



SUNWAY BERHAD

Registration No. 201001037627 (921551-D)
(Incorporated in Malaysia)

MINUTES OF THE TENTH ANNUAL GENERAL MEETING OF SUNWAY BERHAD (“SUNWAY” OR “COMPANY”) HELD VIRTUALLY AT THE BROADCAST VENUE AT THE PENTHOUSE, LEVEL 20, MENARA SUNWAY, JALAN LAGOON TIMUR, BANDAR SUNWAY, 47500 SUBANG JAYA, SELANGOR DARUL EHSAN ON WEDNESDAY, 2 SEPTEMBER 2020 AT 11.30 A.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 ^
Tan Sri Dato’ (Dr.) Chew Chee Kin *
Mr Wong Chin Mun ^
Ms Sarena Cheah Yean Tih *
Mr Philip Yeo Liat Kok ^

Group Chief Financial Officer

Mr Chong Chang Choong *

External Auditors - Messrs BDO PLT

Mr Tang Seng Choon *

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’ Sri Idris Jala (“**Dato’ Sri Chairman**”) called the virtual 10th Annual General Meeting (the “**AGM**” or “**Meeting**”) to order at 11.30 a.m. and welcomed all members present at the Meeting.

Dato’ Sri Chairman informed the shareholders that this was the Company’s first virtual 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.

He then proceeded to introduce the Board members present at the broadcast venue and participating via video conferencing. He also introduced the Company Secretary, the Group Chief Financial Officer as well as the representatives of Messrs BDO PLT (External Auditors) and BDO Consulting Sdn Bhd (independent scrutineers for the polling exercise for the Meeting).

2.0 CONFIRMATION OF QUORUM

Upon enquiry from Dato' Sri Chairman, the Secretary confirmed that there was sufficient quorum for the convening of the Meeting based on the members who had logged into the live meeting platform.

3.0 CONFIRMATION OF PROXIES

Upon enquiry from Dato' Sri Chairman, the Secretary reported that based on the registration data provided by the Share Registrar as at 11.30 a.m. on 1 September 2020, the Company had received a total of 3,997,085,533 ordinary shares in proxies from the shareholders and a total of 435,845,644 ordinary shares appointing Dato' Sri Chairman as proxy.

4.0 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.

Dato' Sri 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 REMOTE E-POLLING PROCEDURES

Dato' Sri Chairman informed that the shareholders had the right to ask questions and vote on all the resolutions of the Meeting. The shareholders could submit their questions online using the Q&A platform in the webinar. The Board and Management would endeavour to answer all the questions raised. If the Board and Management were not able to respond to the questions due to time constraint, the answers would be posted onto the Company's website soonest possible after the Meeting.

Dato' Sri Chairman then informed that all motions tabled at the Meeting, would be voted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, using online polling via the RPV facility. BDO Consulting Sdn Bhd had been appointed as the Independent Scrutineers to verify the polling results of the Meeting. The online polling system had been thoroughly verified and proven reliable by them.

Dato' Sri Chairman further informed that Ms Yong Siew Mee and Ms Chai Kah Wai 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.

He then requested the Poll Administrator to play a video clip on how to vote online and the process to log into the voting platform. After the video was played, Dato' Sri Chairman announced that the online voting session had commenced and the shareholders could submit their votes through the online voting platform at any time until the closure of the voting session which he would announce later.

6.0 PRESENTATION BY PRESIDENT

Before Dato' Sri Chairman proceeded with the business of the Meeting, he invited Tan Sri Dato' (Dr.) Chew Chee Kin ("**Tan Sri Chew**"), the President of the Company, to give a brief presentation on the financial performance of Sunway Group and its achievements for the financial year ended 31 December 2019.

Tan Sri Chew presented Sunway Group's 2019 performance report in the form of a video presentation which included a snapshot of the Group's financial performance indicators, each of its core business division's performance and prospects of the Group. He also highlighted Sunway Group's commitment to the 17 United Nations Sustainable Development Goals, its digitalisation initiatives and corporate social responsibility activities as well as the impact of the COVID-19 pandemic on Sunway Group.

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

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

Dato' Sri Chairman then opened the floor for Questions and Answers ("**Q&A**") session and invited the shareholders to submit their questions with regard to the Audited Financial Statements 2019 online using the Q&A platform in the webinar. The Board and Management would address all the questions on a first come first serve basis.

Dato' Sri Chairman then invited Ms Janet Lim Lee San, the Senior Manager-Corporate Finance to address the questions raised by the Minority Shareholders Watch Group ("**MSWG**") vide its letter dated 24 August 2020. The questions raised by MSWG together with the Company's responses were presented for the information of the members as follows:-

A. Question:

For the year under review, the Group recorded a slight decline in revenue from RM5.4 billion last year to RM4.8 billion. Despite a decrease in revenue of 11.6%, the Group managed to grow its profit attributable to shareholders by a remarkable 18.9%. [Page 65 of Annual Report 2019 ("**AR**")]

What were the major reasons for the higher profit? Which business segments were the main contributors to the higher profit? Is the better performance sustainable?

