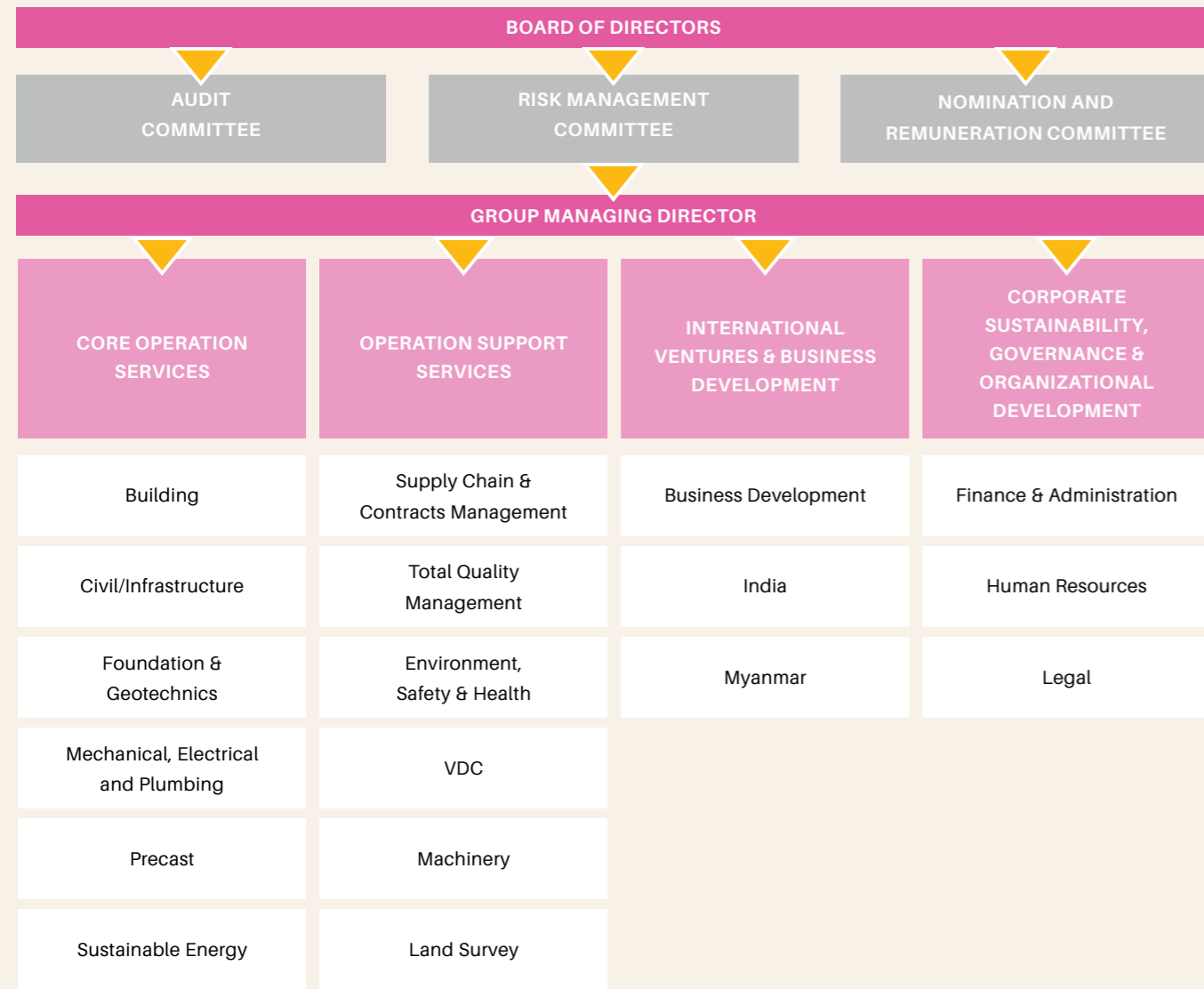


PROFILE OF BOARD OF DIRECTORS



Dato' Ir Goh Chye Koon Chung Soo Kiong Dato' Dr Johari Bin Basri Dato' Siow Kim Lun Dr Sarinder Kumari A/P Oam Parkash

ORGANISATION STRUCTURE



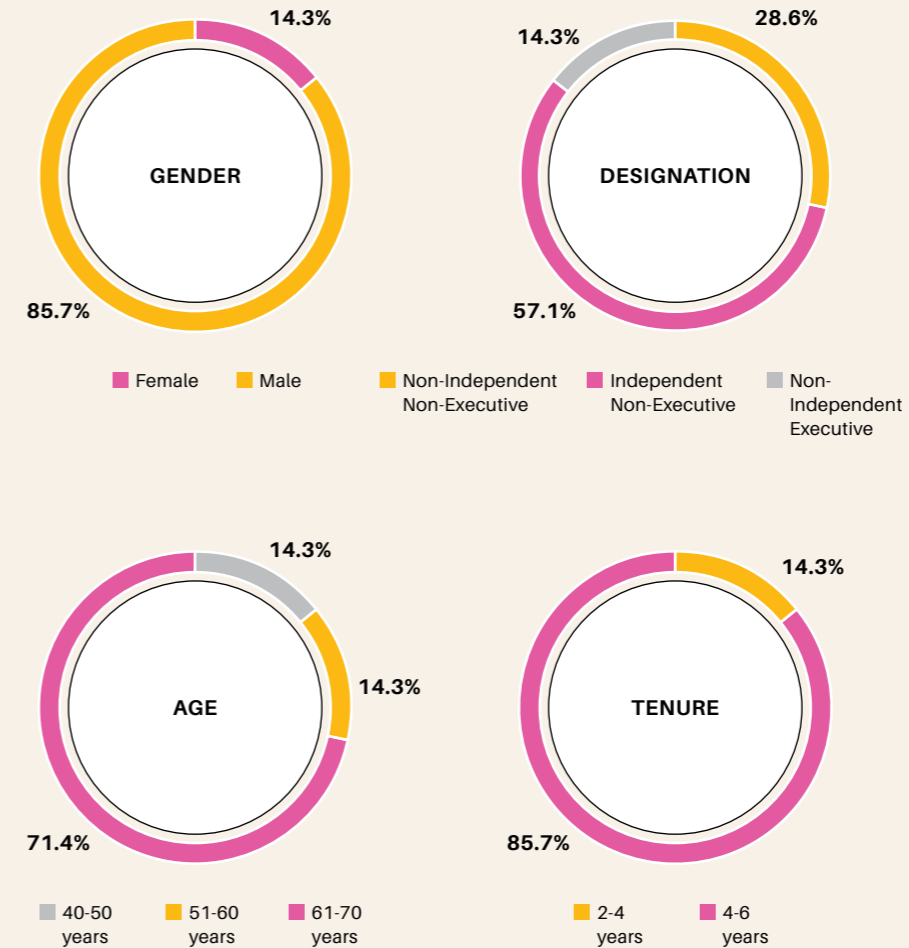
LEGEND

- RMC** Risk Management Committee
- AC** Audit Committee
- NRC** Nomination and Remuneration Committee



Tan Sri Dato' (Dr) Chew Chee Kin Evan Cheah Yean Shin Liew Kok Wing (Alternate Director to Chung Soo Kiong)

OUR BOARD



BOARD SKILLS

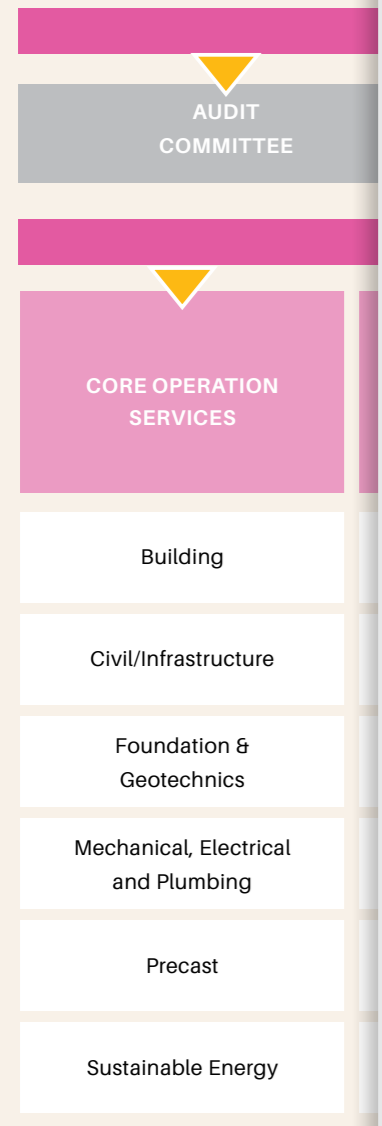
- EN** Engineering
- C** Civil
- IE** Industry Experience
- FA** Finance/Audit
- CPD** Corporate Planning and Development
- EC** Economics
- IT** Information Technology
- CM** Commercial/Marketing
- O** Operations
- HR** Human Resource

PROFILE OF BOARD OF DIRECTORS



Dato' Ir Goh Chye Koon Chung Soo

ORGANISATION STRUCTURE



LEGEND
RMC Risk Management Committee
AC



**DATO' IR GOH
CHYE KOON**

Chairman & Independent
Non-Executive Director

DATE APPOINTED TO THE
BOARD
17 October 2014

YEARS OF DIRECTORSHIP
6.5 years

QUALIFICATIONS

- Bachelor of Engineering (Hons) degree in Civil Engineering from the University of Malaya
- Professional Engineer (P.Eng) and a Member of the Institution of Engineers Malaysia (MIEM)

DIRECTORSHIPS OF OTHER PUBLIC COMPANIES
AND LISTED ISSUERS

Nil

SKILLS, WORKING EXPERIENCE AND EXPERTISE:

EN C IE CM O

Dato' Ir Goh began his career as an engineer in the Ministry of Works, where he served for 11 years rising to the position of Superintending Engineer prior to joining IJM Corporation Berhad as a Senior Engineer in 1984. He was promoted as General Manager (Central Region) in 1986 and subsequently appointed as Alternate Director in 1995 before assuming the position of Deputy Group Managing Director in 1997. He was redesignated Deputy Chief Executive Officer and Deputy Managing Director in 2004 and upon his retirement in 2008, Dato' Ir Goh continued to serve as Executive Director of IJM Corporation Berhad until June 2009 and thereafter Non-Executive Director from July 2009 until June 2013.

He was a member of the Presidential Consultative Council of the Board of Engineers Malaysia (2002 - 2004) and also a member of the Construction Consultative Panel of Malaysia Productivity Corporation (2003 - 2009). He was the Chairman of the Building Industry Presidents' Council and President of the Master Builders Association Malaysia for the session 2004/2006 and has served as its Deputy President, Vice President and Deputy Secretary General.

Dato' Ir Goh was a board member of the Construction Industry Development Board Malaysia (CIDB) from 2004 to 2006 and served as a Main Committee Member (2001 - 2009) and Chairman of the Working Group for construction projects (Local and Foreign) (2003 - 2009) in the Construction Industry Master Plan of CIDB.

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RMC

Member

AC

Member

NRC

Member



**CHUNG SOO
KIONG**

Group Managing Director
& Non-Independent
Executive Director

DATE APPOINTED TO THE
BOARD
1 November 2015

YEARS OF DIRECTORSHIP
5.5 years

QUALIFICATIONS

- Bachelor of Science (Hons) Degree in Quantity Surveying from the University of Abertay Dundee
- Diploma in Building (Technology) from Tunku Abdul Rahman College

DIRECTORSHIPS OF OTHER PUBLIC COMPANIES
AND LISTED ISSUERS

Nil

SKILLS, WORKING EXPERIENCE AND EXPERTISE:

EN IE CM O

Mr Chung began his career with TAISEI Corporation in 1990 where over a period of seven years he rose to the position of Section Manager - Quantity Surveying. In 1997, he joined Sunway Construction Sdn Bhd and served as the Contract Manager of Business Development & Marketing Department. Thereafter, Mr Chung acted as the Country Manager/Project Director of Sunway Innopave Sdn Bhd (Abu Dhabi Branch) for the period from 2007 to 2013.

After his stint in Abu Dhabi, Mr Chung took up the role of Deputy Managing Director of Sunway Construction Sdn Bhd since 2013 before he was promoted to the position as Managing Director of the Company in November 2015. He was further promoted to Group Managing Director of the Company in January 2020. Mr Chung has over 20 years of experience in the construction sector.

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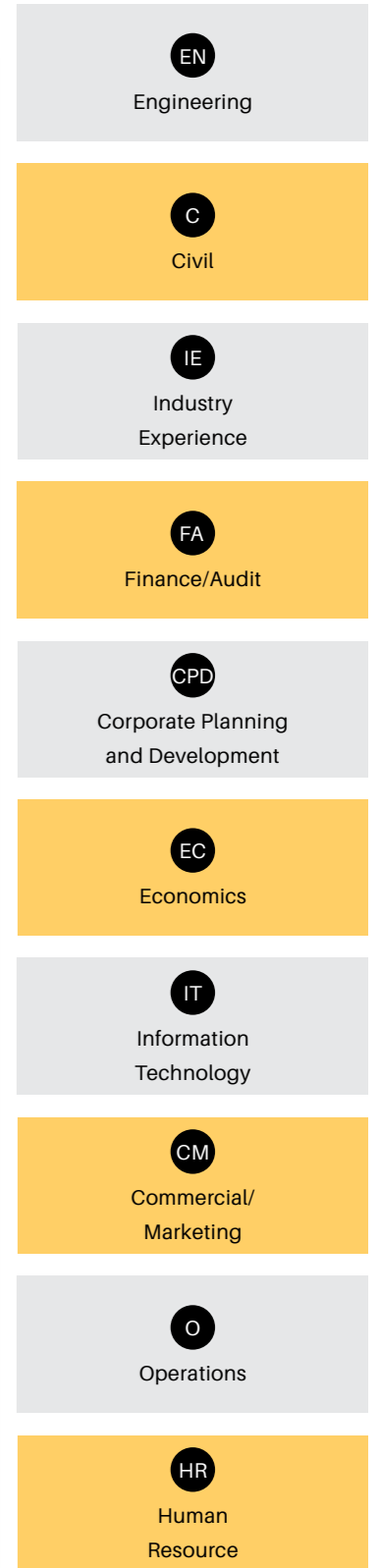


RMC

AC

NRC

BOARD SKILLS



PROFILE OF BOARD OF DIRECTORS



Dato' Ir Goh Chye Koon Chung Soo



**DATO' DR
JOHARI BIN BASRI**

Senior Independent
Non-Executive Director

DATE APPOINTED TO THE BOARD
17 October 2014

YEARS OF DIRECTORSHIP
6.5 years

QUALIFICATIONS

- Ph.D. in Process Safety from the University of Sheffield, United Kingdom
- MSc. in Terotechnology from Manchester University, United Kingdom
- Bachelor of Engineering in Mechanical Engineering from University Technology Malaysia
- Associate Fellow of The Institution of Chemical Engineer (U.K.)
- Life member of The Malaysian Society for Occupational Safety and Health (MSOSH)

DIRECTORSHIPS OF OTHER PUBLIC COMPANIES
AND LISTED ISSUERS

Nil

SKILLS, WORKING EXPERIENCE AND EXPERTISE:

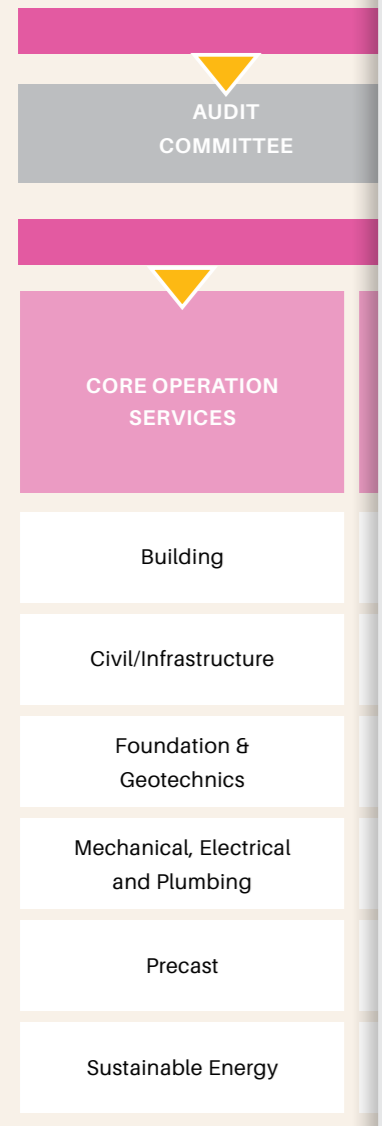


Dato' Dr Johari joined the Factories and Machinery Department of Malaysia, which is now known as Department of Occupational Safety and Health ("DOSH"), as a Factories and Machinery Inspector (Engineer) in 1977. He was then promoted as Director of Industrial Safety Division of DOSH in 1997.

In 2000 and 2004, Dato' Dr Johari was seconded from DOSH to be the Executive Director of National Institute of Occupational Safety and Health ("NIOSH") Malaysia. He was the Executive Director of NIOSH Malaysia for years 2000 - 2002 and 2004 - 2007. In between that period, he returned to DOSH and assumed the role of Director General where he was responsible for the overall planning and implementation of the core activities of DOSH. Concurrently during his tenure in NIOSH Malaysia from 2004 to 2007, he was the Executive Director of ASEAN-OSHNET, the regional grouping of 10 ASEAN member countries working together towards improving the safety and health of the workers. In 2007, he returned to DOSH to resume the role of Director General until his retirement in June 2014.

Dato' Dr Johari was also a member of the board of directors of NIOSH (2007 - 2014), board of member of CIDB (2007 - 2014), Chairman for the Industrial Standard Committee of Occupational Safety and Health (ISCW) SIRIM Berhad (2007 - 2014) and Member for Malaysian National Standards Committees (MyNSC) Standards Malaysia (2007 - 2014).

ORGANISATION STRUCTURE



66



RMC
Member

AC
Member

NRC
Chairman

LEGEND
RMC Risk Management Committee
AC

**DATO'
SIOW KIM LUN**

Independent
Non-Executive Director

DATE APPOINTED TO THE BOARD
17 October 2014

YEARS OF DIRECTORSHIP
6.5 years

QUALIFICATIONS

- Master in Business Administration from the Catholic University of Leuven, Belgium
- Bachelor of Economics (Hons) degree from Universiti Kebangsaan Malaysia
- Advanced Management Program at the Harvard Business School

DIRECTORSHIPS OF OTHER PUBLIC COMPANIES
AND LISTED ISSUERS

- EITA Resources Berhad
- Eco World International Berhad
- Radiant Globaltech Berhad
- RHB Investment Bank Berhad

SKILLS, WORKING EXPERIENCE AND EXPERTISE:



Dato' Siow has over 30 years of working experience in investment banking, corporate finance and regulatory oversight of the Malaysian Capital Market.

He began his career in investment banking with Malaysian International Merchant Bankers Berhad in 1981. From 1985 to 1993, he was with Permata Chartered Merchant Bank Berhad (now known as Affin Hwang Investment Bank Berhad) first as a manager and later as the Divisional Head of its Corporate Finance Division. Between 1993 and 2006, he was with the Securities Commission Malaysia ("SC") and has served in several positions at the SC including that of the Director of its Issues and Investment Division and the Director of its Market Supervision Division. He has also served as a director of MainStreet Advisers Sdn Bhd, a licensed corporate finance advisory firm, from 2008 to 2019.



