

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 5176  
**COMPANY NAME** : Sunway REIT Management Sdn Bhd, the Manager for Sunway Real Estate Investment Trust (“SUNREIT”)  
**FINANCIAL YEAR** : December 31, 2023

### **OUTLINE:**

#### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

#### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Board of Directors of Sunway REIT Management Sdn Bhd (the "Manager") ("Board"), being the Manager for SUNREIT, is responsible for the strategic leadership and overall governance of SUNREIT as well as in setting and achieving sustainable long-term growth in total asset value and maximising financial returns to the unitholders of SUNREIT ("Unitholders").</p> <p><b><u>Purpose, Vision, Mission and Core Values</u></b></p> <p>(a) <u>Purpose</u> Empowering businesses, curating experiences and enriching lives.</p> <p>(b) <u>Vision</u> To be a leading diversified REIT in Malaysia committed to enhancing stakeholder value – Sustainable Growth, Environmental Stewardship and Community Engagement</p> <p>(c) <u>Mission</u> To deliver sustainable income distribution over the long-term through responsible business strategies supported by adaptive innovation solutions, management and sustainability practices.</p> <p>(d) <u>Core Values</u></p> <ul style="list-style-type: none"><li>(i) Integrity – Doing the right thing at all times</li><li>(ii) Humility – Being humble, polite and respectful</li><li>(iii) Excellence – Take pride in all that we do</li></ul> <p><b><u>Growth Strategies</u></b></p> <ul style="list-style-type: none"><li>1. Shift from retail-focused REIT to diversified REIT.</li><li>2. Expand investment exposure into emerging growth sub-sectors to capitalise on global megatrends.</li><li>3. Diversify geographically in and out of Malaysia – independently or in collaboration with the Sponsor with focus on integrated development.</li><li>4. Embark on opportunity-led acquisition, turnaround redevelopment and divestment.</li><li>5. Guided by the TRANSCEND 2027 Roadmap.</li></ul>

### **TRANSCEND 2027**

SUNREIT's strategic roadmap, TRANSCEND 2025 has set bold targets since it was introduced in 2018. Due to the Covid-19 pandemic and given the ongoing impact and shift in megatrends of the real estate markets, there was a need to re-strategize SUNREIT's asset class mix, explore overseas expansion and reset financial targets. The Board together with the Management had appointed an external consultant in 2022 to undertake a thorough research and analysis on local and global real estate market trends post-pandemic in order to future-proof SUNREIT. The Management together with the consultant presented to the Board, the revised strategic roadmap which was renamed as TRANSCEND 2027 ("TC2027"). The Board deliberated at length and contributed meaningful input to TC2027, which was subsequently approved in 2022. In 2023, the Board approved the adoption of a Foreign Investment Policy to guide Management on investment opportunities in matured and selective emerging markets overseas in support of the TC2027 roadmap. TC2027 is being executed by a strong Management team, with the objective of propelling SUNREIT forward into the future. The Board aimed to build a diversified and future-fit portfolio that creates sustainable values for stakeholder based on the following enhanced strategic initiatives and new targets under TC2027:

- (i) Become the Top 2 REITs in Malaysia ("M-REITs")**
  - measured by market capitalisation
- (ii) Grow the property value to RM14-15 billion by FY2027**
  - supported by both yield-accretive acquisitions and value-enhancing asset enhancement initiatives
- (iii) Rebalance the portfolio**
  - (a) Services and Industrial & Others segments to make up 20% - 30% of property value
  - (b) Diversifying into foreign properties, making up 10% - 20% of property value
- (iv) Growth targets**
  - (a) Primary annual targets
    - Average trading price in market for the year showing a higher premium or lower discount to NAC than competitor REITs
    - Achieve the targeted annual total return based on the recommended strategies
  - (b) Secondary targets
    - 5-year average total return and DPU CAGR above average of listed M-REITs

SUNREIT's future would be driven by the following 3 key objectives supported by multiple strategic initiatives, focused on driving scale and yield:

- (i) Unlocking maximum value from existing assets in the portfolio**
  - (a) Innovate the concept of integrated development into different asset classes.

- (b) Enhance collaboration with Sponsor to maintain active pipeline acquisition plans and to further improve brand strengthening.
- (c) Follow clear processes for divestment of non-performing assets and diversify into defensive asset segments and foreign assets.
- (d) Accelerate digital transformation and upgrade assets to address long-term sustainability and energy efficiency as well as transform low-performing assets into income-generators.
- (e) Setting up a dedicated “vision team” to innovate to new targets as well as build and enhance relationship with government agencies and economic corridors.

**(ii) Getting ahead of the market**

- (a) Build specialised skills to maximise asset performance and drive up value for unitholders
- (b) Further strengthen balance sheet to increase investors’ confidence as well as gain access to above-average liquidity relative to competitors in order to rapidly act when attractive assets become available.

**(iii) Diversifying portfolio into other segments and geographies**

- (a) Gain access to emerging technologies and building solutions.
- (b) Accelerate portfolio growth in Malaysia and overseas markets.
- (c) Continued business development and demonstration of innovation.
- (d) Deliver tenant satisfaction and operational excellence.
- (e) Obtain granular-level understanding of niche aspects of new assets.
- (f) Market entry via joint venture or partnership with reputable foreign developers or players to navigate the local market.
- (g) Partner with Sunway’s local team to better navigate issues on regulatory, market and land matters.

**Board Charter**

The Manager’s Board Charter established a formal schedule of matters and the types of information required for the Board’s attention and deliberation at Board meetings. The Board Charter had been updated on 16 November 2023 to align with the consequential amendments to the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) on the promotion of greater transparency on conflict of interest of key persons and the introduction of enhanced sustainability training for Directors.

**Board’s Duties and Responsibilities**

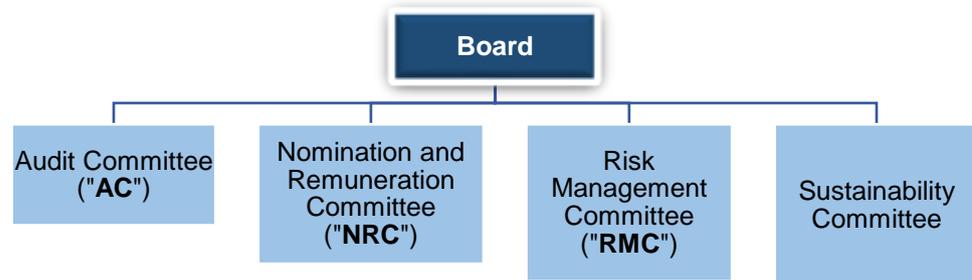
The Board fulfils its duties and responsibilities as Manager by executing the following functions:

- (i) ensuring sustainable business growth in order to create sustainable long-term value creation for SUNREIT;
- (ii) overseeing and evaluating the conduct and performance of SUNREIT against budgets;
- (iii) monitoring progress of the implementation of strategies, budgets, plans and policies of SUNREIT;
- (iv) ensuring the implementation of effective risk management framework and appropriate internal control systems to mitigate and manage key risks;
- (v) considering and approving the Management’s recommendations on key issues, including assets acquisitions and divestments, funding options, asset

- enhancement initiatives, property development activities and significant capital expenditures;
- (vi) keeping up to date with the changes to regulations, policies, guidelines and accounting policies and ensuring proper and effective control systems are in place for compliance with applicable laws and regulations;
- (vii) ensuring management succession planning and talent management;
- (viii) reviewing financial reporting on a quarterly basis;
- (ix) monitoring performance and achievement of key senior management (“KSM”) based on their respective key performance indicators (“KPIs”) in order to ensure sustainable growth in net property income (“NPI”) of the assets under management (“AUM”);
- (x) monitoring sustainability objectives as well as environmental, social and governance (“ESG”) initiatives in the management of SUNREIT’s properties; and
- (xi) providing a balanced and understandable assessment of SUNREIT’s performance, total asset value and future prospects to Unitholders and investing public.

**Board Committees**

The following Board Committees assist the Board in discharging its duties and responsibilities. However, the Board bears ultimate responsibility for SUNREIT’s performances and core values:



The Board Committees operate within clearly defined written terms of reference (“TOR”) as approved by the Board. The approved TORs of the respective Board Committees are available for reference on SUNREIT’s website at [www.sunwayreit.com](http://www.sunwayreit.com).

**Annual Business Plan**

- (i) The Board met on 7 December 2023 to deliberate and brainstorm with Management on the annual business plan (“BP”) for SUNREIT and each property under key segments of SUNREIT for the financial year ending 31 December 2024 (“FY2024”). At the aforesaid meeting, the CEO and respective Management responsible for each property under the key segments presented its market outlook, strengths, weaknesses, opportunities, and threats analysis, past performance review versus budgets, operational strategies, broader environmental analysis, projected performance for FY2024 for the Board’s deliberation and approval. The Board gave its input and contribution on the BP for FY2024.

## **Management Succession**

### **Appointment of new Chief Executive Officer**

As part of the management succession plan, Mr Clement Chen Kok Peng (“Mr Clement Chen”) was appointed as the Deputy Chief Executive Officer (“Deputy CEO”) on 1 October 2022 to be the successor of Dato’ Jeffrey Ng Tiong Lip (“Dato’ Jeffrey Ng”), the former CEO of the Manager. The Nomination and Remuneration Committee (“NRC”) reviewed the performance as well as the job description and KPIs of Mr Clement Chen as the CEO. Being satisfied with his performance, the NRC had recommended, and the Board had approved his appointment as CEO with effect from 1 July 2023.

### **Quarterly reporting of financial results and performance review**

The CEO of the Manager with the support of the Management, has overall responsibility for the day-to-day management of the assets of SUNREIT as well as the implementation of the Board’s policies, strategies and decisions.

The CEO, together with the Chief Financial Officer (“CFO”) of the Manager presented the quarterly performance report of SUNREIT for the Board’s review covering the following aspects:

- (i) overview of the general market outlook and the prospects for each property in the portfolio;
- (ii) overview of the actual financial performance against the approved FY2023 BP;
- (iii) financial performance of each property in the portfolio;
- (iv) Management performance reviews and succession planning;
- (v) cashflow and capital management plan;
- (vi) revenue analysis and NPI analysis by segment;
- (vii) peer comparison on financial performance and trading performance;
- (viii) any related party transactions (“RPTs”) and management conflict of interest;
- (ix) the status update of approved budget for asset enhancement initiatives (“AEI”) and/or property development activities (“PDA”); and
- (x) investor relations activities.

These quarterly reporting had enabled the Board to monitor and keep track of the Management’s performance and budgeted KPIs against the actual results achieved. Significant variances and accompanying explanations and mitigating action plans were reported by the Management.

### **Board Meetings**

A total of 11 Board meetings were held during the financial year under review, on 30 January 2023, 9 February 2023, 16 March 2023, 26 April 2023, 3 May 2023, 14 June 2023, 17 August 2023, 6 September 2023, 23 October 2023, 16 November 2023 and 7 December 2023.

During the financial year ended 31 December 2023, the Board reviewed and approved the following proposals:

- (i) renewal of Unitholders’ mandate for recurrent RPTs of a revenue or trading nature and which were necessary for the day-to-day operations of SUNREIT;
- (ii) reviewed 19 investment opportunities;

	<ul style="list-style-type: none"> <li>(iii) proposed acquisition of an industrial property in Prai, Penang;</li> <li>(iv) proposed increase in income distribution pay-out ratio from 95% to 100%;</li> <li>(v) proposed amendments to the Policy on Selection and Assessment of Members of the Board of Directors and Board Composition in line with the implementation of Directors' Fit and Proper Policy recommended by Listing Requirements;</li> <li>(vi) proposed revised budget for refurbishment of Sunway Resort Hotel for new scope of works and enhancement works on the Sunway Resort Hotel, particularly Gordon Ramsay Bar &amp; Grill Restaurant, Black Tap Craft Burgers &amp; Shakes as well as the transformation of Fuzion Restaurant to Sunset Terrace;</li> <li>(vii) proposed acquisition of hypermarkets/retail complexes;</li> <li>(viii) proposed acquisition of an education asset;</li> <li>(ix) proposed award of phase 2 refurbishment work in Sunway Carnival Mall to Sunway Construction Sdn Bhd;</li> <li>(x) proposed rating of existing perpetual note programme and the proposed new issuance of perpetual notes of up to RM500 million;</li> <li>(xi) proposed redevelopment of Sunway Pier, Klang;</li> <li>(xii) proposed renovation / redevelopment of Sunway Hotel Georgetown;</li> <li>(xiii) proposed revision to the Policy Manual;</li> <li>(xiv) the External Auditor's Audit Planning Memorandum and Internal Audit Department ("IAD")'s Audit Plan for the FY2023;</li> <li>(xv) approved the adoption of the Foreign Investment Policy;</li> <li>(xvi) fair value evaluation for all SUNREIT's investment properties prepared by independent registered valuers; and</li> <li>(xvii) proposed amendments to the Board Charter and TORs of Board Committees.</li> </ul> <p>The Board also assessed the business development and investment appraisal reports presented by the Investment Appraisal Working Group on a quarterly basis.</p> <p>The Board continuously kept attuned to megatrends affecting real estate markets, regulatory and corporate governance developments, audit transparency reports, interconnected global risks, digital disruption, cybersecurity risks, ESG, sustainability and climate change issues.</p> <p><b>Sustainability</b></p> <p>In line with Sunway Group's target to Net Zero Carbon Emission by 2050 Roadmap, the Board of the Manager together with the Management have embedded high-level sustainability initiatives, strategies and action plan in the business and daily operations while taking into account the interest of stakeholders, the environment and business growth.</p> <p>The Board Sustainability Committee has lengthy deliberation on new and ongoing sustainability initiatives as well as formulation of measurements tools to track achievements during its meetings held on 8 February 2023 and 15 August 2023.</p> <p>Details of the sustainability practices of SUNREIT have been set out in the Sustainability Report 2023 of SUNREIT.</p>
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<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman plays a critical role in board effectiveness and is primarily responsible to lead the Board in crafting board agenda, formulating board policies and strategies of SUNREIT's portfolio of assets and ensuring the smooth functioning of the Board in the interest of good corporate governance. The Board is led by Tan Sri Amirsham Bin A Aziz, an Independent Non-Executive Director of the Manager ("Chairman").</p> <p>The role and responsibilities of the Chairman have been clearly defined in the Board Charter of the Manager, which is available on SUNREIT's website at <a href="http://www.sunwayreit.com">www.sunwayreit.com</a>.</p> <p>Amongst others, the Chairman is responsible for:</p> <ul style="list-style-type: none"><li>(i) providing leadership to the Board and ensuring the Board's effectiveness in discharging its fiduciary duties;</li><li>(ii) leading the Board in setting the vision, mission, values and growth strategies of SUNREIT;</li><li>(iii) ensuring the integrity and effectiveness of the governance process of the Board and the Management;</li><li>(iv) maintaining a relationship of trust with and between the Executive and Non-Executive Directors;</li><li>(v) setting the Board agenda for each meeting and ensuring that Board members receive complete and accurate information in a timely manner;</li><li>(vi) leading Board meetings discussions to ensure effective debate and contribution from the Board members which resulting in efficient conduct of the Board's function and meetings;</li><li>(vii) promoting a conducive boardroom environment by encouraging active participation and allows dissenting views to be freely expressed;</li><li>(viii) managing the interface between the Board and Management and promote constructive and respectful relations amongst Board members;</li><li>(ix) ensuring appropriate steps are taken to provide effective communication with Unitholders and stakeholders and that their views are communicated to the Board as a whole;</li><li>(x) leading the Board in establishing and monitoring good corporate governance practices in the Manager and SUNREIT;</li><li>(xi) chairing the general meetings of SUNREIT; and</li><li>(xii) championing sustainability agenda in the strategy and operations of SUNREIT.</li></ul>

<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Every company is headed by a board, which assumes responsibility for the company’s leadership and is collectively responsible for meeting the objectives and goals of the company.

**Practice 1.3**

The positions of Chairman and CEO are held by different individuals.