Answer:

The higher profit is mainly attributed to the higher share of results of our associates and joint ventures which increased by RM32.0 million and one-off disposal gain of the Sunway University assets which amounted to RM37.7 million. This is also further boosted by higher contribution from property development segment.

The sustainability of the performance of our associates and joint ventures operations is dependent on the prospective business conditions in which they operate in.

B. Question:

For the second consecutive year, Sunway Medical Centre was declared joint winners alongside Thailand's renowned Bumrungrad Hospital for the Medical Tourism Hospital of the Year in Asia Pacific award (Page 67 of AR).

- (i) To what extent does the Healthcare division rely on medical tourism? How badly has Covid-19 pandemic affected its business in the 1st half of 2020 and what is the outlook for the 2nd half of 2020 and 2021?
- (ii) By how much has the average bed occupancy gone down?
- (iii) When is Sunway Medical Centre Velocity expected to turn profitable?

Answer:

- (i) Currently, our Healthcare division's reliance on medical tourism is relatively low with less than 10% of our total patients being foreign patients. However, business plans have been put in place to grow this segment progressively in line with our comparative advantage.

The healthcare division's performance was impacted by the COVID-19 pandemic and the MCO period which resulted in a sharp drop in the number of admissions and outpatient treatments at Sunway Medical Centre and Sunway Medical Centre Velocity.

Now with the less restrictive RMCO in place, there is a steady recovery in the number of admissions and outpatient treatments at both our hospitals. Barring any unforeseen circumstances, the Group expects the performance for the second half of 2020 to be better than the first half of 2020 and we expect 2021 to perform better too.

- (ii) During the first month of the MCO period, average bed occupancy dropped below 30%. However, we are pleased to report that the occupancy rate has now recovered substantially back to normal levels.
- (iii) Usually, a new hospital will take between 3-5 years to become profitable. Barring any unforeseen circumstances, our Sunway Medical Centre Velocity which commenced operations in September 2019 will be expected to become profitable before the end of 2022.

C. Question:

The Quarry division is gradually becoming a new pillar of growth for the Group. In FY 2019, Sunway has entered into two separate Share Sale Agreements to acquire a 100% stake of Blacktop Industries Sdn Bhd ("**Blacktop**") for RM70.1 million in two tranches, and the entire equity interest in Dolomite Granite Quarry Sdn Bhd ("**Dolomite**") for RM125.0 million respectively. (Page 66 of AR)

- (i) What portion of the produces of the Quarry division is used in-house within the Group and what percentage is sold domestically and overseas?
- (ii) Are there plans to venture into gold mining?

Answer:

- (i) All of the aggregates produced by our Quarry division are for domestic market consumption only, with less than 10% of this amount being used within the Group.

- (ii) There are no plans to venture into gold mining.

D. Question:

The Property Investment division reported revenue of RM803.5 million and profit before tax of RM336.3 million in FY 2019 compared to revenue of RM814.8 million and profit before tax of RM298.6 million in FY 2018, representing a decrease in revenue of 1.4% and increase in profit before tax of 12.6%. However, profit before tax in the current year was higher mainly boosted by disposal gain on Sunway University, which offset the lower contributions from the Group's hospitality properties and theme parks in the current year. (Page 70 of AR)

- (i) What was the disposal gain on Sunway University? What is the annual foregone rental income from Sunway University?
- (ii) By how much has the average occupancy rate of the hotels gone down?

Answer:

- (i) The disposal gain on Sunway University assets amounted to RM37.7 million. As a result of the disposal, the corresponding drop in rental revenue is approximately RM34.2 million per annum.
- (ii) In 2019, the occupancy rate at the hotels had actually increased compared to 2018. However, the contribution from the hospitality segment was lower mainly due to the lower average room rates recorded in 2019.

E. Question:

The Construction division closed the year with an order book replenishment to-date of RM1.8 billion and an outstanding order book of RM5.2 billion. (Page 70 of AR). In terms of order book replenishment for 2020, Sunway Construction Group Berhad's ("**SunCon**") new order target is RM2.0 billion, 11.1% higher than RM1.8 billion achieved in 2019. The division will also focus on niche projects such as hospitals, aerospace and RE related construction jobs. (Page 97 of AR)

- (i) How long will it take for the outstanding order book of RM5.2 bil to be run down? What is the current unbilled amount?
- (ii) Of the new order target of RM2.0 billion, how much has been secured to date? Will the target be achieved by year end?
- (iii) How much of the new order book secured are in niche projects such as hospitals, aerospace and RE related construction jobs?

