

**SUNWAY<sup>®</sup>**  
**SUNWAY BERHAD**  
Registration No. 201001037627 (921551-D)  
(Incorporated in Malaysia)

**MINUTES OF THE ELEVENTH ANNUAL GENERAL MEETING OF SUNWAY BERHAD (“SUNWAY” OR “COMPANY”) HELD FULLY VIRTUAL AT THE MEETING PLATFORM AT [WWW.SUNWAYMANAGEMENT.COM.MY](http://WWW.SUNWAYMANAGEMENT.COM.MY) ON TUESDAY, 14 SEPTEMBER 2021 AT 2.00 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  
Tan Sri Dato’ (Dr.) Chew Chee Kin  
Tan Sri Jamaludin Bin Ibrahim  
Datuk Tong Poh Keow  
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 Chin Wei Xun

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

**SHAREHOLDERS/  
PROXIES/GUESTS** : As per online participation lists

**1.0 OPENING ADDRESS**

Dato’ Sri Idris Jala (“**Dato’ Sri Chairman**”) called the fully virtual 11<sup>th</sup> Annual General Meeting (the “**AGM**” or “**Meeting**”) to order at 2.00 p.m. and welcomed all members present at the Meeting.

Dato’ Sri Chairman informed the shareholders that due to the COVID-19 movement restrictions imposed by the Government, the Company’s AGM was conducted fully virtual through live streaming and online remote voting using the Remote Participation and Voting (“**RPV**”) Facility in accordance with the Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 April 2020 and updated on 16 July 2021.

He then proceeded to introduce the Board members present virtually via video conferencing. He also introduced the Group Chief Financial Officer, the Company Secretary 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 2.00 p.m. on 13 September 2021, the Company had received a total of 3,927,608,258 ordinary shares in proxies from the shareholders and a total of 3,567,536,412 ordinary shares appointing Dato' Sri Chairman as proxy.

## **4.0 CONFIRMATION OF NOTICE SENT**

Dato' Sri Chairman informed the shareholders that the notice convening the Meeting had been duly sent to all shareholders and published within the stipulated timeframe.

He then declared that the notice of the Meeting be taken as read.

## **5.0 REMOTE E-POLLING PROCEDURES**

Dato' Sri Chairman highlighted 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, immediately upon completion of the tabling of the last resolution. 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 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. In his capacity as Chairman of the Meeting, he then requested for a poll to be taken on all the resolutions to be tabled at the Meeting pursuant to Clause 72 of the Company's Constitution. BDO Consulting Sdn Bhd had been appointed as the Independent Scrutineer to verify the polling results of the Meeting. The online polling system had been thoroughly and independently verified as well as proven reliable by them.

Dato' Sri Chairman further informed that Ms Yong Siew Mee and Ms Ong Mei Naar who were shareholders 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 announced that the online voting session had commenced and the shareholders and proxies 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 2020.

Tan Sri Chew then presented Sunway Group's 2020 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 the Group's outlook for 2021. He also reported on the Sunway Group's sustainability journey and initiatives, its digitalisation strategies as well as the actions undertaken in relation to the COVID-19 pandemic.

## **7.0 AGENDAS OF THE MEETING**

Dato' Sri Chairman then proceeded to table the agendas of the Meeting as follows:

- (a) Agenda 1:  
Audited Financial Statements, Directors' and Auditors' Reports for the financial year ended 31 December 2020
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The first agenda was to receive the Audited Financial Statements, Directors' and Auditors' Reports for the financial year ended 31 December 2020.

- (b) Agenda 2.1 (Ordinary Resolution 1):  
Payment of Directors' fees
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Agenda 2.1 was to approve Ordinary Resolution 1 on the payment of Directors' fees amounting to RM840,655.74 for the financial year ended 31 December 2020.

- (c) Agenda 2.2 (Ordinary Resolution 2):  
Proposed increase of the Board Committees' fees to RM88,877.09 and payment of the said fees
- 

Agenda 2.2 was to approve Ordinary Resolution 2 on the proposed increase of the Board Committees' fees to RM88,877.09 and the payment of the said fees for the financial year ended 31 December 2020.

- (d) Agenda 3 (Ordinary Resolution 3):  
Payment of benefits payable to Non-Executive Directors
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Agenda 3 was to approve Ordinary Resolution 3 on payment of benefits payable to Non-Executive Directors of up to RM600,000/- for the period from 15 September 2021 until the conclusion of next Annual General Meeting of the Company. The benefits payable comprised mainly meeting allowances.