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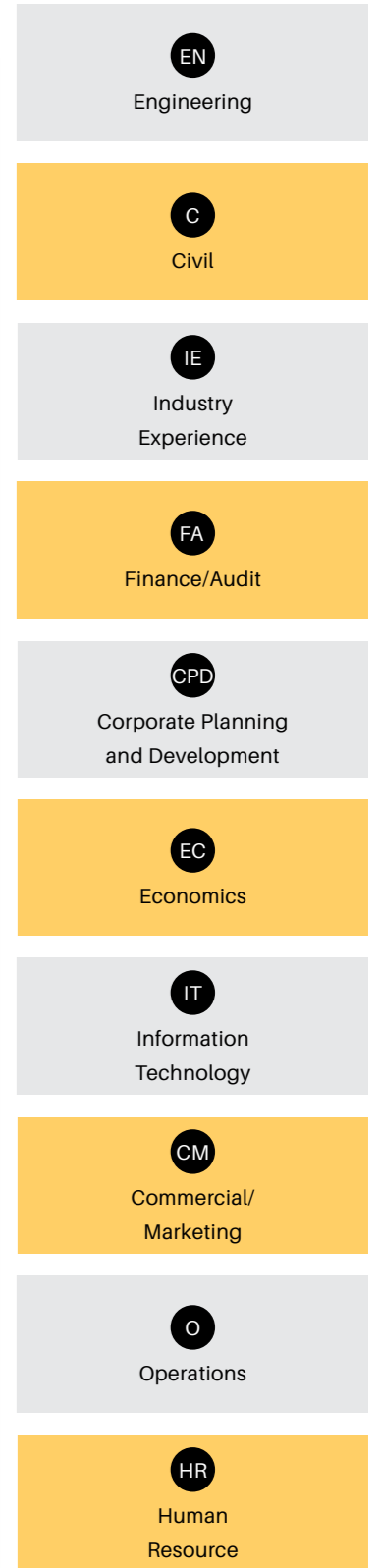


RMC
Member

AC
Chairman

NRC
Member

BOARD SKILLS

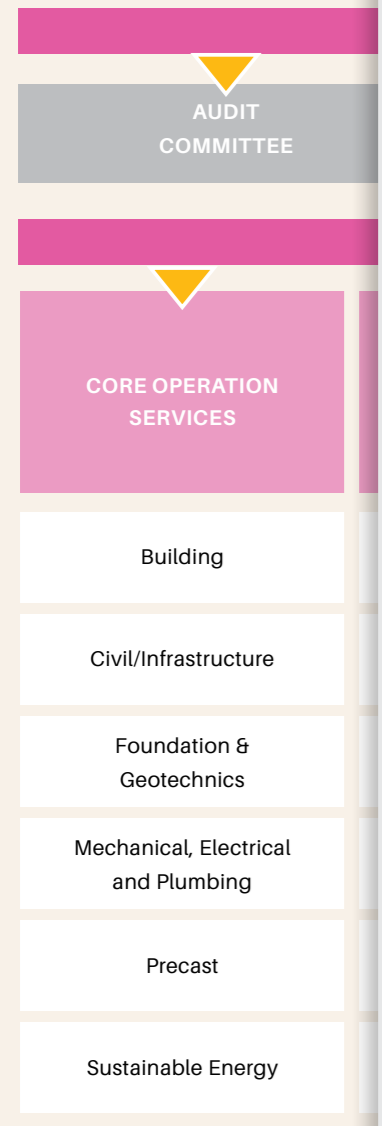


PROFILE OF BOARD OF DIRECTORS



Dato' Ir Goh Chye Koon Chung Soo

ORGANISATION STRUCTURE



LEGEND
RMC Risk Management Committee
AC



**DR SARINDER
KUMARI A/P
OAM PARKASH**

Independent
Non-Executive Director

DATE APPOINTED TO THE BOARD
1 March 2018

YEARS OF DIRECTORSHIP
3.1 years

QUALIFICATIONS

- Ph.D. in Financial Economics from University Putra Malaysia
- Masters in Economics from George Washington University

**DIRECTORSHIPS OF OTHER PUBLIC COMPANIES
AND LISTED ISSUERS**

Nil

SKILLS, WORKING EXPERIENCE AND EXPERTISE:

CPD EC CM

Dr Sarinder has over 30 years of experience in policy and strategic planning, trade negotiations, regulatory and Government affairs. She has previously served as Principal Assistant Secretary with the Ministry of Finance Malaysia (MOF); Senior Director, Ministry of International Trade and Industry Malaysia (MITI); Director, for the Performance Management and Delivery Unit (PEMANDU) under the Prime Minister's Department Malaysia; and Executive Vice-President and Partner for Pemandu Associates, a business management consultancy.

In MOF, she was involved in the raising of Federal Government loans from the international capital and bond markets, debt management and privatization projects. Her portfolio in MITI included the World Trade Organisation (WTO), Strategic Planning and Free Trade Agreements (FTAs) Policy and Negotiations. She was also the lead negotiator for Services for Malaysia's first Bilateral FTA.

In PEMANDU, she provided strategic direction on the planning and implementation of the Tourism-related initiatives under Malaysia's National Transformation Programme. She was also responsible for the Strategic Reform Initiative encompassing the Competition Act, Adoption and Development of International Standards and the Liberalisation of Services. She developed the performance assessment and management system for the performance assessment of all Ministers by the Prime Minister.

In Pemandu Associates, she worked with Governments and businesses on strategy formulation and effective implementation to meet national and business objectives. This entailed working with both internal and external stakeholders to ensure both timely and effective policy and strategy execution for the delivery of tangible results.

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RMC

Chairperson

AC

Member

NRC

Member



**TAN SRI DATO'
(DR) CHEW
CHEE KIN**

Non-Independent
Non-Executive Director

DATE APPOINTED TO THE BOARD
17 October 2014

YEARS OF DIRECTORSHIP
6.5 years

QUALIFICATIONS

- Bachelor of Economics (Hons) Degree from the University of Malaya
- Program in Management Development at Harvard Business School

**DIRECTORSHIPS OF OTHER PUBLIC COMPANIES
AND LISTED ISSUERS**

- Sunway Berhad
- Gopeng Berhad

SKILLS, WORKING EXPERIENCE AND EXPERTISE:

CPD EC IT CM O HR

Tan Sri Dato' (Dr) Chew started his career as a Trainee Executive in UMW (Malaya) Sdn Bhd in 1974. Prior to joining Sunway Group, he was the General Manager of UMW (Malaya) Sdn Bhd.

He joined the Sunway Group in 1981 as the Group General Manager (Operations) and was subsequently promoted to Deputy Group Managing Director (Operations) of the Sunway Holdings Berhad Group in 1989. In 1995, he was promoted to Group Managing Director of the Sunway Holdings Berhad Group and to President of the Sunway Holdings Berhad Group in 1999.

Upon the completion of the merger of Sunway City Berhad and Sunway Holdings Berhad in 2011, Tan Sri Dato' (Dr) Chew was designated as the President of Sunway Berhad. He has more than 30 years' experience in general management, quarrying, construction, building materials, trading and manufacturing businesses.

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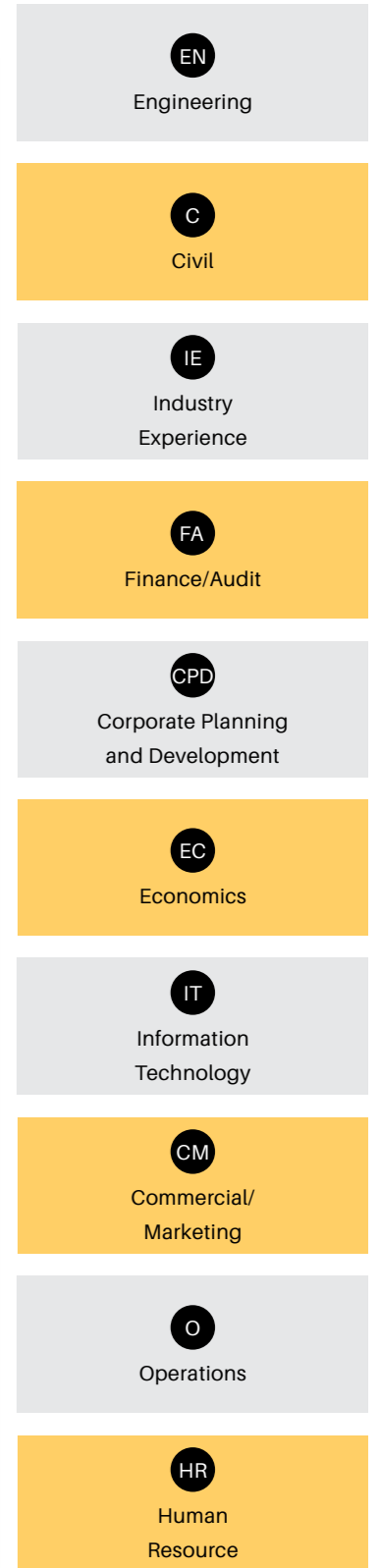
RMC

AC

NRC

Member

BOARD SKILLS



PROFILE OF BOARD OF DIRECTORS



Dato' Ir Goh Chye Koon Chung Soo Kiong



**EVAN CHEAH
YEAN SHIN**

Non-Independent
Non-Executive Director

DATE APPOINTED TO THE
BOARD
18 September 2014

YEARS OF DIRECTORSHIP
6.6 years

QUALIFICATIONS

- Bachelor of Commerce Degree and Bachelor of Business System Degree from Monash University
- Chartered Financial Analyst Charterholder
- Certified Practising Accountant
- Member of Malaysian Institute of Accountants

DIRECTORSHIPS OF OTHER PUBLIC COMPANIES
AND LISTED ISSUERS

Elit Commercial REIT

SKILLS, WORKING EXPERIENCE AND EXPERTISE:



Mr Evan Cheah joined the Sunway Group following his graduation as an Executive Assistant and was attached to the Sunway Group Finance division from 2001 to 2002, with key roles in investment analysis, due diligence, corporate finance, management accounting and group procurement. In 2003, he was promoted and rotated to Sunway Construction where he was the Finance Manager. In 2006, he became the General Manager, Business Development of Sunway Group's Trading & Manufacturing division. In 2010, he was promoted to be the Executive Director of Sunway Mas Sdn. Bhd., a property development company within Sunway Group, in charge of operation matters.

In 2011, Mr Evan Cheah was designated Chief Executive Officer of Sunway Group's China operations, responsible for the China Corporate Office and the development of new business opportunities for the Sunway Group in China. In 2013, he assumed the additional role of Executive Director in the President's Office of Sunway, assisting the Group President in overseeing the Trading & Manufacturing, Building Materials, Quarry & Information Technology businesses.

Effective 1 March 2015, Mr Evan was redesignated as Executive Vice President - President Office with additional role of assisting the President's Office to identify potential business growth opportunities for Sunway Group and driving the group's synergy.

DIRECTORS

Family Relationship with Director and/or Major Shareholder

Mr Evan Cheah Yean Shin (Evan Cheah) who is a Non-Independent Non-Executive Director and major shareholder of Sunway Construction Group Berhad ("SunCon"), is the son of Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling ("Tan Sri Dr Jeffrey Cheah") and brother of Ms Sarena Cheah Yean Tih ("Ms Sarena Cheah") and Mr Adrian Cheah Yean Sun ("Mr Adrian Cheah"). Tan Sri Dr Jeffrey Cheah, Ms Sarena Cheah and Mr Adrian Cheah are the major shareholders of SunCon. Tan Sri Dr Jeffrey Cheah and Ms. Sarena Cheah are also the directors of Sunway Berhad, which is a major shareholder of SunCon.

Save as disclosed above, none of the other Directors has any family relationship with any director and/or major shareholder of SunCon.

LIEW KOK WING

Alternate Director to
Chung Soo Kiong &
Managing Director of
Sunway Construction Sdn Bhd

DATE APPOINTED TO THE
BOARD
7 January 2020

YEARS OF DIRECTORSHIP
1.3 years

QUALIFICATIONS

- Master of Science Degree in Civil Engineering, National University of Singapore
- Bachelor of Engineering (Hons) in Civil Engineering, National University of Singapore

DIRECTORSHIPS OF OTHER PUBLIC COMPANIES
AND LISTED ISSUERS

Nil

SKILLS, WORKING EXPERIENCE AND EXPERTISE:



Mr Liew began his career with L&M Geotechnic in Singapore in 1993, as a Project Engineer at various construction projects in Singapore. In 1996, he was transferred to L&M Systems, Thailand as Project Manager in charge of infrastructure works for a low rise luxury housing project in Bangkok. In the same year, he left to join Taylor Woodrow Projects (M) Bhd. before joining SunCon as Senior Geotechnical Engineer from 1996 to 1998. Thereafter, he joined Nishimatsu Construction Company Singapore.

He rejoined SunCon in 2000 and was promoted during the course of overseeing various projects in Malaysia and India to the position of Senior General Manager, heading the Civil Engineering Division in 2003. He was further promoted as the Deputy Managing Director in 2016 and as the Managing Director of Sunway Construction Sdn Bhd on 1 January 2020.

He has more than 20 years of experience in the construction industry.

CONFLICT OF INTEREST

None of the Directors has any conflict of interest with SunCon Group.

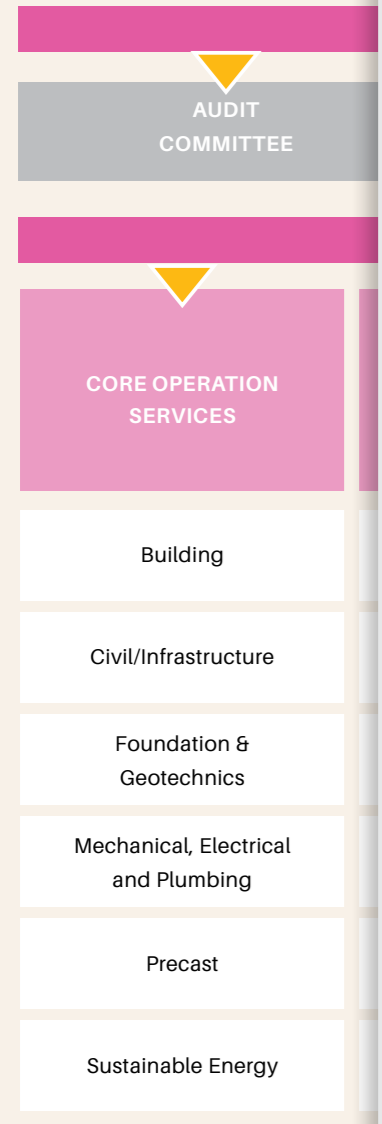
CONVICTION FOR OFFENCES

All the Directors have not been convicted of any offence (other than traffic offences, if any) within the past 5 years and have not been imposed any public sanctions or penalty by the relevant regulatory bodies during the financial year 2020.

ATTENDANCE OF BOARD MEETINGS

The attendance of the Directors at Board and Board Committees' Meetings held during the financial year ended 31 December 2020 is disclosed in the Corporate Governance Overview Statement.

ORGANISATION STRUCTURE



LEGEND

- RMC Risk Management Committee
- AC

41



RMC

Member

AC

NRC



52



RMC

AC

NRC

BOARD SKILLS

EN
Engineering

C
Civil

IE
Industry
Experience

FA
Finance/Audit

CPD
Corporate Planning
and Development

EC
Economics

IT
Information
Technology

CM
Commercial/
Marketing

O
Operations

HR
Human
Resource

PROFILE OF KEY SENIOR MANAGEMENT



Wong Kwan Song, Richard



Ng Bee Lien



Eric Tan Chee Hin



Thomas Samuel A/L CT Samuel



Kwong Tzyy En



Lim Vin Tze



Yip Lai Hun



Tan In Tuan



Tan Kim Yoke

WONG KWAN SONG, RICHARD

Deputy Managing Director



QUALIFICATIONS:

- Bachelor of Engineering (Hons) in Civil Engineering, University of Portsmouth
- Certificate in Technology (Building), Tunku Abdul Rahman College

SKILLS, WORKING EXPERIENCE AND EXPERTISE:

Mr Richard Wong started his career in 1987 at Syarikat Pembinaan Perlis Sdn. Bhd. He then joined Syarikat Pembinaan YTL Sdn. Bhd. in 1988 before joining SunCon in 1989.

Thereafter, he joined Setarabina Sdn. Bhd. in 1995 and served as a Project Manager before rejoining SunCon in 1999.

He has held various positions in SunCon during his 21-year tenure with SunCon Group.

Mr Richard Wong was appointed Deputy Managing Director on 1 January 2020. Prior to this, he was the head of Building Division since January 2007.

NG BEE LIEN

Chief Financial Officer



QUALIFICATIONS:

- Chartered Accountant, Malaysian Institute of Accountants
- Bachelor of Commerce, Majoring in Finance, University of Western Australia

SKILLS, WORKING EXPERIENCE AND EXPERTISE:

Ms Ng started her career as an auditor with Ernst & Young from 1994 to 1997. Thereafter, she joined Muhibbah Engineering (M) Bhd in 1997.

She joined SunCon in 2005 as a Senior Manager-Finance. She has been with SunCon for 16 years where she takes charge of the finance department within SunCon Group.

She was appointed Chief Financial Officer on 1 January 2016. She has been heading the Finance Department since 1 January 2010.

ERIC TAN CHEE HIN

Executive Director



QUALIFICATIONS:

- Registered Professional Engineer with Practising Cert, Board of Engineers Malaysia
- Registered GBI (Green Building Index) Facilitator
- Competent GBI Commissioning Specialist (CxS)
- Master of Business Administration, The Nottingham Trent University
- Bachelor of Engineering Degree in Mechanical Engineering, Universiti Sains Malaysia

SKILLS, WORKING EXPERIENCE AND EXPERTISE:

Mr Tan began his career with SSP (E&M) Sdn. Bhd. in 1996 where he served as a Mechanical Engineer.

In 2000, he joined Sunway Engineering Sdn. Bhd. and has held various positions in the company during his tenure of 20 years within the company. He has been heading the Mechanical, Electrical and Plumbing division since 1 November 2014 and is currently the head of the Sustainable Energy and Civil Divisions.

Mr Tan was appointed Executive Director on 1 January 2019.

THOMAS SAMUEL A/L CT SAMUEL

Executive Director, Geotechnical



QUALIFICATIONS:

- Master's Degree in Business Administration, Heriot Watt University
- Bachelor of Engineering (Hons), University of Malaya

SKILLS, WORKING EXPERIENCE AND EXPERTISE:

Mr Thomas began his career as a project engineer in the specialised field of geotechnical engineering with Pilecon Engineering Bhd in April 1983.

In October 1988, he joined Bauer Malaysia Sdn. Bhd. In a career spanning 28 years, he was extensively involved with the development and installation of large diameter deep bored piles. He was also involved in development of

new techniques for borehole stabilisation using third generation polymers and the development of removable temporary ground anchors. He also helped to successfully introduce the installation of high strength soil cement columns for stabilisation of road and rail embankments.

Mr Thomas joined Sunway Geotechnics (M) Sdn. Bhd. on 15 January 2015 as an Executive Director. He has held this position since then.

KWONG TZYY EN

Executive Director, Precast



QUALIFICATIONS:

- General Certificate of Education (GCE) 'A' Levels

SKILLS, WORKING EXPERIENCE AND EXPERTISE:

Mr Kwong held the position of Managing Director in Huey Long Construction Co from 1981 to 1988, where he specialised in underground telecom piping.

In 1989, he joined Spandek Engineering Pte. Ltd. and served as Production Manager overseeing the supply of precast components for housing projects.

Thereafter, he joined L&M Precast Pte. Ltd. from 1992 to 2000 and Hanson Precast Pte. Ltd. from 2000 to 2001.

He joined Sunway Concrete Products (S) Pte. Ltd. in 2001 and has held various positions based primarily in Singapore during his tenure of 19 years with the SunCon Group.

Mr Kwong was appointed Executive Director on 1 January 2016. Prior to this, he was the head of Precast Division since January 2011.

LIM VIN TZE

General Manager, Mechanical, Electrical and Plumbing



QUALIFICATIONS:

- Registered Professional Engineer Board of Engineers Malaysia
- Registered GBI (Green Building Index) Facilitator
- GBI Commissioning Specialist (CxS)
- Bachelor of Engineering in Mechanical Engineering, University of Melbourne, Australia

SKILLS, WORKING EXPERIENCE AND EXPERTISE:

Mr Lim began his career with KTA Tenaga Sdn. Bhd. in 2000 where he served as a Mechanical Engineer.

In 2005, he joined Sunway Engineering Sdn. Bhd. and has held various positions in the company during his tenure of 15 years within the company.

He has been heading the Mechanical, Electrical and Plumbing division since 2019.

YIP LAI HUN

Director, Supply Chain & Contracts Management



QUALIFICATIONS:

- Diploma in Technology (Building), Tunku Abdul Rahman College
- Certificate in Technology (Architecture), Tunku Abdul Rahman College

SKILLS, WORKING EXPERIENCE AND EXPERTISE:

Ms. Yip began her career in 1990 with MBF Builders Sdn. Bhd. and joined Rinota Construction Sdn. Bhd. in 1991. She then worked as a Quantity Surveyor with J.V. NLC Construction (Nishimatshu - Lum Chang) from 1992 to 1993.

She joined SunCon in 1993 and has held various positions during her 27-year tenure with SunCon Group.

Ms. Yip was appointed Director in Supply Chain and Contracts Management on 1 January 2016. She has been heading the Contracts Department since 1 January 2008.