<p><b>Application</b></p>	<p>: Applied</p>
<p><b>Explanation on application of the practice</b></p>	<p>The positions of the Chairman and CEO are separately held by two persons to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.</p> <p>The Board established and sets out in the Board Charter of the Manager, the division of responsibilities between the Chairman and the CEO, which is available on SUNREIT’s website at <a href="http://www.sunwayreit.com">www.sunwayreit.com</a>.</p> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 30%; text-align: center;"> <p><b>CHAIRMAN</b></p> <p style="margin-top: 100px;"><b>CEO</b></p> </div> <div style="width: 65%;"> <div style="border: 1px solid black; background-color: #d9ead3; padding: 5px; margin-bottom: 10px;"> <ul style="list-style-type: none"> <li>• Responsible for the leadership, effectiveness, conduct and governance of the Board</li> <li>• Ensure that Board members work constructively with the Management to address strategies, business operations, financial performance and risk management issues</li> <li>• Ensure that material information is provided in a timely manner to the Board</li> <li>• Encourages active engagement, participation and contribution from all Board members</li> <li>• Ensure effective communication with the stakeholders</li> <li>• Collectively with the Board, holds the CEO and Management accountable towards meeting strategic objectives of SUNREIT</li> </ul> </div> <div style="border: 1px solid black; background-color: #f4cccc; padding: 5px;"> <ul style="list-style-type: none"> <li>• Has full executive responsibilities for direction and operational decisions in the day-to-day management of SUNREIT</li> <li>• Works with Management to implement action plans for an effective enterprise risk management system</li> <li>• Works with the Board to determine SUNREIT’s strategy</li> <li>• Responsible for the implementation of the strategies, decisions and policies approved by the Board</li> <li>• Provides leadership and guidance to Management in order to meet the strategic and operational objectives of SUNREIT</li> <li>• Develops and manages good relationships with the Unitholders and stakeholders</li> <li>• Regularly updates the Board with the material information necessary for carrying out oversight responsibilities</li> </ul> </div> </div> </div>

	The Chairman and the CEO had effectively discharged their respective duties and responsibilities during the financial year under review.	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Chairman of the Board, Tan Sri Amirsham Bin A Aziz, is an Independent Non-Executive Director. He is not a member of the Audit Committee or Nomination and Remuneration Committee of the Manager.</p> <p>This practice has been embedded explicitly in the Board Charter of the Manager, which is available on SUNREIT's website at <a href="http://www.sunwayreit.com">www.sunwayreit.com</a>.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by 2 Company Secretaries. Both of them are:</p> <ul style="list-style-type: none"><li>(i) qualified to act as Secretary of the Manager under Section 235 of the Companies Act 2016 ("CA 2016");</li><li>(ii) registered with Companies Commission of Malaysia ("CCM") to act as Secretary under Section 241(1) of the CA 2016; and</li><li>(iii) Associate members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").</li></ul> <p>The role of the Company Secretary has been clearly defined in the Board Charter of the Manager, which is available on SUNREIT's website at <a href="http://www.sunwayreit.com">www.sunwayreit.com</a>.</p> <p>The Company Secretary is a central source of information and advice to the Board and its Committees on issues relating to compliance with corporate governance, laws, rules, procedures and regulations affecting SUNREIT and/or the Company. All Directors have full and unrestricted access to the professional advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Company Secretaries provide dedicated support to the Board and are the point of reference and support for all Directors. The Company Secretaries will keep themselves abreast with many developments around corporate and securities law, Listing Requirements of Bursa Securities and corporate governance practices to maintain their technical knowledge and skills.</p> <p>During the FY2023, the Company Secretaries:</p> <ul style="list-style-type: none"><li>(i) attended to corporate secretarial administration matters of the Manager and SUNREIT;</li><li>(ii) prepared and circulated the meeting schedule for calendar year 2024 four months in advance;</li><li>(iii) managed the logistics of all Board and Board Committees' meetings and was responsible for the proper conduct of the meetings according to the applicable rules and regulations;</li><li>(iv) prepared the agenda for Board and Board Committees' meetings by taking into consideration comments from the respective Board Committees' Chairmen/Chairpersons and members as well as the Management;</li><li>(v) attended all Board, Board Committees and general meetings held. All deliberations at the meetings in arriving at the decisions and conclusions were properly recorded by way of minutes of</li></ul>

	<p>meetings and subsequently communicated to the relevant Management personnel for their subsequent actions;</p> <ul style="list-style-type: none"> <li>(vi) constantly keep themselves updated with the regulatory changes and corporate governance developments by attending workshops, conferences and training programmes organised by MAICSA, Securities Commission Malaysia (“SC”), CCM, Bursa Securities, Institute of Corporate Directors Malaysia (“ICDM”), etc.;</li> <li>(vii) advised the Board on updated corporate disclosures, governance and compliance matters;</li> <li>(viii) assisted the Board and Management in implementing and strengthening corporate governance policies and procedures;</li> <li>(ix) monitored the development of corporate governance guidelines and best practices and assisted the Board in applying best practices to meet the Board and stakeholders’ expectation;</li> <li>(x) assisted the Board Committees in the discharge of their respective functions in accordance to the TORs of the respective Board Committees;</li> <li>(xi) facilitated the training and professional development programmes for all Directors, as required. The Directors were invited to attend a series of seminars organised by ICDM as well as other various professional associations and regulatory bodies;</li> <li>(xii) monitored the number of directorships held by each Director to ensure compliance at all times. The list of directorships of each Director was updated regularly;</li> <li>(xiii) arrangement of Board site visits to key assets, project sites, warehouses, etc;</li> <li>(xiv) arrangement of specialist talks to update the Board on the latest information/trend from specialists;</li> <li>(xv) facilitated the annual Board evaluation of the performance and effectiveness as well as the performance of internal and external auditors;</li> <li>(xvi) organised the virtual Tenth Annual General Meeting (“AGM”) of SUNREIT (“10<sup>th</sup> AGM”) held on 27 April 2023: <ul style="list-style-type: none"> <li>(a) Collaborated with the appointed poll administrator and an external Independent Scrutineer to organise the 10<sup>th</sup> AGM whereby an online polling platform was used to generate accurate polling results. Thereafter, the polling results were verified by the Independent Scrutineer before being announced to unitholders.</li> <li>(b) During the 10<sup>th</sup> AGM, the Company Secretaries assisted the Board and poll administrator to ensure the proceedings were properly carried out. A copy of the Minutes of the 10<sup>th</sup> AGM consisted the list of the questions raised and responses from the Board and Management during pre-AGM and Live-AGM was published on SUNREIT’s website at <b>www.sunwayreit.com</b> within 30 days from the date of the 10<sup>th</sup> AGM;</li> </ul> </li> </ul>
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	<p>(xvii) briefed the Board on the following developments in regulations and laws:</p> <ul style="list-style-type: none"> <li>(a) Amendments to the Listing Requirements on 26 May 2023 to enhance the conflict of interest (“COI”) disclosure of key person and expand the scope of AC’s review of COI situations as well as to disclose a summary of the COI and the measures taken in the AC Report; and</li> <li>(b) Amendments to the Listing Requirements on 6 June 2023 to expand the mandatory accreditation programme (“MAP”) to part 2 focusing substantively on sustainability.</li> </ul> <p>The Board was satisfied with the competencies and support rendered by the Company Secretaries in discharging their functions.</p> <p>The Directors were also assisted by a Compliance Officer, who reports directly to the Board. The designated Compliance Officer is to ensure compliance with the Deed constituting SUNREIT, i.e. the deed dated 20 May 2010, a supplemental deed dated 10 June 2010 and an amended and restated deed dated 18 September 2018 (collectively, the “Deed”), Listing Requirements and all applicable SC guidelines and securities laws relating to SUNREIT.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The schedule for all Board and Board Committees' meetings of the Manager, and the AGM of SUNREIT was planned and scheduled one calendar year in advance. On 17 August 2023, the schedule of Board and Board Committees' meetings for year 2024 was circulated to the Board to facilitate the Directors in planning ahead. The schedule of pre-planned meetings of the Board and Board Committees, as well as closed period for dealing in SUNREIT's units by Directors and Principal Officers of the Manager were uploaded onto the Board members' electronic devices.</p> <p>The Board meetings, which were carried out both physically and virtually, were held 11 times during the financial year under review. These meetings encompassed discussion and review of SUNREIT's key activities, significant developments in business initiatives, regulatory updates, etc. The main Board meeting was conducted on a day different from the Board Committee meetings in order to provide adequate time for objective and robust discussion.</p> <p>The Management consistently provided adequate and reliable information to the Board and the relevant Board Committees in a timely manner (at least 5 business days prior to the meetings) to enable the Board members to make informed decisions. The Board was allowed to make further inquiries and seek advice from the Management or request further explanation, information or updates on the board papers provided. All Directors were entitled to have full, free and unrestricted access to any information about the Manager and SUNREIT. The Board and its Committees may seek independent professional advice whenever necessary and reasonable for the performance of their duties, at the Company's cost.</p> <p>A notice for Board Meeting is well-structured, comprehensive and well-segregated. It included matters to be discussed and also the estimated time allocated for each agenda item. The notices and agenda were opened to all Board members for comment and any additional agenda to be brought up. After duly endorsed by the Chairmen/Chairperson, the notices and agenda along with a set of comprehensive Board papers and presentation slides, were uploaded onto a secure online electronic</p>

platform. Board members were given ample time to review and study the Board papers via their electronic devices. They were entitled to access and request for the Board papers from the Management from time to time.

During the Board meetings, the Chairman encouraged constructive, open and healthy debate and ensure that resolutions were circulated and deliberated so that all Board decisions reflected the collective view of the Board. Directors were given chance to freely express their views or share information with their peers during deliberations at the meetings.

The Board, during FY2023, considered and reviewed the matters related to financial results, business plans and budget, progress development report, risk management and internal control reports, minutes of meetings of the Board and Board Committees, regulatory/statutory updates, sustainability related agenda and other operational issues.

In addition, the Board also deliberated and/or approved the matters pertaining to business strategies and policies for SUNREIT, its annual budget, RPTs, the performance of the business, sustainability issues and the financial affairs, significant developments on business initiatives, industry developments and regulatory updates.

Any Director with a direct and/or indirect interest in the subject matter to be deliberated abstained from deliberation and voting on the during the meetings.

Upon conclusion of each meeting, the draft minutes of meetings were circulated for the Management's comments to ensure that the draft minutes appropriately capture discussion points and decisions made at the meeting. The final draft minutes were subsequently be reviewed by the respective Board Committee members prior to tabling at the following meetings for confirmation. The Company Secretaries also followed up with the Management on status of actions taken with reference to the previous minutes of meetings which were reported under agenda namely "Matters Arising" in the subsequent meeting.

Upon confirmation by the Chairmen/Chairpersons of the Board and Board Committees at the following meetings, the minutes were signed by the Chairmen/Chairperson of the respective meetings as a true record of the proceedings of the meetings. Matters that needed follow up actions were recorded in the minutes as matters arising until they were eventually resolved.

Where Directors' Circular Resolutions ("DCR") was required, the relevant information was clearly stated and attached with supporting documents. The DCR was approved using secure online electronic

	platform resulting in efficient and timely Board decision and facilitating speedy Management's implementation.	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

**Practice 2.1**

The board has a board charter which is periodically reviewed and published on the company’s website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

<p><b>Application</b> :</p>	<p>Applied</p>
<p><b>Explanation on application of the practice</b> :</p>	<p>The Board Charter has been established to outline a clear define roles and responsibilities of the Board, Board Committees and the Management in order to ensure that the principles and practices of good corporate governance are applied in all their dealings in respect, and on behalf of the Manager and SUNREIT.</p> <div data-bbox="491 996 1396 1892" data-label="Diagram"> </div> <p>Aside from the roles and responsibilities, the Board Charter sets out among others, the Board’s strategic intent, Board composition, operation and</p>

	<p>procedures of the Board towards the management of SUNREIT, and clear functions reserved for the Board, and those which the Board may delegate to the Board Committees, the CEO and the Management.</p> <p>As set out in the Board Charter, the Board is responsible to lead and manage the Manager and SUNREIT in an effective and responsible manner. It is both the legal and fiduciary duties of each Director to act honestly and in good faith. Each director shall use his/her reasonable care, skills and diligence in discharging his/her duties in the best interest of the Manager and SUNREIT. The Board sets the values and standards and ensures that its obligations to the Manager's shareholders, SUNREIT's unitholders and stakeholders are understood and met.</p> <p>The division in the roles of the Chairman and CEO is clearly defined in the Board Charter. The objective of the role separation is to ensure an appropriate balance of power, increase accountabilities and strengthen the Board's role in exercising objective oversight over the Management to enhancing the Board's capacity for independent decision-making, while the CEO focuses on the business and day-to-day management of the Manager and SUNREIT. The Board shall ensure that there is at all times an appointed full-time CEO, who, with the support of the Management, has the executive responsibility for the day-to-day management of business and operation of the Manager and SUNREIT. The CEO is responsible for the execution of the policies, directives and strategies as approved by the Board as well as all operational decisions in managing the Manager and SUNREIT. All Board authorities conferred on the Management is delegated through the CEO and this will be considered as the CEO's authority and accountability. The Board has a Management Limits of Authority policy in place which will be subject to annual review or as and when it is necessary.</p> <p>In order to ensure the effective discharge of its functions and responsibilities, the Board has delegated specific responsibilities to Board Committees, namely AC, NRC, RMC and Sustainability Committee, which operate within clearly defined written TORs. The Board Committees deliberate issues on a broad and in-depth basis before putting up any recommendation to the Board for decision. Notwithstanding the existence of the Board Committees and the relevant authorities granted to a Committee under its TOR, ultimate responsibility for the affairs of SUNREIT and decision-making lies with the Board.</p> <p>The Board ensures it stays updated on significant matters and resolutions deliberated by each Board Committee through the Chairman/Chairperson of each Board Committee. The minutes of the Board Committees' meetings and circular resolutions passed by each Board Committee were tabled at the Board meeting.</p> <p>The Board Charter and TORs of the respective Board Committees are reviewed and updated periodically or as changes may arise to ensure their relevance and effectiveness as well as for compliance with legislation and governance standards. The Board Charter was last reviewed and amended by the Board on</p>
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	<p>16 November 2023 in order to incorporate latest amendment in the Listing Requirements in respect to Conflict of Interest monitoring and disclosures.</p> <p>The Board Charter of SUNREIT is published on SUNREIT’s website at <a href="http://www.sunwayreit.com">www.sunwayreit.com</a>.</p>	
<b>Explanation for departure</b> :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p><b><u>Code of Conduct and Business Ethics Policy ("Code")</u></b></p> <p>The Company's Code provides an ethical framework to guide the actions and behavior of the Board and all employees of the Manager. It aims to ensure adherence to corporate governance best practices and compliance with applicable laws and ethical values in discharging their duties and responsibilities. Both the Board and Management are committed to observing the highest standards of integrity and honesty in the conduct of all business activities by the Manager, including interaction with its customers, suppliers, employees and business partners, and within the community and environment in which the Manager and SUNREIT operate in.</p> <p>The Code is applicable to the Board and all employees of the Manager including all businesses and foreign countries in which SUNREIT operates. Violation of any of the Code's provisions can result in disciplinary action, including termination of employment. All employees of the Manager are required by the Group HR to read and sign off their commitment in adhering to the Code at all times during their services with the Manager. This serves to drive organisational culture and continuing awareness amongst the employees of the need to understand, develop and maintain a value-based culture beyond mere compliance.</p> <p>The Code set out amongst others the following core sections of conduct:</p> <p>(i) <u>Avoid conflict of interest</u> The Board and all employees of the Manager must not use their positions or knowledge gained directly or indirectly on the course</p>

	<p>of their duties or employment for private or personal advantage directly or indirectly.</p> <p>(ii) <u>Corrupt practices are strictly prohibited</u> Any misuse of entrusted power for private gain should be avoided and all provision of the Malaysian Anti-Corruption Commission Act (MACC) 2009 must be strictly adhered to.</p> <p>(iii) <u>Acceptance and provision of gifts and entertainment</u> Acceptance and provision of inappropriate gifts or entertainment which may create conflict of interest and influence business decisions are not permissible.</p> <p>(iv) <u>Solicitation of Sponsorship</u> Sponsorship gifts and hospitality which will influence business decisions must be avoided.</p> <p>(v) <u>Insider trading</u> An employee should not trade neither recommend and suggest anyone else to trade SUNREIT's units either directly or indirectly when he/she is aware of insider information about SUNREIT for personal benefit.</p> <p>(vi) <u>Fraud</u> Any forms of fraudulent acts or any dishonest conducts involving properties or assets or on the financial reporting and accounting of SUNREIT or third party are not permissible.</p> <p>(vii) <u>Ensure compliance with applicable laws and regulations</u> The Manager and SUNREIT will comply with all applicable laws, rules and regulations of the governments, SC, Bursa Securities in jurisdictions and countries within which SUNREIT operates.</p> <p>(viii) <u>Health and safety</u> Every employee must diligently observe and comply with all Occupational Safety and Health laws and regulations of any country and the Manager's environmental safety rules and regulations.</p> <p>(ix) <u>Respect, equal and non-discrimination</u> The Manager endeavour to provide equal opportunity to ensure that employment decision is based on merits and performance without regard to race, religion, gender, age, nationality or disability and shall not create any form of discrimination or prejudice in the workplace. All employee will be treated with respect and dignity.</p>
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(x) Protect SUNREIT's information and assets

The Board and all employees of the Manager are expected to exercise reasonable care to safeguard SUNREIT's assets, proprietary, confidential information plus personally identifiable information at all times in order to avoid loss, damage, misuse or theft in order to prevent harm to SUNREIT, its unitholders and individuals or other third parties that have trusted us with their information.

