



LEADING WITH PASSION

ANNUAL REPORT 2011

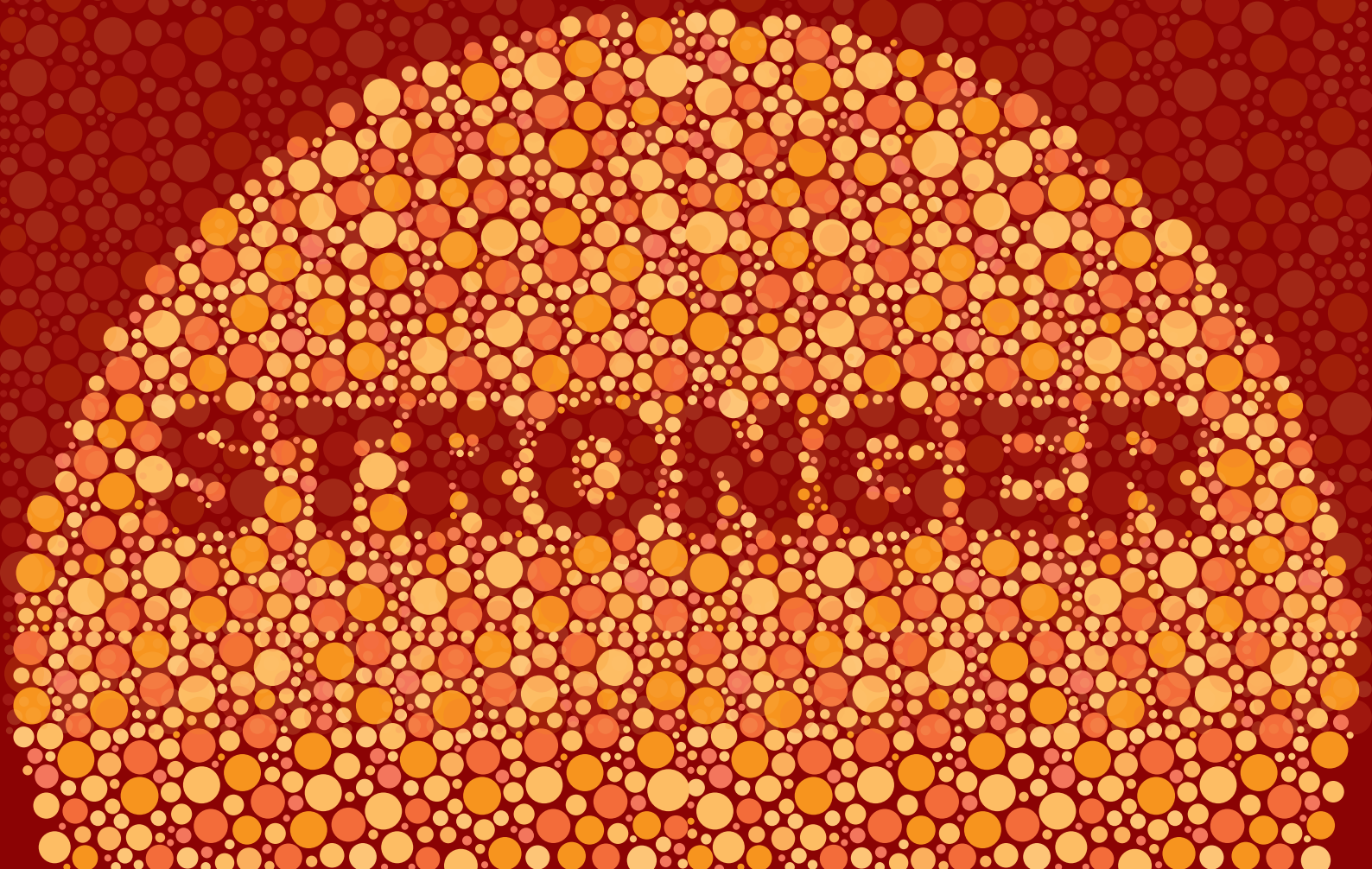


Rationale

Sunway Berhad stands proudly today as a result of the Vision of its management team which has been steadily crystallised over the years. As the Group now prepares for a new era as a merged entity, we would like to challenge readers of our annual report to share our new Vision via the colourful Ishihara Vision Test as we continue to grow into a leading property and construction group.



After the merger of
Sunway Holdings Berhad
and Sunway City Berhad,
we are now a bigger, better and
stronger entity guided by our credo
of leading with passion.
We will continue to achieve
new milestones while bringing value
to society and improving lives.



Leading with Passion

At Sunway, we believe in the one thing that propels us to excellence. **Our people and their passion for what they do.** We will continue to forge ahead and passionately lead the way while we create new possibilities that can improve your quality of life.

- **P** : PASSION to excel and be a good role model
- **A** : ACKNOWLEDGE innovation and reward initiative
- **S** : STANDARDS to be nothing but excellent
- **S** : SURPASS customer expectations
- **I** : INTEGRITY surrounding professionalism and ethics first
- **O** : ONE vision unites us, cooperating to promote teamwork
- **N** : NEXUS of fresh opportunities

VISION

To Be The Leading Regional Property-Construction Group

Sunway Berhad ("Sunway") holds leadership positions in a multitude of industries, chiefly driven by its core businesses of property development and investment; and construction.

With a vision of becoming the region's leading property-construction group, we constantly innovate to deliver value, build synergistic and sustainable relationships and achieve the highest standards of quality and excellence.

Innovating to deliver value underpins our relentless efforts to drive positive and sustainable change in the way we work and operate to create values for all our stakeholders.

Building synergistic and sustainable relationships is the bedrock of the company's ethos of nurturing our people and developing meaningful relationships with external parties including our business partners and customers towards achieving business objectives, while keeping the interests of our stakeholders.

Achieving the highest standards of quality and excellence remains a founding value that we uphold and are passionate about. We make individual and collective efforts in aiming higher to achieve strategic business goals with a commitment to the best quality and excellence.

OUR CREDO



At Sunway, our passion for what we do revolves around people and impacts many lives in extraordinary ways. We will continue to lead with passion and excel in our endeavours. We dare to deliver beyond!

Leading with Passion is a credo all Sunway Group businesses subscribe to. We aspire to sustain our leadership positions in the various industries we are in, while inspiring passion in our people. Passion is an inherent value deeply entrenched in our organisational culture.

Passion for Leadership is substantiated and defined by a set of Sunway Leadership Criteria which drives both our businesses and employees. With a passion for excellence, we remain committed to leading and developing People, which we regard as our most important asset.

We also place emphasis on interpersonal skills and integrity to create an environment of mutual trust and respect. Above all, we passionately endeavour to promote innovative and strategic thinking among our people in delivering customer-focused, and value-added products and services. The credo further underscores Sunway Group's commitment to building communities and articulates the common purpose of enriching lives.