TAN IN TUAN

Director, Virtual Design and Construction



QUALIFICATIONS:

- Bachelor of Science (Hons) Degree in Civil Engineering University of Glasgow, Scotland

SKILLS, WORKING EXPERIENCE AND EXPERTISE:

Mr Tan began his career in EEMAL Construction as a Project Engineer to Project Manager from 1982 to 1988.

In 1988, he joined Taisei Corporation in which he was involved in various projects undertaken by Taisei in Singapore and Malaysia.

He joined SunCon in 1997 as Assistant General Manager. He held various positions in SunCon during his 23-year tenure with SunCon.

Mr Tan was appointed Director on 1 July 2009 where he continued to head the Planning Division of SunCon where he has led since 2003. In 2017, his role expanded further where he now heads the Technical, Virtual Design and Construction (VDC) and Planning Division.

TAN KIM YOKE

Senior General Manager, Business Development



QUALIFICATIONS:

- Executive Bachelor in Construction Management, Open University Malaysia
- Associate Member, Malaysia Institute of Management (MIM)
- Advanced Diploma in Building Technology, Federal of Institute of Technology

SKILLS, WORKING EXPERIENCE AND EXPERTISE:

Mr Tan joined SunCon in 1982 and left to join Pembinaan JBBS Sdn. Bhd. in 1991. He rejoined SunCon in 1992 as Senior General Manager and was involved in various project implementation. From 1999 till 2007, he headed

SunCon's operations in India and completed 7 packages of National Highways.

He then joined Soma Enterprise Ltd. in India from 2008 till 2013 and was involved in the Chennai Metro line and elevated tollway. In 2013, he joined Pelangi Wira (M) Sdn. Bhd. as Project Director for Pagoh Education Hub, Johor.

Mr Tan rejoined SunCon on 1 October 2015 as Senior General Manager in Business Development.

PROFILE OF KEY SENIOR MANAGEMENT



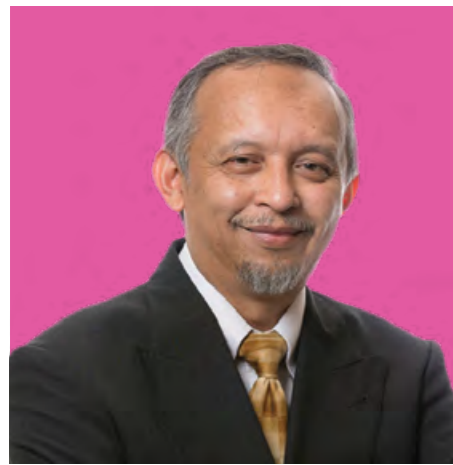
Major (R) Leong Yee Keong



Kong Heong Fook



Mau Che Pean



Mohd Faudzi Bin Hanafiah



Steven Shee Boo Cheong



Ewe Teng Joon



Subba Rao A/L V Semenchalam



Lee Kuan Hong

MAJOR (R) LEONG YEE KEONG

Senior General Manager, Environmental, Safety and Health



QUALIFICATIONS:

- Master of Occupational Safety and Health Risk Management, Open University Malaysia
- Professional Diploma in Occupational Safety and Health Management, Consist College
- International General Certificate (IGC), National Examination Board in Occupational Safety and Health (NEBOSH), UK
- Safety and Health Officer registered with DOSH

SKILLS, WORKING EXPERIENCE AND EXPERTISE:

Major (R) Leong served in the Malaysian Armed Forces from 1979 to 1993 and has held various appointments in different military organisations.

He joined Universal Concrete Products Berhad in 1994 and held leadership roles in various departments including Project Management and Safety.

In 2008, he joined SunCon as Senior Manager, Environmental, Safety and Health (ESH) and was also involved in the completion of overseas project in Abu Dhabi.

He currently serves as the Deputy Chairman of the Safety and Health Committee and Master Builders Association Malaysia (MBAM). He was also a member of several CIDB Committees in developing Construction Industry Standards.

Major (R) Leong was appointed Senior General Manager, ESH on 1 January 2016.

KONG HEONG FOOK

Senior General Manager, Machinery



QUALIFICATIONS:

- Master of Arts in International Business, York St John University, United Kingdom
- Diploma in Supervisory Management, Malaysia Institute of Management (MIM)
- Advance Diploma in Automotive Technology, Department of Skills Development Malaysia
- Certificate in Automotive and Diesel Technician, Ungku Omar Polytechnics

SKILLS, WORKING EXPERIENCE AND EXPERTISE:

Mr Kong began his career at Automotive Corporation Malaysia in 1986. He joined Auto Bavaria Sdn. Bhd. in 1989 and Pilecon Engineering Berhad in 1991.

He then joined Megah Sewa Sdn. Bhd. (subsidiary of Gamuda Engineering Sdn. Bhd.) in 2000 as Plant Manager.

Mr Kong joined Sunway Machinery Sdn. Bhd. in 2005 as a General Manager and has over 30 years of experience in construction plant and machinery industry.

He was appointed Senior General Manager on 1 January 2018.

MAU CHE PEAN

General Manager, Land Survey



QUALIFICATIONS:

- Bachelor in Construction Management, Open University Malaysia
- Diploma in Survey

SKILLS, WORKING EXPERIENCE AND EXPERTISE:

Mr Mau began his career with Jurukur Berjasa Licensed Surveyor in 1981 as a field surveyor for engineering and building construction.

He then joined JHEOA-KOPERASI Kijang Mas from 1987 to 1992 and headed the drafting department for "Cadastral" survey works.

In 1992, he joined Jurukur Nik Hisyam and worked for the Felda Township at Terengganu.

He subsequently joined Sunway PMI-Pile in 1996.

Mr Mau joined SunCon in 1999 where he has held various positions and was also posted overseas to the United Arab Emirates for four years.

Mr Mau was appointed General Manager heading the Land Survey Department since 1 January 2014.

MOHD FAUZI BIN HANAFIAH

General Manager, Total Quality Management



QUALIFICATIONS:

- Bachelor of Science in Civil Engineering, The Ohio State University, USA
- ISO 9001 Lead Assessor
- Qualified Trainer for Awareness of Quality Assessment System in Construction (QLASSIC)

In 1991, he joined Malaysia Productivity Corporation which is under the Ministry of International Trade & Industry as a management consultant in the Productivity & Quality Improvement Department.

He joined Pilecon Engineering Berhad in 1995 as Senior Quality Assurance Engineer.

SKILLS, WORKING EXPERIENCE AND EXPERTISE:

Encik Mohd Faudzi started his career in 1988 as Project Engineer with Pembangunan Langkawi (M) Sdn. Bhd., Penang.

On 27 May 1996, Faudzi joined SunCon as Assistant Manager – Quality Assurance. He was responsible in setting up the Quality Management System and leading the Total Quality Management initiatives. He was promoted to his current position on 1 January 2015.

STEVEN SHEE BOO CHEONG

General Manager, Legal



QUALIFICATIONS:

- Bachelor of Laws (LLB), University of London
- Certificate of Legal Practice

He is actively involved in the construction industry and last served in the Master Builders Association of Malaysia as Vice President, Chairman of the ICT and Publications Committee and editor of the Master Builders Journal (2018 to 2020). He also contributed to the CIDB Construction Law Reports and the Master Builders Journal. Mr Shee is a Fellow with the Asian Institute of Alternative Dispute Resolution and Malaysia Institute of Adjudicators.

He was appointed General Manager, Legal on 1 January 2011. Prior to this, he headed the Contracts Services Department.

SKILLS, WORKING EXPERIENCE AND EXPERTISE:

Mr Shee began his career in an engineering consultancy firm as a draftsman. He later retrained in law and moved on as an in-house counsel dealing with construction contracts, claims and dispute resolution.

EWEE TENG JOON

Head of Human Resources



QUALIFICATIONS:

- Bachelor Degree in Mechanical Engineering, University Tenaga Nasional

He was given the opportunity to lead key projects in performance management, organization change management before assuming the role Human Resource business partner for Building, Geotechnics, Supply Chain & Contracts Management and Finance in 2017.

He was promoted to Head of Human Resources on 1 July 2019.

SKILLS, WORKING EXPERIENCE AND EXPERTISE:

Mr Ewe started his career in 2012 when he joined SunCon as a Management Trainee. As part of the programme, he was rotated across key departments which includes Operation, Supply Chain & Contracts Management, Quality, Safety & Technical department before joining Human Resources as an Organization Development Executive.

SUBBA RAO A/L V SEMENCHALAM

General Manager, Operations



QUALIFICATIONS:

- Current Education: Executive Bachelor in Construction Management, Open University Malaysia

He has held various positions in SunCon within his 31-year tenure with the Group. Within his tenure, he was also posted to India for 11 years, where he was involved in 7 major highway projects ranging from 40 to 80 kilometres in length each.

SKILLS, WORKING EXPERIENCE AND EXPERTISE:

Mr Rao started his career in 1986 at LFY Construction Sdn. Bhd. In 1989 he left the company and joined SunCon.

Mr Rao was appointed General Manager of the Civil Division on 1 January 2016 and is also the India Country Head.

LEE KUAN HONG

General Manager, Northern Region



QUALIFICATIONS:

- Master Degree in Business Administration U21 Global
- Bachelor of Science in Civil and Structural Engineering (Hons), Nanyang Technological University, Singapore

such as the Electrified Double Track Project from Rawang to Ipoh, twin 45 storey luxury residential towers and international branded hotel in Melaka, and building and highway projects in Qatar and Bahrain.

SKILLS, WORKING EXPERIENCE AND EXPERTISE:

Mr Lee began his career in 1999 as Project Engineer with Econ International Ltd (Singapore).

Mr Lee's entrepreneurial vision and strategic leadership skills led him to set up his own construction company in 2007. Prior to joining SunCon, Mr Lee was attached to Turner International Malaysia Sdn. Bhd. in 2017 as Project Manager.

Since then, he has held leadership roles in different construction companies, gaining extensive experience in the full range of operations, from tendering, planning to construction of challenging local and international projects

Mr Lee was promoted to his current position as General Manager, Operations on 1 January 2018, where he is responsible for setting up and overseeing the operations of SunCon's northern region branch.

Family Relationship with Director and/or Major Shareholder

None of the Key Senior Management has any family relationship with any director and/or major shareholder of Sunway Construction Group Berhad (SunCon).

Conviction for Offences

All the Key Senior Management have not been convicted of any offence (other than traffic offences, if any) within the past 5 years and have not been imposed any public sanctions or penalty by the relevant regulatory bodies during the financial year 2020.

Conflict of Interest

None of the Key Senior Management has any conflict of interest with SunCon Group.

Directorship in Public Companies and Listed Issuers

None of the Key Senior Management has any directorship in public companies and listed issuers

The Board of Directors ("Board") of Sunway Construction Group Berhad ("Company") is committed to corporate governance principles and best practices in all its endeavours. Our core values of integrity, humility and excellence are built within a robust governance framework. Our vision is to be the leading regional construction and engineering group. Our mission is to innovate to deliver value underpinning our relentless efforts to drive positive and sustainable change in the way we work and operate in order to create values for all our stakeholders. The Board also places emphasis on ensuring responsible and sustainable business practices in achieving highest standards in quality, environmental protection, safety and health.

In addition, the Company and its subsidiaries ("Group") are committed to fulfilling the United Nations 17 Sustainable Development Goals ("SDG"), by aligning its business strategies to meet the needs of its communities in line with the SDG agenda. The Group's commitment to Environment, Social and Good Governance practices is embedded throughout the organization - from its corporate objectives, policies and working culture as well as social impact initiatives to day-to-day operations so that it delivers enduring growth for thriving communities with minimal adverse impact on its operating environment. The ultimate objective is to achieve good financial performance in order to fuel long term sustainable growth and thereby, enhancing shareholders' value and contributing to the social needs and well-being of the community in which it operates as well as in nation building.

BOARD

<p>Dato' Ir Goh Chye Koon Chairman & Independent Non-Executive Director</p> <p>Attendance: 7/7</p>	<p>Dato' Dr Johari Basri Senior Independent Non-Executive Director</p> <p>Attendance: 7/7</p>	<p>Dato' Siow Kim Lun Independent Non-Executive Director</p> <p>Attendance: 7/7</p>	<p>Dr Sarinder Kumari Independent Non-Executive Director</p> <p>Attendance: 7/7</p>	<p>Tan Sri Dato' (Dr) Chew Chee Kin Non-Independent Non-Executive Director</p> <p>Attendance: 7/7</p>	<p>Evan Cheah Yean Shin Non-Independent Non-Executive Director</p> <p>Attendance: 7/7</p>	<p>Chung Soo Kiong Group Managing Director & Non-Independent Executive Director</p> <p>Attendance: 7/7</p>
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Board Committees

The Board also delegates certain responsibilities to the Board Committees, all of which operate within their defined Terms of Reference ("TOR"). Notwithstanding that, the Board remains responsible for its fiduciary duties.

The Board has set up the following committees to assist in discharging its duties and responsibilities:

<p>AUDIT COMMITTEE</p> <p>Dato' Siow Kim Lun Chairman Attendance: 5/5</p> <p>Dato' Ir Goh Chye Koon Member Attendance: 5/5</p> <p>Dato' Dr Johari Basri Member Attendance: 5/5</p> <p>Dr Sarinder Kumari Member Attendance: 5/5</p>	<p>NOMINATION AND REMUNERATION COMMITTEE</p> <p>Dato' Dr Johari Basri Chairman Attendance: 6/6</p> <p>Dato' Ir Goh Chye Koon Member Attendance: 6/6</p> <p>Dato' Siow Kim Lun Member Attendance: 6/6</p> <p>Dr Sarinder Kumari Member Attendance: 6/6</p> <p>Tan Sri Dato' (Dr) Chew Chee Kin Member Attendance: 6/6</p>	<p>RISK MANAGEMENT COMMITTEE</p> <p>Dr Sarinder Kumari Chairman Attendance: 5/5</p> <p>Dato' Ir Goh Chye Koon Member Attendance: 5/5</p> <p>Dato' Dr Johari Basri Member Attendance: 5/5</p> <p>Dato' Siow Kim Lun Member Attendance: 5/5</p> <p>Evan Cheah Yean Shin Member Attendance: 5/5</p>
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The TORs are annually reviewed and updated to ensure their relevance to the Company's operations as well as for compliance with relevant legislation, regulations and governance standards.

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 the Company and decision-making lies with the Board. The Board keeps itself abreast of the significant matters and resolutions deliberated by each Board Committee through the reports by the Chairman of the relevant Board Committees and the tabling of the Minutes of the Board Committee meetings at the subsequent Board meeting.

Each of the Board Committee operates within clearly defined written Terms of Reference ("TOR") as approved by the Board. The TORs of the Board Committees are available for reference at the Company's website at <https://www.sunwayconstruction.com.my/investor-relations/corporate-governance>

This Corporate Governance Overview Statement ("CG Overview") provides shareholders and investors with an overview of the corporate governance practices of the Group under the leadership of the Board during the financial year 2020 ("FY2020"). This CG Overview was prepared based on the 3 key Corporate Governance Principles as set out in the Malaysian Code on Corporate Governance ("CG Code"), which are:

- 1 Board Leadership and Effectiveness;
- 2 Effective Audit and Risk Management; and
- 3 Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

Our corporate governance practices comply significantly with the CG Code and this statement is to be read together with the Corporate Governance Report FY2020 ("CG Report") of the Group which is available on the Group website at

<https://www.sunwayconstruction.com.my/investor-relations/corporate-governance>



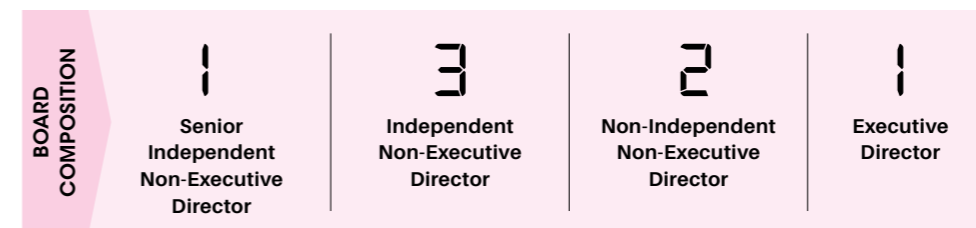
The CG Report provides a detailed insight on the Group's corporate governance framework and practices in compliance with the principles and practices set out in the CG Code and the Main Market Listing Requirement ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") for FY2020. Any slight deviations from the CG Code are explained in the CG Report available in our website.

The appropriate size and composition of the Board are annually reviewed by the Nomination and Remuneration Committee ("NRC"). During the year under review, the NRC was satisfied that the size of the Board was conducive for effective discussion and decision making. The board has effective composition with a broad range of knowledge, skills, experiences and deep industry expertise.

All Board appointments are made based on merit, in the context of skills, experience, independence and relevant knowledge which are essential to the future growth and sustainability of the Company. In terms of gender diversity, the Board has at least one female representation on the Board. Nevertheless, the Board is committed to building a diverse, inclusive and collaborative culture.

Senior Independent Director

The Board appoints a Senior Independent Director who coordinates the activities of the Independent Non-Executive Directors in circumstances where it would be inappropriate for the Chairman to serve in such capacity. He also assists the Chairman and the Board to assure effective corporate governance in managing affairs of the Board and the Company. He will also be available to shareholders if they have concerns relating to matters that contact through the Chairman, Group MD or Chief Financial Officer ("CFO") has failed to resolve, or where such contact is inappropriate. During the year under review, Dato' Dr Johari Bin Basri ("Dato' Dr Johari Basri") was the Senior Independent Director.



The Board has a policy that each director must not hold more than five (5) directorships in public listed companies. This is to ensure that they have sufficient time to fulfil their duties effectively. This policy has been incorporated into Board Charter which requires a Director to seek prior consent from the Board Chairman before he or she accepts any new directorship outside the Group. The Company Secretary will monitor the number of directorships and the changes, if any, of each Director and report to the Board during the its meetings.

Our key focus areas and future priorities in further enhancing our corporate governance practices are as follows:

(a) Enhancing quality standards of audit and internal control

In the continuous effort to strengthen the credibility of internal audit function, the Group will engage an external professional consultant to conduct a Quality Assessment Review ("QAR"). The Internal Audit Department ("IAD") had successfully completed its QAR in 2015. The next assessment which was planned to take place in 2020 had to be postponed to 2021 due to the COVID-19 pandemic. The external assessment is to validate the Group's internal audit activities whether they had conformed to the relevant internal audit standards as well as to identify key areas of improvement in the internal audit function.

(b) Anti-bribery and corruption initiatives

Recognising the need to raise awareness and inculcate a zero corruption culture throughout the Group, anti-corruption and bribery awareness programmes ("ABC Programmes") had been implemented in 2020. This ABC Programmes involved continuous education and commitment from all levels of employees, suppliers, subcontractors and business partners on the Group's policy of zero corruption. An Anti-Bribery and Corruption Compliance Officer has been appointed to lead and take charge of the Anti-Bribery and Corruption compliance matters. In addition, monitoring potential corruption risk has been included in the annual risk assessment of the Group. The Group Risk Management Committee has been tasked with this responsibility of oversight.

(c) Environmental protection

In focusing on environmental sustainability, the Board intends to venture into green and renewable energy projects such as solar farm.

(d) Independent experts for Board Assessment

A structured and regular evaluation of Boards is an important element of good corporate governance. Aside from the conventional annual Board evaluation assisted by the Company Secretary, the Board is considering engaging independent experts to facilitate a comprehensive and 360-degree review on the Board's performance with the aim to further enhance the effectiveness of the Board.