- (e) Agenda 4 (Ordinary Resolutions 4, 5, 6, 7 and 8):  
Re-election of Directors
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Agenda 4 was to consider the re-election of Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, Tan Sri Datuk Dr Rebecca Fatima Sta Maria and Dato' Sri Chairman, who were retiring by rotation pursuant to Clause 106(1) of the Company's Constitution as well as Datuk Tong Poh Keow and Tan Sri Jamaludin Bin Ibrahim, who were retiring pursuant to Clause 89 of the Company's Constitution. All the retiring Directors, being eligible, had offered themselves for re-election.

The Nomination Committee had assessed all the retiring Directors' performances and had recommended that they be re-elected. The retiring directors had abstained from deliberating and voting on the recommendation on their own re-election as directors.

- (f) Agenda 5 (Ordinary Resolution 9):  
Re-appointment of Messrs BDO PLT as Auditors

Agenda 5 was to consider the re-appointment of Messrs BDO PLT as Auditors of the Company.

Messrs BDO PLT had indicated their willingness to continue in office for the ensuing year.

- (g) Agenda 6 (Ordinary Resolution 10):  
Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

Agenda 6 was to seek renewal of a general mandate, which if passed, would empower the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.

- (h) Agenda 7 (Ordinary Resolution 11):  
Proposed renewal of shareholders' mandate and proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature

Agenda 7 was to consider and approve Ordinary Resolution 11 on the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.

The details of the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature were set out in the Circular to Shareholders dated 27 May 2021.

- (i) Agenda 8 (Ordinary Resolution 12):  
Proposed renewal of the authority for Directors to allot and issue new ordinary shares in the Company in relation to the Dividend Reinvestment Scheme

Agenda 8 was to consider and approve Ordinary Resolution 12 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 that would provide the shareholders of the Company with the option to elect to reinvest their cash dividend entitlements in new ordinary shares in the Company.

- (j) Agenda 9 (Special Resolution 1):  
Proposed amendments to the Company's Constitution

Agenda 9 was to consider and approve Special Resolution 1 on the Proposed Amendments to the Company's Constitution.

The proposed amendments to Clauses 84 and 85 of the Company's Constitution was to standardize the wordings and to facilitate the receipt of proxy form in respect of the Company's general meeting via any form of transmission as specified by the Company from time to time, including but not limited to electronic or digital means.

## **8.0 QUESTIONS AND ANSWERS SESSION**

Dato' Sri Chairman informed that the Company had received a letter dated 17 June 2021 from the Minority Shareholders Watch Group ("**MSWG**").

He invited Ms Janet Lim Lee San, the Senior Manager-Corporate Finance to address the questions raised by MSWG and the questions received from the shareholders prior to the Meeting. The questions together with the Company's responses were presented for the information of the members, which was attached with the minutes as Annexure "A".

As the Company had received additional question online, Dato' Sri Chairman read out the question and delegated to Tan Sri Chew to respond to it. The question and reply given were as follows:

(a) **Question:**

Any plan to expand beyond Malaysia and Singapore?

**Answer:**

The Group intends to be a regional conglomerate. Management is looking into countries such as China, Indonesia, Thailand, India, etc.

Presently, the Group has invested in the following businesses in the said countries:

- (i) China – manufacturing (Trading & Manufacturing Division) and property development (Property Development Division);
- (ii) Indonesia and Thailand – trading (Trading & Manufacturing Division); and
- (iii) India – construction (Construction Division).

The Group is exploring to invest in other businesses in these countries.

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.

After dealing with the questions received, Dato' Sri Chairman then proceeded with the polling session.

## **9.0 VOTING SESSION**

Dato' Sri Chairman then proceeded to the polling process. He requested the Poll Administrator to play the video clip on how to vote online and the process to log into the voting platform for the benefits of shareholders and proxies who had yet to submit their votes.

After the video was played, he informed the shareholders and proxies who had yet to cast their votes, to submit their votes via the RPV facility as the voting session would end in 5 minutes.

After 5 minutes, Dato' Sri Chairman announced that the online voting session for the Meeting closed.