LISTING DATE

23 AUGUST 2011

Listing of Sunway on the Main Market of Bursa Malaysia Securities Berhad

ANNOUNCEMENT OF QUARTERLY RESULTS

16 AUGUST 2011

Announcement of the proforma unaudited consolidated results for the 1st quarter ended 31 March 2011

25 AUGUST 2011

Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2011

24 NOVEMBER 2011

Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2011

29 FEBRUARY 2012

Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2011

ANNUAL REPORT & ANNUAL GENERAL MEETING

6 JUNE 2012

Date of notice of 2nd Annual General Meeting and date of issuance of Annual Report 2011

28 JUNE 2012

Date of 2nd Annual General Meeting



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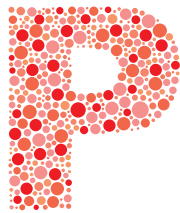
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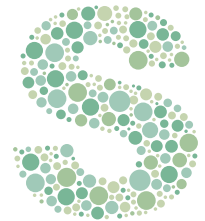


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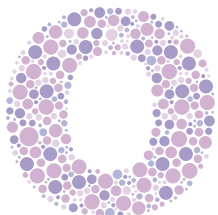
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Awards and Accolades

Menara Sunway: Headquarters of the Sunway Group



Corporate Profile

Sunway Berhad: The Merger Story

In 2011, the amalgamation of the assets and liabilities of integrated property behemoth, Sunway City Berhad ("Sunway City") and construction specialist, Sunway Holdings Berhad ("Sunway Holdings"), led to the birth of a new, larger legal entity, Sunway Berhad ("Sunway").

Sunway was incorporated in Malaysia under the Companies Act 1965 on 10 November 2010 as a private limited company and was initially known as Alpha Sunrise Sdn Bhd. On 23 November 2010, it changed its name to Sunway Sdn Bhd and on 30 November 2010, it was converted to a public limited company and assumed its present name, Sunway Berhad.

Following Sunway's listing on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 23 August 2011, Sunway is now a leading Malaysian property-construction Group with a market capitalisation of approximately RM3.3 billion (c. USD1 billion) as at 31 December 2011, and ranks amongst the top 100 largest stocks listed on Bursa Malaysia.

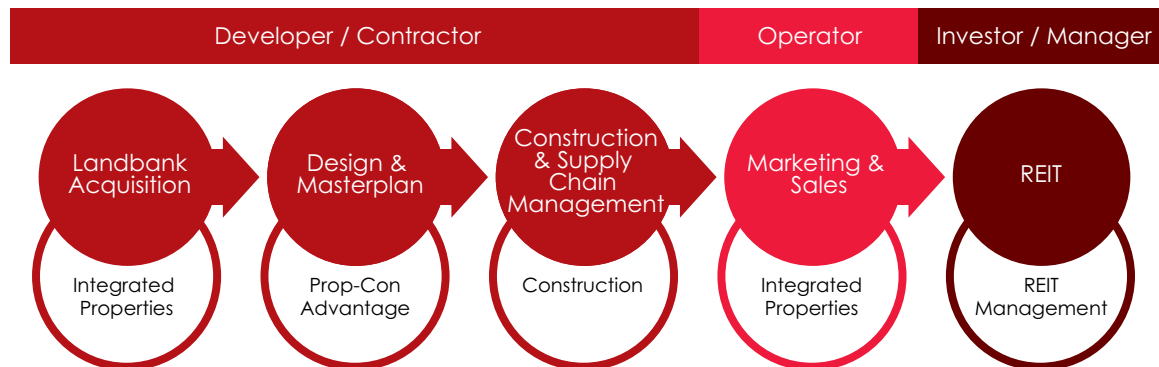
Humble Beginnings

The history of Sunway can be traced back to 1978 when Sunway Holdings started humbly as a local tin-mining and quarrying company. In 1984, it was listed on the Main Market of Bursa Malaysia and successfully went on to become one of Malaysia's most recognised and formidable conglomerate involved in construction, property development, quarry, trading and manufacturing, and building materials.

Simultaneously, Sunway City was incorporated in 1982 and was listed on Bursa Malaysia in 1996. As a property developer, it acquired an insurmountable reputation in integrated developments in Malaysia and its signature development in Bandar Sunway has been a benchmark for township developments. Besides its vast experience in developing innovative residential and commercial properties, Sunway City's property investment division developed, managed and held a truly diversified portfolio of commercial properties comprising shopping malls, hotels, office towers, education campuses, theme parks and a hospital. In 2010, Sunway City successfully sponsored and listed the largest Real Estate Investment Trust ("REIT") in Malaysia by injecting some of its most valuable property investments into Sunway REIT.



Bandar Sunway in the 1980s



Unique, Integrated Business Model

With a combined history and experience of more than 6 decades, the merger has brought together Sunway Holdings' construction capability to complement Sunway City's property expertise and has created an entity with a unique and truly integrated property-construction business model.

Sunway's other businesses, including leisure and hospitality, trading and manufacturing, quarry, building materials and healthcare, continue to be important contributors to the Group's bottomline and is classified as "Strategic Investments" complementing the core businesses of property and construction and enhancing the overall value of Sunway's integrated developments.

Bigger, Better, Stronger

By combining the resources and talents via the merger, Sunway will be able to capitalise on considerable synergistic benefits and revitalise interest in the company. Moving forward, Sunway will be able to bid and undertake larger projects including increasing its land bank and construction order book and concurrently, improve product quality, increase operational efficiency as well as reduce development costs through closer collaboration between the development, design and construction arms of the enlarged entity.

In terms of financial management, Sunway has benefitted from optimised access to capital markets. Enhanced credit ratings have enabled it to tap the bond market whilst the larger market capitalisation, increased liquidity and bigger free float of shares have attracted greater investor interest in its equities. A strong balance sheet has positioned Sunway favourably amongst its financiers and coupled with enhanced cash management through cash pooling across entities, Sunway will benefit from a reduction in its financing costs.

Looking Forward

The merger marks a new beginning for Sunway, with many challenges ahead, but also many potential synergies and attractive opportunities awaiting. With the strength of 8,000 employees and presence in 12 countries worldwide, Sunway seeks to continue its growth and aims to become a leading regional property and construction group working towards transforming vision into reality, while still delivering the greatest value to its stakeholders.