Answer:

- (i) The outstanding order book of RM5.2 billion will keep the division busy for the next 3 years. The recognition of progress billing is on a monthly basis; hence the total unbilled amount is equal to the outstanding order book in hand at any point in time.
- (ii) As at 18 August 2020, SunCon has secured RM1.472 billion worth of new contracts out of the RM2.0 billion target. We are hopeful to achieve our new

order book target for 2020 as we still have about RM8.5 billion tender book in hand.

- (iii) The new order book secured to-date are mainly infrastructure and buildings projects. We are hopeful of securing some RE related construction jobs by the end of this year.

F. Question:

Property projects with a total Gross Development Value (“**GDV**”) of RM1.2 billion (2018: RM2.1 billion) was launched in 2019. The projects are located in the Klang Valley, Ipoh and Iskandar, Johor. Most of the projects saw strong take-up rates. (Page 75 of AR)

What are the respective average take-up rates for the three areas?

Answer:

The average take-up rates for Klang Valley is 95%, Ipoh is 96% and in Johor, the average take-up rate is 60%. The total unbilled sales stood at RM3.2 billion as at 30 June 2020.

G. Question:

SunCon’s venture into the RE sector will enable the division to tap growing opportunities within the RE sector, the focus, going forward will be on Large Scale Solar (“**LSS**”) farms as well as biomass and hydro based power plants. (Page 97 of AR)

To what extent has SunCon ventured into the RE sector (please provide figures where possible)? Has SunCon bid for any LSS farms as well as biomass and hydro based power plants? What are the success rates of such bids?

Answer:

SunCon has completed RM17 million worth of rooftop solar projects on Sunway’s developments and the division has submitted bid for LSS farms as early as LSS2 and has also completed feasibility studies on some of the biomass power plants projects.

Apart from Malaysia, the division is also exploring other LSS farms within the ASEAN region. Current active tender book under Renewable Energy is about RM270 million. As Suncon is still relatively new in Renewable Energy industry, there is no precedent on the bid success rate for now but we see huge opportunities in this sector.

Other than power plants, the division is also venturing into District Cooling System (DCS). Sunway Construction has partnered with ENGIE South East Asia, which enables the division to deploy DCS for greenfield and brownfield urban development projects.

Dato’ Sri Chairman then invited Ms Janet Lim to read out the answers to the questions which the Company had received from the shareholders prior to the Meeting. Ms Janet Lim read out the answers to the questions as per Appendix “A” attached to the minutes of the Meeting.

As the Company had received more questions online, Dato' Sri Chairman read out the questions and delegated to Management to respond to them. The Q&A session were summarised as follows:-

- (i) **Question:** Since the MCO started in March 2020, has the company purchased any shares back when the share price drops, if had, how many shares were purchased, at what price were the shares purchased at?

Answer: Up until the date of the AGM, we have not performed any shares buy back since the commencement of MCO on 18 March 2020..

- (ii) **Question:** Refer to page 212 of the Annual Report, how to derive the RM233.580 million depreciation and amortization expenses? Depreciation on property, plant and equipment RM225,029 million + amortization on intangible assets RM8.067 million + amortization on rock reserves RM0.263 million = RM233.359 million.

Answer: The difference of RM0.221 million was from the depreciation of biological assets. It was not disclosed in the annual report due to immateriality.

- (iii) **Question:** Would there be any e-voucher to be given to shareholders who attend this Virtual AGM today since the company had a substantial high saving in conducting this Virtual AGM & with shareholders, also facing a sudden massive hard & tough times during the MCO & current RMCO?

Answer: It is not our policy to issue any door gifts to shareholders attending the Annual General Meeting.

- (iv) **Questions:** Please share the current business of Sunway during MCO and RMCO and expected impact until Dec 2020.

Answer: Under the CMCO, most of our businesses have been allowed to recommence whilst observing the standard operating procedures imposed by the Government such as social distancing, temperature measurement and recording details of customers/visitors. Upon the implementation of CMCO, our employees have gradually begun working on site at our Group's offices and premises based on the work requirements of the various business divisions.

Since the resumption of businesses across the segments, we are seeing recovery in our retail malls and medical segment. Likewise, for the hotels and theme park, we are seeing some recovery albeit at a slower pace due to travel restrictions.

While we remain cautious on the outlook amidst the uncertainties caused by the pandemic, we expect our various business segments to recover, but it will be at a varying pace depending on the sectors in which they operate.

- (v) **Questions:** Please share future grow expansion plan of Sunway? Prospect for FY2021, business will go back to growth?

Answer: We expect the earnings visibility of the Group to be underpinned by our (a) diverse property development portfolio (b) unbilled property sales of RM3.2 billion as at 30 June 2020 and (c) healthy outstanding construction order book of RM5.4 billion as at 30 June 2020.

The sustainability of the performance of each business segments are dependent on the prospective business conditions in which they operate in.

- (vi) **Questions:** Besides healthcare expanding overseas into Singapore, what other business expanding overseas in year 2021 onwards?