## 10.0 **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	%
<b>Ordinary Resolution</b>						
1	144	3,953,317,817	99.9926	59	292,257	0.0074
2	126	3,953,168,060	99.9890	76	432,965	0.0110
3	131	3,951,663,277	99.9510	71	1,938,169	0.0490
4	181	3,817,082,075	99.9828	23	655,925	0.0172
5	169	3,953,363,849	99.9939	34	240,812	0.0061
6	165	3,953,450,718	99.9963	37	148,162	0.0037
7	170	3,953,390,138	99.9946	33	214,523	0.0054
8	166	3,953,466,794	99.9970	35	126,818	0.0032
9	180	3,953,470,880	99.9975	23	99,302	0.0025
10	161	3,914,583,685	99.0140	41	38,984,151	0.9861
11	168	874,267,640	99.9853	35	128,506	0.0147
12	166	3,953,329,246	99.9932	36	270,213	0.0068
<b>Special Resolution</b>						
1	171	3,953,382,326	99.9947	31	211,250	0.0053

Based on the poll results, the Chairman declared that all the resolutions tabled at the 11<sup>th</sup> AGM were carried.

### **IT WAS HEREBY RESOLVED:-**

#### **ORDINARY RESOLUTION 1**

- **Payment of Directors' fees**

**THAT** the payment of Directors' fees amounting to RM840,655.74 for the financial year ended 31 December 2020 be hereby approved.

#### **ORDINARY RESOLUTION 2**

- **Proposed increase of the Board Committees' fees to RM88,877.09 and payment of the said fees**

**THAT** the proposed increase of the Board Committees' fees to RM88,877.09 and the payment of the said fees for the financial year ended 31 December 2020 be hereby approved.

**ORDINARY RESOLUTION 3**

- **Payment of benefits payable to Non-Executive Directors**
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**THAT** the payment of benefits payable to the Non-Executive Directors of up to an amount of RM600,000.00 from the next day of the Postponed 11<sup>th</sup> Annual General Meeting until the conclusion of the next Annual General Meeting of the Company be hereby approved.

**ORDINARY RESOLUTION 4**

- **Re-election of Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO**
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**THAT** Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling 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 Dato' Sri Idris Jala**
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**THAT** Dato' Sri Idris Jala 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 6**

- **Re-election of Tan Sri Datuk Dr Rebecca Fatima Sta Maria**
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**THAT** Tan Sri Datuk Dr Rebecca Fatima Sta Maria who retired pursuant to Clause 106(1) of the Company's Constitution, be hereby re-elected as a Director of the Company.

**ORDINARY RESOLUTION 7**

- **Re-election of Datuk Tong Poh Keow**
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**THAT** Datuk Tong Poh Keow who retired pursuant to Clause 89 of the Company's Constitution, be hereby re-elected as a Director of the Company.

**ORDINARY RESOLUTION 8**

- **Re-election of Tan Sri Jamaludin Bin Ibrahim**

**THAT** Tan Sri Jamaludin Bin Ibrahim who retired pursuant to Clause 89 of the Company's Constitution, be hereby re-elected as a Director of the Company.

**ORDINARY RESOLUTION 9**

- **Re-appointment of Messrs BDO PLT as Auditors**
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**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 10**

- **Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016**
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**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, where such approval is necessary, 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 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 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 11**

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

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- (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 27 May 2021 which are of a revenue or trading nature and carried out in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company, subject to the compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Companies Act 2016 (the "**Act**"), the Company's Constitution and all other applicable laws, guidelines, rules and regulations.
- (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 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 general meeting,
  - (d) 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.



**ORDINARY RESOLUTION 12**

- **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 provides 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.

**SPECIAL RESOLUTION 1**

- **Proposed amendments to the Company’s Constitution**

**THAT** the proposed amendments to Clauses 84 and 85 of the Company’s Constitution as set out below, be hereby approved:-

<b>Clause No.</b>	<b>Existing provisions</b>	<b>Proposed Amendments</b>
84	<p>How instrument to be executed</p> <p>The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if such appointer is a corporation, either under its common seal or the hand of its officer or attorney duly authorised. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand a poll on behalf of the appointer.</p>	<p>How instrument to be executed</p> <p>The instrument appointing a proxy shall be in writing under the hand of the Member or of his attorney duly authorised in writing or, if such Member is a corporation, either under its common seal or the hand of its officer or attorney duly authorised. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand a poll on behalf of the Member.</p>

