



**Sunway Berhad 15th Annual General Meeting
("AGM")**

Pre-AGM and Live Questions from Shareholders

30 June 2025

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Questions from Shareholders

FINANCIAL INFORMATION

1. It is observed that total trade receivables increased by approximately RM400 million in FY2024. Is this increase attributable to the timing of project completions in the construction segment or unsold inventories in the property development segment?

The increase in total receivables and inventories was primarily attributable to higher sales, substantially from Sunway Construction Group Berhad ("SunCon"). In FY2024, SunCon secured several data centre projects worth approximately RM3 billion, leading to the corresponding rise in receivables. However, this situation is anticipated to be temporary, and it is expected to decline upon receiving payment in the current financial year. Notably, data centre projects have a shorter contract tenure of approximately 12 to 15 months, compared to conventional construction projects of 2 to 3 years.

2. Inventories under non-current and current assets remain elevated in FY2024. Does the Group's remaining landbank form part of the non-current inventories of RM2.15 billion? Additionally, is the unsold completed inventory reflected under current assets?

The increase in inventory levels is mainly attributable to ongoing property development projects and new land acquisitions. The Group is confident that these inventories will generate higher values and contribute positively overtime.

Referring to Note 18 of the "Notes to the Financial Statements" in the Integrated Annual Report 2024, the RM2.15 billion classified under non-current inventories is primarily attributable to land held for property development. The unsold completed inventories remain low, reflecting the Group's effective inventory and sales management. Accordingly, the current level of unsold inventories is not expected to pose material risk to the Group.

3. The Group cash and bank balances was over RM4 billion. At the same time, total borrowings increased in the same financial year. Would the Group consider placing a portion of the cash in short-term fixed deposits (e.g., 3 to 6 months) to generate interest income to partially offset finance costs? If funds are required for repayment or to fund acquisitions, these placements can be mobilised on short notice.

The Group's high cash and bank balances include funds held by subsidiaries with minority interest including SunCon. Given that SunCon is a public listed company, its funds are not accessible or freely deployable by the Group.

Surplus cash is strategically placed in fixed deposits and money market instruments that generate tax-exempt income, effectively helping to offset finance costs. While the Group carries a relatively high level of borrowings that incur interest expenses, we actively manage liquidity by allocating available funds into income-generating instruments. This prudent approach ensures the Group remains well-positioned to meet capital expenditure and working capital requirements when they arise.

- 4. With respect to the Group's investments in joint ventures, the Group held a 30% equity interest in Hoi Hup Sunway J.V. Pte Ltd, which was a dormant company. However, in FY2024, the Group disclosed holding a 30% stake in the joint venture with Hoi Hup but did not provide any commentary regarding the status of this dormant entity. Please clarify.**

The Group's shareholdings in its joint venture companies with the Hoi Hup Group range from 30%-35%. There were no significant changes in these shareholdings during the year. The dormant entity, Hoi Hup Sunway J.V. Pte Ltd, which had completed its special purpose, was formally struck off in February 2024. All other joint ventures in Singapore remain active and intact.

- 5. What is the management's strategy to reduce the Group's and company's debts and liabilities?**

The higher liabilities over the past few years were due to higher borrowings, mainly to fund committed capital expenditure and investments, including acquisitions of properties, plant and equipment, landbank replenishment and capital expenditure incurred for investment properties.

Despite an increase in the Group's borrowings, the net gearing ratio remained at a manageable level of 0.41x as at 31 March 2025, and it is expected to hover around this range. This is supported by the enlarged equity base arising from the retained earnings and the cash preserved through Dividend Reinvestment Scheme.

- 6. The expanded SST is also expected to have any impact on the construction, property development and property investment divisions of the Group. Based on the initial assessment, can the numbers be shared on the expected impact? Do SunCon's construction contracts have any clause that allows cost pass-through?**

The Group anticipates the impact of the implementation of expanded SST to be manageable. However, we are waiting for more guidance and clarification given that the implementation is at its early stages. The majority of SunCon's construction contracts include the provision that allows for variations in the event of a change in tax laws, including indirect taxes such as SST.