EFFECTIVE LEADERSHIP

LIST OF DIRECTORSHIPS:

NO	DIRECTORS	LIST OF DIRECTORSHIPS
1.	Dato' Ir Goh Chye Koon	- Sunway Construction Group Berhad
2.	Dato' Siow Kim Lun	- Sunway Construction Group Berhad - HLA Holdings Sdn Bhd - EITA Resources Berhad - RHB Investment Bank Berhad - Eco World International Berhad - Malaysian Trustee Berhad - Radiant Globaltech Berhad - RHB Trustee Berhad
3.	Dato' Dr Johari Bin Basri	- Sunway Construction Group Berhad
4.	Dr. Sarinder Kumari	- Sunway Construction Group Berhad
5.	Tan Sri Dato' (Dr) Chew Chee Kin	- Sunway Berhad - Sunway Construction Group Berhad - Gopeng Berhad - Sunway Quarry Industries Sdn Bhd - Sunway Quarry (Kuala Kangsar) Sdn Bhd - Sunway Quarry Industries (Tai Ping) Sdn Bhd - Sunway Quarry Industries (Melaka) Sdn Bhd - Sunway Eastwood Sdn Bhd - Sunway Iskandar Development Sdn Bhd (Alternate to Tan Sri Dato' Dr Jeffrey Cheah Fook Ling AO) - Sunway Iskandar Sdn Bhd (Alternate to Tan Sri Dato' Dr Jeffrey Cheah Fook Ling AO) - Sunway Integrated Properties Sdn Bhd - Sunway Holdings Sdn Bhd - Sunway Winstar Sdn Bhd - Blacktop Industries Sdn Bhd - Can Technical Services Sdn Bhd - TKM Sdn Bhd - Asian Strategy & Leadership Incorporated Sdn Bhd - Sunway University Sdn Bhd - Sunway Education Group Sdn Bhd - Sunway College (KL) Sdn Bhd
6.	Evan Cheah Yean Shin	- Sunway Construction Group Berhad - Monumental Productions Sdn Bhd - Sunway Construction Sdn Bhd - Sunway (Tianjin) Management Consultancy Co. Ltd - Sunway PALs Loyalty Sdn Bhd - Eastern Glory Enterprises Limited - Sunway Ventures Sdn Bhd - Sunway Marketing Sdn Bhd - Sunway Real Estate (China) Ltd - Sunway Management Sdn Bhd - Sunway City (S'pore) Pte. Ltd - Sunway Winstar Sdn Bhd - Sunway Investment Management Consultancy (Shanghai) Co. Ltd - Sunway Pharma Sdn Bhd - Sunway Hotel Services (Ipoh) Sdn Bhd - Sunway PopBox Sdn Bhd - Tianjin Eco-City Sunway Property Development Co. Ltd - Sunway Money Sdn Bhd - Pasir Mas Holdings Sdn Bhd - Sunway SEA Capital Sdn Bhd - Sunway Property Development (Zhuhai) Co. Ltd - Sunway iLabs Accelerator Sdn Bhd - Sunway Global Limited - Sunway Management Services Sdn Bhd - Sunway Spun Pile (Zhuhai) Co. Ltd - Sun Sea I Sdn Bhd (Formerly known as I Star Electrical Sdn Bhd) - Sunway Daechang Forging (Anhui) Co. Ltd - Sunway SCF Sdn Bhd (Formerly known as Sunway Credit Sdn Bhd) - Hitachi Sunway Information Systems (Singapore) Pte Ltd - Credit Bureau Malaysia Sdn Bhd - Sunway Trading (Shanghai) Pte Ltd - Progressive Venture Sdn Bhd - Prestamin Sdn Bhd - Sunway Computer Services Sdn Bhd - Superseed II Ventures (Malaysia) Sdn Bhd (formerly known as Gobi Suoerseed II Sdn Bhd) - Active Equity Sdn Bhd - Sunway RE Capital Pte. Ltd - Jef-San Enterprise Sdn Bhd - Sunway RE Capital Advisors (SG) Pte Ltd - PRK Builders Sdn Bhd

EFFECTIVE LEADERSHIP

NO	DIRECTORS	LIST OF DIRECTORSHIPS
6.	Evan Cheah Yean Shin	- Sungei Way Corporation Sdn Bhd - Sunway Digital Wave Sdn Bhd - Timah Menderang Sdn Bhd - Sunway MSC Sdn Bhd - Sungei Way Properties Sdn Bhd - Hitachi Sunway Information Systems Sdn Bhd - Sunway Systems Sdn Bhd - Sunway Technology Sdn Bhd
7.	Chung Soo Kiong	- Sunway Construction Group Berhad - Sunway SK Sdn Bhd - Sunway Construction Sdn Bhd - Sunway Builders Sdn Bhd - Sunway Engineering Sdn Bhd - Sunway Facade Network Sdn Bhd - Sunway Industrial Products Sdn Bhd - Sunspan Sdn Bhd - Sunway Machineries Services Sdn Bhd - Sunway Visioneering Sdn Bhd - Sunway Geotechnics (M) Sdn Bhd - Sunway Concrete Products (M) Sdn Bhd - Sunway Precast Industries Sdn Bhd
8.	Liew Kok Wing	- Sunway Construction Group Berhad - Sunway Facade Network Sdn Bhd

BOARD RESPONSIBILITIES

The Board aims to create value for the shareholders and ensure long term sustainability of the Group. The Board's main responsibility is to develop appropriate strategy, business model and risk tolerance level to achieve its long term objectives. It also seeks to align the interests of the Board and Management with that of the shareholders as well as to balance the interests of all other stakeholders.

The Board's responsibilities are to focus on the following areas:

- Setting the vision, mission, objectives, goals and strategic plans for the Group with a view to maximising shareholders' value as well as ensuring long term sustainability of the Group's performance.
- Adopting and monitoring the progress of the Group's strategies, budgets, plans and policies.
- Monitoring the performance of the Group's businesses and evaluate whether they are properly managed to achieve its targeted returns.
- Identifying principal risks and ensuring adequate risk framework and systems to mitigate and manage these risks. The Board through the Risk Management Committee, identify and prioritise key material risks, and sets risks tolerance level as well as to formulate risk mitigation strategies to manage and minimise impact of these potential risks.
- Considering and endorsing Management's recommendations on key proposals such as acquisitions, divestments, restructuring, funding and significant capital expenditure.
- Human resources planning and development in particular, management succession planning.
- Reviewing the adequacy and integrity of the Group's internal control and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Key matters reserved for the Board's approval are as follows:

- Conflict of interest issues relating to substantial shareholders, directors or management;
- Related party transactions;
- Material acquisitions and disposals of undertakings not in the ordinary course of business;
- Material investments in capital projects;
- Material bid/tenders for construction projects;
- Overseas ventures;
- Annual business plan and budgets (including major capital commitments);
- Material corporate or financial exercise/restructuring;
- Declaration of dividend;
- Directors' Fees and allowances;
- External Auditors' audit and non-audit fees;
- Quarterly, annual and interim financial results;
- Management's authority limits;
- Donation above RM100,000.00; and
- Corporate Governance issues and related policies.

In discharging its roles and responsibilities, the Board is guided by its Board Charter and the delegated day-to-day management of the Group to the Group Managing Director ("Group MD"). This formal structure of delegation is further cascaded by the Group MD to his management team. Nevertheless, the Group MD and management team remain accountable to the Board for the authority that is delegated and for the performance of the Group. The Board Charter is reviewed and updated annually by the Board and its last review was done on 19 November 2020.

CHAIRMAN AND THE GROUP MD

There is a clear segregation of roles and responsibilities between the Chairman and the Group MD in order to ensure a balance of power and authority as defined in the Board Charter.

The Chairman of the Board is an Independent Non-Executive Director and is separate from the office of the Group MD. The Chairman is responsible for the proper functioning of the Board to ensure its effectiveness in its governance process. The Chairman provides leadership to the Board and guidance to the Group. He chairs the board meetings and sets the meeting agenda in consultation with the other Directors and the Group MD. He promotes active engagement and open dialogue among the Directors as well as between the Board and the Group MD.

The Group MD is subject to the control of the Board. He is responsible for implementing the Group's strategies and policies, as well as for managing the performance of the Group's businesses and the day to day operations.

THE GOVERNANCE OF SUSTAINABILITY

SunCon has embarked on the journey of sustainability governance since 2015. Throughout the years, we have undertaken various improvement initiatives to our practices in order to ensure we stay relevant and in line with global trends. Above all, we strive to ensure our efforts in embracing sustainable development management creates value in our business model. Currently, we are in the midst of reviewing our sustainability governance structure, especially the responsibility and membership of the Sustainability Committee to further strengthen our approach and strategies to sustainability as recommended by Bursa in the Bursa Malaysia Sustainability Disclosures Review 2020.

CORPORATE GOVERNANCE INITIATIVES IN 2020

(i) Anti-Bribery & Corruption

The Board has established an Anti-Bribery and Corruption Task Force ("ABC Taskforce") to implement Group wide awareness and compliance programme as well as to strengthen the internal processes and practices. The ABC Taskforce comprised senior personnel from various divisions, i.e. Operations, Contracts, Human Resources, Finance, Legal and Internal Audit.

The activities set out in the ABC Taskforce include the following:

(a) Establishment of an Anti-Bribery and Corruption Policy ("ABC Policy")

The first draft of the ABC Policy was presented to the Board for deliberation on 7 January 2020. The policy outlined the anti-bribery and corruption strategies and action plans in preventing, detecting and managing bribery and corruption issues. The Board had provided valuable comments and suggestions. The subsequent revisions to the ABC Policy was approved by the Board on 20 February 2020. The ABC Policy has been uploaded in the Company's website.

(b) Corruption Risk Assessment

Bribery and Corruption risk has now been included in the annual and quarterly risk assessment of the Group. Risk assessment has been conducted to identify and analyze the internal and external corruption risks in order to establish appropriate processes, systems and controls to mitigate the specific corruption risks the business is exposed to, if any.

(c) Training and Communication

Training and communication of the ABC Policy has been carried out involving all directors, employees, associates and business partners. Upon completion of the ABC awareness and training programme, the taskforce was disbanded. Subsequently, an Anti-Bribery and Corruption Compliance Officer was appointed to take charge of monitoring and compliance going forward.

(ii) Anti-Money Laundering

In addition, the Board had also on 7 January 2020 established an Anti-Money Laundering Policy ("AML Policy") to provide guidance to all the Group's employees on how to strengthen anti-money laundering measures. The Board and management were fully committed to comply with the provisions of the

Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001. The AML Policy is linked to the Group's Code of Conduct and Business Ethics and the Whistle-Blower Policy. The aforesaid policies and code can be found in the Company's website.

(iii) Business Continuity Plan

During the year 2020, the COVID-19 pandemic had severely disrupted the economy and business operations of the Group. In order to ensure business continuity, the Group had to take drastic and fast action to contain costs, revise its strategies, and to assess its operational risks as well as review its supply chain impact.

A Business Continuity Plan ("BCP") was formulated and presented to the Board on 6 April 2020 by the Group MD. As the situation evolved, the BCP has been revised from time to time. A second phase of the BCP has also been presented to the Board on 21 May 2020.

The main objectives of the BCP were as follows:

- Protect the organisation against adverse effects of the pandemic;

- Prepare the group for inevitable threats;
- Respond immediately to warning signals of crisis i.e. detect early signs, identify problem areas; and
- Manage and ensure appropriate actions are carried out based on current impact of event, as well as potential risks including mitigation strategies.

A Crisis Management Team ("CMT") was quickly formed comprising top management to carry out the BCP action plan. The members of the CMT communicated actively using online technology platforms during the movement control order ("MCO"), Conditional MCO and Recovery MCO period.

Consequent to the proactive and relentless efforts of the Management, the Board is cautiously optimistic of sailing through the headwinds caused by the pandemic.

INTEGRITY AT OUR CORE

CONFLICTS OF INTEREST

Directors must avoid situations in which their own personal or business interests directly or indirectly conflict, or appear to conflict, with the interest of the Group. Where a director has a conflict of interest, in respect to any matter, he or she will be required to immediately disclose his or her interest at a meeting of the Directors or send a written notice to the Group containing details of his or her interest and the conflict, and recuse himself/herself from participating in any discussion and decision on the matter. Such declaration of interest will be recorded in the minutes of meeting. During the year under review, none of the Directors have any personal conflict of interest with the Group.

In respect to mandated recurrent related party transactions ("RRPT mandate"), the Board was satisfied that all transactions were independently scrutinized and reviewed by the Audit Committee to ensure that they had complied with the Listing Requirements and the terms of the shareholders' mandate. The Company had obtained a renewal of its RRPT mandate from the shareholders on 5 August 2020.

The Independent Non-Executive Directors regularly engage in discussion with senior management, IAD, risk management team, External Auditors and other relevant parties to ensure that the concerns and issues raised in regard to the business operations of the Group are properly addressed on a proactive basis.

CODE OF CONDUCT AND BUSINESS ETHICS & WHISTLEBLOWING POLICY

The Board has a formalized code of conduct and business ethics ("Code") which provides an ethical framework to guide actions and behaviors of all Directors and employees while at work.

no disciplinary action can be taken against the reporting individual as long as he/she does not provide false information in the report purposely, knowingly and recklessly.

The Group also has in place a Whistleblowing Policy and Procedures. The objective of this policy and procedure is to provide a mechanism for all levels of employees and stakeholders of the Group to report concerns about any suspected wrongdoing, inappropriate behavior or misconduct relating to fraud, corrupt practices and/or abuse on a timely basis for management action.

Employee or member of the public who has knowledge or is aware of any improper conduct within the Group is encouraged to disclose through the following reporting channels:

Whistleblowing hotlines

☎ (603) 5639 8025 ✉ whistleblowing@sunway.com.my

Reporting individuals are protected against reprisals and/or retaliation from his/her immediate supervisor or head of department/division as a result of the report. The policy also provides the assurance that

Further details of the Code and Whistleblowing Policy and Procedures are set out in the CG Report. The Code, WhistleBlowing Policy, as well as the CG Report are available in the Company's website.

WELL INFORMED AND KNOWLEDGEABLE

ACCESS TO MANAGEMENT & INDEPENDENT PROFESSIONAL ADVICE

All Directors have direct access to the advice and services of the Company Secretaries. The Company Secretaries attend all Board meetings and are accountable directly to the Board, through the Chairman of the Board, on all matters to do with the proper functioning of the Board, including compliance with the Company's Constitution, Companies Act 2016, Listing Requirements, the Securities Commission Guidelines, etc. The Company Secretaries are associate members of the Malaysian Institute of Chartered Secretaries and Administrators and are licensed by the Companies Commission of Malaysia. The appointment and removal of the Company Secretaries are subject to approval of the Board. All Directors, whether as a full Board or in their individual capacity, have the authority to obtain independent professional advice, when necessary, at the Company's expense.

All Independent Non-Executive Directors have access to the Group MD and senior management should there be any explanations or clarifications needed on any aspects of the Group's operations or management issue.

DIRECTOR DEVELOPMENT & TRAINING

In view of the increasingly demanding, complex and multi-dimensional role of a director, the Board recognises the importance of continual training and professional development for its Directors so as to be able to serve effectively on, and contribute positively to, the Board.

During the financial year ended 31 December 2020, all members of the Board attended various development/training programmes, 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 and the business environment. The Company Secretary maintained a training record to track the Directors' attendance at training and professional development courses.

Training Programmes, Seminars and Workshops attended by Directors

NAME OF DIRECTORS	COURSE TITLE/ORGANISER	DATE
Dato' Ir Goh Chye Koon	Raising Defences: Section 17A of the MACC Act (Iclif Executive Education Centre)	13 November 2020
Dato' Dr Johari Bin Basri	How to be an effective NED in a Disruptive World (Institute of Corporate Directors Malaysia)	27 October 2020
	Raising Defences: Section 17A of the MACC Act (Iclif Executive Education Centre)	13 November 2020
Dato' Siow Kim Lun	Capital Market Directors' Programme (Securities Industry Development Corporation)	3 - 5 March 2020
	Enlightenment on Shariah Resolutions (RHB Bank Berhad)/Datuk Dr Mohd Daud Bakar	11 August 2020
	Anti-Money Laundering and Counter-Terrorism Financing (RHB Bank Berhad/FCC Advisory)	9 September 2020
	Malaysian Property Market Outlook (Association of Corporate Finance Advisers/Khong & Jaafar Sdn Bhd)	26 October 2020
	Briefing on Malaysia Budget 2021 (RHB Bank Berhad/Deloitte Malaysia)	20 November 2020
	Recovery and Resolution Planning (RHB Bank Berhad/PwC Malaysia)	1 December 2020
	Fraud Risk Management Workshop (Bursa Malaysia)	3 December 2020
Dr Sarinder Kumari A/P Oam Parkash	Malaysia's Sustainable Development: The Decade For Action (Asian Strategy & Leadership Incorporated)	7 August 2020
	The Role of the Risk Management Committee in Managing Risk (Institute of Corporate Directors Malaysia)	19 & 20 October 2020
	How to be an effective NED in a Disruptive World (Institute of Corporate Directors Malaysia)	27 October 2020
	Raising Defences: Section 17A of the MACC Act (Iclif Executive Education Centre)	13 November 2020
Tan Sri Dato' (Dr) Chew Chee Kin	Raising Defences: Section 17A of the MACC Act (Iclif Executive Education Centre)	13 November 2020

NAME OF DIRECTORS	COURSE TITLE/ORGANISER	DATE
Evan Cheah Yean Shin	Alpha Web Conference ~ Fixed Income Session (Julius Baer)	29 June 2020
	Alpha Web Conference ~ Equities Session (Julius Baer)	30 June 2020
	Virtualization of Healthcare in Asean (UBS)	3 July 2020
	Malaysia's Sustainable Development: The Decade for Action (Asian Strategy & Leadership Incorporated)	7 August 2020
	LED 1: Listed Entity Director Essentials (Singapore Institute of Directors)	6 October 2020
	LED 2: Board Dynamics (Singapore Institute of Directors)	8 October 2020
	LED 3: Board Performance (Singapore Institute of Directors)	8 October 2020
	LED 4: Stakeholder Engagement (Singapore Institute of Directors)	13 October 2020
	Raising Defences: Section 17A of the MACC Act (Iclif Executive Education Centre)	13 November 2020
Chung Soo Kiong	Affin Hwang Capital's Property & REIT Virtual Conference: Where There Is Weakness, There Is Opportunity (Affin Hwang Investment Bank)	29 September 2020
	Raising Defences: Section 17A of the MACC Act (Iclif Executive Education Centre)	13 November 2020
Liew Kok Wing (Alternate Director)	Dynamic Economic Development & Shared Prosperity (ASLI Centre Stage): The Kedah Way (Sunway University)	13 January 2020
	Mandatory Accreditation Programme for Directors (The Iclif Leadership and Governance Centre)	30 & 31 March 2020
	Raising Defences: Section 17A of the MACC Act (Iclif Executive Education Centre)	13 November 2020

THE NOMINATION AND REMUNERATION COMMITTEE ("NRC")

The NRC comprises exclusively Independent Non-Executive Directors. The Chairman of this Committee for the financial year 2020 was Dato' Dr Johari Basri. The other members of the Committee were Dato' Ir Goh Chye Koon, Dato' Siow Kim Lun, Dr Sarinder Kumari A/P Oam Parkash ("Dr Sarinder Kumari") and Tan Sri Dato' (Dr) Chew Chee Kin.


The NRC is responsible for reviewing the composition, size, diversity and balance of the Board. It ensures that the Board comprises Directors with appropriate skills, knowledge, expertise and experience as well as having a proper balance between Executive Director and Independent Non-Executive Directors.

It regularly reviews the criteria to be used in the Board recruitment process. In the case of candidates proposed for appointment as Independent Non-Executive Directors, the NRC would assess the candidate's independence

in accordance with Paragraph 1.01 and Practice Note 13 of the Listing Requirements of Bursa Securities as well as his/her time commitment and potential contribution.

It also undertakes and facilitates the annual assessment of the Board and Board Committees. In addition, it is responsible for the succession planning of the Board and senior management.

The duties and responsibilities of the NRC are set out in the TOR of the NRC which is available at the Group's website at

 <https://www.sunwayconstruction.com.my/investor-relations/corporate-governance>

During the financial year, six (6) meetings were held to deliberate on the following matters:

At the meeting held on 7 January 2020, the NRC deliberated on the following matters:

- The NRC together with the Group MD and Group Human Resource ("GHR") reviewed and approved the proposed new management organisation structure;
- It also deliberated and recommended the following for Board's approval:
 - Proposed re-designation of Mr Chung Soo Kiong ("Mr Chung") from Managing Director ("MD") to Group MD of the Company;
 - Proposed appointment of Mr Liew Kok Wing ("Mr Liew") as the Alternate Director to Mr Chung; and
 - Proposed promotion of Mr Liew from Deputy MD to MD of the major subsidiary, Sunway Construction Sdn Bhd ("SCSB").