85	<p><b>Depositing of proxy form</b></p> <p>The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power of authority, shall be legible and deposited at the Office or at such other place within Malaysia (if any) as is specified for that purpose in the notice convening the meeting either personally, by fax, electronic mail or by sending it through the post in a prepaid letter during business hours not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting, as the case may be, at which the person named as proxy in such instrument proposes to vote or, in the case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll; otherwise the person so named shall not be entitled to vote in respect thereof. In the case where the Member is a corporation and the instrument appointing a proxy is delivered by fax or electronic mail, the original proxy form shall also be deposited at the Office either personally or by post not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting.</p>	<p><b>Depositing of proxy form</b></p> <p>The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power of authority, shall be legible and deposited at the Office, or at such other place within Malaysia or in such other manner as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting, as the case may be, at which the person named as proxy in such instrument proposes to vote or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll; otherwise the person so named shall not be entitled to vote in respect thereof.</p>
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**AND THAT** the Directors and Company Secretary be hereby authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the proposed amendments to the Company's Constitution.

**CONCLUSION**

There being no other business, the Meeting closed at 3.25 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 of the proceedings thereof:-**

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**CHAIRMAN**  
 Dated this

SUNWAY BERHAD  
AGM – 14 September 2021

**Questions raised by MSWG**

**Operational and Financial Matters**

1. **Property Development division's construction progress was affected due to the lockdowns and implementation of social distancing measures at construction sites, leading to some delays for launches and revenue recognition of ongoing property development projects in Malaysia (page 79 of Integrated Annual Report (IAR) 2020).**
  - (a) **Given the implementation of full MCO 3.0, what is the progress of all the ongoing property development projects? Are they on track to complete within the targeted timeframe?**
  - (b) **What is the property sales target for FY2021? Is the Group on track to meet the sales target for this year?**
  - (c) **Sunway Velocity TWO Tower C Kuala Lumpur and Ki Residence Singapore were launched at the end of 2020, their take up rates were encouraging at 40% and 28% respectively (page 79 of IAR 2020). What are the latest take-up rates of these properties?**

**Answer:**

- (a) Currently, the progress for most of our property development projects are affected due to the inability of construction to continue works under the existing MCO 3.0 guidelines. As a result, there are some delays although our team is using the current lockdown period to enhance project planning and we look forward to catch up when works re-commence.

We believe there are no substantial Liquidated Ascertained Damages (LAD) risks at the moment unless MCO 3.0 is extended further. The management team will continue to monitor the situation and take all steps possible to mitigate the impact of such delays, including requesting for further relief from the government under the Temporary Measures for Reducing the Impact of Coronavirus Disease 2019 (COVID-19) Bill, where relevant.

- (b) On 7 July 2021, the Property Development Division announced an upward revision in their property sales target to RM2.2 billion from its previously set target of RM1.6 billion. The achievement was underpinned by strong performance in Singapore which recorded sales in excess of RM1.0 billion and was mainly attributable to the successful launches of Ki Residences, a private condominium in Clementi and Parc Central, an executive condominium in Tampines, Singapore. In Malaysia, the launch of Sunway Belfield in Kuala Lumpur City Centre was also well received.

With well-priced properties in good locations in demand and coupled with the extension of the Home Ownership Campaign ("HOC") announced by the Malaysian Government till the end of 2021, Sunway is confident that we will be able to maintain the strong sales momentum as we have several exciting new launches in Klang Valley and China in the last quarter of 2021.

(c) As at 26 August 2021, the take-up rates (inclusive of bookings) for Sunway Velocity TWO Tower C in Kuala Lumpur and Ki Residence in Singapore were at 60% and 58% respectively.

**2. Sustainable energy sector remains strong on Sunway Construction Group (SunCon) agenda, offering bright prospects with SunCon's successful solar PV track record and Malaysia's anticipated increase in sustainable energy generation to 20% of its mix by 2025 (page 94 of IAR 2020).**

**(a) What is the total value of external solar PV system projects that the Company is currently bidding for? What is the probability of being awarded new projects in FY2021?**

**(b) What is SunCon's expectation and medium-term target for external solar PV system projects in terms of financial contribution?**

Answer:

(a) The total value of external solar PV system projects that SunCon is currently bidding for is about RM330 million, with the bulk of it related to the recently launched Large Scale Solar 4 ("LSS4") project. As SunCon is still relatively new in Sustainable Energy industry, there is currently no precedent on the bid success rate but we continue to see good prospects in this sector.