Corporate Information

BOARD OF DIRECTORS

Executive Chairman, Non-Independent Executive Director

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO

Deputy Executive Chairman, Non-Independent Executive Director

Datuk Seri Razman M Hashim

President, Non-Independent Executive Director

Dato' Chew Chee Kin

Non-Independent Executive Director

Sarena Cheah Yean Tih

Independent Non-Executive Directors

Datuk Low Seng Kuan

Wong Chin Mun

Lim Swe Guan

AUDIT COMMITTEE

Datuk Low Seng Kuan (Chairman)

Wong Chin Mun

Lim Swe Guan

NOMINATION COMMITTEE

Lim Swe Guan (Chairman)

Datuk Low Seng Kuan

Wong Chin Mun

REMUNERATION COMMITTEE

Wong Chin Mun (Chairman)

Datuk Low Seng Kuan

Lim Swe Guan

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO

RISK MANAGEMENT COMMITTEE

Wong Chin Mun (Chairman)

Sarena Cheah Yean Tih

Chong Chang Choong

COMPANY SECRETARIES

Tan Kim Aun (MAICSA 7002988)

Lee Suan Choo (MAICSA 7017562)

REGISTERED OFFICE

Level 16, Menara Sunway, Jalan Lagoon Timur
Bandar Sunway, 46150 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Tel No : (603) 5639 8889

Fax No : (603) 5639 9507

SHARE REGISTRAR

Sunway Management Sdn Bhd (50661-X)
Level 16, Menara Sunway, Jalan Lagoon Timur
Bandar Sunway, 46150 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Tel No : (603) 5639 8889

Fax No : (603) 5639 9507

AUDITORS

Ernst & Young

Chartered Accountants

SOLICITORS

David Lingam & Co.

Mah-Kamariyah & Philip Koh

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad

Public Bank Berhad

Standard Chartered Bank Malaysia Berhad

Affin Bank Berhad

Malayan Banking Berhad

RHB Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

Date of listing : 23 August 2011

Stock Name : SUNWAY

Stock Code : 5211

ISIN : MYL521100007

Bloomberg Stock Code : SWB:MK

WEBSITE ADDRESS

www.sunway.com.my

INVESTOR RELATIONS

Email : irsunway@sunway.com.my

Tel No : (603) 5639 8671

Group Corporate Structure



INTEGRATED PROPERTIES PROPERTY DEVELOPMENT

- Sunway Integrated Properties Sdn Bhd
(formerly known as Bintutara Sdn Bhd)
- Sunway Damansara Sdn Bhd
- Sunway D'Mont Kiara Sdn Bhd
- Sunway City (Penang) Sdn Bhd
- Sunway Bintang Sdn Bhd
- Sunway City Properties Sdn Bhd
- Sunway Opus International Private Limited **
- Sunway MAK International Private Limited **
- Tianjin Eco-City Sunway Property
Development Co. Ltd **
- Sunway City (Ipoh) Sdn Bhd
- Sunway Guanghao Real Estate (Jiangyin)
Co. Ltd #
- Sunway South Quay Sdn Bhd
- Sunway Tunas Sdn Bhd
- Sunway Semenyih Sdn Bhd
- Sunway City (JB) Sdn Bhd
(formerly known as Asli Budimas Sdn Bhd)
- Sunway SPK Homes Sdn Bhd *
- Sunway Iskandar Sdn Bhd
(formerly known as Semerah Cahaya Sdn Bhd) *
- Sunway Montez Sdn Bhd
- Sunway Bukit Gambier Sdn Bhd
- Sunway Grand Sdn Bhd
- Sunway Melawati Sdn Bhd
- Fame Parade Sdn Bhd
- Era Primision Sdn Bhd
- SunwayMas Sdn Bhd
- Sunway Termuning Sdn Bhd
- Sunway Rydgeway Sdn Bhd
- Sunway Rawang Heights Sdn Bhd
- Sunway Kanching Heights Sdn Bhd
- Sunway Bangi Sdn Bhd
- Sunway Permai Sdn Bhd
(formerly known as Muhibbah Permai Sdn Bhd)
- Sunway Eastwood Sdn Bhd
- Hoi Hup Sunway Development Pte Ltd **
- Hoi Hup Sunway J.V. Pte Ltd **
- Hoi Hup Sunway Property Pte Ltd **
- Hoi Hup Sunway Miltonia Pte Ltd **
- Hoi Hup Sunway Tampines Pte Ltd **
- Hoi Hup Sunway Yuan Ching Pte Ltd **
- Hoi Hup Sunway Pasir Ris Pte Ltd **
- Sunway Land Pte Ltd #
- Sunway Australia Unit Trust #
- Alliance Parade Sdn Bhd
- Associated Circle Sdn Bhd
- Commercial Parade Sdn Bhd
- Bisikan Seni Sdn Bhd
- Imbasan Intisari Sdn Bhd
- Tidal Elegance Sdn Bhd
- Emerald Freight Sdn Bhd
- Park Symphony Sdn Bhd
- Winning Excellence Sdn Bhd
- Contemporary Factor Sdn Bhd



PROPERTY INVESTMENT

- Sunway PFM Sdn Bhd
(formerly known as Menara Sunway Sdn Bhd)
- Sunway Mall Parking Sdn Bhd
(formerly known as MSW Parking Sdn Bhd)
- Sunway IFM Sdn Bhd
- Sunway Parking Services Sdn Bhd
- Sunway Monash-U Residence Sdn Bhd
- Sunway Giza Mall Sdn Bhd
(formerly known as Cahaya Jejaka Sdn Bhd)
- Sunway Giza Parking Sdn Bhd
(formerly known as Seruan Istilah Sdn Bhd)
- Sunway Pinnacle Sdn Bhd
- Sunway Ambience Sdn Bhd
- Sunway Destiny Sdn Bhd
- Sunway Facility Management Sdn Bhd
- Sunway Pyramid Development Sdn Bhd
(formerly known as Sunway Top Magnitude Sdn Bhd)
- Sunway Platinum Success Sdn Bhd
- Sunway Parking Management Sdn Bhd
- Sunway Residence Sdn Bhd
- Sunway Symphony Sdn Bhd
- Salient Century Sdn Bhd
- Area Star Sdn Bhd
- Rich Worldclass Sdn Bhd
- Sunway Tower 1 Sdn Bhd
- Sunway Velocity Mall Sdn Bhd
- Sunway Townhouse Sdn Bhd
- Frontier Acres Sdn Bhd
- Shahawan (M) Sdn Bhd
- Daksina Harta Sdn Bhd
- Sunway REIT Management Sdn Bhd
- Sunway Real Estate Investment Trust *^



LEISURE

- Sunway Leisure Sdn Bhd
- Pyramid Bowl Sdn Bhd *
- Sunway Lagoon Club Berhad
- Sunway Lagoon Sdn Bhd
- Sunway Lagoon Water Park Sdn Bhd
- Sunway Leisure Services Sdn Bhd
- Sunway Travel Sdn Bhd
- Sunway International Vacation Club Berhad
- Sunway Healthy Lifestyle Sdn Bhd

Group Corporate Structure



HOSPITALITY

- Sunway Hotel (Seberang Jaya) Sdn Bhd
- Sunway Hotel Hanoi Liability Limited
Company With One Member #
- Sunway Resort Hotel Sdn Bhd
- Sunway International Hotels & Resorts Sdn Bhd
- Allson International Hotels & Resorts (BVI)
Limited #
- Allson International Hotels & Resorts Sdn Bhd
- Allson International Management Limited #
- Kinta Sunway Resort Sdn Bhd
- Sunway Lost World Hotel Sdn Bhd
- Sunway Hotel Phnom Penh Ltd #
- Sunway Hotel (Penang) Sdn Bhd
- Sunway Putra Hotel Sdn Bhd
(formerly known as Wisdom Achievers Sdn Bhd)