Answer: We wish to clarify that Sunway Medical Centre Singapore is only a primary care healthcare medical provider providing outpatient consultation and health screening services.

Sunway has a global presence in over 50 locations across 11 countries by its diverse business segments. To this end, we continue to have discussions with various parties on potential opportunities involving the businesses and affairs of the Company and its subsidiaries with a view to enhance shareholder value. Should there be any material development, the Company will make the necessary announcement, in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

- (vii) **Questions:** Sunway pharmacy business, is this part of Sunway portfolio? Is this making any profit or loss? If making loss, please give reasons and what action plan you are taking?

Answer: Sunway Pharmacy is a relatively new and small business within Sunway Group. It is not yet profitable, but we are seeing improvement as the business grows. We are confident to grow this new business based on the Group synergy which can be brought to complement this business.

- (viii) **Question:** What is Sunway Berhad's progress towards pursuing a digital bank license? Will it be via a consortium of companies?

Answer: We are in talks with several potential partners with the same sustainability-driven values and the right synergies to form a possible consortium for the digital banking license. The resulting consortium will have the talent, a wider distribution network, technology, capital and know-how to bid for the license.

We have yet to confirm any details as discussions are still in progress.

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

8.0 ORDINARY RESOLUTION 1

- **Payment of Directors' fees**

Dato' Sri Chairman informed that Ordinary Resolution 1 was in relation to the payment of Directors' fees amounting to RM855,000 for the financial year ended 31 December 2019.

There was a question raised by a shareholder as follows:

Question: The directors' fees of RM0.855 million is only limited to non-executive directors. What about the RM0.1 million directors' fees for executive directors? As per Section 230 of Companies Act 2016, all the directors' fees of a public listed company or subsidiary company of a public listed company requires approval from shareholders at the annual general meeting.

Answer: The Executive Director's fee of RM0.1 million was paid in relation to his position as Non-Executive Director at our listed subsidiary, SunCon. The fee was approved at SunCon's 6th annual general meeting held on 5 August 2020.

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

9.0 ORDINARY RESOLUTION 2

• Payment of benefits payable to Non-Executive Directors

Dato' Sri Chairman informed that Ordinary Resolution 2 was pertaining to the payment of benefits payable to Non-Executive Directors of up to RM600,000 for the period from 3 September 2020 until the conclusion of the next AGM of the Company. The benefits payable comprised mainly meeting allowances.

There was a question received from a shareholder and Management's response was as follows:

Question: There is no such resolution in the prior year annual general meeting. Why is such a resolution required for this year? Is this RM0.6 million directors' benefits to the non-executive directors include meeting allowances? If not, why it is not included? Is this RM0.6 million directors' benefits to the non-executive directors sufficient till next AGM, e.g. June 2021? $[(RM0.12 \text{ million} \times 4) + RM0.36 \text{ million}] \times 10/12 \text{ months} = RM0.7 \text{ million}$.

Answer: We have been obtaining shareholders' approval for this resolution since 2018 when the new Companies Act 2016 came into effect. The payment of benefits to Non-Executive Independent Directors comprises mainly of meeting allowance of RM1,000 per meeting for attending the Board and Board Committee Meetings. The amount is sufficient until the next AGM.

Since there was no other question received, Dato' Sri Chairman proceeded to the next agenda.

10.0 ORDINARY RESOLUTIONS 3, 4 AND 5

• Re-election of Directors

Dato' Sri Chairman highlighted that the following Directors retired in accordance with the Company's Constitution and being eligible, had offered themselves for re-election:

- a) Tan Sri Dato' Dr Lin See Yan and Ms Sarena Cheah Yean Tih retired by rotation pursuant to Clause 106(1) of the Company's Constitution; and
- b) Mr Philip Yeo Liat Kok retired pursuant to Clause 89 of the Company's Constitution.

Dato' Sri Chairman informed that the Nomination Committee had assessed the performances of the retiring Directors and had recommended them for re-election.

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

11.0 ORDINARY RESOLUTION 6

• Re-appointment of Messrs BDO PLT as Auditors

Dato' Sri Chairman proceeded with Ordinary Resolution 6 on the re-appointment of Messrs BDO PLT as Auditors of the Company for the ensuing year until the next Annual General Meeting at a remuneration to be fixed by the Directors. Dato' Sri Chairman informed that Messrs BDO PLT had indicated their willingness to continue in office for the ensuing year.

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

12.0 ORDINARY RESOLUTION 7

• Retention of Mr Wong Chin Mun as an Independent Non-Executive Director

Dato' Sri Chairman informed that Ordinary Resolution 7 was to consider the retention of Mr Wong Chin Mun as an Independent Non-Executive Director of the Company.