(b) As at 30 June 2021, the outstanding tender for Solar PV projects is about 4% of the total tender book which includes several LSS4 and rooftop solar projects. We expect the financial contribution from the external solar PV system projects to grow meaningfully as we continue to tender for more large scale solar projects in the foreseeable future.

**3. Sunway Iskandar Sdn Bhd recorded loss after tax of RM44.5 million in FY2020 (FY2019: profit after tax RM12.1 million) (Note 21, page 265 of IAR 2020)**

**(a) What is the Company's strategy for Sunway Iskandar given the pandemic?**

**(b) Is this township development expected to turnaround and register profits in FY2021?**

Answer:

(a) We remain confident of our Sunway Iskandar developments for three main reasons.

Firstly, Sunway Iskandar is strategically located with its close proximity to Singapore. With the Coastal Highway Southern Link (CHSL), Sunway Iskandar is just a 5-minute drive from the Second Link Expressway.

Secondly, our development is sufficiently differentiated from other developments in Iskandar as we intend to develop a low density integrated township development which means purchasers will enjoy facilities like shopping malls, medical and education institutions near their residences. Our low density developments with plenty of landed properties stand out compared to other developers who may have only high rise developments in the area.

Thirdly, Sunway Iskandar possesses enviable natural terrain and surroundings. Fronting the Straits of Johor on one side, bordering natural forests on another and with a seven-kilometre Sungai Pendas running through the township, there are infinite possibilities in creating a well-spaced, low density and eco-friendly metropolis which will attract not just Malaysians and Singaporeans but interest from nationalities around the world.

- (b) The border between Singapore and Malaysia remained closed since the COVID-19 pandemic hit in year 2020. The prolonged COVID-19 pandemic and movement control orders are expected to continue to impact FY2021 financial performance of Sunway Iskandar.

However, we are cautiously optimistic of a full recovery in FY2022 when herd immunity is achieved and international borders are reopened.

**4. Sunway REIT aims to diversify up to 25% of the trust's total asset value into sunrise assets such as logistics warehouses and industrial properties, which has remained resilient despite the cyclical nature of the industry, as well as education, healthcare, e-commerce and data centres (page 82 of IAR 2020).**

- (a) Did the REIT manager evaluate opportunities to acquire any of the abovementioned sunrise assets during the pandemic? If so, are there any potential acquisitions in the pipeline for the immediate term?
- (b) Is it an opportune time to acquire the sunrise assets given that the pricing/valuation of these assets would not come cheap? What are the investment criteria of Sunway REIT for new asset acquisitions?

Answer:

- (a) In line with Sunway REIT's strategic objectives outlined in the Transcend 2025 roadmap, the REIT Manager is actively looking out for acquisition opportunities in the sunrise assets to expand and enhance the REIT's portfolio such as education assets, logistic warehouses and industrial assets.

We will make the necessary announcement of any such acquisitions in due course, in accordance to Bursa listing rules.

- (b) Some of the key investment criteria for new asset acquisitions of Sunway REIT are yield accretion, synergy to existing asset portfolio, township and integrated development, growth prospect, asset enhancement opportunity, turnaround opportunity and others.

We are of the view that there are still opportunities in the market for both vendors and buyers to strike a fair deal in any prospective new asset acquisitions.

**5. Healthcare division registered profit before tax of RM17.4 million, a decline of 72% in FY2020 compared to RM61.5 million in FY2019, mainly due to the Covid-19 pandemic which resulted in a sharp drop in the number of admissions and outpatient treatments at Sunway Medical Centre during the first half of FY2020 (page 74 of IAR 2020).**

- (a) How will the re-imposition of full lockdown on 1 June 2021 impact the number of admissions and outpatient treatment for Sunway Medical Centre and Sunway Medical Centre Velocity? What mitigating measures are being taken to minimise the impact?**
- (b) What is the current average bed occupancy rate compared to 2HFY2020?**
- (c) What is the outlook on financial performance for healthcare division in FY2021?**

Answer:

- (a) The re-imposition of full lockdown on 1 June 2021 has resulted in a 10% to 15% decline in the number of admission and outpatient visits in the hospitals compared with the period from March to May 2021 as Malaysians are urged to stay at home and patients and doctors have deferred their elective medical procedures.