CONSTRUCTION

- Sunway Construction Sdn Bhd
- Sunway Engineering Sdn Bhd
- Sunway Machinery Sdn Bhd
- Sunway Construction Caribbean Ltd #
- Sunway Builders Sdn Bhd
- Sunway Innopave Sdn Bhd
- Sunway Concrete Products (S) Pte Ltd #
- Sunway Geotechnics (M) Sdn Bhd
- Sunway Creative Stones Sdn Bhd
- Sunway Geotechnics (S) Pte Ltd #
- Sunway Precast Industries Sdn Bhd



STRATEGIC INVESTMENTS TRADING AND MANUFACTURING

- Sunway Marketing Sdn Bhd
- Sunway Marketing (S) Pte Ltd #
- Sunway Enterprise (1988) Sdn Bhd
- Sunway Hydraulic Industries Sdn Bhd
- PT Sunway Flowtech #
- Sunway Opus International Trading Private Limited #
- Sunway Xin Long (Anhui) Hydraulic Co. Ltd #
- Sunway Trading (Shanghai) Pte Ltd #
- Sunway Daechang Forging (Anhui) Co. Ltd #
- PT Sunway Trek Masindo #
- Sunway Marketing (Thailand) Ltd #
- Totalrubber Ltd #
- Pacific Flow Technology Pty Ltd #
- Total Rubber Services Franchising Pty Ltd #
- Sunway Marketing (East Malaysia) Sdn Bhd
- Sunway Hose Centre Sdn Bhd
- Sunway International Trading (Tianjin) Pte Ltd #
- Sunway Architectural Products Sdn Bhd

QUARRY

- Sunway Quarry Industries Sdn Bhd
- Sunway Quarry (Kuala Kangsar) Sdn Bhd
- Sunway Quarry Industries (Melaka) Sdn Bhd
- Sunway Quarry Industries (Taiping) Sdn Bhd
- Sunway Hatay Construction & Building Materials J.V. Co. Ltd #
- Sungei Way Ocean Joint Venture Ltd #
- Sunway Quarry Industries (Caribbean) Limited #

Group Corporate Structure



BUILDING MATERIALS

- Sunway Paving Solutions Sdn Bhd
- Sunway Keramo Sdn Bhd
- Sunway Pipeplus Technology Sdn Bhd
- Sunway Building Materials (Shanghai) Co. Ltd #
- Sunway Building Materials (Dongguan) Co. Ltd #
- Sunway Spun Pile (Zhuhai) Co. Ltd #



HEALTHCARE

- Sunway Medical Centre Berhad
- SunMed Clinics Sdn Bhd
- SunMed@Home Sdn Bhd



INVESTMENT HOLDING AND OTHERS

- Sunway Holdings (Vietnam) Sdn Bhd
- Sunway Global Limited #
- Sunway Management Sdn Bhd
- Sunway Shared Services Centre Sdn Bhd
- Sunway BPO Sdn Bhd
- Sunway Leasing Sdn Bhd
- SWL Nominees (Tempatan) Sdn Bhd
- Sunway Elite Sdn Bhd
- Sunway Credit Sdn Bhd
- Sunway Risk Management Sdn Bhd
- Sunway Integrated Outsourcing Sdn Bhd
- Sunway Captive Insurance Ltd
- Gopeng Berhad *^
- Sunway City Sdn Bhd
- Sunway Holdings Sdn Bhd
- SunCity Vietnam Sdn Bhd
- Hochimex Nominee Company Limited #
- Sunway City (S'pore) Pte Ltd #
- Sunway Real Estate (China) Limited #
- Eastern Glory Enterprises Limited #
- Konsep Objektif (M) Sdn Bhd
- Sunway REIT Holdings Sdn Bhd
- Sunway Treasury Sdn Bhd
- Sunway Investment Management Consultancy (Shanghai) Co. Ltd #
- Emerald Tycoon Sdn Bhd
- Sunway Hospitality Holdings Limited #
- International Theme Park Pty Ltd #
- Sunway Industrial Products Sdn Bhd
- Sunway Developments Pte Ltd #
- Fortuna Gembira Enterpris Sdn Bhd
- Hartford Lane Pty Ltd #
- Sunway Land Sdn Bhd
- Reptolink Sdn Bhd

This Group Corporate Structure excludes dormant companies.

Overseas company

^ Public listed company

* Associated company / Jointly controlled entity

Sunway in the News

Final LRT packages go to Sunway, MRCB

By Singaporean Wire

Malaysia awarded Sunway and MRCB the final LRT packages for the Klang Valley LRT. The packages would go to the Sunway and MRCB consortium, which is also the consortium for the Klang Valley LRT. The packages would go to the Sunway and MRCB consortium, which is also the consortium for the Klang Valley LRT.

concessions, we estimate RM7.5 billion per lot for the Klang Valley LRT. The packages would go to the Sunway and MRCB consortium, which is also the consortium for the Klang Valley LRT.

estimated to be around RM1.2 billion per lot for the Klang Valley LRT. The packages would go to the Sunway and MRCB consortium, which is also the consortium for the Klang Valley LRT.



Sunway merges to beef up size

Sunway Holdings, SunCity to be acquired via cash and shares swap totalling RM4.5b

By Yang Yee Hin

PEYAT, 1911. The Sunway group is pleased to announce the acquisition of SunCity via a cash and shares swap. The acquisition is expected to be completed by May 2012.

Sunway group chairman



Sunway, SunCity in RM4.5b merger

By Singaporean Wire

SUNWAY HOLDINGS and **SUNCITY** have announced a merger worth RM4.5 billion. The merger is expected to be completed by May 2012.

Sunway group chairman

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双威双威城合并 新公司8月上市

友尼森全年营业额 科收15%

王子制纸每股4.40 私有化和达

和达工业集团公告

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Sunway-SunCity merger proposal gets thumbs up

Analysts say it is a positive synergistic move

By Singaporean Wire

Sunway group chairman

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SunCity certified sustainable business



SUNWAY BERHAD (Sunway City) has been awarded the ISO 14001:2004 certification for its sustainable business practices. The certification is a testament to the company's commitment to environmental sustainability and its efforts to reduce its carbon footprint. Sunway City has implemented various measures to ensure its operations are environmentally friendly, including energy conservation, waste management, and water recycling. The certification is valid for three years, with a requirement for a recertification audit. Sunway City is proud to be recognized as a sustainable business and is committed to continuing its efforts to improve its environmental performance.