(xi) Confidential information

The Board and all employees of the Manager must exercise caution and due care to safeguard any confidential and sensitive information relating to SUNREIT which is acquired in the course of their employment, and are strictly prohibited to disclose to any party, unless such disclosure is duly authorised or legally mandated.

(xii) Records management and control

All books, records and accounts must be controlled, maintained and conformed to generally accepted and applicable accounting principles and to all applicable laws and regulations.

(xiii) Maintain books and records

The Manager is responsible for ensuring that the Manager and SUNREIT's books and records are recorded accurately, fairly and reasonably to reflect the substance of transactions. The books and records must comply with company accounting policies and internal control requirements.

(xiv) Comply with internal controls and procedures

Maintain and adhere to sound internal controls and procedures to ensure critical risks are managed to the best of ability and that financial and operational information accurately reflects all business transactions in a timely and unbiased manner, financial forecasts and assessments are genuine, and assets are safeguarded.

(xv) Sustainable development

The Manager strives to achieve sustainable development by focusing on safeguarding people's health, operating the business responsibly, protecting the environment, and fostering good relationships with the communities in which the Manager operates.

In line with good corporate governance practices, the Management and the Board encourage all employees of the Manager and stakeholders of SUNREIT to report suspected inappropriate behavior or misconduct relating to fraud, corrupt practices and/or abuses involving SUNREIT's

	<p>assets. Employees are encouraged to report concerns of violation of the Code through the Manager’s existing Whistleblowing Policy. No individual will be discriminated or suffer any act of retaliation for reporting in good faith.</p> <p>The appropriateness and effectiveness of the Code are continuously monitored for improvements.</p> <p>The Code is available on SUNREIT’s website at <a href="http://www.sunwayreit.com">www.sunwayreit.com</a>.</p>	
<p><b>Explanation for departure</b> :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b> :</p>		
<p><b>Timeframe</b> :</p>		

### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Whistleblowing Policy has been implemented to provide a mechanism for all levels of its employees of the Manager and stakeholders to report concerns about any suspected wrongdoing, inappropriate behavior or misconduct relating to fraud, corrupt practices and/or abuse. The mechanism allows for the timely reporting of concerns safely and confidentially to protect the identity of the whistleblower.</p> <p>The Whistleblowing Policy outlines the definitions of fraud, corrupt practices, abuse and whistleblowing as well as the procedures for reporting.</p> <p>The whistleblowing procedure is intended to be used as an ultimate remedy, if no other means are available to address the matter. For employees wishing to raise a specific concern, they are encouraged to try to solve the matter through existing procedures and discuss the matter first with their line supervisor(s) or head of department before initiating the whistleblowing procedure.</p> <p>Employee or members of the public with knowledge of any improper conduct is encouraged to report any concern in good faith through the following channels:</p> <p>(i) Whistleblowing hotlines Direct line: (603) 5639 8025 Email: <a href="mailto:whistleblowing@sunway.com.my">whistleblowing@sunway.com.my</a></p> <p>(ii) Contact details (a) <b>Datuk Christopher Martin Boyd, Chairman of Audit Committee</b> Level 16, Menara Sunway, Jalan Lagoon Timur Bandar Sunway, 47500 Subang Jaya Selangor Darul Ehsan, Malaysia Email: <a href="mailto:chris@boyd.com.my">chris@boyd.com.my</a></p>

	<p><b>(b) Ms Khong Shiyi, Head of Internal Audit Department</b>  Level 4, Menara Sunway, Jalan Lagoon Timur  Bandar Sunway, 47500 Subang Jaya  Selangor Darul Ehsan, Malaysia  Office Phone: (603) 5639 8300  Mobile Phone: (6012) 694 9862  Email: <a href="mailto:khongsy@sunway.com.my">khongsy@sunway.com.my</a></p> <p>If the reporting individual wishes to remain anonymous, he/she is encouraged to make use of the “Whistleblowing Report Form” provided in the Appendix of the Whistleblowing Policy and send via local postal service.</p> <p>The Head of IAD will maintain a record of the complaints and will track the receipts, investigation and resolution. The Head of IAD will independently review each claim and pursue it based on the information received and available evidence. Subsequently, IAD will initiate preliminary investigation to establish the merit and substantiation of the claim. Each claim will be independently investigated following standard internal audit practices and fraud response procedures. Upon completion of each investigation, IAD will prepare a report for the Chairman of the AC for further action. The Head of IAD shall prepare a summary report and present it to the AC during the quarterly AC meeting.</p> <p>During the financial year under review, the head of IAD did not receive any whistleblowing report.</p> <p>The Whistleblowing Policy is subject to periodic assessment and review to ensure that it remains relevant to SUNREIT’s changing business circumstances.</p> <p>The Whistleblowing Policy is available on SUNREIT’s website at <b><a href="http://www.sunwayreit.com">www.sunwayreit.com</a></b>.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	

<b>Timeframe</b> :		
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## Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

## Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Sustainability Committee which was set up on 11 May 2021 is chaired by an Independent Non-Executive Director, Madam Yeo Kar Peng. The committee members are Madam Sarena Cheah Yean Tih and Mr Clement Chen, the CEO of the Company. Mr Clement Chen was appointed as a member of Sustainability Committee subsequent to the retirement of Dato' Jeffrey Ng Tiong Lip.</p> <p>The TOR of Sustainability Committee had been revised and approved by the Board on 17 August 2023 to differentiate and formalise the roles of Sustainability Committee and Risk Management Committee in regards to the monitoring and reporting of ESG risks. Aside from highlighting potential ESG risk that could affect SUNREIT and its properties based on ESG trend, the Sustainability Committee would also focus on compliance and reporting requirements of ESG.</p> <p>The Sustainability Committee reviews, supervises and provides recommendations to the Board on three key areas:</p> <ul style="list-style-type: none"><li>○ sustainability strategy, issues, risks and opportunities;</li><li>○ key ESG goals, targets and performance; and</li><li>○ ESG progress and scorecard.</li></ul> <p>The Sustainability Committee has met twice during the financial year under review to fulfil its roles and responsibilities as spelt out in the TOR.</p> <p>SUNREIT's Sustainability Working Group ("SWG") comprises the Manager's Senior Management, Head of Sustainability and Business Segment Heads. The SWG supports the Sustainability Committee in making informed decisions in embedding sustainability strategies in the Company's business. The monthly SWG meeting serves as a platform for:</p> <ul style="list-style-type: none"><li>● communication and alignment of the Board's direction on ESG and sustainability matters to the business segments;</li></ul>

	<ul style="list-style-type: none"> <li>• reports from representatives of business segments on the progress of initiatives at the operational level; and</li> <li>• knowledge sharing between the SWG on relevant and current ESG developments.</li> </ul> <p>All business segments within SUNREIT allocate resources as part of their annual business plan for sustainability initiatives to be incorporated into their annual business plans to achieve the 2030 Sustainability Goals and Targets as well as the Net Zero Carbon Emissions by 2050. The Manager has also developed a Green Building Roadmap as a step towards upgrading existing properties into green-certified properties based on the Green Building Policy.</p> <p>Representatives of the SWG are as follows:</p> <ul style="list-style-type: none"> <li>○ CEO of the Manager: Mr Clement Chen</li> <li>○ CFO of the Manager: Ms Ng Bee Lien</li> <li>○ Head of Sustainability of the Manager: Ms Jacqueline Wong</li> <li>○ Head of Investor Relations of Sunway Berhad: Ms Crystal Teh</li> <li>○ Head of Office Segment: Mr Chong Sau Min</li> <li>○ Head of Retail Segment: Mr Chan Hoi Choy</li> <li>○ Head of Hotel Segment I: Mr Alex Castaldi</li> <li>○ Head of Hotel Segment II: Mr Wilfred Yeo</li> </ul> <p>SUNREIT is an official supporter of the Task Force on Climate-Related Financial Disclosures (“TCFD”) and has disclosed its climate risks according to the recommendations of the TCFD. All business segments of SUNREIT have set building energy intensity reduction targets to further reduce emissions level from their operations. SUNREIT intends to submit targets to SBTi for validation within the next 2 years. More details can be referred to in both the Sustainability Report and CDP Reports (Climate Change and Water Security) that are published online.</p> <p>Please refer to Annual Sustainability Report 2023 for more information on our sustainability governance strategies and TCFD-aligned climate report.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.2**

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>SUNREIT’s sustainability strategies, priorities and targets, as well as performance against these targets, are communicated to its stakeholders via various platforms and channels on a regular basis. The platforms and channels of communication include our annual Integrated Report and Sustainability Report, analyst and investor updates, media releases and interview and employee engagements such as town hall meetings and training, as well as development programmes, among others.</p> <p>Please refer to Annual Sustainability Report 2023 for more information on our stakeholder engagement approaches.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>Board members including Sustainability Committee, Senior Management and Sustainability Working Group committee members are keeping abreast of all relevant and current development of sustainability and ESG-related matters, including climate-related and water-security related risks and opportunities, as well as the rapidly evolving regulatory requirements.</p> <p>Examples of such information which are shared and disseminated include but not limited to:</p> <ul style="list-style-type: none"><li>• Regulatory requirements update<ul style="list-style-type: none"><li>○ Bursa’s Annual Chairman Letter</li><li>○ Amendment to Bursa Malaysia Securities Berhad Main Market Listing Requirements in relation to Sustainability Training for Directors</li></ul></li><li>• Sustainability and ESG-related electronic communications (e.g. newsletters, emails, webinar), trainings and conferences invitation (i.e. virtual and in-person) from<ul style="list-style-type: none"><li>○ Climate Governance Malaysia</li><li>○ Bursa Sustain</li><li>○ Securities Commission Malaysia</li></ul></li></ul> <p>Board members also attend sustainability and ESG-related trainings during the financial year under review as part of their capacity building:</p> <p><b>(i) Tan Sri Amirsham Bin A Aziz</b></p> <ul style="list-style-type: none"><li>• Navigating ESG Data into Decisions</li><li>• Sustainability Governance and Reporting</li><li>• Specialist Talk by DBS Singapore on ESG Financing</li></ul> <p><b>(ii) Datuk Christopher Martin Boyd</b></p> <ul style="list-style-type: none"><li>• Mandatory Accreditation Programme Part II: Leading for Impact (LIP) (“MAP II”)</li><li>• Specialist Talk by DBS Singapore on ESG Financing</li></ul> <p><b>(iii) Clement Chen Kok Peng</b></p> <ul style="list-style-type: none"><li>• ASEAN Workshop on Sustainable Development -Charting Pathways for Sustainable Development in Southern Asia</li><li>• MAP II</li><li>• Specialist Talk by DBS Singapore on ESG Financing</li></ul>

	<p><b>(iv) Sarena Cheah Yean Tih</b></p> <ul style="list-style-type: none"> <li>• MAP II</li> <li>• Specialist Talk by DBS Singapore on ESG Financing</li> </ul> <p><b>(v) Madam Yeo Kar Peng</b></p> <ul style="list-style-type: none"> <li>• At-A-Glance: Board’s Oversight Role on Bursa Malaysia’s Enhanced Sustainability Reporting Framework</li> <li>• Power Talk on (Re)Building the Board for Innovation</li> <li>• Navigating ESG Data into Decisions</li> <li>• Remarking Corporate Governance for an ESG World</li> <li>• Sustainable Forestry Towards Net-Zero</li> <li>• MAP II</li> </ul> <p><b>(vi) Tengku Nurul Azian Binti Tengku Shahrman</b></p> <ul style="list-style-type: none"> <li>• At-A-Glance: Board’s Oversight Role on Bursa Malaysia’s Enhanced Sustainability Reporting Framework</li> <li>• A Dialogue with Bursa Malaysia – FTSE4GOOD ESG Rating for All PLCs</li> <li>• Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers</li> <li>• MAP II</li> <li>• Specialist Talk by DBS Singapore on ESG Financing</li> </ul> <p><b>(vii) Mr Ng Sing Hwa</b></p> <ul style="list-style-type: none"> <li>• Fostering Confidence in the Voluntary Carbon Market in 2023</li> <li>• Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers</li> <li>• Specialist Talk by DBS Singapore on ESG Financing</li> </ul> <p>Jeffrey Sachs Center on Sustainable Development was appointed in 2021 to conduct a Value at Risk (“VaR”) assessment on the Company’s properties. VaR has not been reassessed in year 2022 and 2023 as there is no significant changes in properties that were assessed.</p> <ul style="list-style-type: none"> <li>• The assessment was conducted based on the worst-case scenario as described by the IPCC Assessment Report 6 published in August 2021.</li> <li>• The assessment also includes the potential financial implications of climate-related physical risks and transition risks for Sunway based on the TCFD framework.</li> <li>• The VaR assessment is published in the annual SUNREIT Integrated Annual Report as part of the Climate Report: Net Zero by 2050.</li> </ul> <p>Please refer to Annual Sustainability Report 2023 for more information on our TCFD-aligned climate report which addresses both climate-related risks and water security-related risks.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Manager had since 2022 incorporated sustainability key performance indicators (“KPIs”) into the performance evaluations and balanced scorecard of Senior Management, which are linked to remuneration. This means linking senior executives’ remuneration to ESG performance, including climate change and water security matters. The KPIs are aligned with the SUNREIT Sustainability 2030 Goals and Targets; and have been made part of the performance review of the CEO and CFO. The KPIs are also cascaded to leaders and employees of the business segments within the Manager, tracked and reported annually.</p> <p>Additionally, SUNREIT incorporates sustainable finance considerations into its capital management strategy which featured a pricing adjustment mechanism benchmarked against the achievement of the predetermined Sustainability Performance Targets which are consistent with the Senior Management’s KPIs.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

*Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.*

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>Ms Jacqueline Wong Yin Teng was appointed as the Head of Sustainability to provide dedicated focus on integration of ESG considerations into business and operations to achieve Board-approved sustainability targets.</p> <p>The Head of Sustainability reports to the CEO and is responsible for the following:</p> <ul style="list-style-type: none"><li>• Sustainability strategy development, execution and steering;</li><li>• Ensure compliance to regulatory requirements on ESG disclosures and continuous refinement of reporting process;</li><li>• Keeping abreast with the current developments within the sustainability agenda and providing relevant updates to Board of Directors, Sustainability Committee and Sustainability Working Group for further deliberation;</li><li>• Coordinating the communication on the sustainability direction and initiatives between the Board of Directors and the various business segments of SUNREIT; and</li><li>• Driving awareness and capacity-building on sustainability topics amongst business heads and sustainability PICs across business units.</li></ul>

## Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board believes in adhering to good corporate governance in the matter of facilitating fresh, innovative, diverse perspectives, openness to new ideas and independent thinking, of its members on the business and affairs of the Manager and SUNREIT and its long-term sustainable strategy.</p> <p>In order to ensure systematic succession planning, the Board Renewal Policy had been recommended by the NRC for Board's approval on 17 August 2023. The Board Renewal Policy seeks to optimise the composition of the Board in terms of diversity of qualifications, experiences, knowledge and skills, taking into account SUNREIT's strategic and corporate plans. It will ensure that organisational knowledge and continuity is preserved through staggered terms of office for Directors. The Board also seeks balance by encouraging diversity in relation to gender and age. The Policy also states that the Board must at all times have at least 30% women Directors.</p> <p>Pursuant to the Board Charter, TOR of NRC and the Board Renewal Policy, the tenure of an Independent Director shall not exceed a term limit of 9 years. In order to provide an orderly process of appointment and renewal, in the event more than one Independent Non-Executive Director is expected to reach 9 years of tenure at the same time, the retirement and replacement process will start at year 7, with each Director slated to retire each year on the basis of first in first out or at the discretion of the NRC. In addition, an Independent Non-Executive Director must retire upon reaching the age of 80 or having served 9 years of tenure, whichever is earlier.</p> <p>In accordance with Article 63 of the Articles of Association ("AA") of the Manager, at least 1/3 of the Directors of the Manager are subject to retirement by rotation at each AGM of the Manager. However, a retiring director is eligible for re-election. The NRC reviewed and assessed the tenure, performance and contribution of all Directors on annual basis to ensure they continue to be fit and proper. The following Directors were subject to retiring by rotation at the Seventeenth AGM of the Manager to be held in 2024 ("17<sup>th</sup> AGM"):</p> <ul style="list-style-type: none"><li>(i) Mr Ng Sing Hwa; and</li><li>(ii) Ms Sarena Cheah Yean Tih.</li></ul>

	<p>In accordance with Article 68 of the AA of the Manager, any director so appointed shall hold the office until the next following AGM and is subject to retirement by rotation at each AGM of the Manager. Mr Clement Chen who was appointed as the CEO of the Manager, being the Non-Independent Executive Director, with effect from 1 July 2023 would subject to retiring by rotation at the 17<sup>th</sup> AGM.</p> <p>As at 31 December 2023, the tenure of the Directors is as follows:</p> <table border="1" data-bbox="560 517 1412 1128"> <thead> <tr> <th data-bbox="560 517 1166 589">Name of Director</th> <th data-bbox="1166 517 1412 589">Tenure (year/month)</th> </tr> </thead> <tbody> <tr> <td data-bbox="560 589 1166 660"><b>Tan Sri Amirsham Bin A Aziz</b> <i>Independent Non-Executive Director</i></td> <td data-bbox="1166 589 1412 660">1 year 8 months</td> </tr> <tr> <td data-bbox="560 660 1166 732"><b>Datuk Christopher Martin Boyd</b> <i>Senior Independent Non-Executive Director</i></td> <td data-bbox="1166 660 1412 732">1 year 8 months</td> </tr> <tr> <td data-bbox="560 732 1166 840"><b>Clement Chen Kok Peng, CEO</b> <i>Non-Independent Executive Director</i> <i>*Appointed on 1 July 2023</i></td> <td data-bbox="1166 732 1412 840">6 months</td> </tr> <tr> <td data-bbox="560 840 1166 911"><b>Sarena Cheah Yean Tih</b> <i>Non-Independent Non-Executive Director</i></td> <td data-bbox="1166 840 1412 911">13 years 4 months</td> </tr> <tr> <td data-bbox="560 911 1166 983"><b>Ng Sing Hwa</b> <i>Non-Independent Non-Executive Director</i></td> <td data-bbox="1166 911 1412 983">10 years 1 month</td> </tr> <tr> <td data-bbox="560 983 1166 1055"><b>Tengku Nurul Azian Binti Tengku Shahrman</b> <i>Independent Non-Executive Director</i></td> <td data-bbox="1166 983 1412 1055">7 years 9 months</td> </tr> <tr> <td data-bbox="560 1055 1166 1128"><b>Yeo Kar Peng</b> <i>Independent Non-Executive Director</i></td> <td data-bbox="1166 1055 1412 1128">5 years</td> </tr> </tbody> </table>		Name of Director	Tenure (year/month)	<b>Tan Sri Amirsham Bin A Aziz</b> <i>Independent Non-Executive Director</i>	1 year 8 months	<b>Datuk Christopher Martin Boyd</b> <i>Senior Independent Non-Executive Director</i>	1 year 8 months	<b>Clement Chen Kok Peng, CEO</b> <i>Non-Independent Executive Director</i> <i>*Appointed on 1 July 2023</i>	6 months	<b>Sarena Cheah Yean Tih</b> <i>Non-Independent Non-Executive Director</i>	13 years 4 months	<b>Ng Sing Hwa</b> <i>Non-Independent Non-Executive Director</i>	10 years 1 month	<b>Tengku Nurul Azian Binti Tengku Shahrman</b> <i>Independent Non-Executive Director</i>	7 years 9 months	<b>Yeo Kar Peng</b> <i>Independent Non-Executive Director</i>	5 years
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<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>																		
<b>Measure</b> :																		
<b>Timeframe</b> :																		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.2**

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority of independent directors.

<p><b>Application</b></p>	<p>: Applied</p>						
<p><b>Explanation on application of the practice</b></p>	<p>: The Board comprised majority Independent Directors in which, among the 7 Board members, 4 of whom are Independent Directors. Out of the 3 Non-Independent Directors, 2 are Non-Executive Directors and one is Executive Director (the CEO of the Manager). The Board comprised 43% women.</p> <div data-bbox="558 795 1396 1052" data-label="Figure"> <table border="1"> <caption>DIRECTORS</caption> <thead> <tr> <th>Category</th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>NON-INDEPENDENT</td> <td>3</td> </tr> <tr> <td>INDEPENDENT</td> <td>4</td> </tr> </tbody> </table> </div> <p>The Board is led by an Independent Non-Executive Chairman. The Independent Directors together with their immediate family members have no relationships with the Manager, its related corporations, its substantial shareholders or its officers who could potentially interfere, or be reasonably perceived to interfere, with the exercise of the Director’s independent business judgement.</p> <p>The composition of the Board also complied with the Listing Requirements, whereby at least one-third (1/3) of Directors are independent from management. They neither have any business relationships with the Manager or with the substantial shareholders of the Manager.</p> <p>The composition of the Board reflects a diversity of age, skills, experiences, gender and professional qualifications in the following areas:</p> <ul style="list-style-type: none"> <li>• real estate development and property investment;</li> <li>• property valuation;</li> <li>• Investment analysis;</li> <li>• Legal and compliance;</li> <li>• corporate governance, risk management and internal controls;</li> <li>• Business and financial accounting;</li> <li>• economics and banking;</li> <li>• human capital and talent management; and</li> <li>• Sustainability and climate change.</li> </ul>	Category	Count	NON-INDEPENDENT	3	INDEPENDENT	4
Category	Count						
NON-INDEPENDENT	3						
INDEPENDENT	4						

	<p>During the year under review, the Independent Directors met twice among themselves without the presence of management. The meetings provided Independent Directors with the opportunity to candidly share concerns or discuss any pertinent issues regarding governance and performance of the Management. These meetings also served as a platform for them to exchange views on potential improvements in every aspect of operation and governance. Key summaries of the discussion were communicated to the CEO and CFO.</p>	
<p><b>Explanation for departure</b> :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b> :</p>		
<p><b>Timeframe</b> :</p>		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.3**

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Not applicable - Step Up 5.4 adopted	
<b>Explanation on application of the practice</b>	:	The Manager does not have any Independent Director who serves beyond 9 years.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.4 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
<b>Application</b>	: Adopted
<b>Explanation on adoption of the practice</b>	: The limit of tenure has been incorporated in the Board Charter. The Board Renewal Policy dated 17 August 2023 states that the tenure of an Independent Director shall not exceed a term limit of 9 years or age 80, whichever is earlier. Upon completion of the 9 years, an Independent Director may continue serving on the Board as a Non-Independent Director.

## Intended Outcome

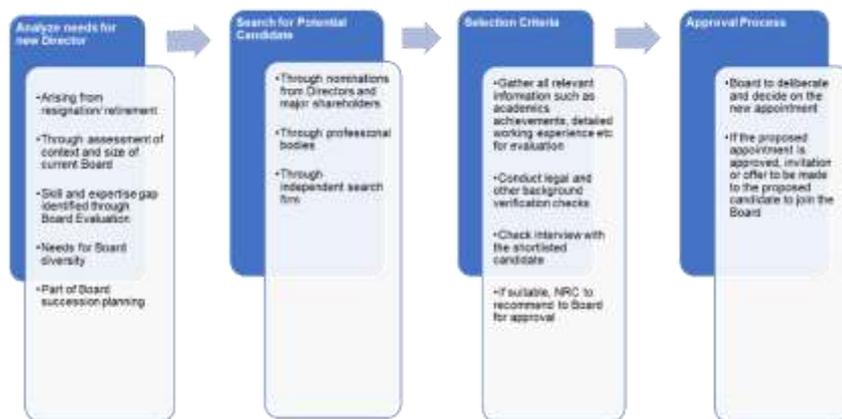
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

## Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Sunway Group's Talent Management Framework provides a systematic and effective process of developing a pipeline of potential internal candidates for positions in key senior management.</p> <p>The former CEO, Dato' Jeffrey Ng, had retired in June 2023. Prior to his retirement, potential talents were identified as Dato' Jeffrey Ng's successor. The assessment was conducted in alignment with SUNREIT's TRANSCEND 2027 while evaluating the potential candidates' work experience, variety of skills, age, merit, leadership competencies etc. Mr Clement Chen was finally selected by the Board of Talent Council as the right talent to succeed Dato' Jeffrey Ng's position as CEO of the Manager.</p> <p>Mr Clement Chen was then introduced to the NRC for evaluation. The NRC subsequently deliberated on Mr Clement Chen's job description ("JD") and KPIs which mirrored the former CEO's JD and KPIs. The NRC then recommended to the Board the appointment of Mr Clement Chen as the Deputy CEO with effect from 1 October 2022 so as to provide sufficient time for Mr Clement Chen to learn on-the-job under the mentorship of Dato' Jeffrey Ng.</p> <p>During the financial year under review, Mr Clement Chen was appointed as Non-Independent Executive Director and CEO on 1 July 2023 following the retirement of Dato' Jeffrey Ng on 30 June 2023.</p> <p>The Board also adheres to the Policy on Selection and Assessment of Members of the Board of Directors and Board Composition adopted by the Manager ("Selection Policy"). The Selection Policy had been revised on 30 January 2023 to ensure it remains relevant and in conformance to the best practices. The summary of the selection process and assessment of potential candidates for Board position in accordance to the Selection Policy is as below:</p>



The Selection Policy sets out the criteria for achieving a balance composition and quality Board’s mix in diversity, professional qualification, relevant experiences, skills and competencies. Potential candidates for appointment as Non-Executive Directors must, amongst others:

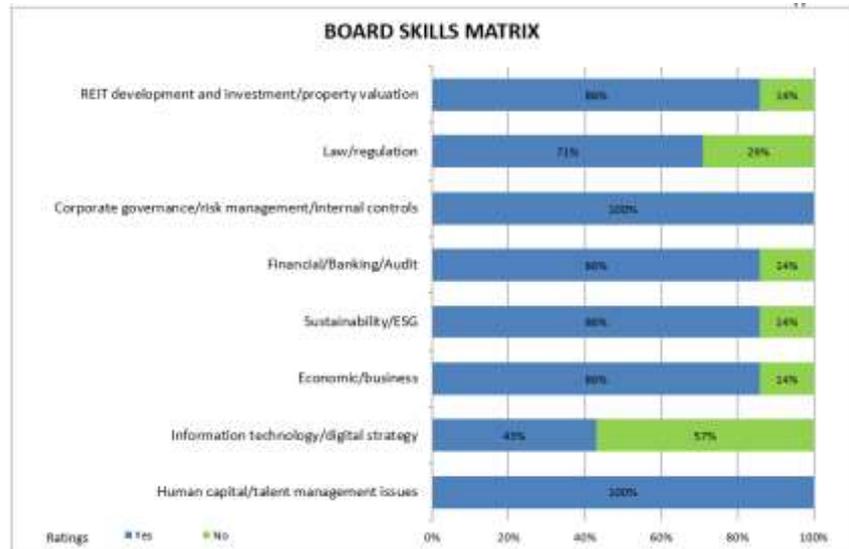
- possess high standards of ethics, integrity and professionalism;
- display independent and sound judgment;
- have meaningful experience and expertise in business, corporate, real estate, property, accounting, legal, finance or other relevant disciplines;
- possess necessary technical skills, experience and knowledge relating to real estate sector and businesses segments in which SUNREIT’s portfolio of assets are exposed to; and
- must meet the fit and proper criteria as detailed in the Fit and Proper Policy of the Manager.

The fit and proper criteria will be applicable at the time of appointment as a Director and on a continuing basis for all Directors of the Manager and its related companies to ensure highest integrity and professionalism as well as compliance to all relevant legal and regulatory obligations. The Fit and Proper Policy is published on SUNREIT’s website at [www.sunwayreit.com](http://www.sunwayreit.com).

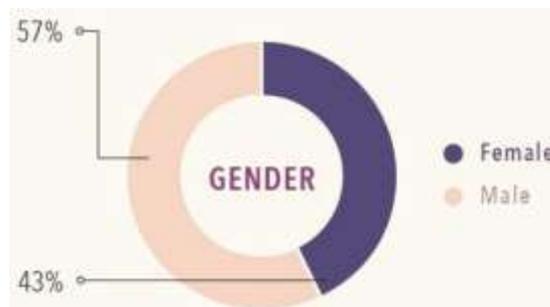
The NRC had at its meeting held on 15 November 2023 reviewed and discussed on the Board and Directors Effectiveness Evaluation Report. The Board had also discussed its “Board Skills Matrix” which captured an inventory of skills sets and competencies of each Director. The objective of the Board Skills Matrix is to guide the NRC and the Board in identifying skills or knowledge gaps. It will also be used as a guide when deciding on future appointment of new Director(s) to identify any complementary skills. Based on the analysis, the training and development programs in relation to the following topics will help to close the gaps to align with the TRANSCEND 2027 strategic roadmap:

- regional/global legal, regulatory and business requirements governing REIT sector or real estate investment;

- potential threats and trends of data integrity, digital disruption and cyber security risks; and
- Sustainable Development Goal 17 goals, climate change agenda and ESG concerns.



During the year, the NRC had discussed and reviewed the structure, size and composition of the Board to ensure appropriate balance, board size and diversity. It was concluded that the current Board composition and size was appropriate.



In order to ensure that all Directors are able to devote the required time to serve the Board effectively, Directors are required to seek clearance from the Chairman of the Board before accepting any new directorship in any other public listed companies. The notification shall include an indication of time that will be spent on the new appointment. The Chairman shall also notify the Board if he/she has any new directorship or significant commitments outside the Manager.

As a way to safeguard the interests of unitholders, the Board Charter has prohibited a Director from:

- holding office as a Director of more than one management company at any one time; and
- holding office as a member of the investment committee of a REIT operated by another management company.

