 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.

- (II) 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 Sunway 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.

#### 9.0 ORDINARY RESOLUTION NO. 10

- **Proposed renewal of the authority for Directors to allot and issue new ordinary shares in the Company (“Sunway Shares”) in relation to the Dividend Reinvestment Scheme that provide the shareholders of the Company with the option to elect to reinvest their cash dividend entitlements in Sunway Shares**

Dato’ Sri Chairman informed that the proposed renewal of the authority for Directors to allot and issue new ordinary shares in the Company in relation to the Dividend Reinvestment Scheme (“DRS”), if passed, would give authority to the Directors to allot and issues ordinary shares in the Company in respect of dividends to be declared, if any, under the DRS until the conclusion of the next Annual General Meeting.

Encik Rien Hashim enquired whether there were any transaction costs to be incurred by the members if the Company were to opt for DRS. In reply, Mr Chong clarified that the members would not incur any transaction cost when the new ordinary shares are allotted to them under DRS. The members would only incur the normal transaction costs when they subsequently dispose of the ordinary shares. Normally, a company would provide a discount (i.e. up to 10%) to the share price when it opted for DRS to make it more attractive to the members.

Ordinary Resolution No. 9 on the Proposed Renewal of the Authority for Directors to allot and issue Sunway Shares in relation to the DRS was duly proposed and seconded.

Based on the members and proxies who were present and voted, the resolution was duly passed with 3,178,917,540 ordinary shares (99.9048%) voted for the resolution and 3,029,691 ordinary shares (0.0952%) voted against the resolution.

It was hereby RESOLVED:-

- (I) THAT pursuant to the DRS approved at the Extraordinary General Meeting held on 26 June 2014, approval be hereby given to the Company to allot and issue such number of new Sunway Shares for the DRS until the conclusion of the next Annual General Meeting, upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and in the interest of the Company PROVIDED THAT the issue price of the said new Sunway Shares shall be fixed by the Directors at not more than 10% discount to the adjusted 5-market day volume weighted average market price (“VWAP”) of Sunway Shares immediately preceding the price-fixing date, of which the VWAP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price.

- (II) AND THAT the Directors and the Secretary of the Company be hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the DRS with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments or at the discretion of the Directors in the best interest of the Company.

### **CONCLUSION**

There being no other matters discussed, the Meeting concluded at 4.40 p.m. with a vote of thanks to the Chair.

**Confirmed as a true and correct record:-**

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**CHAIRMAN**

Dated this