

# SUNWAY BERHAD

(Company No. 921551-D)  
(Incorporated in Malaysia)

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF SUNWAY BERHAD HELD AT GRAND BAHAMAS, LEVEL 12, SUNWAY RESORT HOTEL & SPA, PERSIARAN LAGOON, BANDAR SUNWAY, 47500 SUBANG JAYA, SELANGOR DARUL EHSAN ON WEDNESDAY, 30 AUGUST 2017 AT 3.00 P.M.

**PRESENT** : **Board of Directors:**  
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO (*Chairman*)  
Dato' Sri Idris Jala  
Tan Sri Datuk Seri Razman M Hashim  
Tan Sri Dato' Dr Lin See Yan  
Dato' Chew Chee Kin  
Datuk Seri Michael Yam Kong Choy  
Wong Chin Mun  
Lim Swe Guan  
Sarena Cheah Yean Tih

**SHAREHOLDERS/  
PROXIES/GUESTS** : As per Attendance Lists

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

**BY INVITATION** Chong Chang Choong (*Chief Financial Officer*)  
Kenanga Investment Bank Berhad (*Principal Adviser*)  
Cheang & Ariff (*Solicitors/Legal adviser*)  
BDO (*External Auditors*)  
BDO Governance Advisory Sdn Bhd (*Independent Scrutineer*)

## **OPENING ADDRESS**

Tan Sri Chairman called the Meeting to order at 3.00 p.m. and welcomed all members present at the Meeting.

He highlighted certain key ground rules for the conduct of the Meeting.

## **CONFIRMATION OF QUORUM**

Upon enquiry from Tan Sri Chairman, the Secretary confirmed that there was sufficient quorum for the convening of the Meeting.

## **CONFIRMATION OF PROXIES**

Upon enquiry from Tan Sri Chairman, the Secretary reported that up to 29 August 2017 at 3.00 pm, the Company had received a total of 1,700,508,523 ordinary shares represented by proxies and a total of 238,821,787 ordinary shares appointing Tan Sri Chairman as proxy.

## **CONFIRMATION OF NOTICE SENT**

Upon enquiry from Tan Sri Chairman, the Secretary confirmed that the notice convening the Meeting had been duly sent to all members and with the permission of the members, it was taken as read.

Tan Sri Chairman informed that all the motions tabled at the Meeting, would be voted by poll using electronic means. BDO Governance Advisory Sdn Bhd was appointed as the Independent Scrutineers for the polling exercise. Tan Sri Chairman informed that the e-polling system had been thoroughly tested and proven reliable by BDO Governance Advisory Sdn Bhd. He then invited Ms Sarah Goh from the Share Registrar to brief the members on the electronic polling procedures.

## ORDINARY RESOLUTIONS 1 AND 2

- **ORDINARY RESOLUTION 1: PROPOSED BONUS ISSUE OF UP TO 2,804,471,128 NEW ORDINARY SHARES IN SUNWAY (“SUNWAY SHARES” OR “SHARES”) (“BONUS SHARES”) ON THE BASIS OF FOUR (4) BONUS SHARES FOR EVERY THREE (3) EXISTING SUNWAY SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“PROPOSED BONUS ISSUE OF SHARES”)**
  - **ORDINARY RESOLUTION 2: PROPOSED BONUS ISSUE OF UP TO 631,006,003 WARRANTS IN SUNWAY (“WARRANTS”) TO BE ISSUED FOR FREE ON THE BASIS OF THREE (3) WARRANTS FOR EVERY TEN (10) EXISTING SUNWAY SHARES HELD ON THE SAME ENTITLEMENT DATE AS THE PROPOSED BONUS ISSUE OF SHARES (“PROPOSED BONUS ISSUE OF WARRANTS”)**
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Tan Sri Chairman proceeded to the agenda of the Meeting which was to approve the following ordinary resolutions:

- Ordinary Resolution 1 – Proposed Bonus Issue of Shares
- Ordinary Resolution 2 – Proposed Bonus Issue of Warrants

(collectively, hereinafter, referred to as the “**Proposals**”).

Tan Sri Chairman invited Ms Wan Hung See, the representative from Kenanga Investment Bank Berhad, the Principal Adviser of the Company, to present an overview of the Proposals.