	<p>During the financial year under review, the Directors devoted sufficient time to serve the board effectively. Their meeting attendance are shown in the table below:</p>		
		<p>Attendance (Attended/Held)</p>	<p>% of Attendance</p>
	<p><b>Tan Sri Amirsham Bin A Aziz</b></p>	<p>11/11</p>	<p>100%</p>
	<p><b>Dato' Jeffrey Ng Tiong Lip</b> <i>(Retired on 30 June 2023)</i></p>	<p>5/5</p>	<p>100%</p>
	<p><b>Clement Chen Kok Peng</b> <i>(Appointed as Non-Independent Executive Director and CEO with effect on 1 July 2023)</i></p>	<p>6/6</p>	<p>100%</p>
	<p><b>Datuk Christopher Martin Boyd</b></p>	<p>11/11</p>	<p>100%</p>
	<p><b>Sarena Cheah Yean Tih</b></p>	<p>9/11</p>	<p>82%</p>
	<p><b>Ng Sing Hwa</b></p>	<p>11/11</p>	<p>100%</p>
	<p><b>Tengku Nurul Azian Binti Tengku Shahrman</b></p>	<p>11/11</p>	<p>100%</p>
	<p><b>Yeo Kar Peng</b></p>	<p>11/11</p>	<p>100%</p>
<p><b>Explanation for departure</b> :</p>			
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
<p><b>Measure</b> :</p>			
<p><b>Timeframe</b> :</p>			

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC ensures proper procedures are in place for the nomination and appointment of new Directors. The NRC will base its selection of candidates guided by the following board policies:</p> <ul style="list-style-type: none"><li>(i) Fit and Proper Policy;</li><li>(ii) Policy on Selection and Assessment of Members of the Board of Directors and Board Composition;</li><li>(iii) Diversity and Inclusion Policy; and</li><li>(iv) Board Renewal Policy</li></ul> <p>The selection criteria for suitable candidates must be in alignment with SUNREIT's TRANSCEND 2027 strategic roadmap. Other than relying on recommendations from existing Board members and Management, potential board candidates could also be sourced from independent agents or organization.</p> <p>During the FY2023, aside from Mr Clement Chen who was appointed as Non-Independent Executive Director and CEO on 1 July 2023, no other new appointment was made to the Board.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The re-appointment of Directors of the Manager is not subject to the approval of unitholders. Nevertheless, these re-appointments had taken into account both the interests of the Manager and SUNREIT. It was also made in compliance with the requirements of the SC Guidelines and Bursa Securities Listing Requirements governing REIT.</p> <p>During the financial year under review, pursuant to Article 63 of the AA of the Manager, the retiring Directors were eligible for re-election at the 16<sup>th</sup> AGM of the Manager to be held on 30 June 2023. However, Dato' Jeffrey Ng Tiong Lip had given prior notice that he did not wish to seek for re-election as Director.</p> <p>Accordingly, Dato' Jeffrey Ng Tiong Lip retired as Director of the Manager at the 16<sup>th</sup> AGM of the Manager held on 30 June 2023.</p> <p>As part of the Manager's endeavour to drive accountability to unitholders and in compliance with the Listing Requirements, details of any interest, position or relationship which could potentially influence, or reasonably be perceived to influence, in a material aspect, the Directors' capacity to bring an independent judgement on issues before the Board and to act in the best interests of unitholders had been disclosed under their respective Directors' Profiles in the IAR 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC is chaired by Tengku Nurul Azian Binti Tengku Shahrman, an Independent Non-Executive Director. Her profile has been set out under the Directors' profile in the IAR 2023.</p> <p>In addition, the NRC comprises 3 members, all of whom are Independent Non-Executive Directors. The TOR of the NRC provides that the NRC shall comprise at least 3 Non-Executive Directors, the majority of whom shall be independent.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	There are 7 members on the Board, with 3 being women comprising 43% of the composition.  The Board Charter and TOR of the NRC require the Board to comprise at least 30% women Directors.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.10**

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board has disclosed the Manager's policy on gender diversity under the Sustainability Report.  The gender diversity in the Board and Senior Management are also disclosed under Corporate Governance Overview Statement in the IAR 2023.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

## Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

*Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board had formalised the engagement of independent professional consultant in the TOR of NRC to carry out the board effectiveness evaluation (“BEE”) once every 3 years or as and when the Board deems necessary, to facilitate objective and candid board evaluations.</p> <p>The Manager had in FP2021 engaged an independent professional consultant to carry out the BEE. For FY2023, the assessment was conducted internally through the NRC, facilitated by the Company Secretaries.</p> <p>The evaluation comprised the following:</p> <ul style="list-style-type: none"><li>(i) Audit Committee Effectiveness Evaluation;</li><li>(ii) Audit Committee Members’ Self and Peer Performance Evaluation;</li><li>(iii) Board Committee Effectiveness Evaluation;</li><li>(iv) Annual Board Evaluation of its Effectiveness;</li><li>(v) Directors’ Performance and Contribution Evaluation;</li><li>(vi) Evaluation of Independent Non-Executive Directors;</li><li>(vii) Independent Directors’ Self-Assessment;</li><li>(viii) Internal Audit Performance and Effectiveness Evaluation;</li><li>(ix) Board Skills Matrix; and</li><li>(x) Evaluation of the Independence and Performance of External Auditors.</li></ul> <p>After the NRC’s endorsement on 16 August 2023, the assessment was conducted digitally and members were given ample time to complete the evaluation.</p>

	<p>The areas of evaluation of Board effectiveness included:</p> <ul style="list-style-type: none"> <li>(i) Board composition and diversity;</li> <li>(ii) Directors’ competencies, knowledge &amp; experience;</li> <li>(iii) Managing board conflicts and deliberations;</li> <li>(iv) Board’s strategic planning;</li> <li>(v) Governance of sustainability and ESG matters;</li> <li>(vi) Time commitment;</li> <li>(vii) Crisis management;</li> <li>(viii) Effectiveness of stakeholders’ communication; and</li> <li>(ix) Risk management</li> </ul> <p>Board members submitted their feedback within the prescribed timeline and the Assessment Report for FY2023 was tabled for review and discussion at the NRC meeting held on 15 November 2023. Thereafter, the NRC Chairperson briefed the Board on the results of the assessment along with recommended areas for improvement.</p> <p>The results of BEE for FY2023 were generally positive indicating that the Board, Board Committee and individual Directors efficiently discharged their respective roles and responsibility. Based on the feedback obtained from the individual Directors, the following key strengths of the Board were identified:</p> <ul style="list-style-type: none"> <li>(i) The Board demonstrated an effective proper mix and diversity of skill sets, knowledge, experiences and competencies, adding value to the Board’s deliberation and decision-making processes;</li> <li>(ii) There were active engagement and open communications between the Management and the Board. There were evident through lengthy robust discussions and high-quality debates which took place regularly toward the development of SUNREIT’s business strategy/plan;</li> <li>(iii) The Board had adequately challenged the Management by probing questions on the business strategy/plan, cost structures and resourcing levels against projections; and</li> <li>(iv) The Board exhibited high commitment to staying abreast with the developments and activities of SUNREIT by devoting sufficient time and being well-prepared for the Board and Committees’ meetings.</li> </ul> <p>Despite no visible shortcoming being identified from the BEEs, to further enhance the effectiveness and performance of Board and Board Committees, several action plans have been outlined:</p> <ul style="list-style-type: none"> <li>(i) facilitate brainstorming sessions for further in-depth discussions about the future strategic direction to align with TRANSCEND 2027;</li> <li>(ii) diversification to overseas assets;</li> <li>(iii) improving knowledge of offshore real estate market;</li> <li>(iv) to increase Directors’ professional development needs in line with TRANSCEND 2027 particularly in relation to: <ul style="list-style-type: none"> <li>- regional and global legal, regulatory and business requirements governing REIT sector or real estate investment;</li> </ul> </li> </ul>
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	<ul style="list-style-type: none"> <li>- potential threats and trends of data integrity, digital disruption and cyber security risks; and</li> <li>- sustainability and ESG related topics.</li> </ul>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

## Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of fair and competitive remuneration packages to attract, retain and motivate the Directors and Senior Management of the Manager to drive and pursue the long-term growth objectives of SUNREIT. These packages should be commensurate with their qualifications, experience, skills, responsibilities, performance and contributions.</p> <p>The remuneration of Directors and Senior Management of the Manager is not determined by SUNREIT but by its Manager. The Manager has in place the Remuneration Policy for Directors and Senior Management as a guideline for the NRC to review and determine the fee and remuneration of Directors and Senior Management.</p> <p><b><u>Directors' Remuneration</u></b></p> <p>The remuneration for Non-Executive Directors considers fee levels and trends for similar positions in the market, the time commitment required, and additional responsibilities undertaken by the Non-Executive Directors. They are compensated through a fixed annual Directors' fee and committee fee along with allowances for attending Board and Board Committee meetings. Non-Executive Directors are also entitled to be reimbursed for their travel and other related expenses incurred in the course of discharging their duties and responsibilities. The annual Directors' fee for the Non-Executive Directors is subject to shareholders' approval at the AGM of the Manager.</p>

The remuneration package of Non-Executive Directors is as follows:

	Chairman/Chairperson (RM'000)	Member (RM'000)
<b>Annual Director's fee:</b>		
Board	120	90
AC	10	5
NRC	10	5
RMC	10	5
SC	10	5

	Chairman/Chairperson (RM'000)	Member (RM'000)
<b>Meeting allowance per meeting:</b>		
For each Board or Board Committee meeting	1	1

The remuneration of the Non-Executive Directors undergoes a review at least every 3 years.

#### **Remuneration of Senior Management**

The remuneration for CEO and Senior Management are set at a competitive level for similar position within comparable market. The remuneration package is designed to retain high performing CEO and Senior Management. The pay levels reflect the performance of the individual, his skills and experience as well as responsibility undertaken.

The CEO and Senior Management's performance are measured based on a balanced scorecard method. The KPIs for their performance are categorised under 4 measurements, i.e. Financial, Operations, Strategic Initiatives and Organisational Effectiveness. The remuneration structure is designed to ensure alignment with the interest of the shareholder of Manager and unitholders of SUNREIT in driving the performance via pay-for-performance principle.

In line with Sunway Group's commitment in addressing sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success, a set of KPIs related to ESG categorised under the Organisation Effectiveness section had been officially introduced into the CEO and Senior Management's scorecard since FY2022. The ESG related KPIs will impact the overall rating and remuneration of the CEO and Senior Management.

As a good practice, the Manager participates in total rewards survey exercises organised by the consulting companies every year. The data or results released by the consulting companies will then be used as the

	<p>data sources for benchmarking exercises. The benchmarking exercises are conducted to assess the Manager’s competitiveness level in the market.</p> <p>Aside from taking into consideration the market benchmarks and bonus frameworks, level of responsibility, individual’s experience, expertise and performance, the NRC will also review the Manager’s overall performance and recommend the remuneration package for CEO and Senior Management to the Board for approval.</p> <p>The goals and performance expectation are set at the beginning of the year and will be reviewed on a half-yearly basis in the mid and end of the year. The pay-for-performance philosophy is adopted and there is a transparent performance-linked rewards framework in place. The HR uses established HR system to facilitate performance management process for the CEO and Senior Management.</p> <p>The Remuneration Policy for Directors and Senior Management undergoes periodic reviews or changes arise to ensure it remain relevant. The Remuneration Policy for Directors and Senior Management is available on SUNREIT’s website at <a href="http://www.sunwayreit.com">www.sunwayreit.com</a>.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

## Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

## Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Remuneration Policy for Directors and Senior Management of the Manager was adopted by the Board on 3 May 2018 and revised on 8 November 2021 to incorporate sustainability KPIs into the CEO and Senior Management's scorecard. The Remuneration Policy for Directors and Senior Management is available on SUNREIT's website at <a href="http://www.sunwayreit.com">www.sunwayreit.com</a>.</p> <p>The NRC is tasked by the Board to ensure that the Remuneration Policy for Directors and Senior Management supports the strategic objectives of SUNREIT's businesses and to enable the recruitment, motivation and retention of Non-Executive Directors, Executive Director and Senior Management to drive and pursue the long-term growth objectives of the Manager and SUNREIT. All Directors and employees of the Manager are remunerated by the Manager and not by SUNREIT.</p> <p>The NRC comprises 3 members, all of whom are Independent Non-Executive Directors. The duties and responsibilities of the NRC are set out in the TOR of the NRC which is available on SUNREIT's website at <a href="http://www.sunwayreit.com">www.sunwayreit.com</a>.</p> <p>The NRC is entrusted by the Board to review and recommend matters relating to the remuneration of the Board and Senior Management. The NRC, with the assistance of HR, evaluates the performances of the CEO and CFO at least twice a year. The CEO and CFO were assessed based on a set of pre-approved KPIs using balanced scorecard. The KPIs of the CEO and CFO included budgeted targets in relation to financial, operations, strategic initiatives and organisation effectiveness.</p>

Based on the performance appraisals, the NRC determines the performance bonus for the CEO and CFO. The NRC also reviews the remuneration packages of the CEO and CFO to ensure that the remuneration packages commensurate with their scope of responsibilities and performance achieved.

During the financial year under review, 4 NRC meetings were held to deliberate on the matters relating to the remuneration before recommending the same to the Board for approval:

- (a) on 30 January 2023, the NRC:
  - (i) reviewed the performances of the CEO, Deputy CEO and CFO against their planned KPIs for the FY2022;
  - (ii) recommended to the Board the bonus for the CEO, Deputy CEO and CFO for FY2022;
  - (iii) reviewed and deliberated on the KPIs and scorecards of the CEO and CFO for year 2023;
  - (iv) reviewed and recommended to the Board the proposed revision of Directors' fees for Non-Executive Directors and Board Committees Members to ensure they remain relevant and commensurate with their scope of responsibilities. The Directors' fees would be reviewed at least every 3 years;
- (b) on 2 May 2023, the NRC reviewed and deliberated the revised KPIs and scorecards of the Key Senior Management for year 2023;
- (c) on 16 August 2023, the NRC reviewed and evaluated the mid-year performances of the CEO and CFO based on the 6-months of actual performance indicators up to 30 June 2023 against the approved KPIs; and
- (d) on 15 November 2023, the NRC reviewed the third quarter performance scorecards of Key Senior Management based on their 10-months actual performances up to 31 October 2023.

The representatives of the HR were invited to the abovementioned meetings whenever necessary at the invitation of the NRC.

The remuneration of Independent Non-Executive Directors consists of fixed annual Board fees, Board Committees fees and meeting attendance allowances for each Board and Board Committee meeting attended. The Non-Executive Directors are entitled to be reimbursed for their travel expenses, accommodation and other expenses necessarily expended by them in carrying out their duties and responsibilities as Directors.

	<p>The Directors' fees for Board and Board Committees is subject to the approval of the Manager's shareholders during the AGM of the Manager in year 2024, is as set out below:</p> <table border="1" data-bbox="553 296 1395 594"> <thead> <tr> <th></th> <th>Chairman/Chairperson (RM'000)</th> <th>Member (RM'000)</th> </tr> </thead> <tbody> <tr> <td><b>Annual Director's fee:</b></td> <td></td> <td></td> </tr> <tr> <td>Board</td> <td>120</td> <td>90</td> </tr> <tr> <td>AC</td> <td>10</td> <td>5</td> </tr> <tr> <td>NRC</td> <td>10</td> <td>5</td> </tr> <tr> <td>RMC</td> <td>10</td> <td>5</td> </tr> <tr> <td>SC</td> <td>10</td> <td>5</td> </tr> </tbody> </table> <table border="1" data-bbox="553 663 1395 884"> <thead> <tr> <th></th> <th>Chairman/Chairperson (RM'000)</th> <th>Member (RM'000)</th> </tr> </thead> <tbody> <tr> <td><b>Meeting allowance per meeting:</b></td> <td></td> <td></td> </tr> <tr> <td>For each Board or Board Committee meeting</td> <td>1</td> <td>1</td> </tr> </tbody> </table> <p>The Executive Director is not entitled to the abovementioned Director's fee or any meeting attendance allowances.</p>		Chairman/Chairperson (RM'000)	Member (RM'000)	<b>Annual Director's fee:</b>			Board	120	90	AC	10	5	NRC	10	5	RMC	10	5	SC	10	5		Chairman/Chairperson (RM'000)	Member (RM'000)	<b>Meeting allowance per meeting:</b>			For each Board or Board Committee meeting	1	1
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<p><b>Timeframe</b> :</p>																															

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.1**

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The annual remuneration of Directors for FY2023 paid by the Manager is as follows:

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Amirsham Bin A Aziz	Independent Director	120	11	-	-	-	-	131	-	-	-	-	-	-	-
2	Datuk Christopher Martin Boyd	Independent Director	110	23	-	-	-	-	133	-	-	-	-	-	-	-
3	Tengku Nurul Azian Binti Tengku Shahrman	Independent Director	110	24	-	-	-	-	134	-	-	-	-	-	-	-
4	Yeo Kar Peng	Independent Director	115	26	-	-	-	-	141	-	-	-	-	-	-	-
5	Sarena Cheah Yean Tih, <i>S.M.S.</i>	Non-Executive Non-Independent Director	95	11	-	-	-	-	106	-	-	-	-	-	-	-
6	Ng Sing Hwa	Non-Executive Non-Independent Director	100	13	-	-	-	-	113	-	-	-	-	-	-	-
7	Dato' Jeffrey Ng Tiong Lip <sup>#</sup> <i>(Retired on 30 June 2023)</i>	Executive Director	-	-	449.4	337.1	5.3	94.4	886.2	-	-	-	-	-	-	-
8	Clement Chen Kok Peng <i>(Appointed on 1 July 2023)</i>	Executive Director	-	-	300	22.7	4.1	80.4	407.1	-	-	-	-	-	-	-

**Note:**

# The total remuneration is due to his employment contract with the Manager, but not in his capacity as an Executive Director of the Manager.

### Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

### Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>Given the stiff competition for talent in the REIT sector in which the Manager operates in, confidentiality of the remuneration of senior management is crucial for talent management and retention. Therefore, the Board is of the opinion that disclosing the remuneration of senior management would not be in the best interest of the Manager.</p> <p>In addition, the remuneration of senior management is paid by the Manager and not by SUNREIT.</p> <p>The Manager's Remuneration Policy for Directors and Senior Management ("Remuneration Policy") has alternatively explained how the senior management is rewarded. The Remuneration Policy is periodically reviewed to ensure its relevance with the recommended best practices. The Remuneration Policy has been made available on SUNREIT's website at <a href="http://www.sunwayreit.com">www.sunwayreit.com</a>.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	The Board has decided not to disclose the senior management's remuneration of the Manager.	
<b>Timeframe</b>	:	Others	Others

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.3 - Step Up**

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

## Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

## Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

<b>Application</b>	:	Applied												
<b>Explanation on application of the practice</b>	:	<p>The AC is led by Datuk Christopher Martin Boyd, the Senior Independent Non-Executive Director who is not the Chairman of the Board. Datuk Christopher Martin Boyd's biodata is set out under the Directors' Profile of the IAR 2023.</p> <p>During the financial year under review, in line with Practice 1.4 of the MCCG 2021, the AC comprised 3 members, all of whom are Independent Non-Executive Directors, who satisfied the test of independence under the Listing Requirements. The members of the AC are as follows:</p> <table border="1"><thead><tr><th>No.</th><th>Director / Designation</th><th>Membership</th></tr></thead><tbody><tr><td>1</td><td><b>Datuk Christopher Martin Boyd</b> <i>Senior Independent Non-Executive Director</i></td><td>Chairman</td></tr><tr><td>2</td><td><b>Tengku Nurul Azian Binti Tengku Shahrman</b> <i>Independent Non-Executive Director</i></td><td>Member</td></tr><tr><td>3</td><td><b>Madam Yeo Kar Peng</b> <i>Independent Non-Executive Director</i></td><td>Member</td></tr></tbody></table> <p>The detailed report of the AC is set out in the IAR 2023.</p>	No.	Director / Designation	Membership	1	<b>Datuk Christopher Martin Boyd</b> <i>Senior Independent Non-Executive Director</i>	Chairman	2	<b>Tengku Nurul Azian Binti Tengku Shahrman</b> <i>Independent Non-Executive Director</i>	Member	3	<b>Madam Yeo Kar Peng</b> <i>Independent Non-Executive Director</i>	Member
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<b>Measure</b>	:													
<b>Timeframe</b>	:													

## Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

## Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The TOR of AC states that a former partner of the external audit firm must observe a cooling-off period of at least 3 years before being appointed as a member of the AC.</p> <p>Since the incorporation of the Manager on 14 February 2008, none of the members of the AC were former key audit partners or held any financial interest in the External Auditors.</p> <p>The TOR of the AC is set out on SUNREIT's website at <a href="http://www.sunwayreit.com">www.sunwayreit.com</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC has a policy to assess the suitability, objectivity and independence of the External Auditors annually. The policy on the provision of non-audit services by External Auditors is to ensure there are proper checks and balances in place so that provision of such non-audit fees paid or payable shall not exceed 45% of the total amount of audit fees paid or payable to the External Auditors. The non-audit services must not result in conflict with the External Auditors' audit function and does not impair their independence and objectivity.</p> <p>In order to safeguard the quality and reliability of the audited financial statements of SUNREIT, the Manager has established the Policy on Selection of External Auditors which sets out amongst others, the selection criteria, i.e. independence, competency and quality of resources, proposed procedures to address material matters, industry specialty, rotation of audit engagement partner, non-audit services and audit fees. Further, on 16 August 2023, the AC also discussed and considered the findings disclosed in the Transparency Report 2022 and Audit Oversight Board Inspection Report of BDO PLT 2022 as presented by the External Auditors. The aforesaid report provided the Board with a summary of the assessment on the legal structure and governance framework of External Auditors, their audit quality measures and audit quality indicators.</p> <p>In compliance with the By-Laws of the Malaysian Institute of Accountants ("MIA"), the Policy on Selection of External Auditors has set out the requirement for the External Auditors to rotate their engagement partner in charge of the audited financial statements of SUNREIT once every 7 years in order to maintain their independence. During the financial year under review, the former audit engagement partner who had served for 7 years had been taken over by a new audit engagement partner. Management has been given assurance by the External Auditors that they were, and had been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>In accordance to the terms and conditions of the Deed, the Manager may nominate an audit firm but it must be ultimately approved by RHB</p>

	<p>Trustees Berhad, the Trustee for SUNREIT (the “Trustee”). The remuneration of the External Auditors shall be recommended for approval by the Trustee.</p> <p>The Board, through the AC, maintains an appropriate, formal and transparent relationship with both the Internal and External Auditors.</p> <p>During the financial year under review, the AC, CEO, CFO and IAD assessed the effectiveness and performance of the External Auditors. The annual assessment encompassed areas such as the calibre of external audit firm, quality control processes, quality of services, independence and objectivity, audit scope and planning, audit fees, and communication and interaction. The audit engagement partner, had also confirmed that pursuant to the By-Laws (On Professional Ethics, Conduct and Practice) of the MIA and the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accounts, the External Auditors, namely, Messrs BDO PLT were, and had been, independent for the purpose of the audit and were not aware of any matters that might impair their professional independence.</p> <p>Based on the aforesaid assessment and the independence confirmation, the AC recommended to the Trustee the re-appointment of Messrs BDO PLT as the External Auditors of SUNREIT for the FY2023.</p> <p>Both the Policy on Selection of External Auditors and Non-Audit Services Policy are published on SUNREIT’s website at <a href="http://www.sunwayreit.com">www.sunwayreit.com</a>.</p>	
<p><b>Explanation for departure</b> :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b> :</p>		
<p><b>Timeframe</b> :</p>		

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted												
<b>Explanation on adoption of the practice</b>	:	<p>The AC is chaired by a Senior Independent Non-Executive Director, who is not the Chairman of the Board, and comprises 3 members, all of whom are Independent Non-Executive Directors. The members of the AC are as follows:</p> <table border="1"><thead><tr><th>No.</th><th>Director / Designation</th><th>Membership</th></tr></thead><tbody><tr><td>1</td><td><b>Datuk Christopher Martin Boyd</b> <i>Senior Independent Non-Executive Director</i></td><td>Chairman</td></tr><tr><td>2</td><td><b>Tengku Nurul Azian Binti Tengku Shahriman</b> <i>Independent Non-Executive Director</i></td><td>Member</td></tr><tr><td>3</td><td><b>Madam Yeo Kar Peng</b> <i>Independent Non-Executive Director</i></td><td>Member</td></tr></tbody></table>	No.	Director / Designation	Membership	1	<b>Datuk Christopher Martin Boyd</b> <i>Senior Independent Non-Executive Director</i>	Chairman	2	<b>Tengku Nurul Azian Binti Tengku Shahriman</b> <i>Independent Non-Executive Director</i>	Member	3	<b>Madam Yeo Kar Peng</b> <i>Independent Non-Executive Director</i>	Member
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## Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

## Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC comprised 3 members, all of whom are Independent Non-Executive Directors. The AC has a mix of suitably qualified and experienced professionals in the fields of finance, accountancy, real estate development, property valuation, property management, human capital development and fund management.</p> <p>The AC is led by an experienced Chairman, Datuk Christopher Martin Boyd who has working knowledge and experience as a former member of AC of another listed issuer. Datuk Christopher Martin Boyd has decades of experience in real estate valuation and financial analysis.</p> <p>Madam Yeo Kar Peng is a member of the CPA Australia and has many years of experience in financial and investment analysis. Accordingly, the composition of the AC has fulfilled the financial expertise requirement set out in Paragraph 15.09(1)(c) of Listing Requirements.</p> <p>Tengku Nurul Azian Binti Tengku Shahrman ("Tengku Azian"), has many years of experience in investment banking, financial management as well as corporate finance work. Aside from sitting as the Chairperson of the Audit and Risk Committee of Dutch Lady Milk Industries Berhad, Tengku Azian is also a member of the Audit and Risk Management Committee of FM Global Logistics Holdings Berhad as well as a member of the Audit and Risk Committee of PPB Group Berhad.</p> <p>All the members of the AC are financially literate and are able to probe and challenge matters presented to them. The AC had effectively fulfilled its functions and carry out its duties and responsibilities in accordance to its TOR.</p> <p>During the financial year under review, the AC discharged their duties and responsibilities as follows:</p>

- (i) reviewed and discussed with the Management the quarterly financial reports and unaudited results;
- (ii) monitored RPT closely and enquired potential conflict of interest situation that arises, persists or may arise including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts;
- (iii) ensured all regulatory and accounting disclosures and applicable accounting standards were adhered to;
- (iv) reviewed and discussed with External Auditors on the audit report, significant audit findings, key audit matters, disclosures required in the Independent Auditors' Report, internal control and audit adjustments and the Management's responses to audit queries;
- (v) reviewed on the Transparency Report 2022 which provided a summary of the legal and governance structure of the External Auditors, audit quality measures and audit quality indicators;
- (vi) reviewed and monitored the annual risk-based internal audit plan for FY2023 to ensure adequate audit coverage of the key risk areas taking into account developments which would impact the audit coverage;
- (vii) reviewed on a quarterly basis the internal audit reports presented by the IAD comprising audit findings, IAD's recommendations, Management responses and corrective actions taken and also the audit findings of unplanned assignments or ad-hoc investigations, progress status of the Internal Audit Plan ("IA Plan") FY2023 as well as man hours utilization to carry out the audit assignments;
- (viii) assessed the annual performance of the IAD for FY2023 and reviewed its independence and effectiveness in terms of scope and compliance with relevant regulatory standards as well as its level of collaboration with the External Auditors;
- (ix) reviewed and approved the proposed internal auditors' KPI for 2023 in compliance with the requirements of the Standards for the Professional Practice of Internal Auditing; and
- (x) reviewed and recommended for the Board's approval, the Corporate Governance Overview Statement, Corporate Governance Report, Statement on Risk Management and Internal Control and AC Report for inclusion in the IAR 2023.

The AC had also demonstrated an appropriate level of vigilance and professional scepticism towards significant matters requiring judgement and detection of irregularities in the financial statements of SUNREIT by asking Management probing questions and challenging the appropriate adoption of relevant accounting treatment in the preparation of the financial reports and statements.

The detailed report of the AC's activities for FY2023 is set out under the AC Report in the IAR 2023.

The Board, through its NRC, had on 15 November 2023 reviewed the effectiveness and performances of the AC for FY2023. Based on the assessment, the AC members:

	<ul style="list-style-type: none"> <li>(i) able to discharge its roles and responsibilities effectively in accordance to the AC's terms of reference;</li> <li>(ii) have the requisite skills and experiences in analysing and critically evaluating the information presented;</li> <li>(iii) have full comprehension and understanding of SUNREIT's significant financial and non-financial risks as well as significant accounting policies, accounting estimates and financial reporting practices;</li> <li>(iv) were trustworthy and had acted with high integrity in the best interest of SUNREIT;</li> <li>(v) participated actively in deliberations at all its meetings and were capable of handling difficult issues constructively as well as objectively; and</li> <li>(vi) have adequate knowledge of SUNREIT's compliance processes, financial and statutory reporting requirements.</li> </ul> <p>The AC members had during the financial year under review attended various workshops, webinars, conferences, seminars and courses organised by the relevant regulatory authorities and professional bodies to broaden their knowledge and to keep abreast with the relevant changes in law, regulations, risk management and business environment. The expenses of such events attended by the Directors are borne by the Manager.</p> <p>Please refer to the Board of Directors section of the Manager on SUNREIT's website at <a href="http://www.sunwayreit.com">www.sunwayreit.com</a> for the details of the continuing education programmes attended by the AC members for FY2023.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 10.1

The board should establish an effective risk management and internal control framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Considering that SUNREIT operates in a dynamic business environment, a robust system of internal controls and effective risk management practices are crucial for the management of SUNREIT. The Board is committed to overseeing and playing a pivotal role in setting the acceptable risk appetite and nurturing the culture toward managing key risks. It continuously reviews adequacy and effectiveness in identifying, assessing and responding to key risks of SUNREIT, assisted by its Board Committees.</p> <p><b><u>Risk Management</u></b></p> <p>The RMC assists the Board in overseeing the risk management framework and policies while the AC supports the Board in reviewing and monitoring the adequacy and effectiveness of the system of internal controls, including soliciting feedback from the independent external auditors. The Board receives periodic reports from these Board Committees to keep the Board informed on the key deliberations and decisions on delegated roles.</p> <p><b><u>Internal Controls</u></b></p> <p>The Board is responsible for the governance of SUNREIT's risk management and internal controls and is assisted by the Risk Management Committee in overseeing the risk management and internal controls framework. The Board has established written policies and procedures for external and internal audit functions designed to ensure their impartiality, independence, and effectiveness, subject to regular review. Annual questionnaire-based evaluations are conducted of both internal and external audit partners with the Board and members of the Senior Management team participating. The Board scrutinises financial and narrative statements following best practices, supported by the advice of the auditor.</p> <p>The Board has a well-established procedure to identify, monitor, and manage risk. It has conducted reviews of the Manager's risk management and internal control systems and the effectiveness of all material controls, including financial, operational, and compliance controls, along with the mitigation of material risks.</p>

	<p>The key elements of the internal control framework include the following:</p> <ul style="list-style-type: none"> <li>(i) A clear vision, mission, corporate philosophy and strategic direction, which are communicated to employees at all levels.</li> <li>(ii) The Board approves annual budgets and business plans prepared for each property during the annual business plan exercise to consider the challenges and strategies, relevant strengths, weaknesses, opportunities and threats, including competitor, market and broader environmental analysis.</li> <li>(iii) Investment strategies and criteria that are agreed on and formulated by the Investment Appraisal Working Group and recommendations on any acquisition or divestment will be presented to the Board for approval before escalating to the Trustee for approval.</li> <li>(iv) The AC, with formal TOR clearly outlining its functions and duties delegated by the Board.</li> <li>(v) The IAD, which conducts internal audits based on an annual risk-based audit plan approved by the AC.</li> <li>(vi) Comprehensive policy and procedures manuals that provide guideline and authority limits for various operating, financial, human resource and health and safety matters are available on intranet and website for employees' reference.</li> <li>(vii) Regular management meetings involving the review of the operations and financial performance of each property.</li> <li>(viii) A systematic performance appraisal system for all levels of employees.</li> <li>(ix) Relevant training provided to personnel across all functions to maintain a high level of competency and capability.</li> </ul> <p>The risk management and internal control system is set out in the Statement on Risk Management and Internal Control in IAR 2023.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

## Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

## Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is committed to continually improve the risk management and internal control framework, capabilities, and culture across the Manager to ensure the long-term growth and sustainability of SUNREIT.</p> <p><b><u>Risk Management</u></b></p> <p>The Manager adopts a robust enterprise risk management ("ERM") framework designed and adapted as reasonably practicable from the ISO 31000:2018 Risk Management Guidelines, which aims to put in place a continuous process in identifying all business risks relevant to SUNREIT at the operation level of each property as well as at the fund level, within the defined risk parameters in a timely and effective manner. The ERM framework is reviewed periodically to ensure its effectiveness and all identified risks are recorded in a risk management scorecard to facilitate systematic and comprehensive review with proper mitigating action plans developed to manage the risks to an acceptable level and monitor on continuous basis.</p> <p>The ERM framework principally:</p> <ul style="list-style-type: none"><li>(i) establishes a clear governance structure with functional responsibilities and accountabilities for the management of risk;</li><li>(ii) determines risk appetite and risk tolerance based on measurable parameters related to critical risks that may impact the strategy, performance and reputation of SUNREIT;</li><li>(iii) sets risk policies and limits to be in consistent with the risk appetite and risk tolerance;</li><li>(iv) promotes strong risk management practices and processes; and</li><li>(v) ensures appropriate skills, resources and system infrastructure are applied to risk management.</li></ul> <p>The Risk Officer communicates the risk policies and procedures of the Manager to the risk owners and is responsible for ensuring all identified risks are recorded in the risk management scorecard to facilitate systematic review and monitoring and proper reporting to the Risk Management Working Group ("RMWG") and RMC. The RMWG comprises the CEO, CFO, Risk Officer, Compliance Officer and business unit heads. The RMWG is chaired by the CEO, who holds ultimate responsibility for the implementation of the risk management practices</p>

in SUNREIT. The CEO actively communicates the Board's expectations to the business unit management teams and functional heads at the periodic management meetings. At these meetings, risks relating to strategy, operations, finance, regulatory compliance, reputation, cybersecurity and sustainability are discussed and dealt with through action plans.