At the meeting held on 20 February 2020, the NRC deliberated on the following matters:

- The NRC reviewed and discussed the results of the evaluation on the effectiveness of the Board and Board Committees. Some of the areas of improvements were noted and would be recommended to the board for actions.
- The Non-Independent and Non-Executive Directors and the Group MD also undertook a comprehensive assessment of individual Independent Non-Executive Directors' performance and contribution based on a pre-determined set of criteria. All the Board members had also conducted Director's peer review for the financial year 2019.
- Based on the annual assessment, the NRC was satisfied with the effectiveness of the Board in discharging duties and responsibilities in accordance with the Companies Act 2016 and Listing Requirements. As for the Board Committees, the Board was satisfied with their effectiveness in discharging their roles and responsibilities as stated in their respective TORs.
- The NRC also evaluated and was satisfied with the existing size, structure and composition of the Board and Board Committees. The composition of the Board and Board Committees had fulfilled the requirements of the Listing Requirements of having majority Independent Non-Executive Directors.
- The NRC would continue its search for the right woman candidate to meet the 30%-woman director representation in the Board.
- The Independent Directors had individually confirmed their continued independence in accordance with the Listing Requirements of Bursa Securities and that they would continue to act for the best interest of all stakeholders.
- The NRC was pleased that all the Directors had attended their respective training requirements in 2019. The Committee always encouraged the Board members to attend specific training programmes in order to keep themselves abreast with the rapidly changing economic, business, technological and regulatory environment as well as financial reporting standards.
- The individual performance of Dato' Dr Johari Basri and Tan Sri Dato' (Dr) Chew Chee Kin, who were both subject to retirement by rotation pursuant to Clause 106(1) of the Company's Constitution were assessed by the other board members. The retiring Directors had offered themselves for re-election at the 6th Annual General Meeting ("AGM") of the Company held on 5 August 2020. Dato' Dr Johari Basri being the Chairman of the NRC, recused himself and abstained from participating in the decision to recommend his own re-election.

Based on the peer review assessment ratings, the NRC subsequently recommended the retiring directors to the Board and shareholders for re-election. The resolutions to re-elect the said Directors were subsequently approved by the shareholders at the Company's 6th AGM.

- The NRC assessed the performance of the MD of the Company (who was later re-designated as Group MD), the then Deputy MD of SCSB (who was also re-designated as MD of SCSB) and CFO of the Company based on a set of key performance indicators using the SAP SuccessFactors platform for financial year 2019.

Based on their performance scorecard and ratings, the NRC with the support from the GHR had reviewed their proposed bonuses, incentives and salary increments and subsequently recommended the same to the Board for approval.

THE NOMINATION AND REMUNERATION COMMITTEE (CONT'D)

At the meeting held on 20 March 2020, the NRC met to discuss the following matters:

- The NRC reviewed and endorsed the NRC Statement which formed part of the Group's Annual Report 2019.

At the meeting held on 21 May 2020, the NRC met to discuss the following matters:

- The NRC deliberated and endorsed in principle the performance scorecards with its key performance targets of the Group MD and CFO of the Company, as well as the MD of SCSB for the financial year 2020. The NRC also requested the GHR to revisit the scorecards to take into account the impact of the COVID-19 pandemic on the Group's performance.
- As the performance of the Group was affected by the pandemic and the Government's Movement Control Order, the NRC together with the Group MD discussed and recommended to the Board, an austerity plan to reduce the total manpower overhead of the Group.

On 18 August 2020, the NRC deliberated on the following agendas:

- The NRC had reviewed and approved the methodology and the survey format on the evaluation of the effectiveness of the Board, Board Committees, Directors' Peers Review and the assessment of the Independent Non-Executive Directors.
- The NRC also explored future Board assessment options.
- The revised and updated performance scorecards of the Group MD and MD of SCSB which embedded the elements of 'Organisation Effectiveness' and 'Business Continuity Plan' were approved by the Committee.
- The mid-year performances of the Group MD and the CFO of the Company, as well as the MD of SCSB were discussed. Their performance scorecards and 9 months' achievements were presented to the NRC. Encapsulated in the scorecard were 4 main assessment elements, i.e. Financial, Strategic Initiatives, Operations (Time, Cost and Quality), and People Development.
- A new clear and streamlined management organisation structure was presented to the Committee. The new structure would empower the MD of SCSB to take charge of all the operational aspect of the Group.

At the meeting held on 19 November 2020, the NRC deliberated on the following matters:

- The NRC had reviewed its revised TOR to ensure that it was up-to-date with the regulatory requirements and corporate governance guidelines.
- The NRC was briefed by the Group MD on the management succession plan and his intended successor. The potential successors to key management positions in the organization were identified and tabled for deliberation. The NRC received assurances that candidates identified for the senior management positions were experienced and of sufficient calibre. A leadership programme was in place to track their readiness in order to provide orderly succession.

The GHR has in place a systematic leadership program (i.e. Excel in My Career and Leadership (ExCeL) @ Sunway) to identify the next echelon of future leaders. A 2-day program would be conducted whereby the identified candidates were given various case studies, role play and simulation to assess their leadership capabilities. The program enabled a more personalised, purposeful and focused career development journey to assist the candidates to realise their leadership potential. However, this program had to be postponed to 2021 due to the COVID-19 pandemic.

The NRC also conducted an annual talent review with the Head of HR. The review encompassed comprehensive succession planning for all key management positions across the business functions. The identified successors for top management would be presented to the NRC for review and endorsement on an annual basis. Currently, all senior management have one or more potential successors in one or more of these stages i.e. ready now, ready soon or ready later.

- The NRC also reviewed the Remuneration Policy for Directors and Senior Management with the Head of HR to ensure that the policy is able to attract and retain talent.

The Board, through the NRC, had assessed the independence of each Independent Directors annually based on a set of criteria as specified in Listing Requirements. All the Independent Directors themselves also confirmed their independence by way of Self-Assessment checklist as defined in the Listing Requirements.

The Board has a policy whereby an Independent Non-Executive Director who has reached the threshold of 9 years' tenure will be re-designated as Non-Independent Non-Executive Director, unless he or she has obtained shareholders' approval to be retained in the Board as Independent Non-Executive Director. If the Board continues to retain the Independent Director after the twelfth year, annual shareholders' approval must be sought through a two-tier voting process.

During the financial year under review, none of the Independent Non-Executive Directors has reached the 9-years tenure.

ANNUAL BOARD AND BOARD COMMITTEES EVALUATION

The Board, through the NRC undertakes an annual assessment of the Board as a whole, the respective Board Committees and each Directors' personal performance by way of self and peer evaluation. This includes a review of the desirable mix of competencies, qualification, knowledge, skills, expertise and personal traits of the Directors in order to identify any gaps that exist in the optimum mix of skills required for the Board.

sent to the Directors, and the results were aggregated and reported to the NRC. All assessments carried out by the NRC were properly documented, summarised and reported to the Board. The results of the survey and recommendations of the NRC were considered by the Board and follow up improvements were taken where necessary with a view to enhancing its effectiveness.

In 2020, the evaluation process was assessed internally and facilitated by the Company Secretaries. As part of the process, questionnaires were

The assessment criteria and outcome are summarised as follows:

Evaluation	Assessment Criteria
Board Evaluation	Board structure, Board dynamic and effectiveness, conduct of board meetings, roles and responsibilities, Group performance, performance of Chairman, performance of Group MD.
Board Committee Evaluation	Committee composition, quality, skill and competencies, roles and responsibilities, effective communication, qualification of chairman/chairperson.
Director's Peer Evaluation	Contribution to interaction, quality of input, understanding of role and Chairman's role (applicable to Chairman only).
Independent Directors' Self-Assessment	The criteria set under paragraph 1.01 of the Listing Requirements.

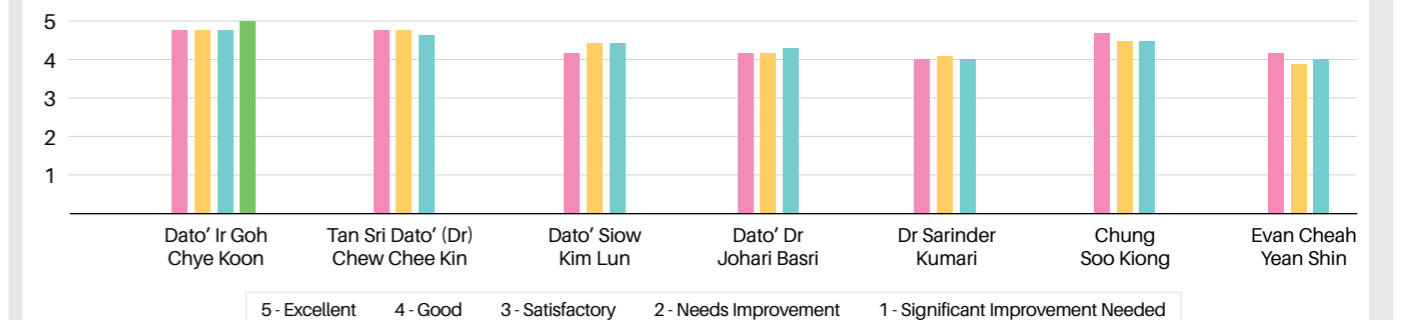
Outcome and Next Steps

The Directors were satisfied with the effective functioning of the Board as a whole. The Director's peer review affirmed that each director had performed their respective roles and functions effectively and responsibly. Each member was satisfied with each other's contribution in sharing their insights and were involved in active participation in Board and Board Committees' discussions. There was no risk of group think as each director had freedom to express their own views. All the Board Committees were assessed to be effective in discharging their roles and responsibilities in accordance to the approved TORs.

The Board members had shown their time commitment by attending all their meetings. In future, the Board will consider engaging independent experts to facilitate its assessment.

As at the date of this report, the Board has yet to fulfil the requirement of 30% gender diversity. The Board is cognisant of this requirement and will endeavour to search for suitable and qualified women director to join the Board.

The results of Director's Peer Evaluation for the Financial Year ended 31 December 2020 were detailed as below:



Note: The results were based on average rating of all participating Directors.

- Contribution to Interaction**
Sharing of information of insights, participation in board activities, works constructively with peers, takes strong constructive stands at board or committee meetings, encourages feedback from the Board, encourages meetings to focus on the agenda and confronts conflicts and participate in finding resolutions.
- Quality of Input**
Providing logical honest opinions on issues presented; provides unique insight to issues presented; has valuable skills, prioritise context of issues to be in line with objectives; motivates others to get things done, is decisive and action-oriented; provides realism and practical advice to board deliberations; and applies analytical and conceptual skills to the decision-making process; as well as communicates persuasively in a clear and non-confrontational manner.
- Understanding of Role**
Contributes value add to board meetings; attends meeting well prepared; takes initiative to request for more information; ensures that individual contribution is relevant and up-to-date with developments; focuses on accomplishing the objectives; assess and link short-term issues to the long term strategy; as well as ensures performance of financial and human capital, keeping in mind the strategic plan when making investment decisions.
- Chairman's Role**
Chairman's ability to lead the Board effectively; encouraging contribution from all members and that the Chairman and Group MD have a good working relationship and they understand their respective roles.

REMUNERATING OUR BOARD

The Group recognizes that in order to attract and retain Directors is to have a fair and comprehensive remuneration package that commensurate with their experience, skills and responsibilities as well as benchmarking against industry's standards. In view of this, the remuneration package for Group MD and directors' fees for Non-Executive Directors were determined by benchmarking against remuneration packages of relevant position with similar industry and business size. It is structured on the basis of linking rewards to corporate and individual performance. The performance and remuneration package of the Group MD is subject to evaluation and determination of the NRC.


For Non-Executive Directors including the Chairman, the level of remuneration reflects their knowledge, experience and level of responsibilities. In addition, the remuneration is benchmarked against industry's peers of similar size as well as complexity of the Group's businesses. The remuneration of Non-Executive Directors consists of fixed annual directors' fees and meeting allowances for each Board or Board Committee meeting attended.

The Board as a whole determines the fees for the Non-Executive Directors with individual Directors abstaining from decisions in respect of their individual remuneration. The fees and allowances payable to the Non-Executive Directors are subject to the prior approval of shareholders at the AGM of the Group. The amount of fees is benchmarked against public listed companies of similar size and industry.

In addition to the directors' fees, the Chairman and members of the AC are entitled to AC's fees in respect of their governance and oversight responsibilities over financial reporting, internal control system, risk management system, internal and external audit function. The AC's fees are also subject to shareholders' approval and payable annually together with the payment of the directors' fees.

The fees will be reviewed as and when the need arises.

The details of the Directors' remuneration for the financial year 2020 are disclosed in the CG Report, which is available in the Company's website at

 <https://www.sunwayconstruction.com.my/investor-relations/corporate-governance>

Board Chairman

RM180,000 per year

Non-Executive Director

RM100,000 per year

Meeting allowance

RM500 per meeting

AC Chairman

RM6,000 per year

AC Member

RM3,000 per year

EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

The AC was led by Dato' Siow Kim Lun, who was not the Chairman of the Board. The other members of the AC were Dato' Ir Goh Chye Koon, Dato' Dr Johari Basri and Dr Sarinder Kumari, all of whom were Independent Non-Executive Directors. The composition meets the requirements of paragraph 15.09(1)(a) and (b) of the Listing Requirements. The AC Chairman was approved and recognised by the Bursa Securities as a person qualified for the purpose of paragraph 15.09(1)(c)(iii) of the Listing Requirements whereby he has relevant expertise in accounting and financial management domain.

The Board has a policy requiring a former key audit partner to observe a cooling-off period of at least 3 years before being appointed as a member of the AC.

The AC has explicit authority to investigate any matter within its TOR. Management provides their fullest co-operation in providing information and resources, and in implementing or carrying out all requests made by the AC. The AC has direct access to the internal and external auditors and has full discretion to invite any executive officer to attend its meetings. Similarly, both the internal and external auditors have unrestricted access to the AC.

In financial year 2020, the AC met the external auditors separately twice, on 20 February 2020 and 6 April 2020 and once is internal auditors on 19 November 2020 without the presence of the Management. The AC discussed on the reasonableness of the financial reporting process, the system of internal controls, management co-operation in the audit process and significant comments and recommendations submitted by both the internal and external auditors.

In assessing the suitability of the External Auditors, the AC is guided by the Policy on Selection of External Auditors. It also monitors the provision of non-audit services by the External Auditors to ensure that the non-audit services fees do not exceed 50% of the total audit fees payable to them.

During the year, the AC assessed the suitability of re-appointing Messrs BDO PLT ("BDO") as External Auditor for financial year 2020. The assessment was based on the audit quality, past performance, effectiveness and independence of the External Auditors. The annual assessment of the performance of the External Auditors encompassed areas such as objectivity and independence, competency, quality of services, communication and interaction, audit planning, timely delivery, fees and adequacy of resources. The AC had also considered the non-audit services provided by the External Auditors during the financial year.

The outcome of the assessment was tabled to the AC on 6 April 2020. There were no major concerns highlighted in the External Auditors Assessment Report. The AC was generally satisfied with the performance of the External Auditors for financial year ended 31 December 2019. Therefore, the AC had recommended for shareholders' approval at the 6th AGM of the Company held on 5 August 2020, the proposed re-appointment of BDO as External Auditors for financial year 2020.

The External Auditors has a policy of rotating their engaging partner in charge of the audited financial statements of the Company and the Group once every seven (7) years to maintain their independence from the Group. Nevertheless, the Board has an option of rotating an audit firm at its own discretion. The current audit engagement partner has held the position for only six (6) years.

In addition, the External Auditors will be invited to attend the Company's AGM/Extraordinary General Meeting(s) and will be available to answer any questions from the shareholders on the conduct of the statutory audit and the contents of the audited financial statements as well as any corporate exercise undertaken by the Group where the External Auditors are involved.

The Board, through its NRC, reviews annually the performance of the AC. The evaluation covered key aspects such as the members' financial literacy levels, ability and skills to pose probing questions, competencies in grasping complex audit issues as well as having relevant up-to date knowledge to discharge their duties and responsibilities under its TOR. Based on the assessment for financial year 2020, the Board was satisfied with the performance and effectiveness of the AC.

 The detailed report of the AC is set out in the Audit Committee Report section on page 141 of this Integrated Report.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board remains committed towards maintaining a sound risk management and internal control systems and policies to safeguard the shareholders interest. The Group maintains an adequate and effective system of risk management and internal controls addressing material financial, operational, regulatory, compliance and information technology risks to safeguard the stakeholders' interests.


The Board supported by the AC and the RMC, recognises that the risk management and internal control systems established can provide only reasonable assurance that the Group will not be significantly affected by any event that can be reasonably foreseen or anticipated. There are no systems of risk management and internal controls that can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision making, human error, losses, fraud or other irregularities.

The Board through the AC and RMC, has overall responsibility for the governance of risk and oversees the Management in the design, implementation and monitoring of the risk management and internal controls systems. The RMC oversees the adequacy and effectiveness of the risk management framework, systems and policies of the Group. The AC is tasked with the responsibility of evaluating the reliability, adequacy and effectiveness of the Group's risk management and internal control systems, including whether there is prompt and accurate recording of transactions and proper safeguarding of assets. The IAD which is in-charge

of the internal audit function, assists the AC in reviewing, evaluating and monitoring the effectiveness of the Group's governance, risk management and internal control processes.

The RMC is assisted by the Risk Management Working Group ("RMWG") at the operational level. The RMWG identifies, mitigates and monitors the critical risks highlighted by each Business Divisions. The Board through the RMC, has received assurances from the Group MD and the CFO that the risk management framework and internal controls system of the Group are operating adequately and effectively.

Regular assessments on the adequacy and integrity of the internal controls and monitoring of compliance with policies and procedures are also carried out through internal audit exercises. The risk-based internal audit plan that includes internal audit coverage and scope of work were presented to the AC for its consideration and approval annually. Internal audit reports encompassing the audit findings together with recommendations thereon are presented to the AC on a quarterly basis. The internal auditors and Management are tasked to ensure management action plans are carried out effectively and regular follow-up audits are performed to monitor the continued compliance.

 Details of the Risk Management Framework and internal controls system of the Group are as set out in the Statement on Risk Management and Internal Control section on page 149 of this Integrated Report.

RISK MANAGEMENT COMMITTEE


The Risk Management Committee ("RMC") has oversight on the Group's risk management framework and policies. The RMC comprised exclusively Non-Executive Directors. The RMC was headed by Dr Sarinder Kumari, with Dato' Ir Goh Chye Koon, Dato' Siow Kim Lun, Dato' Dr Johari Basri and Evan Cheah Yean Shin as members.

The Group's overall risk management processes is the responsibility of the Board undertaken through the RMC. The RMC supports the Board and management in setting the tone from the top so as to embed and maintain appropriate risk culture. It guides the development of and recommends for the Board's approval, the risk appetite of various risks identified. It exercises oversight on how this is operationalised into individual risk appetite limits.

<p>The RMC, with the assistance of the Risk Management Working Group:</p> <ul style="list-style-type: none"> (i) Evaluates and determines the nature and extent of the risks the Board is ready to endorse in pursuit of the Group's strategic objectives; (ii) Ensures an appropriate and effective risk management framework is established and maintained; 	<ul style="list-style-type: none"> (iii) Monitors the design and implementation of the risk management framework; (iv) Oversees management of risk identification, reporting and mitigation efforts. The risk management review is reported to the RMC on a quarterly basis for review and discussion; and (v) Reviews and approves the Statement of Risk Management and Internal Control.
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<p>During the financial year 2020, five (5) meetings were held to deliberate on the following matters:</p> <ul style="list-style-type: none"> (i) Reviewed the risk category and risk appetite of the Group; (ii) Reviewed and deliberated the quarterly risk report which explained the identified principal risks at operational levels, the corresponding rating for each risk as well as the control and mitigation action plans taken; 	<ul style="list-style-type: none"> (iii) Reviewed and endorsed the Statement on Risk Management and Internal Control to be included in the Group's Annual Report 2019; (iv) Reviewed and update the RMC's TOR to be in line with the regulatory and CG Code requirements; and (v) Deliberated and reviewed with Management, a detailed report on a worksite accident which happened during the year. A detailed preventive action plan and a revised worksite safety procedures were discussed and approved to minimise such accident happening in the future.
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<p>During the year under review, the RMC discussed the findings and the impact of the following potential risks:</p> <ul style="list-style-type: none"> (i) Delay in project delivery resulting in liquidated ascertained damages (LAD) and reputational risk; (ii) Staff & skilled personnel turnover; (iii) Cost overrun risk; 	<ul style="list-style-type: none"> (iv) Lack of return on investment of idling machineries/assets; (v) Reliability of subcontractors; (vi) Sub-contractors' workers' accreditation from Construction Industry Development Board; (vii) Foreign workers working permit; and (viii) Scarcity of construction projects in the market.
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 For more details of the Risk Management Framework and Internal Controls system of the Group, please refer to the Statement on Risk Management and Internal Control on page 149.

INTEGRITY IN CORPORATE REPORTING AND
MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

COMMUNICATION WITH STAKEHOLDERS

The Board recognises the importance of maintaining accountability to the shareholders of the Company, and promoting regular, effective and fair communication with shareholders and all stakeholders. The Company is committed to continuously disclose and disseminate comprehensive and timely information to its shareholders as well as to the general investing public in its effort to strengthen its relationship with the shareholders.