The Nomination Committee had assessed the independence of Mr Wong Chin Mun who had served on the Board as a Senior Independent Non-Executive Director of the Company for a cumulative term of more than 9 years. The Committee had recommended that the approval of the shareholders be sought to retain Mr Wong as an Independent Non-Executive Director. If elected, Mr Wong would remain in office until a suitable candidate was found as his replacement.

A question was received on the agenda and the Board's response was as follows:

Question: Since Mr Wong Chin Mun has already served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, how did the Board satisfy themselves that he is still perceived as independent? As per Malaysia Corporate Governance ("CG")'s guideline, any director who serve for more than 9 years shall re-designate to non-independent directors. Does the Board agree with the CG?

Answer: The Board had discussed and deliberated thoroughly on the matter and have come to a conclusion that they are completely convinced Mr Wong remained independent in his approach, thinking and judgement. He has contributed tremendously within his capacity as an Independent Non-Executive Director. As such, the Board have no reason to believe that he should cease from being independent in carrying out his duties in that capacity and the Board is of the view that his membership in the Board should be maintained.

Dato' Sri Chairman then proceeded to the next agenda.

13.0 ORDINARY RESOLUTION 8

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

Dato' Sri Chairman informed that Ordinary Resolution 8 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 involved 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.

As there were no questions received, Dato' Sri Chairman then proceeded to the next agenda.

14.0 ORDINARY RESOLUTION 9

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

Dato' Sri Chairman informed that Ordinary Resolution 9 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 sought 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 30 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 were not detrimental to the minority shareholders of the Company.

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

15.0 ORDINARY RESOLUTION 10

• Proposed Renewal of Share Buy-Back Authority

Dato' Sri Chairman informed that Ordinary Resolution 10 was to consider and approve the proposed renewal of share buy-back authority.

He 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 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.

As there were no questions received, Dato' Sri Chairman proceeded to the next agenda.

16.0 ORDINARY RESOLUTION 11

- **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 proceeded to the last agenda of the Meeting which was to consider and approve Ordinary Resolution 11 on 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**”) that provide the shareholders of the Company with the option to elect to reinvest their cash dividend entitlements in new ordinary shares in the Company.

As there were no questions received, Dato’ Sri Chairman proceeded with the Voting Session.

17.0 POLLING PROCESS

Dato’ Sri Chairman then proceeded to the polling process and reminded the shareholders who had yet to cast their votes, to submit their votes via the RPV facility as the voting session would end in 10 minutes.

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

Thereafter, Dato’ Sri Chairman informed that all questions received from the shareholders which had not been responded would be posted on the Company’s website as soon as possible after the Meeting.

18.0 POLL RESULTS

Upon computation of the poll results, Dato’ Sri Chairman called the Meeting to order for the declaration of the poll results.

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

RESOLUTION	For			Against		
	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
1	103	4,010,767,786	99.9956	35	176,935	0.0044
2	94	4,006,721,424	99.9926	41	295,750	0.0074
3	123	3,499,412,652	87.2691	18	510,496,319	12.7309
4	132	3,958,979,939	98.8332	11	46,739,935	1.1668
5	127	4,002,535,525	99.8872	16	4,519,441	0.1128
6	132	4,010,944,290	99.9993	9	26,939	0.0007
7	119	3,946,564,422	98.4906	20	60,481,268	1.5094
8	123	3,959,329,374	98.8094	16	47,707,633	1.1906
9	123	937,530,270	99.9954	11	43,294	0.0046
10	131	3,999,293,709	99.7116	8	11,568,600	0.2884
11	125	4,005,090,641	99.9514	15	1,947,366	0.0486

Based on the poll results, the Chairman declared that all the resolutions tabled at the 10th AGM were carried.

IT WAS HEREBY RESOLVED:-

ORDINARY RESOLUTION 1

- **Payment of Directors' fees**
-

THAT the payment of Directors' fees amounting to RM855,000.00 for the financial year ended 31 December 2019 be hereby approved.

ORDINARY RESOLUTION 2

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

THAT the payment of benefits payable to the Non-Executive Directors of up to an amount of RM600,000.00 from 3 September 2020 until the conclusion of the next Annual General Meeting of the Company be hereby approved.

ORDINARY RESOLUTION 3

- **Re-election of Tan Sri Dato' Dr. Lin See Yan**
-

THAT Tan Sri Dato' Dr. Lin See Yan who retired by rotation pursuant to Clause 106(1) of the Company's Constitution, be hereby re-elected as a Director of the Company.

ORDINARY RESOLUTION 4

- **Re-election of Ms Sarena Cheah Yean Tih**
-

THAT Ms Sarena Cheah Yean Tih who retired by rotation pursuant to Clause 106(1) of the Company's Constitution, be hereby re-elected as a Director of the Company.

ORDINARY RESOLUTION 5

- **Re-election of Mr Philip Yeoh Liat Kok**
-

THAT Mr Philip Yeoh Liat Kok who retired pursuant to Clause 89 of the Company's Constitution, be hereby re-elected as a Director of the Company.