The RMC, with the assistance of the RMWG and Risk Officer evaluates and determines the nature and extent of the risks the Board is ready to endorse in pursuit of SUNREIT's strategic objectives and ensures an appropriate and effective risk management framework is established and maintained. The RMC reviews periodic reports on risk identification, reporting and mitigation efforts. The enterprise-wide risk management review as well as the Risk Appetite Statement were reported to the RMC on a half-yearly basis for deliberation. The Chairman of the RMC reports the proceedings of each Committee meeting to the Board and highlights key risks that warrant the Board's attention.

The ERM framework is embedded into core business activities and decision-making processes of SUNREIT to ensure all material business risks are prudently identified, analysed and effectively managed within the defined risk parameters. The responsibility of the day-to-day risk management resides with the Management of each business unit and heads of each function are the risk owners and accountable for managing the risks identified.

The RMC, at its meetings held on 8 February 2023 and 16 August 2023, reviewed and deliberated on the following matters:

- (i) the half-yearly risk reports which consist of identified key risks at the fund and operational levels, the corresponding ratings for each risk as well as the control and mitigating action plans taken;
- (ii) the Statement on Risk Management and Internal Control to be included in SUNREIT's IAR 2023;
- (iii) the update on the implementation of the Corruption Risk Assessment workshop; and
- (iv) 2 new key risks included during the financial year under review:
  - (a) inflation risk; and
  - (b) succession planning and staff retention.

#### **Internal Control**

The AC, with the assistance of the IAD, is tasked by the Board with the duty of reviewing and monitoring the adequacy and effectiveness of the system of internal controls, risk management and governance processes. In carrying out its responsibilities, the AC relies significantly on the support of the internal audit function, which carries out internal audits based on a risk-based audit plan approved annually by the AC. The IAD conducts regular and systematic reviews of the risk management and internal controls system so as to provide reasonable assurance that the risk management and internal control system continues to operate adequately and effectively at SUNREIT. Based on

	<p>these audits, the AC is provided with periodic reports highlighting observations, recommendations and management action plans in order to assist AC in the effective discharge of their roles and responsibilities. In addition, the AC reviews and deliberates on any matters relating to internal controls highlighted by the external auditors in the course of their statutory audit of the financial statements.</p> <p>For the financial year under review, the Board is satisfied with the adequacy and effectiveness of the Manager’s risk management and internal controls system to safeguard the interest of unitholders.</p> <p>On top of that, the CEO and CFO have assured the Board that the Manager’s risk management and internal controls system is operating adequately and effectively, in all material aspects, based on the ERM framework adopted by the Manager. The Manager also has effective compliance review process comprising the Compliance Officer, the ABC Officer, the Company Secretaries and the IAD. The gatekeepers of compliance work closely together to monitor compliance related matters within their scope and roles.</p> <p>The Statement on Risk Management and Internal Control as set out in the IAR 2023 provides an overview of the state of risk management and internal control within SUNREIT.</p>	
<b>Explanation for departure</b>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>		
<b>Timeframe</b>		

## Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

<b>Application</b>	:	Adopted															
<b>Explanation on adoption of the practice</b>	:	<p>The RMC is tasked to assist the Board in reviewing the adequacy and effectiveness in identifying, assessing and responding to key risks of SUNREIT on continuous basis.</p> <p>During the financial year under review, the RMC comprised 4 members, all of whom are Non-Executive Directors; 3 being Independent Non-Executive Directors, who satisfied the test of independence under the Listing Requirements and one Non-Independent Non-Executive Director. The composition of the RMC is as follows:</p> <table border="1"><thead><tr><th>No.</th><th>Director / Designation</th><th>Membership</th></tr></thead><tbody><tr><td>1</td><td><b>Mr Ng Sing Hwa</b> <i>Non-Independent Non-Executive Director</i></td><td>Chairman</td></tr><tr><td>2</td><td><b>Datuk Christopher Martin Boyd</b> <i>Senior Independent Non-Executive Director</i></td><td>Member</td></tr><tr><td>3</td><td><b>Tengku Nurul Azian Binti Tengku Shahrman</b> <i>Independent Non-Executive Director</i></td><td>Member</td></tr><tr><td>4</td><td><b>Madam Yeo Kar Peng</b> <i>Independent Non-Executive Director</i></td><td>Member</td></tr></tbody></table> <p>The TOR of the RMC is regularly reviewed to ensure its relevance with the latest prevailing regulatory/statutory requirements as well as the evolving business/market trends, and the same is available for reference on SUNREIT's website at <a href="http://www.sunwayreit.com">www.sunwayreit.com</a>.</p>	No.	Director / Designation	Membership	1	<b>Mr Ng Sing Hwa</b> <i>Non-Independent Non-Executive Director</i>	Chairman	2	<b>Datuk Christopher Martin Boyd</b> <i>Senior Independent Non-Executive Director</i>	Member	3	<b>Tengku Nurul Azian Binti Tengku Shahrman</b> <i>Independent Non-Executive Director</i>	Member	4	<b>Madam Yeo Kar Peng</b> <i>Independent Non-Executive Director</i>	Member
No.	Director / Designation	Membership															
1	<b>Mr Ng Sing Hwa</b> <i>Non-Independent Non-Executive Director</i>	Chairman															
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3	<b>Tengku Nurul Azian Binti Tengku Shahrman</b> <i>Independent Non-Executive Director</i>	Member															
4	<b>Madam Yeo Kar Peng</b> <i>Independent Non-Executive Director</i>	Member															

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The internal audit function is undertaken internally by Internal Audit Department (“IAD”). The main role of the internal audit function is to provide the AC with independent and objective assurance and consulting to ensure the adequacy and effectiveness of the system of internal controls, risk management and corporate governance framework of the Manager and SUNREIT.</p> <p>IAD adopted the following audit methodology for the internal audit:</p> <p>(i) <u>Risk-based Approach</u> IAD continues to adopt a risk-based audit approach in developing the Audit Plan 2023 which is based on the audit universe, input from Management and an assessment of risk and exposures affecting SUNREIT.</p> <p>(ii) <u>Professional Framework</u> IAD adopts the International Professional Practices Framework promulgated by the Institute of Internal Auditors (“IIA”). The framework contains the mandatory <i>IIA Code of Ethics</i> and <i>International Standard for the Professional Practice of Internal Auditing</i>.</p> <p>In order to achieve appropriate degree of independence and objectivity, the IAD reports functionally to the AC and administratively to the CEO. The AC has explicit authority to communicate directly with the IAD and <i>vice versa</i>. The IAD also has direct unrestricted access to the AC to highlight any issues of concern at any time. The IAD has full, free and unrestricted access to the Manager and SUNREIT’s documents, records, properties and personnel.</p> <p>The AC had on 8 February 2023 endorsed the Internal Audit Plan FY2023 (“IA Plan FY2023”). A total of 16 audit assignments were planned and conducted during the FY2023, covering the following key emphasis areas:</p> <p>(i) <u>Assurance</u> Internal controls review of key business processes at fund level and major properties.</p> <p>(ii) <u>Information Technology</u> Cybersecurity, data governance and compliance with ISO27001 Information Security Management System.</p>

- (iii) Governance and compliance
  - Compliance with regulatory requirements from Securities Commission Malaysia, Bursa Malaysia, etc
  - Internal Review of Sustainability Report
  - Anti-Bribery and Corruption (“ABC”) implementation and compliance to ABC policies

- (iv) Risk Management  
Adequacy of ERM process and risk reporting

In order to enhance knowledge, skills and competencies for the IAD, trainings and courses had been selected as part of IAD’s professional development. Trainings were identified for each staff according to their needs and requirements, in line with their job responsibilities and requirements for the department. The proposed training plan included different types of training such as technology and digital transformation, governance and compliance, sustainability, internal audit skills and industrial knowledge as well as soft skills.

The AC on a quarterly basis:

- (i) monitored and reviewed the IA Plan to ensure adequate audit coverage of the key risk areas of SUNREIT including aligning business risk and developments which had an impact on the audit coverage;
- (ii) reviewed the internal audit reports comprising audit findings, IAD’s recommendations, Management responses and corrective actions taken; and
- (iii) the audit findings of unplanned assignments or ad-hoc investigations, progress status of the IA Plan as well as man hours utilization to carry out the audit assignments.

Apart from the above, the AC has also during the FY2023:

- (i) reviewed and approved the proposed IAD KPIs for 2023 in compliance with the requirements of the Standards for the Professional Practice of Internal Auditing; and
- (ii) met up twice with the internal auditors, without the presence of the Management, to facilitate discussion of any matter in relation to audit issues and internal control weaknesses noted in the course of its audit. There were no major shortcomings or impediments highlighted by the IAD in relation to the execution of their audit assignments.

The AC had undertaken annual assessment on the performance of the IAD and reviewed its independence and effectiveness in terms of scope and function conforms to International Standard for the Professional Practice of Internal Auditing, its level of collaboration with the external auditors as well as its adequacy of resources and core skills and competencies of staff within the IAD.

From its evaluation, the AC concurred that the IAD possessed adequate manpower and budget as well as necessary competencies to carry out its responsibility and implement its approved audit plan. The AC was

	<p>also satisfied that the IAD team was able to provide Directors and Senior Management highlight potential weaknesses in the system of internal controls and providing the Management with constructive input and ideas for remedial action and system improvements.</p> <p>Details of the internal audit activities carried out by the IAD during the FY2023 are as set out in the AC Report in the IAR 2023.</p>	
:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In accordance with the Internal Audit Charter approved by AC, the IAD acts as an independent, objective assurance and advisory function which has been established for purposes of examining and evaluating the risk management, internal control systems and governance processes of the Manager and SUNREIT in order to assist the members of the Management and the Board (including members of the AC) in the effective discharge of their responsibilities.</p> <p>The IAD had confirmed its organisational independence to the AC during FY2023, whereby the Head of IAD and all the internal auditors had signed the Annual Declaration that they were and had been independent, objective and in compliance with the IIA's Code of Ethics. All IAD personnel had also confirmed that they were free from any relationships or conflicts of interest, which would impair their objectivity and independence in their audit activities.</p> <p>The IAD is led by Ms Khong Shiyi, a Certified Internal Auditor (ICA) by Institute of Internal Auditors. She holds a Bachelor of Commerce Degree majoring in Accounting from University of Melbourne and is a member of the CPA Australia and Chartered Accountant registered with the Malaysian Institute of Accountants (MIA). Ms Khong Shiyi reports directly to the AC to ensure impartiality and independence.</p> <p>The IAD is a member of the Malaysian Chapter of the IIA and has adopts the IIA Standards set out in the International Professional Practices Framework issued by the IIA.</p> <p>During the financial year under review, the IAD had conducted various internal audit engagements in alignment with the approved risk-based IA Plan and in adherence to IIA's International Professional Practices Framework (IPPF).</p> <p>Details of the key activities of internal audit function during FY2023 are as set out in the AC Report in the IAR 2023.</p>

<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In alignment with SUNREIT's vision of enhancing stakeholder value in terms of sustainable growth, environmental stewardship and community engagement, the Manager endeavours to foster strong relationships with stakeholders and actively understand, manage expectations and create shared value over the long term. The Manager engages with stakeholders regularly and provides equal access for accurate, clear and transparent disclosure of all material information about SUNREIT on time.</p> <p>To achieve consistent disclosure practices across the Manager and SUNREIT, the Corporate Disclosure Policy is in place with the following objectives:</p> <ul style="list-style-type: none"><li>(i) to raise awareness about and provide guidance to the Board, Management and employees of the Manager on the disclosure requirements and practices of the Manager and SUNREIT;</li><li>(ii) to provide guidance and structure in disseminating corporate information to, and in dealing with stakeholders including unitholders, investors, analysts, media and the investing public;</li><li>(iii) to improve stakeholders' understanding of SUNREIT's businesses and enhance its corporate image by encouraging practices that reflect openness, accessibility and transparency; and</li><li>(iv) to ensure compliance with legal and regulatory requirements on disclosure of material information.</li></ul> <p>The Board is committed to continuously disclose and disseminate comprehensive and timely information to the unitholders and the general investing public with the aims of building and maintaining corporate credibility and investor confidence as well as to keep the unitholders abreast of all material business matters affecting SUNREIT. This would also enhance the unitholders' understanding of SUNREIT in order to enable them to exercise their ownership rights on an informed basis.</p> <p>The Board through the Investor Relations team promotes regular, effective and fair communication with its unitholders and stakeholders. The communication platforms utilised to maintain active engagement and transparent communication with stakeholders are as follows:</p>

Stakeholder	Engagement Approach
Employee	<ul style="list-style-type: none"> <li>✓ Employees engagement survey</li> <li>✓ Townhall briefing</li> <li>✓ Performance planning and review</li> <li>✓ Career development plan</li> </ul>
Business Partners (Tenants & Lessees)	<ul style="list-style-type: none"> <li>✓ Business partners meeting</li> <li>✓ Regular business review meeting</li> <li>✓ Sunway Community app</li> <li>✓ Business opportunity networking session</li> <li>✓ Business partners survey and feedback mechanism</li> </ul>
Government, local authorities, regulators and Industrial affiliations	<ul style="list-style-type: none"> <li>✓ Participates in consultation papers</li> <li>✓ Representation in industry affiliations</li> <li>✓ Engagement meetings via industry affiliations</li> <li>✓ Building and maintaining rapport with local authorities</li> </ul>
Customers	<ul style="list-style-type: none"> <li>✓ Customers' feedback and surveys</li> <li>✓ Customer service channels</li> <li>✓ Social media</li> <li>✓ Sunway Super app</li> <li>✓ Community development programme</li> <li>✓ CSR programme</li> </ul>
Vendors	<ul style="list-style-type: none"> <li>✓ Request for proposal</li> <li>✓ Tender interview</li> <li>✓ Regular meeting and workshop</li> <li>✓ Suppliers briefing and training programme</li> <li>✓ Supplier evaluation and audit</li> </ul>
Media	<ul style="list-style-type: none"> <li>✓ Media conference</li> <li>✓ Media interview</li> <li>✓ Media release</li> <li>✓ Corporate website</li> <li>✓ Social media</li> </ul>
Investment community (Unitholders, Analysts, Fund Managers)	<p>(i) Analyst, Fund Manager</p> <ul style="list-style-type: none"> <li>✓ Statutory announcement</li> <li>✓ Investor and analyst briefing</li> <li>✓ Group and one-on-one meeting with management with the involvement of Board Representatives of the Manager</li> <li>✓ Retail investors meeting</li> <li>✓ Investor seminars, conferences and roadshows</li> <li>✓ Press and analysts' briefings</li> </ul> <p>(ii) Unitholders</p> <ul style="list-style-type: none"> <li>✓ Annual General Meeting</li> <li>✓ Unitholders Meeting</li> <li>✓ Integrated Annual Report</li> <li>✓ SUNREIT's website at <a href="http://www.sunwayreit.com">www.sunwayreit.com</a></li> </ul>

The Manager's Investor Relations team has endeavoured to keep the market and investors apprised of SUNREIT's financial performance and corporate development by providing prompt disclosure of relevant information, provide a better understanding of SUNREIT's operations and financial performance, and to enable investors to make informed investment decisions, as well as to solicit and understand the views of unitholders. At least one member of the Board has been nominated and invited to meet with investors whenever necessary. Further details of the key discussion points communicated with the investment community are summarised in the "Investor Relations Engagement" in the IAR 2023.