The Board has in place a Corporate Disclosure Policy which covers the Company's approach toward the determination and timely dissemination of material information, the circumstances under which the confidentiality of information will be maintained, response to market rumours or adverse or inaccurate publicity as well as restrictions on insider trading.

The communication channels used in the Company's engagement with its stakeholders include:

- (a) The Company's website;
- (b) Establishment of an investor relations division;
- (c) Announcements via Bursa LINK;
- (d) Integrated reports;
- (e) General meetings;
- (f) Investors, analysts and media briefings;
- (g) Domestic and overseas roadshows and investors conference; and
- (h) Investor Relations Mobile Application

The Company maintains a corporate website, <https://www.sunwayconstruction.com.my> to disseminate information and enhance its investor relations. All disclosures, material information and announcements made to Bursa Securities via Bursa LINK are published on the website shortly after the same is released by the news wire service or the relevant authorities. Supplemental, non-material information will be posted on the website as soon as practicable after it is available. There is an Investor Relations section on the website which provides the Group's investor relations efforts as well as all relevant information about the Group, such as 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 information is easily accessible by the public. Minutes of AGM, Integrated reports and circulars to shareholders are also made available at this website for review.

In addition, the Company also announces the targeted date for release of the financial results of the Company two (2) weeks in advance prior to each Board meeting in order to keep the shareholders or investing public aware of the timing of the release of the financial results.

The Board recognises the need for due diligence in maintaining, updating and clearly identifying the accuracy, veracity and relevance of information on the website. All timely disclosure and material information will be clearly date-identified. The management has ongoing responsibility for ensuring that information in the Company's website is up to date.

While the Company endeavours to provide as much information as possible to the shareholders and stakeholders of the Company, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information. The Company has also in place an insider trading policy to safeguard confidentiality of the material and price-sensitive information of the Company.

The Company has in place an Investor Relations team supporting the Group MD and the CFO to facilitate effective communication with shareholders, potential investors, analysts, fund managers and the media. In addition, the email address, name and contact number of the Investor Relationships Officer is listed in the Company's website to enable the public to forward queries relating to the Company.

The Company also disseminates Quarterly Report and Corporate Presentation to all research analysts and investors via email communication as soon as the information is released to Bursa Securities. The Company also provides research analysts and investors continuous updates on the latest order book secured and outstanding order book. During the financial year 2020, the Company had participated in various investor conference and road shows in Malaysia.

INVESTOR RELATIONS (“IR”)

SunCon places great emphasis on timely and effective communication related to the Group’s financial performance, business strategies and future prospects as these are essential in maintaining good relationships with our stakeholders. Our approach is to allow investors and research analysts to have equal access to information in a transparent and non-discriminative environment as this is important for the success and growth of a company.

SunCon’s IR team has been actively promoting fair valuation for SunCon and attracting new investors who believe in our operational model and business strategies.

IR ACTIVITIES

In 2020, we attended 9 events which is depicted below. As this is our 6th year after listing, many analysts and fund managers have already been acquainted with SunCon. Also, due to the COVID-19 pandemic, we were mostly working from home to reduce the risk of getting infected and to maintain social distancing which resulted in reduction of the number physical conferences during the year. Despite that, we continued to have virtual meetings with our analysts and fund managers to keep them informed on our updates especially during the numerous MCO periods. We hosted a total of 20 meetings with analysts and fund managers during the year, mostly on virtual platforms.

No.	Organiser	Event	Date	Venue
1	UBS Securities	Construction Day	06 February 2020	Malaysia
2	RHB Investment Bank	Retail Day	05 June 2020	Webinar
3	Affin Hwang	Bursa-Daiwa-Affin Hwang Corporate Day	11 June 2020	Webinar
4	Maybank	Invest Malaysia Virtual Series	07 July 2020	Webinar
5	Nomura	Nomura Regional Industrials Corporate Day	24 September 2020	Webinar
6	UOB Khay Hian	A day with Sunway Construction	28 September 2020	Malaysia
7	Affin Hwang	Affin Hwang Property and REITs Conference	29 September 2020	Webinar
8	UBS	MY Renewable Energy Contractors	20 November 2020	Webinar
9	KAF	KAF Virtual Series	03 December 2020	Webinar

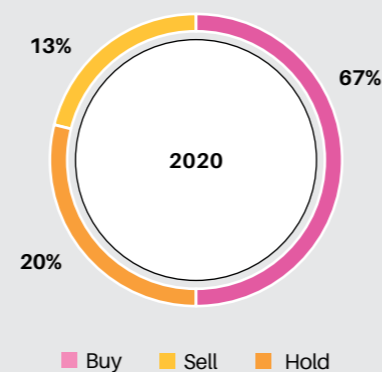
RESEARCH COVERAGE

The number of research coverage still remained as 15 research institutions from 2019 to 2020. The research institutions include:

- Affin Hwang Investment Bank
- Maybank Investment
- Nomura Securities
- Credit Suisse Securities (new initiation in 2020)
- AllianceDBS Group Research
- Kenanga Research
- CLSA Securities
- Hong Leong Investment Bank
- MIDF Research
- RHB Research Institute

- AmInvestment Bank
- TA Securities

- UOB KayHian
- Macquarie Research
- BIMB Securities Research



AWARDS AND RECOGNITION

SunCon believes in transparent and comprehensive reporting and strives to provide accurate and timely disclosures to all stakeholders at all times. As such, we have been very honored to receive several awards during the year.

SunCon was recognized for adhering to high standards of Corporate Governance (CG) at the prestigious Minority Shareholders Watch Group (MSWG) – ASEAN Corporate Governance Awards 2019, for the fourth consecutive year. SunCon clinched the Industry Excellence Award 2019 for the Construction category and ranked 10th in the list of Top 100 companies for overall CG & Performance in 2019 for adopting and disclosing best corporate governance practices and processes. SunCon also bagged the Platinum Excellence Award for its 2019 Annual Report in the 2020 National Annual Corporate Report Awards (NACRA) under the category of Companies with less than RM 2 billion in Market Capitalisation.

INDEX INCLUSION

SunCon ceased to be a constituent of the FTSE4Good Index series which we have been a constituent of for 5 consecutive years ever since our listing. The exclusion from the Index was not due to a drop in the Environment, Social and Governance (ESG) Rating but because we were removed from the underlying Indexes, which in this case is the FTSE EMAS Index, for not passing the liquidity screening. In fact, our ESG rating is above the threshold required for index inclusion as confirmed by FTSE Russell during the semi-annual review of the FTSE4Good Inclusion Index Series. Nevertheless, SunCon will continue to keep our focus on sustainability themes as we are committed to being a responsible corporate entity. Our commitment to sustainability is demonstrated through multiple sustainability awards that we have secured for the past few years. SunCon hopes to be reinstated into the FTSE4Good Index series in their next nearest review. SunCon currently remains as a constituent of the MSCI Malaysia Small Cap Index.

FINANCIAL ANNOUNCEMENT

SunCon continues to engage with its stakeholders through a series of investor relations activity throughout the year. All major announcements such as the release of the quarterly results, new construction orders or new ventures are published on Bursa Malaysia. The information will then be disseminated in the form of flashnotes to all interested parties. We also ensure that these documents are immediately made available on the Group’s Investor Relations websites.

SunCon conducted its 6th Annual General Meeting on the 5 August 2020 virtually as part of the Group’s necessary precaution to safeguard the wellbeing of its shareholders amidst the COVID-19 pandemic. The virtual meeting was broadcasted live from Menara Sunway and shareholders were able to follow the proceeds via live streaming as well as participate and vote online. Our Managing Director presented the financial performance and review of 2019 as well as future prospects. The Board of Directors and management also duly responded to all the queries, opinions and feedback from the shareholders.

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

The table below illustrates our method of engagement with each stakeholder group, frequency of engagement, their expectations and the manner in which we address their expectations.

Stakeholder	Their Expectations	Engagement Method	Frequency of Engagement	Addressing Their Expectations
Clients	<ul style="list-style-type: none"> Proper project management Project completion in compliance with standards, high quality and on time delivery Safety and security of sites Compliance with Environmental, Safety and Health laws and regulations 	Client Satisfaction Survey (CSS)	• Annually	<ul style="list-style-type: none"> Continuous monitoring of Client Satisfaction Survey (CSS) score and quality performance: <ul style="list-style-type: none"> Achieved score of 96.1% for CSS ESH campaigns were conducted at our projects as an engagement platform with clients and workforce
		Quality Assessment System in Construction (QLASSIC)	• Project completion	
		Progress meetings and updates	• Monthly/weekly	
		Progress reports	• Monthly	
		Site walk with Top Management	• Monthly	
		Town hall	• Annually	
		Environmental, Safety and Health (ESH) Campaign	• Annually	
Authorities & Regulators	<ul style="list-style-type: none"> Compliance with guidelines and regulations 	Inspections	• As per the operational requirements	<ul style="list-style-type: none"> Collaboration with authorities and regulators Engagement sessions with surrounding community of project sites, where we communicate our control measures on environmental concerns, security issues and provide project updates to the residents Ensure operational activities are conducted in compliance with legal and other requirements
		Training, seminar and workshops	• Ongoing	
		Reports submissions	• Monthly	
		Site visits and audits	• Spot checks/ Ongoing	
		Engagement with Department of Occupational Safety and Health (DOSH), Department of Environment (DOE), Ministry of Health (MOH) and BOMBA	• As and when necessary	
		Spot checks by Malaysian Immigration Department	• Ad-hoc	
		Green Card Certification training with Construction Industry Development Board (CIDB)	• As and when necessary	

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Stakeholder	Their Expectations	Engagement Method	Frequency of Engagement	Addressing Their Expectations
Shareholders, Investors & Analysts	<ul style="list-style-type: none"> Effective communication and business strategies Timely and transparent reporting Strong corporate governance Prudent Risk Management Market and business performance outlook and strategies 	Statutory Announcements	• As and when necessary	<ul style="list-style-type: none"> Provide timely updates of business performance: <ul style="list-style-type: none"> 154 Bursa announcements in 2020 Regular engagement with shareholders, investors and analysts: <ul style="list-style-type: none"> Analyst house that covers SunCon: 15 out of which 10 were buy call 20 virtual meetings Attended 2 physical and 7 virtual conferences all in Malaysia
		Annual General Meetings	• Annually or when any changes occur in the Group	
		Corporate Events	• Annually	
		Small group meetings	• As and when necessary upon request by bankers and analysts	
		Conferences	• Ad-hoc	
		One-on-one management meetings	• Ad-hoc	
		Employees	<ul style="list-style-type: none"> Career development and progression Knowledge and skills enhancement Fair remuneration Work-life balance Safe, healthy and conducive workplace 	
Dialogue and engagement	• 4 sessions			
ESH committee meeting	• Monthly			
Town hall	• Annually			
SunCon Social Club	• 6 programmes			
Festive celebrations	• Annually			
Training programmes	• As per the training plan			
Suppliers & Subcontractors	<ul style="list-style-type: none"> Ensure sustainable procurement practices and supply chain management Maintain good partnership Safe working environment Professional and transparent procurement process Timely payment 	Business partner satisfaction survey	• Biennially	<ul style="list-style-type: none"> Continually review current processes to achieve win-win solution Provision of transparent supply chain and contract management Continual implementation of the E-bidding system to ensure transparency and paperless transactions Continual implementation of Esker software for payment processes for timely payments Provision of environment friendly, safe and healthy workplace for workforce
		ESH committee meeting	• Monthly	
		Regular engagement with suppliers and subcontractors to understand their needs	• Daily/Weekly	

Stakeholder	Their Expectations	Engagement Method	Frequency of Engagement	Addressing Their Expectations
Trade Union & Professional Bodies	<ul style="list-style-type: none"> Sharing of best practice and knowledge to improve the industry as a whole Implementation of policies and requirements by relevant agencies or professional bodies 	Dialogue	• Ad-hoc	<ul style="list-style-type: none"> Association with professional bodies SunCon's representation in Masters Builders Association of Malaysia (MBAM): <ol style="list-style-type: none"> Mr Steven Shee Boo Cheong - Vice President & Chairman of Publications, ICT & Data Resource Centre Committee Mr Chung Soo Kiong - Deputy Chairman of International Affair Committee and Chairman of MBAM Building Technical Sub Committee Ms Tan Siew Lian - Member of Material Resources & Exhibition Committee Major (R) Leong Yee Keong - Deputy Chairman II of Safety and Health Committee and Member of MBAM Building Technical Sub Committee Foster good relations with industry peers
		Meetings	• Ad-hoc	
		Training	• As and when needs arise	
		Project site visits	• Spot-check	
General Public	<ul style="list-style-type: none"> Responsible corporate governance Project transparency and progress updates Timely feedback resolution Safe construction practices Talent attraction 	Complaint management system for MRT and LRT projects	<ul style="list-style-type: none"> Throughout the project's construction phase Continually 	<ul style="list-style-type: none"> Dialogue with general public via calls, mail drops, and radio announcements on project information and updates Town hall session before project commences to notify residents about project Information box updates every 3 months to update on project progress and any changes Social media serves as platform to attract potential talents
		Mail drops to provide project updates and information		
		Media communication via radio announcements		
		Resident town halls		
		Information box at public areas around project site		
		Social media		
Media	<ul style="list-style-type: none"> Immediate notification of financial releases and material developments Timely and transparent communication 	Press release	<ul style="list-style-type: none"> Quarterly/annually As and when necessary 	<ul style="list-style-type: none"> Direct engagement and timely press releases: <ul style="list-style-type: none"> 8 press releases in 2020 (including announcement to Bursa) No. of exclusive interviews in 2020 : Nil
		Media coverage	• As and when necessary	

Stakeholder	Their Expectations	Engagement Method	Frequency of Engagement	Addressing Their Expectations
Community	<ul style="list-style-type: none"> Responsible corporate citizen which gives back to the community Responsible for the livelihood of the surrounding community throughout the construction phase Public safety 	Sponsorship and donations Community service	<ul style="list-style-type: none"> Annually Ad-hoc 	<ul style="list-style-type: none"> Provision of sponsorships and donations: <ul style="list-style-type: none"> Contributed more than RM590,000 in community engagement, including RM 250,000 to the National Disaster Relief Fund for COVID-19 aid packages Continue to support the Jeffrey Cheah Foundation in ensuring quality education Collaboration with Local NGO to donate essentials to 55 Orang Asli families
		Community building	Project-to-project basis	
Business Partners	<ul style="list-style-type: none"> Adherence to corporate governance and national regulations Transparent Joint Venture (JV) relationship Open knowledge sharing between industries Meeting targets and expectations 	JV-client meetings	<ul style="list-style-type: none"> As and when necessary 	<ul style="list-style-type: none"> Foster collaborative partnerships: <ul style="list-style-type: none"> JV with HL Building Materials Pte. Ltd. for the development of ICPH JV with RNS Infrastructure Ltd for the construction of 2 highway projects in India on the Hybrid Annuity Model (HAM) approach Established Sunway Pekat Solar Sdn Bhd through JV with Pekat Teknologi Sdn Bhd to focus on renewable energy Signed MoU with ENGIE South East Asia to advance district cooling technology in Malaysia

30th September 2020
MSWG-ASEAN Corporate Governance Awards 2019



SunCon was recognised for adhering to high standards of Corporate Governance (CG) at the prestigious Minority Shareholders Watch Group (MSWG) - ASEAN Corporate Governance Awards 2019, for the fourth consecutive year. SunCon clinched the Industry Excellence Award 2019 for the Construction category and ranked 10th in the list of Top 100 companies for overall CG & Performance in 2019 for adopting and disclosing best corporate governance practices and processes.

CONDUCT OF GENERAL MEETINGS

The Board encourages shareholders' participation in general meetings. The AGM of the Company provides a principal forum for shareholders to share their views. It also provides open dialogue opportunity and interaction between the Board and the shareholders. The participation of shareholders, both individuals and institutional at general meetings on clarifications of pertinent and relevant information is encouraged.

In providing a more efficient and wide spread shareholders' participation, the Company has introduced online polling. Due to the COVID-19 pandemic in 2020, the Company had leveraged on digital technology to conduct its 6th AGM on a fully virtual basis through live streaming and online remote voting using the Remote Participation and Voting ("RPV") facility. This virtual meeting had enabled shareholders to participate remotely wherever they were. A shareholder who was not able to participate in the AGM was given the option of appointing a proxy to participate remotely and vote online on his or her behalf.

In 2020, the Company served notice of its 6th AGM more than 28 days before the meeting, well in advance of the 21-day requirements under the Companies Act 2016 and the Listing Requirements. The additional time given to the shareholders had allowed them to have sufficient time to scrutinise the Annual Report 2019 and to make necessary registration to participate in the virtual meeting. The Company also distributed together with the notice of 6th AGM, an Administrative Guide, which furnished useful information regarding the conduct of the 6th AGM, such as details of the virtual meeting, shareholders' entitlement to participate and vote in the virtual meeting, their right to appoint proxy, steps and procedures to access and vote in the virtual AGM.

At the commencement of the 6th AGM, the Group MD gave a detailed presentation of the Company and of the Group's financial performance for financial year ended 31 December 2019.

The Chairman provided ample time and opportunity for the Questions and Answers sessions during the AGM. All the Directors together with the Group MD, CFO and External Auditors were present to respond to all questions asked by shareholders. Shareholders are also encouraged to send in their questions prior to the AGM via email or through the online platform provided by the Company's Share Registrar. All suggestions and comments given by the shareholders were also noted by management for consideration.

In addition, any written questions raised by the Minority Shareholder Watch Group were presented to the shareholders at the general meetings together with the Group's response.

All resolutions set out in the notice of the 6th AGM were voted remotely by poll. Messrs. BDO Consulting Sdn Bhd, an independent external scrutineer was appointed to validate the votes for each resolution. The Company's Share Registrar, Sunway Management Sdn Bhd was the Polling Administrator for the conduct of the online polling.

The Minutes of the 6th AGM and Group MD's presentation were also made available on the Company's website at <https://www.sunwayconstruction.com.my/investor-relations/minutes-corporate-presentations> for the information of the public.

5th August 2020
SunCon's 6th Annual General Meeting (AGM)

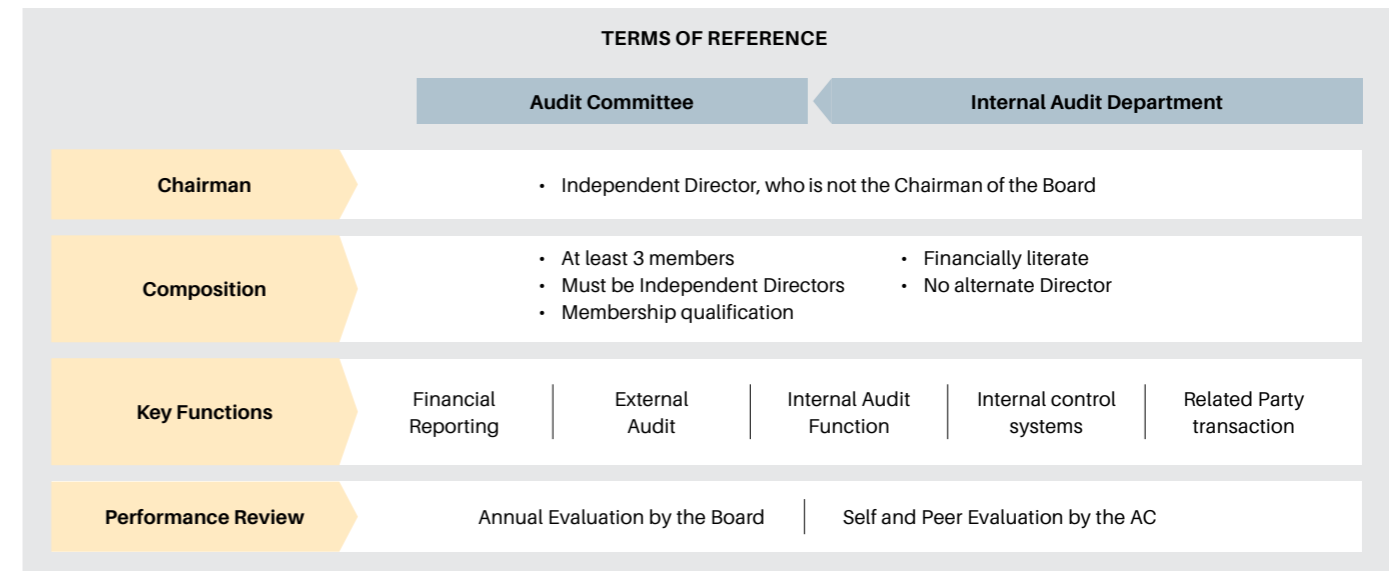


SunCon's 6th AGM was conducted virtually as part of the Company's necessary precaution to safeguard the wellbeing of its shareholders amidst the COVID-19 pandemic. The virtual meeting was broadcasted live from Menara Sunway and shareholders were able to follow the proceeds via live streaming as well as participate and vote online.