Given the persistent high number of daily COVID-19 cases within Klang Valley, hospital activities remained soft in the month of July and August.

However, we noticed that the admission and outpatient visits have started to recover in September with the increased ramp-up rate of our national vaccination programme.

We have undertaken the following mitigating measures to address the impact from the full lockdown by:

- Continuing to practise stringent infection prevention and control procedures within the hospitals and prioritise the safety of our patients and visitors;
  - Ensuring all front line medical professionals and staff are fully vaccinated, including newly joined staff;
  - Positioning our hospitals to be able to respond to emergency and complex cases like heart attack, stroke, cancer, organ transplants, bleeding ulcers, major trauma and orthopaedic, as well as focusing on medical cases where time is of essence such as maternity and fertility cases; and
  - Proactive digitisation of healthcare services via the establishment of Sunway Medical Centre's Telemedicine Command Centre in the beginning of 2021.
- (b) The current average bed occupancy rates for Sunway Medical Centre and Sunway Medical Centre Velocity are at about 60% and 40% respectively, comparable with 2H FY 2020.
- (c) As reported, the financial performance for the first half of FY 2021 was much better compared to the corresponding previous period of FY 2020.

Barring any resumption of another prolonged lockdown in the fourth quarter of 2021, the financial performance of the healthcare division is expected to be better than FY 2020 due to the mitigating actions and strategies adopted by the management to counter the challenges posed by the pandemic.

6. The Group's other investments in quoted shares has increased by 89% to RM316.4 million in FY2020 (FY2019: RM167.5 million) (Note 28, page 286 of IAR 2020).

(a) Please provide a breakdown of the quoted shares according to sector and its respective value (according to sector) as at 31 December 2020.

(b) Why has the Group increased its investment in quoted shares in FY2020?

Answer:

(a) The Group invested in quoted shares in the construction and real estate investment trust sectors of RM311.8 million and RM4.6 million respectively in 2020.

(b) The increase in its investment in quoted shares in FY 2020 was mainly due to investment in IJM Corporation Berhad ("IJM") shares. The additional investments were made when the IJM shares were trading at attractive low levels. It was a good investment opportunity capitalised by the Group.

As per its 11<sup>th</sup> August 2021 Bursa Securities filing, the Group held a total of 180,248,000 ordinary shares in IJM, which represented 5.017% of the total issued share capital of IJM.

7. The Group's allowance for impairment loss on amounts due from joint ventures increased to RM52.0 million in FY2020 (FY2019: RM46.4 million) (Note 34, page 293 of IAR 2020)

(a) Please name the joint venture company with the impairment. What was the reason for the higher impairment in FY2020?

(b) What is the likelihood of further impairment in the near term?

(c) Is there any potential for the impairment to be reversed in the future?

Answer:

(a) The allowance for impairment loss was made on the outstanding amount owing by Sunway Opus, a joint venture property development company in India.

The increase in the allowance for impairment loss to RM52 Million in FY 2020 was due to additional allowance for impairment loss made on the interest charged on the outstanding amount by the Group.

(b) As the joint venture's impairment loss was provided in full, any further impairment will be due to the interest charged by the Group, which will continue to be provided to build up our claims on the joint venture without impacting the Group's results.

(c) Any potential for the reversal of the impairment will depend on a resolution to be agreed between Sunway and its joint venture partners for Sunway Opus, of which the management is already taking steps to try and recover the amounts owed.

**Questions raised by Shareholders**

**Shareholder: Teo Cher Ming**

**Question 1**

**How much property sales and unbilled sales have been recorded to date?**

Answer:

The Year to date property sales were encouraging, recording RM1.64 BILLION as at end of June 2021, of which, close to RM1.0 BILLION was contributed by Singapore; while the unbilled sales as at June 2021 stood at RM3.6 BILLION.

**Question 2**

**What is the current footfall at group's malls compared to pre-COVID?**

Answer:

We were seeing gradual improvement in the retail footfalls to our malls, as evident by overall improvement in the Group's financial performance in the first half of 2021. However, recent resurgence of COVID-19 cases and the implementation of the total lockdown in June 2021 had resulted in a reduction in footfalls.

Following the progressive reopening of economic sectors under the National Recovery Plan and ramping up of the vaccination programme rollout, we look forward to a gradual recovery in retail footfalls for the remaining last quarter.