ORDINARY RESOLUTION 6

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

THAT Messrs BDO PLT, having indicated their willingness to continue in office, 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 7

- **Retention of Mr Wong Chin Mun as an Independent Non-Executive Director**
-

THAT Mr Wong Chin Mun, who had served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be hereby retained as an Independent Non-Executive Director of the Company.

ORDINARY RESOLUTION 8

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

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 might 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.

ORDINARY RESOLUTION 9

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

- (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 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 ("**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 might 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 might be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.

ORDINARY RESOLUTION 10

• Proposed Renewal of Share Buy-Back Authority

- (I) **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 might be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors might 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 might 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 might be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors might deem fit and expedient in the best interest of the Company.

ORDINARY RESOLUTION 11

- **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**

- (I) **THAT** pursuant to the Dividend Reinvestment Scheme (“**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 might, 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 might 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 might 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 business, the Meeting closed at 1.20 p.m. with a vote of thanks to the Chair, the Directors and the shareholders who participated in the Meeting.

Confirmed as a true and correct record:-

.....
CHAIRMAN

Dated this

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SUNWAY BERHAD

Registration No. 201001037627 (921551-D)
(Incorporated in Malaysia)

SUNWAY BERHAD ("Sunway or the "Company")

Tenth Annual General Meeting of Sunway held on 2 September 2020 at 11.30 a.m.

Questions from shareholders

Shareholder: Chia Shun Kit

Based on Board of Directors perspective,

- 1. Is Sunway shares suitable to hold and treat as long term investment? And what is the fair price for Sunway?**

We are not in the position to advise on this. You should consult a professional adviser for advice.

- 2. Does Sunway have a dividend policy for the shareholders?**

The Board has endorsed a minimum dividend policy of 20% of core PATMI to be distributed annually. Barring any unforeseen circumstances, it is the intention of the Board to pay dividend twice a year.

Shareholder: How Hoong Piow

- 1. For Sunway's healthcare division, when will the management list this division?**

The Company has always been active in exploring and evaluating various options for all its businesses with a view to enhance shareholder value. To this end, we continue to have discussions with various parties on potential opportunities involving the businesses and affairs of the Company and its subsidiaries. However, as of now, no decision has been made by the Company to pursue any particular opportunity. We will make necessary announcements as and when required as per the listing rules.

- 2. On 24th April 2020, Sunway announced they acquired the Credit Bureau Malaysia, is this acquisition is successful or it still pending stage? How many profits it can make from this acquisition in long term?**

Acquisition of the Credit Bureau Malaysia was successfully completed in June 2020. We are confident to grow this new business based on the Group synergy which can be brought to complement this business.

Shareholder: Chan Fung Han

- 1. Regarding the RM160 million of development profits for Singapore and Tianjin, China projects which will be recognised upon vacant possession delivery in 2h2020, which paragraph(s) of MFRS 15 that prohibited the company from recognizing profit from these overseas projects until completion? (page 65 of annual report)**

MFRS 15 should be interpreted in conjunction with the local rules and regulations, as stipulated in MFRS 15 paragraph 10.

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Revenue was recognised at a point in time in accordance with MFRS 15 paragraph 38 for both the Singapore and Tianjin, China projects because the criteria for revenue recognition over time in MFRS 15 paragraphs 35 to 37 were not met.

As most of our Singapore projects are Executive Condominium (EC) which is governed under the regulations of the Singapore Housing and Development Board (HDB), the completion of sale is subject to the buyer meeting certain eligibility rules at the date of Temporary Occupation Permit (TOP), which is equivalent to the Vacant Possession (VP) in Malaysia. Therefore, the developers of an Executive Condominium will not be able to recognise revenue until TOP. This accounting treatment in Singapore is consistent with the prescribed interpretation of IFRS 15 in Singapore by the ISCA issued in 2017.

Similarly, for our China projects, revenue can only be recognised when the ownership is transferred to buyers during the physical key handover, which is equivalent to the Vacant Possession (VP) in Malaysia.

2. **Sunway Medical Centre Velocity (SMCV) continued to incur losses (1H2020 of -RM21.5 million; FY2019: -RM17.8 million). Does management expect SMCV to widen or narrow its losses in 2H2020, what is the forecasted full year profit/loss, and when would SMCV be projected to breakeven and start making profits? (page 16 of Q2 FY2020 announcement & page 70 of annual report)**

Based on the healthcare industry benchmark, a new hospital will take between 3-5 years to become profitable. Barring any unforeseen circumstances, our Sunway Medical Centre Velocity which commenced operations in September 2019 is expected to become profitable before the end of 2022.