Tan Sri Chairman also informed that the Company had received a letter dated 25 August 2017 from the Minority Shareholder Watchdog Group (“MSWG”). He then invited Ms Mandy Lim, the Manager-Corporate Finance to address the queries raised by MSWG. The queries raised by MSWG together with the Company’s responses were then presented for the information of the members as follows:-

### Strategic and Financial Matters

Q1: Could the Board clarify how would the minority shareholders benefit from the effects of the Proposals given the dilutive effect of the Warrants on Sunway Shares upon the full exercise of the Warrants based on the Minimum Scenario or the Maximum Scenario as the case appropriate?

Answer: The Warrants are issued at no cost to all shareholders including the minority shareholders on a pro-rata basis. Hence, benefits are enjoyed equally by all shareholders including the minority shareholders and should not give rise to any dilution.

Q2: Considering the sustainable performances, profitability, earnings and dividend per share expectations that could result in the appreciation of the market price of Sunway Shares higher than its proforma net asset of RM1.55 per Sunway Share, would the Board consider any premium for the actual exercise price of the Warrants to make it attractive to minority shareholders for conversion into Sunway Shares over the medium to longer term?

Answer: To reward the Warrant holders and encourage long-term holding of the Warrants, the Board has proposed a fixed annual step-down mechanism of RM0.07 per year on the exercise price of the Warrants. This feature will make it more attractive to exercise the Warrants in the later part of the tenure of the Warrants.

Q3: The proceeds to be raised from the full exercise of the Warrants could likely be staggered over the period of the step-down pricing mechanism of the exercise price in respect of each new Sunway Share on each of the anniversary dates.

- (i) How would the Board address this issue considering the maximum gross proceeds of RM1,060,090,085 to be raised as and when the Warrants are exercised?
- (ii) Other than for the future working capital requirements of the Sunway Group, would the proceeds to be raised result in material interest savings?

Answer: The Board acknowledges that the actual gross proceeds to be raised will be dependent on the actual exercise price of the Warrants, the quantum of Warrants exercised and the timing of the exercise of the Warrants.

The proceeds to be raised, as and when the Warrants are exercised, shall be utilised for the future working capital requirements of Sunway. Pending deployment for working capital purposes, the proceeds may be placed in interest bearing deposits or used to repay short term borrowings.

However, given the uncertainty on the quantum of the proceeds to be raised and the timing of the exercise of the Warrants, the exact utilisation of proceeds cannot be determined at this juncture.

Tan Sri Chairman then opened the floor for further questions from the members.

The comments and query made by a member and a proxy as well as the response from the representative from Kenanga Investment Bank Berhad were as follows:-

- a) Mr Lee Leok Soon, a proxy representing MSWG, was of the view that the Proposals were good for shareholders. He felt that in the medium to long term, the Company would have to gear up to continue achieving good performance to improve its share price and reward shareholders with dividend. He wished the Company great success in the future.
- b) Mr Wan Heng Wah, a shareholder, was happy with the Proposals and it was a good way to reward the shareholders. Besides, it would also improve the Company's liquidity. He then enquired on the theoretical value of the Warrants.

Ms Wan Hung See, the representative from Kenanga Investment Bank Berhad, responded that they had yet to compute the theoretical value of the Warrants.

Thereafter, Tan Sri Chairman put the Ordinary Resolutions to vote and the following results were obtained:

**1.0 ORDINARY RESOLUTION 1:  
PROPOSED BONUS ISSUE OF UP TO 2,804,471,128 NEW ORDINARY SHARES IN  
SUNWAY ("SUNWAY SHARES" OR "SHARES") ("BONUS SHARES") ON THE BASIS  
OF FOUR (4) BONUS SHARES FOR EVERY THREE (3) EXISTING SUNWAY SHARES  
HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS  
ISSUE OF SHARES")**

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Based on the members and proxies who were present and voted, the resolution was duly passed with 1,637,378,195 ordinary shares (99.9995%) voted for the resolution and 8,299 ordinary shares (0.0005%) voted against the resolution.