CORPORATE DEVELOPMENT

- 7. In relation to the Dividend Reinvestment Policy, what was the subscription rate for the Dividend Reinvestment Scheme ("DRS") applied to the second interim dividend declared in FY2024? What was the total value of shares subscribed under the scheme? Could the Group review the subscription price, as the 10% discount was deemed to be unattractive?**

The latest DRS recorded a strong subscription rate of 80%. A total of 47,396,900 new ordinary shares were issued at an issue price of RM4.12 per share, amounting to a total value of RM195 million. This reflects shareholders' continued confidence in the Group's long-term prospects and supports our strategy in strengthening the capital base while conserving cash to fund future growth opportunities. We take note of the comments regarding the discount. However, it is important to strike a balance between safeguarding shareholder interests and achieving the Group's broader strategic and financial objectives.

8. Does the company plan to undertake corporate exercises such as a bonus issue or share split in the next 1 to 3 years?

Any decision regarding such corporate exercises will be made with careful consideration to ensure they support the Group's long-term growth objectives and will be announced in due course.

PROPERTY DEVELOPMENT SEGMENT

9. Last year, the Group recorded a RM124 million profit following the completion and delivery of an executive condominium project in Singapore. How does the Group plan to maintain a similar profit level in FY2025?

The RM124 million gain was for the profit recognition arising from the completion and handover of an executive condominium ("EC") project, Parc Central, in Singapore. In accordance with MFRS 15, development profits from EC projects can only be recognised upon completion and handover. This differs from other property development projects where revenue and profits are recognised progressively based on construction progress and billings. As such, the Group considers this gain to be part of its core profit, albeit lumpy.

The Group does not expect any completion and delivery of EC projects in FY2025. Despite that, the property development division will continue to generate earnings from progress billings for its ongoing property development projects and profit recognition from land disposal.

10. What are Sunway's strategies to mitigate any potential slowdown or policy setback impacting the Johor-Singapore Special Economic Zone?

The Group remains confident in the prospects of the Johor-Singapore Special Economic Zone ("JS-SEZ"), as the current political and economic conditions are well-aligned to support the objectives of both nations.

The upcoming RTS Link at Bukit Chagar slated for commencement in early 2027, is expected to transform the cross-border connectivity between Johor and Singapore. The JS-SEZ creates new opportunities for Malaysia to attract more investments, reinforcing Johor's role as a strategic gateway to Southeast Asia.

The Group's integrated mixed-use transit-oriented development ("TOD") at the Bukit Chagar RTS Link Station is a game-changing urban rejuvenation project to transform the cityscape of Johor Bahru. Capitalising on the medium to long-term prospects in the southern region, the Group plans to accelerate its developments in Sunway City Iskandar Puteri ("SCIP"), strengthening the respective economic pillars such as logistics, healthcare, hospitality and retail to support the township's growth. The Group is confident that creating a self-sustaining ecosystem will help to mitigate any potential derailment in the progress of JS-SEZ.

11. Can the management share some information about the recent tender win in Seremban?

In May 2025, the Group entered into an agreement with Railway Asset Corporation (“RAC”) to develop a RM2.0 billion transit-oriented, integrated mixed-use development on a 20.8-acre freehold land known as Seremban Sentral, following a successful tender exercise. The development encompasses residential, hospital, education, and retail elements adjacent to a public transportation hub. The upgraded KTM Komuter service offers a convenient commute from Seremban to Kuala Lumpur in approximately an hour. This TOD project is expected to spur economic activity, create job opportunities and promote the state’s tourism.

12. Any plans to upgrade Sunway Ipoh projects to attract more tourists?

Sunway remains committed to elevating Sunway City Ipoh as a premier integrated destination to attract both domestic and international tourists. Sunway Medical Centre Ipoh commenced operations in April 2025, playing a pivotal role in elevating healthcare services and medical tourism in the state. In August 2024, the Group commenced the construction of Sunway Ipoh Mall, measuring 1 million sq.ft. NLA that is set for completion in 2027. Moving forward, the Group plans to develop a four-star hotel in the township, expected to be launched in 2029.

HEALTHCARE SEGMENT
13. It is noted from the company’s Q1 FY2025 financial earnings presentation that the preparation for Sunway Healthcare Holdings’ (“SHH”) initial public offering (“IPO”) is in progress. With the recent developments, including the deferment of diagnostic-related group (“DRG”) implementation, and the growing concerns over escalating medical costs and insurance premiums, could these factors potentially affect the timing of the IPO?