<https://www.sunwayconstruction.com.my/investor-relations/corporate-governance>

AUDIT COMMITTEE REPORT

The Board of Directors ("Board") of Sunway Construction Group Berhad ("Company") is pleased to present the Audit Committee Report which provides insights into the manner in which the Audit Committee ("AC") has discharged its oversight functions during the financial year ended 31 December 2020.



COMPOSITION

The AC comprises four (4) members, all of them are Independent Non-Executive Directors. The current composition of the AC is as follows:

- | | |
|--|--|
| 1. Dato' Siow Kim Lun - Chairman (Independent Non-Executive Director) | 3. Dato' Dr Johari Bin Basri (Senior Independent Non-Executive Director) |
| 2. Dato' Ir Goh Chye Koon (Chairman of the Board/Independent Non-Executive Director) | 4. Dr Sarinder Kumari A/P Oam Parkash (Independent Non-Executive Director) |

The composition of the AC complied with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the principles and practices set out in the Malaysian Code on Corporate Governance ("CG Code"):

Requirements	Commentary
Paragraphs 15.09(1) (a) & (b) of Listing Requirements	The AC comprises four (4) members, all of them are Independent Non-Executive Directors. This has fulfilled the requirements of at least three (3) members in the AC and majority of them should be Independent Non-Executive Directors.
Paragraph 15.09(1) (c) of Listing Requirements	Dato' Siow Kim Lun, the Chairman of the AC, has been approved and recognized by the Bursa Securities as a person qualified for the purpose of paragraph 15.09(1)(c)(iii) of the Listing Requirements.
Practice 8.1 of CG Code	Dato' Siow Kim Lun, the Chairman of the AC, is not the Chairman of the Board.
Practice 8.2 of CG Code	Since the incorporation of the Company, none of the members of the Board were former key audit partners.
Practice 8.3 of CG Code	The AC has in place policies and procedures to assess the suitability, objectivity and independence of the external auditor.
Practice 8.5 of CG Code	All members are financially literate and are able to understand matters under the purview of the AC including the financial reporting process. They have attended various training programmes, conferences, seminars and courses organised by the relevant regulatory authorities and professional bodies on areas relevant to the Group's business, Directors' roles, responsibilities, effectiveness and/or corporate governance issues.

TERMS OF REFERENCE

The scope of responsibilities of the AC is outlined in its Terms of Reference ("TOR") which are set out in the Company's website at www.sunwayconstruction.com.my.

MEETINGS AND ATTENDANCE

A total of 5 AC meetings were held during the financial year under review. The members of the AC and their attendance record are as follows:

Name of Committee Members	Membership	Number of Meeting Attended	Percentage of Attendance
Dato' Siow Kim Lun	Chairman	5/5	100%
Dato' Ir Goh Chye Koon	Member	5/5	100%
Dato' Dr Johari Bin Basri	Member	5/5	100%
Dr Sarinder Kumari A/P Oam Parkash	Member	5/5	100%

The following parties were invited to attend the AC meetings:

Invitees	Frequency of attendance	Purpose
Group Managing Director ("Group MD"), Chief Finance Officer ("CFO") and Managing Director ("MD") of main subsidiary, Sunway Construction Sdn Bhd ("SCSB")	All meetings	To provide clarification on risks, internal controls and audit issues relating to the Company and its subsidiaries' ("Group") finance and business operations.
Head of Internal Audit Department ("IAD") and team members	All meetings	To present the internal audit reports, annual audit plan and investigation reports, if any.
External Auditors	3 meetings	To present to the AC the audit plan, the audit findings, the independent auditors' report as well as any other matters in respect of the Company as they considered were important for the AC's attention.
Senior Management Officers	As and when necessary	To brief the AC on specific issues involving their respective areas of responsibility arising from the internal audit reports or any matters of interest.

The minutes of each AC meeting were recorded and tabled to the AC for adoption at subsequent AC meetings and thereafter all minutes of AC meetings were presented to the Board for discussion and notation. The Chairman of the AC reported the AC's recommendations to the Board for its consideration and implementation as well as highlighted the significant matters and resolutions deliberated by the AC to the Board at its immediate subsequent meeting.

SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2020, the AC carried out the following activities in the discharge of its functions and duties as per its TOR:

1. FINANCIAL REPORTING

(a) Quarterly Financial Results

At the quarterly meetings of the AC held on 20 February 2020, 21 May 2020, 18 August 2020 and 19 November 2020, the AC reviewed and discussed with Management the respective quarterly management accounts and quarterly financial results, taking into consideration that the necessary process and controls were in place in the preparation of the financial reports.

At each of the meetings, the CFO presented the financial reports and confirmed to the AC, the following matters:

- i) The accounting policies and methods of computation adopted by the Group were consistent with those adopted in the previous audited financial statements except for the adoption of new or amended accounting standards that were effective for the financial year 2020;
- ii) There were no significant and unusual issues other than those reported in the financial statements;
- iii) The Company and the Group continued to operate as going concern; and
- iv) The accounting standards, regulatory and other legal requirements had been complied with in preparation of the financial statements.

The AC reviewed the financial results and focused its attention on the accuracy of the reported financial figures and explanations to material variances or movements during the relevant quarters. The AC was satisfied that the unaudited quarterly financial results had been prepared in accordance with the Listing Requirements and the relevant approved accounting standards so as to give a true and fair view of the financial position of the Group and of its financial performance and cash flows for each quarter. The AC's recommendations of the quarterly financial results were presented to the Board for approval at each subsequent Board meetings for release to Bursa Securities.

(b) Audited Financial Statements

On 6 April 2020, the AC, together with the External Auditors and Management, reviewed and deliberated on the annual audited financial statements for the financial year ended 31 December 2019 ("FYE2019") prior to submission to the Board for consideration and approval.

The AC discussed the significant audit findings, key audit matters raised by the External Auditors and the adoption of new accounting standards as well as the disclosure required in the Independent Auditors' Report of the Group's audited financial statements for FYE2019.

At the aforesaid meeting, the Management and External Auditors confirmed that the draft audited financial statements for FYE2019 was prepared in accordance with the relevant accounting standards and statutory requirements. Thereafter, the AC recommended the same for approval by the Board and subsequent tabling at the 6th Annual General Meeting of the Company held virtually on 5 August 2020.

(c) Accounting Standards and Other Relevant Regulatory Requirements

The AC also reviewed and took note of the changes and amendments to the regulations, accounting standards and other regulatory requirements tabled by the External Auditors and the CFO that could have financial impact on the Group.

On 20 February 2020, the External Auditors briefed the AC on the impact of the first time adoption of MFRS 16 *Leases* on the audited financial statements of the Group for FYE2019. After due assessment and review, it was concluded that there was no significant impact on the financial statements of the Group.

On 6 April 2020, the External Auditors updated the AC on the financial reporting updates in view of the Coronavirus Disease ("COVID-19") pandemic.

On 19 November 2020, the External Auditors updated the AC on the following amended financial reporting standards which would be adopted by the Group in 2020:

Financial Reporting Standards	Effective Date
• Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
• Amendments to MFRS 101 and 108 <i>Definition of Material</i>	
• Amendments to MFRS 16 <i>Leases</i> - to allow lessees to account for COVID-19 related rent concessions such as rent holidays and temporary rent reductions	1 June 2020

2. EXTERNAL AUDIT

(a) The AC met with the External Auditors, Messrs BDO PLT on the following dates:

- The AC on 20 February 2020, reviewed and deliberated with the Management and the External Auditors, the Audit Report by the External Auditors in respect of their audit for the FYE2019.

In the meeting, the External Auditors confirmed their professional independence in relation to the audit engagement for the FYE2019. The External Auditors also reported their audit status versus the audit plan. The AC was briefed by the External Auditors on the findings on areas of significant auditor attention, key audit matters, impact on financials from the adoption of new accounting standards i.e. MFRS 16 Leases, improvement recommended for internal control, etc. which they had identified during the course of their audit and the justifications provided by the Management.

The External Auditors had subsequently confirmed that they were not aware of any non-compliance of laws and regulations, as well as any material litigations and claims against the Group other than those brought forward from prior financial years.

The AC and Management had also confirmed that they were not aware of any non-compliance of laws and regulations or any significant fraud related matters.

- The AC on 6 April 2020, discussed with the External Auditors, the final draft of the audited financial statements for FYE2019. It was noted that there was no deviation between the audited financial results for FYE2019 and the unaudited fourth quarter results for the period ended 31 December 2019.

The External Auditors was of the opinion that the Company's Annual Financial Statements FYE2019 provided a true and fair view of the financial position of the Company and of its group in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016.

Based on its annual audit, the External Auditors reported the following key audit matter and its audit response in its Independent Auditors' Report for the FYE2019.

- **Revenue Recognition for Construction Contracts**

The revenue and profit recognition on construction contracts required Management to exercise significant judgements in estimating the progress towards complete satisfaction of performance obligations and determining whether there was any exposure to liquidated ascertained damages (LAD). The progress towards complete satisfaction of performance obligations was measured using the output method, which was based on the contract work certified to-date over the estimated total contract sum.

In estimating the progress towards complete satisfaction of performance obligations, the Group considered the estimated contract work completed to-date and the completeness and accuracy of its estimated total contract sum, including contract variations, claims and contingencies.

- On 19 November 2020, the AC reviewed and discussed with the External Auditors and Management, the Audit Planning for financial year 31 December 2020 which outlined the External Auditors' engagement and reporting responsibilities, audit approach, materiality and performance materiality, areas of significant auditor attention, engagement team, reporting and deliverables, auditing updates and financial reporting updates.
- The AC had two (2) private sessions with the External Auditors during the financial year to discuss any issues as well as reservations arising from their audit without the presence of Management and the Executive Board Members on 20 February 2020 and 6 April 2020. No major concerns were highlighted and the External Auditors had also confirmed that they had received full cooperation from the Management and had unrestricted access to all the Company's records.
- The AC had, at its meeting held on 6 April 2020, reviewed the audit and non-audit fees for the FYE2019. The AC having considered the nature, scope and amount of non-audit fees, was satisfied that there was no conflict of interest and it would not impair the independence of the External Auditors.

(d) The AC undertook an annual assessment on the quality of audit of the External Auditors. The External Auditors were assessed based on the following criteria:

- Audit performance;
- Quality of communication;
- Independence;
- Objectivity;
- Professionalism; and
- Adequacy of resources.

The External Auditors had provided to the AC, their firm's policies and written confirmation on their independence and the measures undertaken to control the quality of their work.

The results of the evaluation were tabled to the AC at its meeting held on 6 April 2020. Based on the results of the performance assessment, the AC and Management were satisfied with the External Auditors' independence, performance and their audit quality for the FYE2019.

As such, the AC had subsequently recommended to the Board that the External Auditors be re-appointed as the Group's statutory auditors for the financial year 2020 subject to the shareholders' approval at the 6th Annual General Meeting of the Company.

3. INTERNAL AUDIT

(a) The AC approved the IAD's 2020 Internal Audit Plan at its meeting held on 20 February 2020. The 2020 Internal Audit Plan was developed using a risk based audit approach and complies with best practices of the International Standard for the Professional Practice of Internal Auditing (SPPIA) issued by the Institute of Internal Auditors (IIA). Accordingly, the audit planning processes include developing an audit universe and assess risks based on various parameters. The key audit areas focus on the following:

- Tender & Award;
- Project Performance Review;
- Resource Management;
- Sub-contractors' Certifications; and
- Payment.

The AC reviewed the adequacy and relevance of the scope and resources allocated for the plan. Subsequently, the plan and its proposed audit timetable and the budgeted man-hours was approved by the AC.

The 2020 Internal Audit Plan was also reviewed on a quarterly basis taking into account any developments which would have an impact on the audit coverage.

The IAD's audit assignments for 2020 were mainly carried out in the following areas:

- Review of processes for tendering and awarding of contracts to subcontractors to ensure internal controls are adequate and effective and complied with existing policy and procedures. Contracts reviewed during the year included those awarded within all major on-going projects and key trades such as structural, mechanical and engineering and architectural;
- Review of project performances and processes over budgetary control, major materials management and resources management to ensure internal controls are adequate and effective and complied with existing policy and procedures;
- Site visits at selected projects to review internal controls over the management of materials, labour and machineries;
- Review of the internal controls over the management of project site float and expenditure claims at various project sites;
- Review of the payment processes ensuring adequate controls and compliance to policy and procedures;
- Carried out follow-up audits on previous audit findings in previous audit reports ensuring that corrective actions were properly and timely implemented by management; and
- Performed compliance and governance related assignments such as review of recurrent related party transactions, fraud risk assessment and anti-bribery programme implementation.

(b) The AC reviewed the results of audit engagements carried out by IAD at every quarterly meeting and discussed the major findings and audit recommendations. The AC also reviewed the status of implementation of corrective actions taken by Management to ensure appropriate remedial actions were taken on a timely basis to address all areas of risk and internal control issues. In addition, the Head of IAD updated the AC on the progress of the 2020 Internal Audit Plan and results of ad-hoc assignments including audit investigations.

(c) At the meeting held on 6 April 2020, the Internal Audit Function Evaluation Report was tabled to the AC with regard to the assessment of the performance of the IAD. The AC assessed the effectiveness of the internal audit function in terms of scope and compliance with relevant regulatory standards as well as their collaboration with the External Auditors. The AC also assessed the adequacy of resources within the IAD, as well as the core skills and competencies of the IAD's staff.

The AC was satisfied with the performance of the IAD in 2019 and was of the opinion that the internal audit function was appropriate to its size and the nature and scope of its activities.

At the same meeting, the Head of IAD confirmed to the AC that all the internal auditors had signed a declaration that they were and had been independent, objective and in compliance with the Code of Conduct and Business Ethics of the Group and the professional standards laid down by the Institute of Internal Auditors in carrying out their duties as internal auditors.

(d) At the meeting held on 19 November 2020, the Head of IAD briefed the AC on the report issued by Bursa Securities in respect of the Effectiveness on Internal Audit Function. At the same meeting, the AC also met with the Head and core team members of the IAD without the presence of the Management to facilitate discussions on additional matters in relation to audit issues and internal control weaknesses noted in the course of their audit.

4. REVIEWING RELATED PARTY TRANSACTION & CONFLICT OF INTEREST SITUATIONS

(a) The AC had at its meetings held on 20 February 2020, 21 May 2020, 18 August 2020 and 19 November 2020, deliberated on any potential Management's conflict of interest, related party transactions and recurring related party transactions.

All related party transactions and recurring related party transactions were found to have complied with the following criteria:

- (i) Carried out in compliance with the Listing Requirements of Bursa Securities and relevant rules and regulations;
- (ii) Transactions/arrangement were carried out on an arms' length basis and under normal commercial terms;
- (iii) Transactions/arrangement were in the best interest of the Company;
- (iv) Interested parties abstained from deliberation and voting;
- (v) Adequate disclosure via Bursa Announcements, Quarterly Results and Annual Report; and
- (vi) Prior approval by the shareholders, where applicable.

With the assistance of the IAD, the AC had satisfied itself the adequacy, appropriateness and compliance of the procedures established to monitor recurrent related party transactions.

The AC took note that there was no management conflict of interest situations for operational matters (including any transaction, procedure or course of conduct) as reported by the Group MD at the quarterly meetings.

(b) On 20 February 2020, the AC reviewed and recommended to the Board for approval the Circular to Shareholders in respect of the proposed renewal of shareholders' mandate for recurrent related party transactions ("Proposed RRPT Mandate") as well as the statements made by the AC in respect of the Proposed RRPT Mandate.

The AC also reviewed and recommended to the Board for approval the draft Statement to Shareholders with regard to the proposed renewal of authority for the Company to purchase its own shares.

5. INTERNAL CONTROLS SYSTEM

(a) The AC had reviewed the Group's internal controls system quarterly together with the Internal Auditors and was reasonably assured that the same were operating adequately and effectively. The key operational processes reviewed were:

- Tender and Award - tender submissions, comparison of quotations, evaluation of tenderers, approval of awards;
- Subcontractors awarding, certification and payments;
- Resource Management - raw materials, labour, plant & machineries;
- Project budget assessment;
- Safety and security of project sites;
- Site float and expenditure claims; and
- Payments.

(b) On 20 February 2020, the AC reviewed and deliberated on matters relating to internal control system as highlighted by the External Auditors in the course of their statutory audit of the financial statements for FYE2019. The External Auditors highlighted areas for improvement and recommended several improvement control systems for consideration and implementation by the Group.

(c) AC also received assurance from the Group MD and the CFO provided assurance that the Group's risk management and internal controls system were operating adequately and effectively, in all material aspects.

6. OTHER MATTERS

(a) On the meetings held on 20 February 2020, 6 April 2020, 21 May 2020, 18 August 2020 and 19 November 2020, the AC was briefed by the Company Secretary of the following pronouncements:

- (i) Amendments to the Listing Requirements of Bursa Securities in relation to the anti-corruption measures. The amendments took effect on 1 June 2020;
- (ii) Introduction by the Securities Commission Malaysia ("SC") of the Annual General Meeting Corporate Governance Checklist for Shareholders ("AGM CG Checklist"). The AGM CG Checklist aimed to promote meaningful dialogue between shareholders and Board of Directors at the Annual General Meeting ("AGM");
- (iii) Press release by the Companies Commission of Malaysia ("CCM") on the following directives amid the COVID-19 pandemic:

- Closure of CCM offices nationwide during the Movement Control Order ("MCO") period;
- All transactions with CCM and lodgement of documents with the CCM will resume after the MCO;
- Moratorium period will be granted whereby late filing fee will be exempted during the moratorium period; and
- Companies could apply for an extension of time to hold their AGM more than 6 months from its financial year end after the MCO ends.

(iv) Voting policy of Employees Provident Fund Board on resolutions tabled at annual general meeting;

(v) Flexibilities granted by Bursa Securities as per its letters dated 17 March, 24 March and 26 March 2020 amid the COVID-19 pandemic:

- Echoing the directive of CCM in the AGM extension;
- Allowing listed issuer to separate its AGM notice from the annual report;
- Listed issuer might apply to Bursa Securities for an extension of time if it is unable to submit its quarterly report and annual report within the timeline; and
- Granted one-month extension for issuance of quarterly report and annual report that include financial statements which were due on 31 March and 30 April 2020;

(vi) Voting policy of Permodalan Nasional Berhad on resolutions tabled at AGM;

(vii) Amendments to the Listing Requirements of Bursa Securities in relation to the application of corporate exercises via electronic means. These amendments would be effective for any rights issue, issuance of convertible securities or Dividend Reinvestment Scheme on or after 2 February 2021;

(viii) Further flexibilities granted by Bursa Securities as per its letter dated 16 April 2020 on the following:

- Further extension of time for submission of quarterly and annual reports until 30 June 2020; and
- Allow listed issuer to seek higher general mandate of not more than 20% of the total number of issued shares for issue of new securities. This mandate shall be utilised until 31 December 2021.

(ix) Guidance on the Conduct of General Meetings issued by the SC on 18 April and 14 May 2020 for all listed issuers in conducting their general meetings during the period of MCO and outside MCO where safe distancing requirement is required;

(x) Initiatives introduced by the CCM on 10 April 2020 to ease the burden of the business community and corporate sector;

(xi) Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries issued by the SC on 30 July 2020;

(xii) Disclosure Guidance on COVID-19 Related Impacts and Investment (ICN 1/2020) issued by Bursa Securities;

(xiii) Amendments to the Listing Requirements of Bursa Securities in enhancing requirements for new issue of securities to facilitate better understanding of corporate proposals and addressing gaps and enhancing board integrity for greater shareholder protection and confidence;

(xiv) Further flexibility granted by Bursa Securities to facilitate secondary fund raising by eligible listed issuers through an enhanced rights issue framework; and

(xv) The Corporate Governance Monitor 2020 report issued by the SC on the level of adoption of most of the practices recommended in the CG Code.

(b) On 6 April 2020, the AC reviewed and recommended for the Board's approval, the Corporate Governance Overview Statement, AC Report and Statement on Risk Management and Internal Control for inclusion in the Company's Annual Report 2019.