3. **With the hospitality segment badly hit and its outlook is expected to remain challenging, when would the launching of Sunway Big Box Hotel, Johor be expected given that the completion date had been delayed to Q1 2021? (page 92 of annual report & page 14 of EGM circular)**

The construction of the Sunway Big Box Hotel in Johor is currently progressing based on the revised schedule. Based on the revised completion date, the indicative launch of the hotel is still within the first half of 2021.

4. **Construction segment targets to replenish its order book by RM2.0 billion in FY2020 and YTD had secured RM1.5 billion worth of new contracts. Does the management optimistic to surpass the order book replenishment target and what is the revised target? (page 97 of annual report and slide 2 of Q2 2020 results briefing pack)**

We remain optimistic to achieve the replenish order book target of RM2 billion for FY 2020.

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- 5. Could the management split the disposals and write-offs of property, plant and equipment in the PPE schedule in order to provide more clarity and able to reconcile to other notes and statements of cash flows? (page 241 of annual report)**

We take note of your suggestion and will consider the feasibility of such disclosures in future annual reports.

- 6. There is RM86.9 million of investment properties (IP) transferred to IP under construction category. Could the management explain why these IP being transferred from completed category to under construction category? Is it due to refurbishment, renovation, expansion or due to wrong categorisation in prior year? (page 247 of annual report)**

In accordance with MFRS 140 Investment Properties para 8(b), there was a reclassification for a piece of land from Investment Property to Investment Property Under Construction as the management has decided to develop a building on the said land.

- 7. Regarding the contingent consideration for second tranche related to acquisition of Blacktop Group which shall be determined based on the aggregate net asset value per share of blacktop as at 25/7/2020, what is the actual considerations paid/payable and any material variance compared to the initial estimate of RM28 million? (page 262 of annual report)**

We are currently in the process of finalising the balance consideration amounts. Once the transaction is completed, we will make the necessary announcement.

- 8. Regarding Sunway PKNS Sdn Bhd group, noted that there was RM121 million of net cash used in investing activities, but the non-current assets only increased by RM21.2 million (2019: rm194.4 million; 2018: rm173.2 million). Could the management explain what purposes had the investing cash outflows of Sunway PKNS Sdn. Bhd. Group being used for? (page 263 & 265 of annual report)**

The net outflow of RM121 million in investing activities was due to transfer of cash and bank balances to placement in funds, which earn tax-exempt returns.

- 9. Regarding the joint venture of Hoi Hup group, what had caused both the other current assets and non-current liabilities increased by circa RM3.2 billion compared to FY2018? (page 278 & 279 of annual report)**

The increase in other current assets in 2019 was mainly due to higher properties development costs for existing projects. The corresponding increase is in the amount due to joint ventures and bank borrowings under non-current liabilities.

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- 10. For Goodwill impairment testing, the discount rate used across Quarry, Construction, and Property Investment is the same of 8.5% but it is disclosed that the discount rates reflect specific risks relating to the relevant segments. Could the management explain why the same discount rate of 8.5% being used across the segments given that different segments are having different risk profiles and hence, quite unlikely for having the exactly same discount rate? (Page 285 & 286 of annual report)**

Sunway Group has internally estimated the discount rates based on certain prescribed criteria, for example, borrowing rates, internal credit ratings, risk profiles etc. The resulting discount rates set for each of the industries vary and they are lower than 8.5%. However, The Group chose to top up the discount rates to 8.5% as additional risk premium to cater for unforeseen circumstances. The incremental % that was put in did not result in any significant impairment to the goodwill.

- 11. The estimated value for provision for financial assistance with Sunway Technology Group and SCG Group had decreased from RM225 million (previous estimated value) to RM78 million (new estimated value). What had caused this material decrease in estimation? Furthermore, the actual value transacted was nil and hence, is this RRPT considered necessary? (page 14 of RRPT circular)**

The previous estimated value for provision for financial assistance with Sunway Technology Group was higher based on a projected leasing and factoring business to Suntech group which did not materialised. However, for 2020, we have estimated RM78 million based on the term loan financing from their East Malaysia's project and potential invoice factoring business going forward.

Shareholder: Teh TG

- 1. Can you add and show Value distribution pie chart 2019 shown in pg 27 in the breakdown for four segmental performances, on top of total summary**
- 2. The table in page 71, please add in column of "Return of capital employed" to confirm or justify the reason of low profit margin over revenue in trading manufacturing, quarry, building material and others**

We take note of the suggestions and will consider the feasibility of such disclosures in future annual reports.

- 3a. Further to Question 2, what is the action plan should those business in Q2 falls below market standard of ROCE in their respective trade**
- 3b. Further to Question 2, if those business in Question 2 are having lowest ROCE in Sunway Bhd business activities, would there any redeployment of scarce capital resources?**

In any business operations, there will be changes in the market conditions which could impact the respective business in the short term. These business segments are synergistic to the Group's

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Build, Own and Operate business model. The long term returns from these business operations are within the Group's ROCE.

4a. Among (the) Quarry product(s), which is most profitable?