**Question 3**

**I have seen how Sunway City Kuala Lumpur ("KL") changed for the past 11 years since I started living here in 2010 for university studies. This change of course also provides good returns to my Sunway REIT shareholdings. Is there any more room for new development projects in Sunway City KL and what kind of projects could it be?**

Answer:

There are currently a few development projects under construction in Sunway City KL. Among them are the Geolake property development projects at Sunway South Quay and also the expansion of Sunway Medical Centre Sunway City. We remain committed to ensure the long-term sustainability of our integrated township in Sunway City KL as evident by our continuous asset enhancement initiatives such as the refurbishment of Sunway Resort.

**Question 4**

**Are the group's hospitals still assisting Ministry of Health ("MOH") with non-COVID patients transferred from government hospitals? How many of the allocated beds are still occupied since the situation in Klang Valley seems to be improving?**

Answer:

In recent weeks, we have observed that the number of COVID-19 cases in the Klang Valley has been declining. As such, we are seeing fewer non-COVID-19 cases being transferred from government hospitals to our facilities.



Sunway Medical Centre and Sunway Medical Centre Velocity have allocated 40 beds and 20 beds respectively under the Public-Private Partnership (“PPP”) with Ministry of Health and Selangor State Health Department. Occupancy rate for these cases on a daily basis averaged about 20-25% for Sunway Medical Centre and 5-10% for Sunway Medical Centre Velocity.

### **Question 5**

**What is the current bed occupancy rate of the group's hospitals?**

Answer:

As at 30 June 2021, the average bed occupancy rate for Sunway Medical Centre is at approximately 60% and Sunway Medical Centre Velocity is at approximately 40%.

### **Question 6**

**Sunway Pharmacy seems to be expanding rapidly in FY2020. What is the revenue and profit contribution and is it also part of Sunway Healthcare Group?**

Answer:

Sunway Pharmacy is a relatively small business portfolio within the Sunway Group under our Other businesses division. The business has yet to contribute meaningfully to the Group, but we are seeing improvement as the business grows.

The acquisition of Multicare Pharmacy will allow Sunway to leverage on the combined expertise of Multicare Pharmacy’s geographical, operational and pharmaceutical experience with Sunway’s comprehensive information technology digitalisation platform to grow this new business exponentially going forward.

### **Question 7**

**How many COVID-19 testing has been performed in the group's hospitals to date and how much revenue has been generated?**

Answer:

Since March 2020 till August 2021, the two hospitals have performed over 200,000 COVID-19 screenings which had contributed towards the Healthcare division’s performance during the lockdown periods.

### **Question 8**

**From Q2 2021 financial report, it can be seen that cash decrease about RM500 million compared to Q1 2021. Can Mr Chong explain if this is a cause for concern?**

Answer:

The reduction in cash and cash balances in Q2 2021 was mainly used for repayment of borrowings, land and business acquisitions and payment of dividends.

Though some of the Group’s operations were impacted by COVID-19 pandemic, however, we are confident the performance of the business units will improve as they adjust their operational processes more effectively to the new operating environment. Further, the Group has adequate undrawn credit facilities available to meet its operational and funding requirements.

Rest assured that the Group performs periodic review to ensure that its business operations have sufficient liquidity and funds available to meet its obligations as and when they fall due.

**Question 9**

**Across the group, how many have been infected by COVID-19 to date especially in construction division and was there any shutdown of sites as a result of huge infections being detected?**

Answer:

The Group actively monitors any risks arising from the COVID-19 pandemic and have put in place stringent health and safety measures at all our business operations to comply with the new Standard Operating Procedures.

In our Construction division, all our foreign workers are registered under The Construction Industry Vaccination Programme (CIVac) by Construction Industry Development Board of Malaysia (CIDB) led by the Ministry of Works to accelerate the vaccination uptake among the construction workforce in order to achieve herd immunity and to reduce the number of COVID-19 working clusters.

With the accelerated vaccination efforts, our construction sites can resume operations as almost 90% of our workers including our subcontractors are fully vaccinated to-date.

**Shareholder: Kow Lih Shi**

**What is the Group's dividend policy?**

Answer:

The Board has endorsed a minimum dividend policy of 20% of core Profit After Tax Minority Interest to be distributed annually. This policy would balance the need of our shareholders for annual dividend income while retaining sufficient earnings to finance Sunway's sustainable growth objective. It is the intention of the Board to declare dividend above the minimum threshold if Sunway performs satisfactorily.