**It was hereby RESOLVED:-**

**THAT subject to the approvals of all relevant authorities or parties (where required) being obtained, authority be hereby given to the Board of Directors of the Company ("Board") to capitalise an amount of up to RM2,804,471,128 from the Company's share premium account, and to apply the same for the purposes of issuing up to 2,804,471,128 Bonus Shares in the share capital of the Company credited as fully**

**paid-up to the entitled shareholders of the Company whose names appear in the Record of Depositors of the Company at the close of business on an entitlement date to be determined and announced later by the Board on the basis of four (4) Bonus Shares for every three (3) existing Sunway Shares held by such shareholders on that date;**

**THAT fractional entitlements arising from the Proposed Bonus Issue of Shares, if any, shall be dealt with in such a manner as the Board shall in their discretion deem fit and expedient in the best interest of the Company;**

**THAT the Bonus Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing Sunway Shares, save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/or any other distributions which might be declared, made or paid to the shareholders, the entitlement date of which is prior to the date of allotment and issuance of the Bonus Shares;**

**AND THAT any directors of the Company be hereby authorised to sign and execute all documents to give effect to the Proposed Bonus Issue of Shares with full power to assent to any conditions, modifications, variations and/or amendments in any manner as might be required or imposed by the relevant authorities and to take all steps and do all acts and things in the manner as the Board might consider necessary or expedient in order to implement, finalise and give full effect to the Proposed Bonus Issue of Shares.**

**2.0 ORDINARY RESOLUTION 2:  
PROPOSED BONUS ISSUE OF UP TO 631,006,003 WARRANTS IN SUNWAY (“WARRANTS”) TO BE ISSUED FOR FREE ON THE BASIS OF THREE (3) WARRANTS FOR EVERY TEN (10) EXISTING SUNWAY SHARES HELD ON THE SAME ENTITLEMENT DATE AS THE PROPOSED BONUS ISSUE OF SHARES (“PROPOSED BONUS ISSUE OF WARRANTS”)**

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Based on the members and proxies who were present and voted, the resolution was duly passed with 1,691,171,904 ordinary shares (99.9997%) voted for the resolution and 4,961 ordinary shares (0.0003%) voted against the resolution.

**It was hereby RESOLVED:-**

**THAT subject to approvals of all relevant authorities or parties (where required) being obtained, authority be hereby given to the Board to issue up to 631,006,003 Warrants for free to the entitled shareholders of the Company whose names appear on the Record of Depositors of the Company as at the close of business on the Entitlement Date, on the basis of three (3) Warrants for every ten (10) existing Sunway Shares held in the Company on the Entitlement Date in accordance with the provisions in the deed poll to be executed by the Company, constituting the Warrants (“Deed Poll”);**

**THAT the Board be hereby authorised to issue such additional Warrants as might be required or permitted to be issued as consequences of any adjustments under the provisions in the Deed Poll (“Additional Warrants”);**

**THAT the Board be hereby authorised to issue and allot such appropriate number of new Sunway Shares arising from the exercise of the Warrants by the holders of the Warrants of their rights in accordance with the provisions of the Deed Poll, including such appropriate number of new Sunway Shares arising from the exercise of subscription rights represented by the Additional Warrants;**

**THAT fractional entitlements of the Warrants arising from the Proposed Bonus Issue of Warrants, if any, will be disregarded and shall be dealt with in such manner as the Board shall in its discretion deem fit and expedient in the best interest of the Company;**

**THAT the new Sunway Shares to be issued arising from the exercise of the Warrants and/or the Additional Warrants shall, upon allotment and issuance rank *pari passu* in all respects with the existing Sunway Shares, save and except that the new Sunway Shares will not be entitled to any dividends, rights, allotments and/or any other distributions which might be declared, made or paid which the entitlement date precedes the date of allotment and issuance of the new Sunway Shares arising from the exercise of the Warrants;**

**THAT the Board be hereby authorised to enter into and execute the Deed Poll on behalf of the Company with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as might be required or imposed by the relevant authorities or deemed necessary by the Board, and subject to all provisions and adjustments contained in the Deed Poll, to assent to any modifications and/or amendment to the exercise price, exercise period and/or number of Warrants as might be required or permitted to be revised as consequence of any adjustments under the provisions of the Deed Poll with full power to implement and give effects to the terms and conditions of the Deed Poll, and to take all steps as the Board deems fit or expedient in order to implement, finalise and give full effect to the Deed Poll;**

**AND THAT any of the directors of the Company be hereby authorised to sign and execute all documents to give effect to the Proposed Bonus Issue of Warrants with full power to assent to any conditions, modifications, variations and/or amendments in any manner as might be required or imposed by the relevant authorities and to take all steps and do all acts and things in the manner as the Board might consider necessary or expedient in order to implement, finalise and give full effect to the Proposed Bonus Issue of Warrants.**

## **CONCLUSION**

There being no other matters discussed, the Meeting concluded at 3.40 p.m. with a vote of thanks to the Chair.

**Confirmed as a true and correct record:-**

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**CHAIRMAN**

Dated this 5<sup>th</sup> day of September 2017