Our quarry products of aggregates and premix are used in different type of industries and projects. The price of the product depends on the market condition, underpin by the supply and demand of the product.

4b. Expected impact of 2020 oil price scenario to Quarry profit in Yr 2020?

Oil prices will impact the price of the bitumen in our premix product. The profitability of our Quarry division is dependent on market conditions, underpin by the supply and demand of their products.

5. (We have rephrased the following question for clarity) On pg 42, the risk to the "highly experienced professional talent" business strength is being "unable to retain high performance employee due to lack of industry talent".

- Is Sunway HR good at punitive approach when they claim concentrating their effort on engaging employee?
- What are those engagement methods stated in Sustainable Report?
- Any justification those engagements are effective?
- What HR activity and engagement have brought comfort and bring out the process efficiency and best of employee?
- The saying of employee tends to leave company because of superior, immediate or non direct reporting superior. Any study on those turnover is not attributed to this suggested scenario? I much like to have this detailed report, if i may.
- Is the turnover ratio of Sunway being bench marked against other industry?
- Has a bench mark of % turnover become HR KPI indicator?

Sunway takes pride in developing and retaining our talent. We have a proper performance management system in place which is based on key performance indicators whilst employee engagement is a process to improve employees' well-being and organisational productivity.

We partnered with a reputable global HR consulting firm in driving our employee engagement and engaged an external consultant firm to run our employee engagement survey annually. Sunway's employee engagement score has progressively improved over the last few years. We diligently follow-up and follow through the action plans developed post engagement survey which addresses the concerns and feedback arising from the employee engagement survey.

Our overall employee turnover rate is in line with the general market and this turnover rate is part of HR Key Performance Indicator.

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Shareholder: Chin Ling Loh

1. What are the Top 3 Sustainability Priorities of Sunway Group? How these Sustainability initiatives will help Sunway business growth during this difficult period and in long term?

Sunway is committed to the 17 United Nations Sustainable Development Goals. At Sunway, sustainability is an essential element in our business. Our top 3 sustainability priorities during this difficult period and beyond are:

- **Environmental:**
Energy Management (Climate change) - Energy efficiency improvement and solar energy projects have reduced energy cost leading to overall lower operating cost as energy consumption cost is one of the major operational cost.
- **Environmental:**
Water Management - Promoting water security and ensuring sustainable water management are essential parts of mitigating our impact on the environment while ensuring business continues as usual. Having some of our water supplied from our own water treatment plant has helped to reduce risk of water shortages in our buildings, maintaining our customer satisfaction and comfort while working or shopping in our buildings.
- **Social:**
Health & Safety (Customers & Employees) - The Company have undertaken certain actions for implementation of the standard operating procedures during MCO, CMCO and RMCO, such as investment in thermal scanners, sanitising stations, frequent fogging disinfection at public areas and maintaining social distancing protocols. Despite the initial costs to implement these standard operating procedures, the necessity to build retail confidence is critical and paramount.

Shareholder: Kee Liang Chin

1. Could you elaborate on the strategy of Sunway Iskandar and how much does it contribute to the revenue and profit of Sunway Group?

Sunway Iskandar has been masterplanned to be an integrated township similar to what we have here in Sunway City KL, complemented with seafront views of the Straits of Johor, and the meandering Pendas River running through the development. The overall master plan allows for a development plot ratio of 1, giving it a spacious and eco-friendly living environment.

This development is expected to take more than 20 years to complete and we have over the last 5 years made significant progress including the completion of the Sunway Big Box Retail Park, Sunway International School, the X-Park and have sold over RM1 billion worth of properties in the township. As the township is still in its gestation period, Sunway Iskandar has yet to contribute meaningfully to the Group's financials but we look forward to greater contribution in the coming years.

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Sunway Iskandar is a joint-controlled entity with Khazanah Nasional. Accordingly, the accounting treatment is on an equity accounting basis whereby the Group will only account for the share of profit in Sunway Iskandar. Please refer to Note 21 on page 280 in the Annual Report 2019 for the financial information of this entity.

Shareholder: Khor Teng Eng

- 1. Is our company buying office paper from Indonesia pulp and paper manufacturers with a long history of deforestation as reported by WWF and Greenpeace?**

https://wwf.panda.org/our_work/forests/forest_sector_transformation2/pulp_and_paper2/app_april/deforestation/

https://www.youtube.com/watch?v=wHvte_SDH0w

According to Sunway Berhad's 2019 annual report, reputational risk is not on our company's risk register. Might reputational risk be a concern if our company is supporting a manufacturer implicated in deforestation?

Thank you for raising your concerns. Sunway's Group Procurement practises a sustainable and responsible procurement chain across the entire group. Our paper comes from an Indonesia pulp source which is PEFC certified (Program for the Endorsement of Forest Certification). We will only procure from sustainable source of supplies.