The Group continuously assesses key factors that could potentially impact the business operations of SHH, and this includes recent developments relating to DRG and SST. These developments are not expected to affect the timing of an IPO at this juncture.

14. What is the progress of the IPO of Sunway Healthcare Holdings?

The IPO preparation for Sunway Healthcare Holdings is in progress. We will make the requisite announcements in accordance with regulatory requirements at the appropriate time.

15. Sunway Healthcare Holdings has a track record of quick ramp-up to achieve EBITDA breakeven. It is noted from Q1 FY2025 financial presentation that Sunway Medical Centre (“SMC”) Damansara achieved a revenue of RM14 million. Is the hospital operating at full capacity now and how far away if SMC Damansara from achieving breakeven?

SMC Damansara commenced operations in December 2024 and has since activated over 90% of its 156 licensed beds. The hospital plans to progressively increase its number of licensed beds to the full capacity of 345 by 2026. Typically, a hospital requires 1 to 2 years to achieve EBITDA breakeven.

16. SMC Ipoh opened in April 2025. Is the facility fully operational? How is the local response towards the new facility?

SMC Ipoh commenced operations in April 2025, being the first private hospital in Perak to feature a comprehensive cancer centre and nuclear medicine centre to serve oncology patients. The hospital started with 165 licensed beds and will progressively increase its number of licensed beds to its capacity of 259 beds. The local community welcomes the new facility, and for bringing quality healthcare to serve the community. The hospital currently serves mainly the domestic community since it commenced operations, with efforts to grow its medical tourism segment.

17. From my experience in February 2025, each hospital within the Sunway Healthcare Holdings Group (“SHH”) is using different Electronic Medical Records (“EMR”) systems and patient management applications. Would SHH implement an integrated centralized EMR to improve the patient experience?

The entire Sunway Group includes SHH constantly reviews the adequacy and ability to further leverage its IT systems. As an extension to this, SHH certainly has plans to deepen EMR capabilities and enable patient record exchange to enhance the patient experience.

18. Are SHH hospitals and doctors updated with the KKM guidelines and directives? In 2024, KKM directed that certain procedures cannot be billed separately and should be part of the main procedure fees. This created a minor dispute with the insurer; however, I am glad that the dispute was resolved with the support from SHH.

Thank you for your feedback and we are pleased that the matter has been resolved. Please be assured that it is our utmost priority to ensure compliance with the KKM guidelines and directives.

19. The government recently announced the implementation of the expanded SST. According to the Q1 FY2025 financial earnings release, international patients accounted for 13% of SHH’s revenue. Based on the company’s initial assessment, will the introduction of SST on private healthcare for international patients have an impact?

The introduction of SST on private healthcare for international patients is not expected to have a significant impact on private healthcare providers, due to Malaysia’s cost competitiveness and high-quality healthcare services relative to neighbouring countries.

CONSTRUCTION SEGMENT**20. Are data centre projects a recurring profit business or is it just a one-off recognition after completion of the project?**

SunCon is engaged in the construction of data centres for its clients, with no ownership and participation in the operation of these data centres. Therefore, profit is recognized according to the progress of construction milestones.

In FY2024, SunCon completed one data centre project in Sedenak Technology Park, Johor. As of May 2025, the outstanding order books stood at RM7.9 billion, with data centre projects accounting for 50% of its outstanding order book.

PROPERTY INVESTMENT AND REIT SEGMENT**21. Does the board have any intention to issue additional shares for Sunway REIT or to inject any new properties into Sunway REIT?**

There are no plans to issue new REIT shares and new injections at this juncture. Should there be any exercises in the future, we will make necessary announcements in due course.

22. It was recently reported that Sunway Square Mall achieved an occupancy rate of 95% ahead of the mall's opening. Has the remaining 5% been leased out?

Sunway Square Mall has achieved an encouraging occupancy rate of 95% ahead of its opening of the mall in Q3 2025, featuring a diverse range of retail offerings. The leasing strategy aims to gradually secure tenants for the remaining retail space to optimise the tenancy mix and rental yield.