During the financial year under review, the following engagement activities had been held with the institutional investment community:

- 23 meetings/conference calls with stockbroking company, fund management company and investment bank; and
- 4 analysts' briefings in relation to the quarterly financial results.

Aside from regularly updating SUNREIT's corporate website at [www.sunwayreit.com](http://www.sunwayreit.com) with financial information, announcements released to Bursa Securities, general meetings materials, investor presentations, corporate governance matters, distribution information, press releases to the media and investor centre, the Manager also announced the targeted date for release of the financial results of SUNREIT at least 2 weeks in advance before each Board meeting to keep unitholders or investing public aware on the timing of the release of the financial results.

While the Manager endeavours to provide as much information as possible to unitholders and stakeholders, it is mindful of the legal and regulatory framework governing the release of those material and price-sensitive information. The Manager has also in place an Insider Trading Policy to safeguard confidentiality of the material and price-sensitive information of SUNREIT.

In addition, the email address, name and contact number of the Manager's designated person is listed in SUNREIT's website to enable the public to forward queries relating to SUNREIT to the Manager. Any inquiries on investor-related matters of SUNREIT may be conveyed to the Investor Relations team:

**Investor Relations**

Tel No: (603) 5639 8889

Fax No: (603) 5639 8001

Email: [irsunreit@sunway.com.my](mailto:irsunreit@sunway.com.my)

Unitholders are encouraged to attend/participate in the AGM and any Unitholders' meetings of SUNREIT, which is the principal forum for dialogue between the Board and unitholders. It provides unitholders the opportunity to engage with the Board, gain insights on SUNREIT's

	<p>operational activities and financial position, raise questions or concerns with regards to SUNREIT as well as to discuss any other important matters with the Management and the Board.</p> <p>The Manager has complied with the minimum requirement of 21-day notice according to the Deed, the Listing Requirements as well as the MCGG practice of at least 28 days. A clear example shown was the Notice of the 10<sup>th</sup> AGM which was given 57 clear days before the meeting. The additional time given to unitholders would allow them to make the necessary arrangement(s) to attend, participate and vote either in person, by corporate representative, by proxy or by attorney as well as to exercise their ownership rights on an informed basis during the 10<sup>th</sup> AGM.</p> <p>In order to ensure a well-defined, accessible, trusted and secure channel for the reporting of any acts related to bribes, corruption, fraud, dishonest practices, inappropriate behaviour and misconduct or other improprieties in the workplace and to enable proper independent investigation of any reported incidents and appropriate follow up action to be taken, the Whistleblowing Policy implemented has outlined the procedures for any employee or member of the public who has knowledge or is aware of any corrupt act or improper conduct is encouraged to make use of the “Whistleblowing Report Form” provided in the Whistleblowing Policy and report through the channels mentioned in Practice 3.2.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Manager has adopted and incorporated integrated reporting based on a globally recognised framework in the IAR 2023 which was recognised as an important communication tool to describe the business progress of SUNREIT against the TRANSCEND 2027.</p> <p>The integrated reporting approach provides a more holistic, in-depth, balanced and comprehensive overview of SUNREIT's business model and strategies. The report also covers the approach to sustainability, risk management and the identification of potential opportunities in order to optimise the value creation process.</p> <p>The integrated reporting was prepared in accordance to the following reporting frameworks:</p> <ul style="list-style-type: none"><li>(i) Securities Commission Guidelines on Listed Real Estate Investment Trusts</li><li>(ii) Main Market Listing Requirements of Bursa Malaysia Securities Berhad</li><li>(iii) Capital Markets and Services Act 2007</li><li>(iv) Companies Act 2016</li><li>(v) Bursa Malaysia Corporate Governance Guide (4<sup>th</sup> edition)</li><li>(vi) Securities Commission Licensing Handbook</li><li>(vii) Malaysian Code on Corporate Governance 2021</li><li>(viii) Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001</li><li>(ix) Malaysian Financial Reporting Standards (MFRS)</li><li>(x) International Financial Reporting Standards (IFRS)</li><li>(xi) IFRS Foundation's International Integrated Reporting Framework</li><li>(xii) United Nations Sustainable Development Goals (UN SDGs)</li></ul> <p>The Manager will continue to keep abreast with the latest requirements of the integrated reporting framework to further improve the quality of information disclosure to the stakeholders of SUNREIT.</p>
<b>Explanation for departure</b>	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>A notice period of 57 clear days was given to the unitholders for the 10<sup>th</sup> AGM held on 27 April 2023, which was more than the minimum 21 days of notice required under the Deed and Paragraph 7.15 of the Listing Requirements as well as in compliance with the MCCG practice of at least 28 days.</p> <p>The additional time given to the unitholders was to give them ample time to scrutinise the IAR 2022 and to enable them to understand and consider the resolutions proposed and make the necessary arrangement(s) to attend, participate (including to pose questions to the Board) and vote at the AGM. The unitholders may join the AGM personally or by proxy or by attorney as well as to exercise their ownership rights on an informed basis during the 10<sup>th</sup> AGM. Each item of special business included in the Notice of the 10<sup>th</sup> AGM was accompanied by an explanatory note. Circular to Unitholders was provided with vital information for unitholders to make an informed decision.</p> <p>The Notice of 10<sup>th</sup> AGM was:</p> <ul style="list-style-type: none"><li>(i) announced via Bursa LINK and available at Bursa Securities' website;</li><li>(ii) published in the local national language and English daily newspapers; and</li><li>(iii) posted on the Investor Relations section of SUNREIT's website at <b><a href="http://www.sunwayreit.com">www.sunwayreit.com</a></b>.</li></ul> <p>An email notification about the Notice of the 10<sup>th</sup> AGM was blasted to all unitholders who provided email addresses and the Notification Cards were dispatched to unitholders who were non-email users via postal mail. Both email notification and Notification Cards alerted the unitholders about the 10<sup>th</sup> AGM and guided them to pre-register for their attendance via the link provided. As permitted under the Listing Requirements and in line with SUNREIT's sustainability initiatives on protection of forest and terrestrial ecosystems (UN Sustainable Development Goal 15), SUNREIT has discontinued the practice of mailing the printed copy of the Integrated Annual Report and Circular to Unitholders. Alternatively, unitholders were given SUNREIT's website link and QR code to download the following documents:</p> <ul style="list-style-type: none"><li>(i) Notice of 10<sup>th</sup> AGM;</li><li>(ii) Proxy Form;</li></ul>

	<ul style="list-style-type: none"> <li>(iii) Administrative Notes* for 10<sup>th</sup> AGM;</li> <li>(iv) Integrated Annual Report 2022;</li> <li>(v) Corporate Governance Report 2022;</li> <li>(vi) Circular to Unitholders; and</li> <li>(vii) Request Form for printed copy of IAR 2022 and Circular to Unitholders</li> </ul> <p>Note:</p> <p>* Administrative Notes comprises useful information regarding the conduct of the virtual 10<sup>th</sup> AGM by way of livestreaming and online remote voting, procedures for registration, unitholders' entitlement to participate in the virtual meeting, their right to appoint proxy, etc.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All Directors of the Manager were present either in person or virtually at the 10<sup>th</sup> AGM and Unitholders' Meeting held on 27 April 2023 and 15 June 2023 respectively. The Chair of the AC, RMC, NRC and Sustainability Committee were present to respond to any queries and clarifications addressed to them, if any. Besides that, the Trustee, the Management, both internal and external auditors were in attendance physically and virtually to respond to any questions or concerns raised by unitholders.</p> <p>Prior to the tabling of the resolutions at the 10<sup>th</sup> AGM, the Chairman of the 10<sup>th</sup> AGM invited the CEO to brief the unitholders on the:</p> <ul style="list-style-type: none"><li>(i) overview of SUNREIT as one of the largest diversified REITs in Malaysia;</li><li>(ii) key highlights of the financial performance and achievements of SUNREIT for FY2022;</li><li>(iii) property development activities, asset enhancement initiatives, commitment to corporate governance and sustainability;</li><li>(iv) new targets and strategic initiatives of TRANSCEND 2027; and</li><li>(v) performance outlook of SUNREIT.</li></ul> <p>The Chairman of the Unitholders' Meeting invited the representative of the Principal Adviser to present on overview of the corporate exercise tabled at the Unitholders' Meeting held on 15 June 2023.</p> <p>The unitholders were invited to raise questions relating to the resolutions tabled at the 10<sup>th</sup> AGM and Unitholders' Meeting before the resolutions were put to vote. Subsequent to the clarifications provided to the queries raised by the unitholders, the meetings proceeded with the voting process.</p> <p>Apart from a full explanation provided in the notice of the 10<sup>th</sup> AGM in respect of the special business items transacted, the Circulars to Unitholders in relation to the proposed renewal of the unitholders' mandate for recurrent RPTs of a revenue of trading nature as well as the corporate exercise had also been issued in order to provide more comprehensive information of the general nature of the proposal to be transacted as well as to assist unitholders in understanding the proposal being deliberated and the implication of their decisions in voting for or against the resolutions.</p>

<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Since the listing of SUNREIT on the Main Market of Bursa Securities on 8 July 2010, all resolutions set out in the notice of the general meetings were voted by poll.</p> <p>The Manager started the e-polling at SUNREIT's 4<sup>th</sup> AGM held on 29 September 2016 for the first time. With the e-polling, the unitholders and proxies present at the meetings were entitled to vote on "one unit, one vote" basis. The e-polling system had been thoroughly tested and proven reliable by the Independent Scrutineers.</p> <p>Despite the transition to endemicity in April 2022, the Manager continued to leverage on technology by conducting the 10<sup>th</sup> AGM and Unitholders' Meeting held on 27 April 2023 and 15 June 2023 respectively (collectively known as "General Meetings of SUNREIT"), virtually through livestreaming from the broadcast venue and online remote voting.</p> <p>All resolutions set out in the Notices of General Meetings of SUNREIT were voted by poll. An Independent Scrutineer was appointed to validate the votes cast at the General Meetings of SUNREIT which was in line with Paragraph 8.29A of the Listing Requirements.</p> <p>Mega Corporate Services Sdn Bhd was appointed as the Polling Administrator to conduct the polling process by way of e-voting, and Cygnus Technology Solutions Sdn Bhd ("Cygnus Technology") was appointed as the Independent Scrutineer to validate the poll results of the General Meetings of SUNREIT.</p> <p>Unitholders or proxies who wished to participate in the General Meetings of SUNREIT, were required to pre-register themselves via the link provided by the service provider. Detailed registration procedures had been provided to unitholders in the Administrative Notes. After verification on the unitholder based on the Record of Depositors, the relevant unitholder or proxy was notified via email that his/her registration for the remote participation had been approved together with a link to grant access to the Digital Ballot Form for voting purpose.</p>

During the virtual General Meetings of SUNREIT, the Poll Administrator was invited to explain on how unitholders could cast their votes online through the livestreaming.

Unitholders and proxies were invited to submit their votes through Digital Ballot Form at the commencement of the General Meetings of SUNREIT upon the declaration by the Chairman. The calculation of the online polling result was tabulated upon completion of the deliberation of all resolutions tabled. Prior to the closure of the voting window, unitholders and proxies were given additional time to vote whilst Independent Scrutineer carried out verification on the votes.

The voting results in respect to each resolution were transparently displayed online. The Chairman then declared the resolutions carried based on the result shown on the screen.

The Independent Scrutineer had previously tested and verified this online poll voting system. Upon verification by the Independent Scrutineer, the poll result detailing the number of votes casted for and against for each resolution and the respective percentages were announced via Bursa LINK after 5:00 p.m. on the same day.

The Manager is committed to ensuring proper and adequate protection of personal data of unitholders within its control in compliance with the Personal Data Protection Act 2010.

The Vote-Polling System server from Mega Corporate Services Sdn Bhd adheres to the framework of policy and procedures that include all legal, physical and technical controls involved in an organisation's information risk management processes as well as implementation of the practice to detect and prevent data breaches, exfiltration, or unwanted destruction of sensitive data.

As part of the Sunway Group, the Manager's information security system has been placed under the purview of Sunway's Information Technology Shared Services Centre ("Sunway's ITSSC"). Sunway's ITSSC adopts Sunway Group's Data Governance Framework, Policies and Procedures which outline how businesses within Sunway Group should manage the availability, usability, integrity, sharing and security of data. The Policies have been established to ensure that there is consistency in the way data is handled within Sunway Group as well as to reduce the risk of data misuse.

Sunway's ITSSC manages cybersecurity challenges through a stringent series of codes, policies and security controls. Unitholders' data is protected from intrusions and unauthorised access. The Manager's employees are subjected to the strictest standards of privacy and confidentiality.

	Sunway's ITSSC has also sent out informative emails to employees within Sunway Group, including employees of the Manager, throughout the financial year under review to continuously create awareness on data governance and cyber security. This is to ensure that Sunway Group and its stakeholders, including the unitholders, are protected from being victims of fraudulent practices.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company’s financial and non-financial performance as well as the company’s long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>Unitholders were encouraged to submit questions prior to the General Meetings of SUNREIT by emailing to the designated email address provided.</p> <p>Unitholders were encouraged to submit their questions before the General Meetings of SUNREIT via email or through the online platform. The online questions from unitholders were displayed in the Questions’ Pane facility during the meetings proceedings. The Chairman highlighted that questions which have not been responded during the General Meetings of SUNREIT in the event of time constraint would be posted in SUNREIT’s website after the meetings.</p> <p>The Chairman provided ample time for the Question and Answer (“Q&amp;A”) session during the General Meetings of SUNREIT. All suggestions and comments received from unitholders during the Q&amp;A session were taken into consideration by the Management. In addition, all questions raised before the meetings had also been responded to by the Management and Board members.</p> <p>The Q&amp;A lists of the General Meetings of SUNREIT were published in SUNREIT’s website at <a href="http://www.sunwayreit.com">www.sunwayreit.com</a> under Investor Relations’ page, within 30 days after the respective General Meetings of SUNREIT.</p>
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

*Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Manager continued to leverage on technology to conduct the 10<sup>th</sup> AGM and Unitholders' Meeting held on 27 April 2023 and 15 June 2023, respectively (collectively known as the "General Meetings of SUNREIT"), on virtual basis through livestreaming from the broadcast venue and using online remote voting platform.</p> <p>The virtual meeting facilitated higher participation rate as it allows those who were unable to attend physically to vote in absentia via online submission of Digital Ballot Form.</p> <p>The Chairman of the Board and the Management team, the Trustee, both internal and external auditors were present either in person or virtually to respond to the questions or concerns raised by unitholders, in compliance to the Guidance on Virtual Meeting of Listed Issuers issued by SC.</p> <p>Unitholders were encouraged to submit questions prior to the General Meetings of SUNREIT by emailing to a designated email address or via the Questions' Pane facility in the meeting online platform. During the General Meetings of SUNREIT, the Chairman invited unitholders to send in their questions online before putting the resolutions to vote. Unitholders were provided with opportunity to communicate their views and discuss with the Board and the Management on matters affecting SUNREIT. The questions and concerns raised by unitholders before and during the General Meetings of SUNREIT were made visible online. All the questions raised were duly addressed and responded by the Board and the Management.</p> <p>The Q&amp;A lists of the General Meetings of SUNREIT were published in SUNREIT's website at <a href="http://www.sunwayreit.com">www.sunwayreit.com</a> under Investor Relations' page, within 30 days after the respective General Meetings of SUNREIT.</p>

<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.6**

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The complete minutes of the 10 <sup>th</sup> AGM and Unitholders' Meeting detailing the meeting proceedings including issues or concerns raised by unitholders and responded by the Board and the Management were made available on SUNREIT's website at <b>www.sunwayreit.com</b> not later than 30 business days after the General Meetings of SUNREIT.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT  
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

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