Sunway syarikat hartanah keempat terbesar

PUTRAJAYA, 18 Mei - Sunway City, Sunway Berhad (Sunway City) telah dinobatkan sebagai syarikat hartanah terbesar keempat di Malaysia, mengikut laporan tahunan tahunan yang dikeluarkan oleh lembaga penilaian hartanah, Knight Frank. Laporan tahunan tahunan menunjukkan bahawa Sunway City telah mencatatkan prestasi yang cemerlang dalam sektor hartanah, dengan nilai pasaran hartanah yang meningkat sebanyak 10 peratus. Sunway City telah mencatatkan prestasi yang cemerlang dalam sektor hartanah, dengan nilai pasaran hartanah yang meningkat sebanyak 10 peratus. Sunway City telah mencatatkan prestasi yang cemerlang dalam sektor hartanah, dengan nilai pasaran hartanah yang meningkat sebanyak 10 peratus.



雙威國庫控股

聯營發展依斯干達2地

(吉隆坡 19日讯) 双威集团 (SUNWAY, 5211, 主要板上市) 与国库控股联营以2亿4500万令吉柔佛依斯干达2地土地。发展总值高达130亿令吉。该公司向马尼拉交易所报备指出, 2地土地地契99年, 面积达691亩; 完成交易后, 公司旗下地契将从原本2145亩增30%, 可发展总值增至320亿令吉。文告指出, 加上目前在柔佛州Bukit Laban的土地, 双威集团在当地共有755亩土地, 发展总值130亿令吉。是项计划是由双威集团子公司双威城及国库控股于公司Dayang Flamingo创投联营进行。双威将持股38%, 股权将在联营协议的54个月内增至60%。

Sunway beli tanah RM745.3j

Usaha sama dengan Khazanah Nasional bakal dimajukan projek RM12b



Keputusan untuk membeli tanah RM745.3 juta untuk projek pembangunan di kawasan Kuching, Sarawak, telah dibuat oleh Sunway Berhad. Projek pembangunan ini akan melibatkan pembangunan sebuah pusat perniagaan dan perumahan. Sunway Berhad akan bekerjasama dengan Khazanah Nasional untuk memajukan projek ini. Projek pembangunan ini akan melibatkan pembangunan sebuah pusat perniagaan dan perumahan. Sunway Berhad akan bekerjasama dengan Khazanah Nasional untuk memajukan projek ini.

Sunway Velocity boost for Jalan Cochrane area



Sunway Velocity, a major commercial and residential development, is set to boost the area around Jalan Cochrane. The development includes a mix of retail, office, and residential spaces. Sunway Velocity is a major commercial and residential development, is set to boost the area around Jalan Cochrane. The development includes a mix of retail, office, and residential spaces. Sunway Velocity is a major commercial and residential development, is set to boost the area around Jalan Cochrane. The development includes a mix of retail, office, and residential spaces.

Sunreit is owner of Putra Place, rules court



A court has ruled that Sunreit is the owner of Putra Place, a commercial building in Kuala Lumpur. The court's decision was based on evidence presented by Sunreit, which included documents and testimony. Sunreit is a subsidiary of Sunway Berhad. The court's decision is a significant victory for Sunreit and Sunway Berhad. Sunreit is a subsidiary of Sunway Berhad. The court's decision is a significant victory for Sunreit and Sunway Berhad.

Celebrating diversity and unity



Sunway City Ipoh celebrated its 10th anniversary with a series of events. The events included a parade, a concert, and a fireworks display. Sunway City Ipoh is a major commercial and residential development. The events were a great success and celebrated the diversity and unity of the community. Sunway City Ipoh is a major commercial and residential development. The events were a great success and celebrated the diversity and unity of the community.

Shopping village for Sunway City Ipoh



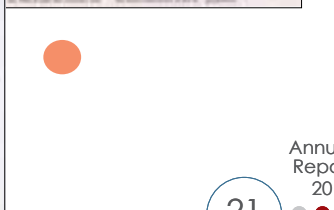
A new shopping village is set to be developed in Sunway City Ipoh. The village will include a mix of retail, office, and residential spaces. The development is a major project for Sunway City Ipoh. The village will be a great addition to the area and will provide a wide range of facilities for the community. The development is a major project for Sunway City Ipoh. The village will be a great addition to the area and will provide a wide range of facilities for the community.

Meeting ever-evolving needs



Sunway City is committed to meeting the ever-evolving needs of its customers. The company has implemented various measures to ensure its services are of the highest quality. Sunway City is a major commercial and residential development. The company has implemented various measures to ensure its services are of the highest quality. Sunway City is a major commercial and residential development. The company has implemented various measures to ensure its services are of the highest quality.

Home business



Sunway City is committed to providing a wide range of services to its customers. The company has implemented various measures to ensure its services are of the highest quality. Sunway City is a major commercial and residential development. The company has implemented various measures to ensure its services are of the highest quality. Sunway City is a major commercial and residential development. The company has implemented various measures to ensure its services are of the highest quality.

雙威控股 雙威城 2合1

每股RM2.80 明年中重掛牌

Sunway bags contracts both sides of Causeway

Sunway Berhad has secured two major contracts for the development of the Causeway area. The contracts involve the development of a new commercial and residential complex. Sunway Berhad is a major commercial and residential development. The contracts are a significant victory for Sunway Berhad and will provide a wide range of facilities for the community. Sunway Berhad is a major commercial and residential development. The contracts are a significant victory for Sunway Berhad and will provide a wide range of facilities for the community.

'Balik Kampung' with the peace of mind



Sunway City is committed to providing a wide range of services to its customers. The company has implemented various measures to ensure its services are of the highest quality. Sunway City is a major commercial and residential development. The company has implemented various measures to ensure its services are of the highest quality. Sunway City is a major commercial and residential development. The company has implemented various measures to ensure its services are of the highest quality.

Security beef-up



Sunway City has implemented various measures to ensure the security of its customers. The company has implemented various measures to ensure its services are of the highest quality. Sunway City is a major commercial and residential development. The company has implemented various measures to ensure its services are of the highest quality. Sunway City is a major commercial and residential development. The company has implemented various measures to ensure its services are of the highest quality.

Security beef-up



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Tan Sri Dato' Seri Dr Jeffrey
Cheah Fook Ling, AO
Executive Chairman

Picture Adapted from Millionaireasia

Dear Valued Shareholders,

On behalf of the Board of Directors ("Board")
of Sunway, it gives me great pleasure
to present our inaugural Annual Report
for the financial year ended
31 December 2011 ("FY 2011").

Chairman's Statement

Truly Integrated Property-Construction Corporation

2011 has been a momentous year for the Sunway Group ("the Group"). In August 2011, we had merged two public listed companies, Sunway City and Sunway Holdings into a single, larger Sunway, which as at 31 December 2011, has a market capitalization of RM3.3 billion and assets in excess of RM7.0 billion. We rank among the top five property companies in the country based on market capitalization and is one of the most profitable.