23. What is the latest occupancy rate for Sunway Square corporate office towers?

The corporate office comprises two towers; one has been granted the Certification of Completion and Compliance ("CCC"), and the second tower is expected to be completed by the end of 2025. Leasing activities are progressing well, attracting reputable multinational corporations to anchor the space. One tower has achieved an occupancy rate of close to 50%, with continued efforts focused on attracting prospective tenants to occupy the remaining space.

24. Does the management expect cannibalisation regarding Sunway Square Mall's tenants' sales and footfall of the group's other properties, such as Sunway Geo Retail and Sunway Pyramid Mall? Is the target demographic for Sunway Square different?

Sunway Square Mall is strategically situated in the vibrant education, healthcare and commercial hub of Sunway City Kuala Lumpur. The mall's tenancy mix is curated to primarily serve the residents, students, and working community in the immediate vicinity, with a higher concentration of food & beverage ("F&B"), edutainment, and services trade mix. Meanwhile, Sunway Pyramid Mall targets a different demographic, including tourists. Given that Sunway Pyramid Mall, Sunway Square Mall, and Sunway Geo Retail offer differentiated tenancy mix and unique experiences, these malls will complement rather than compete with each other and elevate the overall retail landscape in Sunway City Kuala Lumpur.

25. Is it still early days for the Sunway Discovery programme? Does the company see the introduction of Sunway Hotels and Resorts into GHA Discovery programme to create a positive impact financially? How many members have registered for the Sunway Discovery program?

The Global Hotel Alliance ("GHA") is the world's largest alliance of independent hotel brands. It brings together a network of global luxury hotels with over 28 million members. Sunway Hotels and Resorts launched this programme in May 2025, and it has attracted close to 4,000 members and recorded revenue of over RM400,000. We believe that this programme will boost global marketing efforts, provide valuable data insights, expand the customer base, enhance guest loyalty, and contribute to financial performance.

26. With reference to Note 21 of the financial statement, Sunway Velocity Mall Sdn Bhd is classified as one of the investments in a joint venture. What is the net asset value as at 31 December 2024? What is the net profit in FY2024? Would the management regard this property as a "mature" asset?

The net asset value of Sunway Velocity Mall was RM840 million as at 31 December 2024. The mall is performing well and generating the property yield that we are expecting.

Sunway Velocity Mall was launched in December 2016 and will mark its 10th anniversary next year. Due to the impact of the pandemic, the mall is slightly behind its initial targeted progress. It is anticipated that the mall will reach its full maturity soon.

27. Has Sunway Carnival Mall achieved its KPI after refurbishment?

The refurbishment of Sunway Carnival Mall was completed ahead of schedule in May 2025. Its actual financial performance so far is ahead of its initial feasibility study. The mall is fully leased with all tenants expected to be fully operational by mid-July and has recorded an improvement in key operating metrics such as retail sales, average rental rates and retail footfall.

STRATEGY AND OTHERS

28. Following the listing of Sunway Healthcare Group in progress and slowdown on data centres, what is the next focus or direction of the Group moving forward? Will Johor be the next focus?

The Group remains steadfast in executing its growth strategies across all segments. To strengthen Sunway's growth trajectory, the Group will capitalises on opportunities that are present in 4 key areas, the digital infrastructure investment in Malaysia, the JS-SEZ, wellbeing and the nation's transition towards an aging population, and renewable energy products and sustainable building materials.

29. It is noted that there is no management discussion and analysis ("MDNA") for the Strategic digital assets and investments in the Integrated Annual Report. Is the revenue and profit contribution immaterial? Could management provide some comments on FY2024 and the outlook for FY2025 for this segment?

The MDNA in the Integrated Annual Report covers the key segments of the Group. The digital and strategic investments portfolio focuses on nurturing emerging businesses that are aligned with global megatrends and innovation. As these ventures are still in the early stages, their contributions to revenue and profit remain minimal; therefore, it is immaterial to the Group. Nonetheless, the advancement of technology is anticipated to accelerate in the years ahead, while addressing climate change will remain a global focus. This division continues to invest in technologies such as artificial intelligence, automation, robotics, and big data, along with opportunities related to climate change with the hope that its business can record significant growth in the future.

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