The AC also reviewed and recommended for the Board's approval, the Annual Report 2019 of the Company and the Corporate Governance Report which was published together with the Company's Annual Report in the Company's website.

At the same meeting, the AC was updated by the External Auditors on an issue filed by a shareholder to the Audit Oversight Board ("AOB") in respect of the technicality of the Independent Auditors' Report contained in the Company's Audited Financial Statements FYE2018 with regard to the Company's restated comparative financial information for FYE2017. It was noted that the AOB had requested the External Auditors to consult the Auditing and Assurance Standards Board of the Malaysian Institute of Accountants on the matter.

(c) On 19 November 2020, the AC conducted its annual review of its TOR. The TOR was amended to be in line with applicable rules and regulations.

In the AC meetings held on 18 August 2020, the Head of IAD and the Head of Anti-Bribery and Corruption Taskforce ("ABC Taskforce") updated the AC on the progress and completion of the Anti-Bribery and Corruption Compliance Programme ("ABC Compliance Programme").

Subsequent to the completion of the ABC Compliance Programme, the AC recommended to the Board for the dissolution of the ABC Taskforce. The AC further recommended the appointment of a designated Anti-Bribery and Corruption Compliance Officer to take charge of the anti-bribery and corruption compliance matter moving forward.

- (d) The AC was satisfied that there were no breaches of the Listing Requirements of Bursa Securities as reported by the Company Secretary at its quarterly meetings during the financial year.
- (e) Minutes of the previous AC's meetings were tabled at the subsequent Board meetings by the AC Chairman. Significant issues and concerns discussed during the AC meetings together with the recommendations were highlighted and reported to the Board.

PERFORMANCE EVALUATION

The Board, through its Nomination and Remuneration Committee ("NRC"), reviewed annually the terms of office of the AC. The NRC also assessed the performance of the AC as well as its members' skills set, experiences and competencies through an annual evaluation process. The members of the AC also undertook a Self and Peer Evaluation to assess whether the AC members had carried out their duties and responsibilities in accordance with its TOR. These assessments were facilitated by the Company Secretary.

The results of the assessment for 2020 was tabled to the NRC and the Board on 23 February 2021. The Board was satisfied that the AC had discharged its functions effectively and carried out its duties and responsibilities in accordance with its TOR.

CONTINUING EDUCATION

The details of training programmes and seminars attended by each AC member during the financial year ended 31 December 2020 are set out in page 125 of this Integrated Report.

INTERNAL AUDIT FUNCTION AND SUMMARY OF ACTIVITIES

The Internal Audit ("IA") function is an integral part of the assurance framework and it is performed in-house and undertaken by IAD. The mission of IAD is to enhance and protect the Company and its Group's organizational value by providing risk-based and objective assurance, advice and insight. IAD helps the Group accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes. IAD reports functionally to the AC and administratively to the Group MD.

The IAD is headed by Ms Celia Lee Kat Li who is a Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA). The IAD has 5 auditors and most of the IAD staff have professional qualifications and are members of the Malaysian Institute of Accountants (MIA). The Head of IAD and the audit executives have confirmed that they are free from any relationships or conflicts of interest which could impair their objectivity and independence in their audit assignments.

The IAD is a member of the Malaysian Chapter of the Institute of Internal Auditors (IIA) and adopts the IIA Standards laid down in the International Professional Practices Framework issued by the IIA. The IAD successfully completed its external Quality Assessment Review in 2015 and continues to meet or exceed the IIA Standards in all key aspects. The IAD carried out its activities based on a risk-based annual audit plan approved by the AC. In ensuring that the responsibilities of the IAD are fully discharged, the AC reviews annually the adequacy of the scope, function and resources of the IA.

The internal audit reports were issued to the Management for their response, corrective actions and update on status of implementation of audit recommendations. The internal audit reports were subsequently tabled to the AC for deliberation and approval. The Head of the IAD has unrestricted access to the AC and reports directly to the AC.

During the financial year ended 31 December 2020 and as at the date of this report, the IAD carried out the following activities:

- (a) Prepared and presented the risk-based annual internal audit plan encompassing key business segments within the Group for the approval of the AC;
- (b) Performed audit engagements which covered reviews of internal control systems, accounting and management information systems, risk management and governance practices;
- (c) Issued internal audit reports to the AC and Management highlighting results of the assessments of internal controls identifying key areas of concerns as well as providing recommendations for improvements and follow-up audits;
- (d) Acted on suggestions made by the AC and/or Management on concerns over operations or controls and significant issues pertinent to the Company and of the Group;
- (e) Performed investigative audits on allegations of mismanagement or improper acts reported through the whistleblowing procedures and/or other channels;
- (f) Reported to the AC on review of the adequacy, appropriateness and compliance with the procedures established to monitor recurrent related party transactions;
- (g) Performed independent evaluation on the operation of risk management framework focusing primarily on the adequacy and effectiveness of the said framework;
- (h) Assisted the Management in the preparation and implementation of Anti-Bribery and Corruption Policy, in response to the corporate liability provision under the Malaysian Anti-Corruption Commission (Amendment) Act 2018; and
- (i) Assisted in the preparation and implementation of Anti-Money Laundering Policy.

The costs incurred for the internal audit function in respect of the financial year ended 31 December 2020 including staff payroll costs and overheads amounted to RM946,000 (The cost incurred in the previous year was RM869,000).

CREATING VALUE THROUGH RESPONSIBLE GOVERNANCE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("the Board") is pleased to present the Statement on Risk Management and Internal Control, pursuant to Chapter 15, Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Principle B of the Malaysian Code on Corporate Governance 2017, with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

THE BOARD'S RESPONSIBILITY

The Board affirms its commitment and responsibility towards effective risk management and internal control so as to safeguard shareholders' interests and Group's assets. In doing so, the Board embeds risk management in all aspects of the activities, initiatives and processes of Sunway Construction Group Berhad ("SCG") and its subsidiaries ("the Group"). The framework has been set in place by the Board to identify, evaluate, mitigate and monitor the key risks faced by the Group.

The Board recognises that the framework is designed to mitigate rather than eliminate the risks or events with significant adverse impact on the achievement of the Group's objectives and strategies. As such, it provides reasonable but not absolute assurance against material financial misstatement and management information and records, or against financial losses or fraud.

In pursuit of improving and integrating effective governance structures and processes into the framework, the Board has set up a Risk Management Committee ("RMC") which comprises of Independent Directors in majority including its Chairman to oversee the Group's risk management and internal control system. The RMC is accountable to the Board and meets quarterly to:

- Identify, assess and monitor key business risks and review risk mitigation strategies;
- Review and recommend risk management strategies, policies and levels of risk tolerance;
- Ensure infrastructure, resources and systems are in place to manage risks.

During the financial year, the RMC has reviewed, appraised and assessed the controls and progress of action plans taken to mitigate and manage the Group's risk exposure. The RMC has subsequently provided assurance to the Board that the Group's risk management and internal control are operating adequately and effectively in all material aspects. This statement however, does not cover associate companies and joint ventures where risk management and internal control are managed by the respective management teams.

INTERNAL CONTROL SYSTEM

Planning, monitoring and review of the Group's performance and conduct are done via scheduled periodic meetings of the Board, Board Committees and management. The annual Business Plan ensures that all operating subsidiaries prepare and present its outlook, expectations, budgets, performance and targets for the forthcoming year.

The Risk Working Committee ("RWC") led by Mr Richard Wong, who is also the Deputy Managing Director of Sunway Construction was setup to ensure that the Group's risk coverage is more conclusive on exposures specifically to operational matters.

The RWC communicates the Board's expectations to management teams and employees during management meetings, managers' conferences and forums while the heads of the operating subsidiaries and departments are empowered with the responsibility of planning, monitoring, reporting and managing their respective operations.

COMPONENTS OF THE INTERNAL CONTROL SYSTEM

1. Policies & Procedures

The Group's internal control system encompasses formalised and documented internal policies, standards and procedures to ensure compliance with internal controls, relevant laws and regulations. It enables all divisions and operating subsidiaries to effectively and efficiently, operate and respond proactively to potential business, operational, financial, compliance and other risks in achieving the Group's goals and objectives. These documents are regularly reviewed to ensure relevance and applicability and are published in the Group's online portal for employees' reference.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

2. Audits

The Group Internal Audit Department (“GIAD”) carries out internal audits on divisions and business units of the Group based on a risk-based audit plan approved annually by the Audit Committee (“AC”). Based on these audits, GIAD provides the AC with periodic reports highlighting observations, recommendations and action plans to improve the Group’s internal control system. The AC reviews and deliberates on any matters relating to internal control highlighted by the External Auditors in the course of their statutory audit of the financial statements of the Group.

Additionally, subsidiaries accredited with certifications such as International Organisation for Standardisation (“ISO”) and Occupational Health and Safety Advisory Services (“OHSAS”) are audited as scheduled by auditors of relevant certification bodies. Results of these audits are reported to management.

3. Employee Engagement and Performance

Key performance indicators, based on balanced scorecards are used to track and measure employee’s performance while employee engagement surveys are conducted to gain feedback on effectiveness and efficiency of the Group to aid continuous improvement of employee competency, in line with the Group’s goals and objectives.

4. Employee Conduct

Available for staff access in the Group Governance and Integrity portal, this is governed by a series of policies which define the core values of the Group – Integrity, Humility and Excellence.

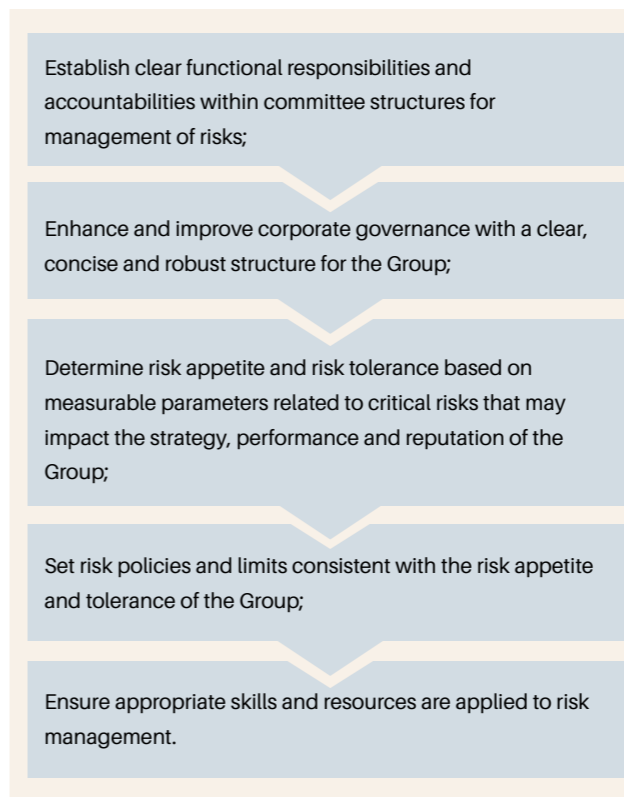
- a. The Group has adopted an Anti-Bribery and Corruption Policy with the enforcement of the new Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) (effective from 1 June 2020) to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business in order to prevent acts of bribery and corruption. In adherence, to this Policy, the Group has adopted a ZERO TOLERANCE approach policy against all forms of bribery and corruption.
- b. The Anti-Money Laundering Policy establishes the general framework to manage and prevent the risk of the Group’s businesses from being used as a conduit for money laundering and terrorism financing activities. All employees are required to adhere to the requirements of the policy when carrying out their daily responsibilities.
- c. The Whistle Blowing Policy serves as a guideline for stakeholders and staff to report in a safe and confidential manner, any concerns regarding possible illegal, unethical conduct or malpractice to the management for action. Whistle blowing avenues include a direct line, e-mail or written mail to the Head of Internal Audit Department and Chairman of the Audit Committee.
- d. The Fraud Response Procedures guides management teams of respective business units to respond to allegations or suspicions of fraud and ensure that all cases of suspected or alleged frauds are reported promptly, and investigations are conducted effectively.
- e. The Group’s Code of Conduct and Business Ethics provides an ethical framework to guide actions and behaviors of directors and employees of the Group. It reflects the increasing need for effective corporate governance and compliance measures in the Group’s businesses, domestically and internationally.
- f. The Staff Handbook provides information on employment terms and conditions in addition to compensation, leaves, health benefits, education assistance, discounts, expectations and career path to name a few. Also included in the policy is the Group’s Personal Data Protection Notice on the collection and handling of personal information in accordance with the Malaysian Personal Data Protection Act 2010.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

5. Risk Management

The Group’s risk management framework is benchmarked against the ISO31000:2009 Risk Management – Principles and Guidelines and is designed to embed Enterprise Risk Management (“ERM”) into key activities, initiatives and processes of the Group. This enables the Group to identify, assess and mitigate risks that may prevent the Group from achieving its objectives. In doing so, the stakeholders are assured that their interest is protected. During the financial year, the Group constantly reinforces its risk management framework to remain relevant and effective given the present business environment.

The framework is enterprise-wide and outlines policies and practices for effective risk mitigation. It allows the Group to:



Continuous risk assessment is fundamental to the Group’s risk management process. Operating subsidiaries are tasked with reporting major risks on a quarterly basis to management as it aims for a holistic approach towards risk management. The respective operating subsidiaries being risk owners of their immediate sphere are responsible to develop the appropriate response strategies to mitigate the risks.

In providing assurance to the RMC and the Board, RWC continues to review the quarterly risk templates in identifying and mitigating all major risks of the operating subsidiaries under the Group. The quarterly risks from all operating subsidiaries are consolidated and updated to the Chairman, Group Managing Director and RMC, highlighting major risks and mitigating controls carried out.

The Group has four (4) core response strategies for risk management. These include:

- 1. Risk Termination**
In this instance, management chooses to terminate risks by eliminating the business or by significantly altering it. The Group may choose this route for risks that could have major or catastrophic impact on its businesses.
- 2. Risk Reduction**
Risks may be reduced by taking specific actions aimed at reducing the likelihood of occurrence, thus reducing the impact of these risks on the Group’s businesses.
- 3. Risk Acceptance**
Management may choose not to act and to consciously accept certain risks which are significantly low in likelihood of occurrence and/or impact. Factors to consider for risks of such nature would be:
 - Adequacy of current controls;
 - Quality and quantity of information on the controls;
 - Likelihood and consequences of the risk occurring; and
 - The cost of additional controls
- 4. Risk Transfer**
Management may choose to transfer all or part of a certain risk to other parties via:
 - Transferring an entire business process to another party as is the case with sub-contracting and outsourcing arrangements;
 - Sharing the business process with another party as is the case with partnerships and joint venture arrangements; and
 - Retaining the process and transferring the legal and financial risks as is the case with insurance arrangements and the use of certain treasury/financial products.

Risk management discipline ensures that risk assessment is an on-going process whereby risks and risk mitigation measures are regularly reviewed and adjusted accordingly. The continuous risk assessment process therefore, represents the cornerstone of an effective ERM program for the Group.

Reporting Structure

The RMC will meet and deliberate on the top risks identified on a quarterly basis while its Chairman will subsequently update the Board on proceedings and updates from the RMC. Significant issues arising from changes in business environment are reviewed continuously to ensure minimal impact to the Group. The Group positions its business units towards a profitable objective while incorporating risk management principles into our functions and processes.

RWC is accountable for effectiveness of the risk management framework and undertakes the role of assisting Business Units by identifying, quantifying, managing and mitigating critical risks in addition to monitoring and reporting of action plans prepared by the Business Units.

RWC continues to support the Group's efforts in embracing change and evolution into a resilient conglomerate, allowing it to refine its focus and strategies to achieve goals and objectives while sustaining an ecological balance between employees, communities and the environment. Thus, as the Group commits to provide Environmental, Safety & Health ("ESH") standards and practices to enhance stakeholders' value, RWC's quarterly risk reporting exercise with operating subsidiaries goes beyond risk mitigation to ensure that operational processes are consistent and remain compliant with the relevant standards such as OHSAS 18001 and ISO 14001 to name a few.

Apart from the above, RWC participates in other value-adding exercises such as:

1. Review existing SCG's Standard Operating Principles ("SSOP")

The review of the Group's SSOPs is conducted by key relevant personnel from respective divisions or operating subsidiaries, covering credit control, procurement, products and services and operative guidelines.

2. Assist in day-to-day operations for operating subsidiaries

Upon instruction from management, key relevant personnel assist in fulfilling daily operative requirements to ensure minimal business interruption or delays that could hamper the achievement of goals and objectives.

3. Assist in conducting regulatory research

Such research is conducted to ensure that the Group's projects and businesses (existing or new) remain compliant to laws and regulations.

4. Assist in conducting tender for divisions and operating subsidiaries

RWC participates in tender processes to form an independent party to ensure fairness in observance of due process, decision making and tender awards.

Key Risk Factors

For the financial year under review, RWC has identified the following risks which were most prevalent among business units in the Group. These were presented to the RMC which includes the Group Managing Director and CFO where controls, mitigating plans and monitoring mechanisms were highlighted.

1. External Risks

In the current economic climate of geopolitical tensions, global economic uncertainties, currency fluctuation, intense competition and the onset of Covid-19, the Group continues to formalize strategies to remain resilient against these risks. Malaysia's economy shrank in Year 2020, reflecting the negative impact of measures taken both globally and domestically to contain the spread of the COVID-19 pandemic. With the introduction of movement control orders in the mid of March 2020, there were periods of time where some of our projects were unable to continue its operations and thus heavily impacted the company financially. The Group has adopted a myriad of strategies to effectively reduce and actively monitor cost in all aspects and continuously explore for new projects to achieve our financial and operational target.

2. Regulatory Risks

Changes in regulations, guidelines and laws in Malaysia or any other countries may directly and indirectly impact the Group. This risk is monitored to reduce the Group's exposure to potential legal liabilities and minimise any adverse impact arising from non-compliance of such changes. Together with Group Managing Director, relevant business units and departments engage in discussions to attend to necessary changes to ensure compliance and monitor the resulting changes adopted.

3. Human Capital

In delivering the goals and objectives set out by the Group, recruitment of highly skilled and competent employees and the development of young talents with an aim of assimilation into the Group's workforce is crucial. In addition, loss of skilled and key employees due to market competition is a perennial risk faced by many. In mitigating this risk, Human Resources department together with respective divisions and operating subsidiaries continuously improve and enhance strategies and plans which include employee engagement surveys, team building exercises, training and development and reviews of the Group's staff remuneration and compensation benefits.

4. Operational

The Group's business units have continuously and consistently paid significant attention to this risk where aspects of project delivery, disaster recovery, infrastructure, production and safety are of paramount importance. This is so as the Group's reputation could be potentially damaged by one or more events, resulting in negative publicity and impairing public confidence. Appropriate and effective policies and procedures are implemented and thoroughly monitored by RWC to mitigate these risks. These are also continuously reviewed to ensure effectiveness and adequacy, in accordance with global best practices and standards.

THE BOARD'S CONCLUSION

The Board is pleased to report that the state of the Group's risk management and internal control framework is able to meet the Group's objective to ensure good corporate governance. There was no potential or present failure or weakness that would have material adverse effect on the results of the Group for the year under review.

The Board has also received assurance from the Group MD and CFO that the Group's risk management and internal control framework is operating adequately and effectively in all material aspects. Continuous focus on measures to protect and enhance shareholders value and business sustainability will remain a core practice for the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control as required under Paragraph 15.23 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements. The limited assurance review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report.

Based on their procedures performed, the External Auditors have reported to the Board that nothing has come to their attention which causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

THIS STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL WAS APPROVED BY THE BOARD OF DIRECTORS ON 19 APRIL 2021.



DR SARINDER KUMARI A/P OAM PARKASH
Independent Non-Executive Director

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:

1. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

There were no corporate proposals during the financial year. Therefore, there were no proceeds raised from corporate proposals during the financial year.

2. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and/or its subsidiaries involving directors' and major shareholders' interests during the financial year ended 31 December 2020.

3. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

The details of the recurrent related party transactions are disclosed in Note 41 of the Notes to the Financial Statements.

4. AUDIT AND NON-AUDIT FEES

During the financial year ended 31 December 2020, the total audit and non-audit fees paid or payable to the external auditors or a firm affiliated to the external auditors, for services rendered to the Company and the Group are as follows:

Fees paid and/or payable to External Auditors or its affiliates	FYE 2020	
	Company (RM'000)	Group (RM'000)
Statutory audit and related fees	16.5	547.2
Non-audit fees	5.0	9.0
Total	21.5	566.2

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