With the merger, it is envisioned that Sunway would become a bigger, better and ultimately stronger company. A key rationale for the merger is to extract value from aligning and synergising the full value chain of businesses that deliver the foundation for true community living. From the group efficiency angle, the merger will enable us to enjoy group savings from strategic sourcing opportunities, and provide us the ability to leverage on economies of scale for bulk purchasing. We have also streamlined certain support functions and treasury management, whereby pooling of excess funds within the whole group would enable us to earn better interest returns. Furthermore, as a group with a total assets portfolio in excess of RM7.0 billion and a stronger balance sheet, our financial standing with bankers and investors have been greatly enhanced.

In developing a competitive edge, we are investing in the development of a Virtual Design & Construction platform (VDC) to facilitate greater efficiency in the design and planning stage for buildings. VDC is a platform that uses technology to facilitate real time communication and collaboration with every party involved in the building process. With VDC as a conduit for collaboration between our property and construction arms, we will be able to improve our internal processes and exploit the full integration benefits enabled by the merger. Furthermore, the VDC will be a competitive tool, which our Construction division can use to bid for external jobs. I am confident it will be a game changer for the building industry.



Kick-off ceremony for Property - Construction collaboration at the Pinnacle in Bandar Sunway.



Listing ceremony of Sunway on Bursa Malaysia

I believe that Sunway's value and capability is now more than the sum of its parts. Today, We have the scale, resources and expertise to provide even better solutions to customers and society.

Solid First Year

It is my pleasure to report that, in spite of having to prepare for the merger and the subsequent integration efforts, Sunway had a sterling first financial year. The Group achieved a record revenue of RM3.7 billion which is 19% higher than the previous year. Profit attributable to owners of the parent ("PATMI") for the year was RM372.1 million which was lower than the RM684.4 million reported in the previous year, mainly due to one-off gains from disposal of properties to the REIT in FY 2010.

Chairman's Statement

However, more importantly, core PATMI had been maintained at RM327.1 million in FY 2011 which is higher than the RM286.2 million recorded in the past year.

No dividends were declared for FY 2011 as shareholders had been rewarded earlier in the year via capital repayment schemes which distributed 20% cash to shareholders. However, moving forward, the Board has endorsed a dividend policy of 20% of PATMI to be distributed annually. This policy would balance the need of our shareholders for annual dividend income while retaining sufficient earnings to finance Sunway's sustainable growth objective.

Market Outlook

While global economic growth has slowed due to the European sovereign debt crisis and the relatively weak US economy, Asian economies have generally been more resilient. Such resilience was recently reinforced by the IMF forecast of close to 6% economic growth in the Asia-Pacific region for 2012. It is expected that Asia will remain the fastest growing region in the world.

In Malaysia, domestic demand will continue to be one of the main drivers of GDP growth with Bank Negara forecasting growth of between 4% to 5% for 2012. We are confident that the domestic economy will be able to sustain its momentum led by the further rollout of major projects under key government initiatives such as the Economic Transformation Programme (ETP) as well as the 10th Malaysia Plan (10MP).

The commencement of large infrastructure projects, among them the RM 36.6 billion Mass Rapid Transit (MRT); investments in the O&G sector; corresponding rise in employment opportunities via domestic oriented manufacturing and services sectors; lower inflation levels; and favorable labour market conditions will provide the necessary stimulus to expansion. The MRT project will spur growth in many related sectors such as manufacturing, building materials, as well as property development in surrounding areas.

Against this backdrop, we believe the bigger and stronger Sunway is now in a better position to capture some of these business opportunities. Notwithstanding this, we have to remain vigilant as there are still a lot of external challenges which can derail the fragile global economic recovery.

Replicating Sunway's Integrated Township Expertise

A key development in 2011 which the Board is particularly excited with and will have the potential to contribute substantially to Sunway's earnings in the future is the proposed acquisition of the leases over two parcels of land totalling 691 acres in Medini Iskandar for RM745.3 million via our joint venture with Khazanah Nasional Berhad.

This proposed acquisition is in line with Sunway's strategy to continue extending our expertise in building and managing integrated cities, as exemplified by our integrated developments in Bandar Sunway, Sunway City Ipoh, Sunway Velocity and Sunway Damansara.

We envisage Sunway Iskandar to be an iconic, cosmopolitan city with total gross development value ("GDV") of over RM 12 billion which will capture the interest of local, regional and international market segments as we have done with our other integrated developments. An international firm has been appointed to master plan the entire development and we have internally set a target launch date for the first phase of the development in mid 2013.



With Minister in the Prime Minister's Department and CEO of PEMANDU, YB Senator Dato' Sri Idris Jala at Sunway Manager's Conference

Acquisition of Putra Place by Sunway REIT

Our 36.8% associate, Sunway REIT had managed a coup in 2011 by acquiring Putra Place which comprises a hotel, shopping mall and office tower. The property was acquired through successful bidding at a public auction on March 30, 2011 for a total cash consideration of RM513.9m.

We are excited about this property, as it is an opportunistic acquisition where the value of the asset is sub-par to replacement cost and was already yield accretive at the point of acquisition. Refurbishment works are due to commence soon on the shopping mall podium with an estimated budget of RM200.0 million and will increase the net lettable area ("NLA") to about 620,000 square feet from the current 505,448 square feet. The creation of the new NLA, better retail layout as well as modern ambience should draw higher footfalls and in turn, increase yields further.

Progress Abroad

Our largest development overseas, in the Sino-Singapore Tianjin Eco City ("SSTEC"), experienced further progress in 2011 when the Group commenced piling works and construction of its sales gallery. The sales gallery is expected to be completed in 2012 leading to the Group's launch of its first residential apartments. Our master development plan has been approved by the authorities and while it took some time, we are now able to meet the stringent eco-city requirements of the local authorities and are confident of developing a model, sustainable development.



Ground breaking ceremony at SSTEC, China

Notwithstanding the China market is now experiencing the effects of cooling measures implemented by the government on the property sector, we are optimistic of the long term prospects of this venture. As a country with a population of over one billion people and a rapidly growing middle class, the demand for quality and affordable housing is enormous.

In Singapore, we have made great strides with our joint venture partner, Hoi Hup Realty Pte Ltd. We had 3 property launches in 2011 comprising a private condominium, an Executive Condominium and a design, build, sell scheme ("DBSS") condominium. All of them have been well received and achieved good take up rates. We are also pleased to have won the land tender for a 4.3 acre piece of leasehold land in Pasir Ris and will be looking to launch it in 2012 together with our first landed development in Sembawang, Singapore.

Major Wins Boosts Construction Order Book

Our construction division had a highly successful year in terms of order book replenishment with winning of contracts worth RM1.6 billion with three large projects underpinning the large order book. The first major contract secured was for the construction of Legoland Malaysia Theme Park in Iskandar Malaysia. Totaling RM258.0 million, the contract represents Sunway's first major construction order book in the Iskandar region.

In August 2011, Sunway secured a bigger order of RM569.0 million from Syarikat Prasarana Negara Berhad for the construction and completion of facilities works of Package B of the Kelana Jaya Line Extension. Once completed, the Kelana Jaya line extension will link the Kelana Jaya Station to Putra Heights via Subang Jaya.

The third win in the year was a RM308.9 million contract from Iskandar Malaysia Studios Sdn Bhd to build an integrated media studios facility in Pulai, Johor. The project, Pinewood Iskandar Malaysia Studios, will house facilities like filming studios, TV studios, stages, editing rooms, screening theater, offices and workshops.

We are proud of the diversified nature of the contracts won as they are testament to our construction arm's reputation as a leading integrated contractor with exceptional capabilities.

Chairman's Statement

Leading In Corporate Governance

The Group maintains high standards of accountability and corporate governance. While we work to deliver value to shareholders, the Group is continuously enhancing accountability, transparency, and integrity by strengthening internal controls and governance structures.

With greater emphasis placed on the importance of internal controls and enterprise risk management, the Group is able to steadily instill comprehensive risk management mechanisms into our daily operations.

Underscoring this continuous enhancement towards greater corporate governance, the Group was recognized for its excellence in practice of corporate governance at the 2011 Malaysian Business-Chartered Institute of Management Accountant (CIMA) Enterprise Governance Awards with wins in three categories. Sunway Group received the Merit Award for the Overall category, was named runner's up in the Green Initiative category and clinched the Best Return to Shareholders category. The award recognizes the need for organizations to balance good governance with financial performance and return to shareholders.

The Group won three awards at the National Annual Corporate Report Awards (NACRA) 2011 for promoting transparency and accountability. Sunway City Berhad was awarded the Industry Excellence Awards in the category of Properties, Hotels & Trusts for the fifth consecutive year while Sunway Holdings Berhad clinched the Industry Excellence Awards under the Construction & Infrastructure Projects Company category for the second time. Sunway Holdings Berhad was also the proud recipient of the Platinum Award for Overall Best Designed Annual Report.

In the financial year under review, the Group participated in numerous Investor Relations activities via road shows, analyst briefings, site-visits and key meetings with the investment community at large. Besides promoting transparency, the Group had proactively ensured consistency and increased communications to provide shareholders with clear and accurate information on the Group's performance as well as its prospects for the future.

The Group treats effective engagement with the investment community as an integral part of the corporate governance process.

Our Corporate Governance Statement can be found on pages 122 to 129.

People, Planet, Profit

While we pursue growth and business sustainability, we place equal amount of importance on our commitment to our stakeholders and our community. As a responsible corporate citizen, we strongly believe that we have an important role to play in community service and the Group is proactive in promoting and developing sustainability. As a leading corporation focused on education, healthcare and the community, we recognize the need to set a benchmark in all that we do.

From the launch of the Jeffrey Cheah Foundation and caring for the underprivileged to our "Safe City Initiative" and "Health In Your Hands" campaigns, we aim to lead with passion and give to the society in ways we best know how. It, therefore, brings us immense pride and joy to be able to share some of our initiatives and achievements in the previous reporting period with our stakeholders through our first ever Sustainability Report which will be distributed together with this Annual Report.



Sunway's Sustainability Report 2011

Recognition For Excellence

Various awards and honours were bestowed upon Sunway Group in 2011 with several awards being of particular significance.

We are humbled that Sunway continues to be ranked among the top 3 property developers in Malaysia in "The Edge Top Property Developer Awards 2011" with improvement in rankings for qualitative factors like product quality and expertise.

Equally, we are honoured that Sunway's properties have garnered domestic and international acclaim by bagging 2 prestigious FIABCI awards. The Banjaran Hotspings Retreat won the Best Resort Award at the FIABCI Malaysia Property Awards while Sunway Pyramid Shopping Mall, having won the Malaysian Chapter equivalent in the previous year, went a step further by winning the international FIABCI Prix d' Excellence Award for Best Retail Development .

We are grateful for the awards above as well as the many other recognition various parties has accorded the Sunway Group. Moving forward, they will serve to motivate the Group to strive to achieve even higher standards to maintain these prestigious honours.



Sunway Integrated Properties continue to rank among Top 3 Developers in Malaysia

Acknowledgements

I would like to pay tribute to Sunway's employees, whose extraordinary efforts and hard work in the financial year under review contributed towards the successful merger as well as the Group's earnings. It is their commitment and determination that allows the Group to stay resilient in the past and will enable us to forge ahead with confidence into the future.

I would also like to thank all our shareholders, customers, business partners, media and all other stakeholders for their unwavering support during this financial year.

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO
Executive Chairman

Calendar of Significant Events



19th December 2011 Sunway buys Johor Land

Sunway is expanding its landbank in Johor with the signing of a lease purchase agreement to acquire the leases of two parcels of land in Medini Iskandar, Johor Bahru through a joint venture vehicle with Khazanah Nasional Berhad.

The land to be acquired is known as Zone F of Medini Iskandar Malaysia and with an area of 691 acres, it will boost Sunway's landbank by 30% to 2,798 acres, while the proposed development, with an estimated potential gross development value (GDV) of RM12 billion over the next 10 years, will boost the company's landbank GDV to RM32 billion. With the acquisition, Sunway will have a total of 755 acres of land in Johor with a potential GDV of RM13 billion.

10th December 2011 New Attractions at Lost World of Tambun

The Tin Valley is the latest attraction at Lost World of Tambun to bring guests back in time where "dulang" washers persistently panned by the rivers to feed their families. Today, kids will have the opportunity to learn about the history of tin mining while having fun partaking in daily "dulang" washing activities and see real artifacts from the past in the Lost World Tin Valley Galleria.

Also launched in November, the Lost World Team Building park features five new adventures that are built in a series of high rope elements designed to showcase the theme park's unique limestone environment. Companies seeking the right venue for team building activities need look no further than Lost World Team Building Park which offers activities such as 13 High Rope Course, Leap of Faith aka Para Jump, Wild Woosey, Via Ferrata with Natural Abseil and Zip Line.

29 November 2011 Launch of Sunway Showlights

For Sunway's Christmas Celebration, Y.B. Senator Datuk Heng Seai Kie, Deputy Minister of Women, Family and Community Development launched the Sunway Integrated Resort City (SIRC) showlights, transforming SIRC into a wonderland. Sunway showlights is an annual affair to commemorate the diversity of the Malaysia festivities and last year was its 7th anniversary in SIRC.

Also present at the launch are Y. Bhg. Puan Sri Datin Sri Dr. Susan Cheah, EXCO member of the Sunway Group; Dato' Ngeow Voon Yean, Managing Director – Property Investment Division, Sunway Group; HC Chan, Chief Executive Officer, Sunway Pyramid; Kevin Tan, Chief Operating Officer, Sunway Pyramid.



25th November 2011 Aladdin the Musical at Sunway Lagoon

The magical land of Askabar was transported to Bandar Sunway at the gala premiere of Aladdin the Musical held at the Amphitheatre at Sunway Lagoon. The musical played at the Amphitheatre at Sunway Lagoon throughout the year end school holidays and featured flying scenes, stunning pyrotechnics, dramatic sound and visual displays and even snow.

This extravagant West End production added a modern musical twist to a traditional stage play as audiences were entertained with lots of surprises from a hip-hop genie. Integrating contemporary pop music with a classic storyline, Aladdin the Musical was a splendid production for the whole family.



22nd November 2011 Groundbreaking Ceremony at Tianjin Eco City

Sunway Group had a groundbreaking ceremony on November 22, to commemorate the start of construction of its Tianjin Eco-City sales gallery. Sunway's principle and approach in property development has always been towards responsible and sustainable development in the best interest of future generations, which is in line with Sino Singapore Tianjin Eco-City's (SSTEC) aspirations. Sunway is proud to be associated and be a part of a big family of like-minded people, and continues to look forward to working and learning from the Eco-City Administrative Committee, SSTEC and other developers in SSTEC. The development will espouse the Lifestyles of Health and Sustainability ("LOHAS") philosophy. It is a concept developed for citizens who are increasingly concerned with responsible and sustainable living in spheres of personal development and external commitment to environment.



19th November 2011 Graduation of 6th Batch of Auxiliary Police

Sunway Group now boasts 800 security personnel including about 300 Auxiliary Police in its Security Force with the recent addition of 50 auxiliary police. The newly commissioned Sunway Auxiliary Policemen had successfully underwent and completed a 2-months course in The Malaysian Police Training Centre (PULAPOL).

Calendar of Significant Events



4th November 2011 Sunway Manager's Conference

The Group held its annual Managers Conference with about 2,000 managers attending the one day conference in Sunway Pyramid Convention Centre. Distinguished speakers for the day were Mr. Till Vestring, Managing partner of Bain & Company, South East Asia and YB Senator Dato' Sri Idris Jala, Minister in the PM's Department and Chief Executive Officer of the Performance Management and Delivery Unit (PEMANDU). Topics that were brought to the table include 'Emerging Market Champions' by Mr. Till Vestring and '6 Secrets of Transformational Leadership' by YB Senator Dato' Sri Idris Jala.



11th October 2011 Sunway wins land tender in Pasir Ris, Singapore

As part of the Government Land Sales (GLS) programme, the tender for a parcel of land at Pasir Ris attracted 13 bids with a consortium consisting of Hoi Hup, Sunway and Oriental Worldwide submitting the highest bid at SGD140.96 million. The land offered for sale is on a 99-year lease term with a land area of 4.3 acres. The future development on the land will consist of a 415 units Condominium with a GDV of SGD355 million and is expected to be launched in 2012.



11th October 2011 Letter of Award totalling RM 309 million from Iskandar Malaysia Studios Sdn Bhd

Sunway Construction accepted a letter of award for a contract worth RM 309 million from Iskandar Malaysia Studios Sdn Bhd for the proposed construction and completion of the Pinewood Iskandar Malaysia Integrated Media Studios Facility in Johor.



7th October 2011 Sunway Integrated Properties Show 2011

For the first time, Sunway organised a three-day property event at Sunway Pyramid showcasing the developer's best projects ranging from Sunway Nexis, Sunway South Quay, Sunway Velocity and many more. Called Sunway Integrated Properties Show 2011, the event witnessed over 10,000 visitors with home buyers and property investors snapping up more than RM50 million worth of property.



6th September 2011 Sunway Contributes RM150,000 for "MyDistress" Application

As part of Sunway Group's Safe City initiative, Sunway Group handed over a contribution of RM150,000 to the Royal Malaysian Police for the development of "MyDistress" Application during the launch of "Balik Kampung Rumah Selamat" safety campaign at Sunway Pyramid. The mobile application will enable the public to make reports through their smartphones which will then be instantly sent to the police control centre, thus allowing police to make their way to the reported location quickly.



23rd August 2011 Listing of Sunway on Bursa Malaysia

Nine months after the merger was first announced, Sunway was finally listed on the Main Market of Bursa Malaysia Securities Berhad on August 23. The new entity was a result of a merger between two of the Sunway Group's public-listed companies, Sunway Holdings Berhad and Sunway City Berhad. Sunway's listing marks the completion of the merger exercise, which was initiated in November 2010.

Calendar of Significant Events

Final LRT packages go to Sunway, MRCB

Walmart overhauls Germany's largest retail chain, as it plans to open 100 new stores in the next five years. The company is also planning to open 100 new stores in the next five years. The company is also planning to open 100 new stores in the next five years.



16th August 2011
Letter of Award totalling
RM569 million from Syarikat
Prasarana Negara Berhad

Sunway Construction accepted a letter of award for a contract worth RM569 million from Syarikat Prasarana Negara Berhad for the construction and completion of facilities works for the Kelana Jaya Line Extension Project (Package B). Under the Package B awarded to Sunway Construction, the facilities works are along a 8.1km route from Persiaran Kewajipan, Subang Jaya to Putra Heights.

15th June 2011 Sunway Merger Receives Nod from Shareholders

Shareholders of Sunway Holdings Berhad and Sunway City Berhad approved the proposed disposal of the two companies' assets and liabilities to Sunway at their respective Extraordinary General Meeting (EGM). The approvals were necessary to pave the way for the merger of the two entities under a larger Sunway.

10th June 2011
Magical Musicals

Featuring songs from Broadway and West End productions as well as songs made popular by the television series *Glee*, *Magical Musicals* theatre production premiered at the newly renovated Amphitheatre. The songs are part of the musical's central story about six young people trying to find their way through life and love on Broadway.



Sunway unit bags job

SUNWAY Holdings Bhd's construction unit has bagged a job in Johor worth RM74.1 million, barely a day after winning the contract to build part of the Legoland Theme Park there. Sunway Construction Sdn Bhd was awarded the contract by Malaysian Bio-XCell Sdn Bhd, for the



5th June 2011 Sunway Eco Riders

In observation of United Nations Environment Programme's World Environment Day on June 5, Sunway City's management declared a day off for 60 of its employees to spread the environmental message. A 20km bicycle ride from Menara Sunway to Sunway's Sales Gallery in Kota Damansara, took more than two hours and attracted the attention of motorists on the busy New Pantai Expressway (NPE) and the Guthrie Corridor Expressway.

The 60 bicycles were later handed over to Sunway's residential developments as a symbolic gesture to encourage sustainable lifestyle. The residential developments include Sunway Sutera, Sunway Opal, Laman Impian, Sunway Challis, Sunway Cita Damansara and Sunway Parkville.

7th March 2011 Letter of Award totalling RM74 million from Malaysian Bio-XCell Sdn Bhd

Sunway Construction accepted a letter of award for a contract worth RM74.1 million from Malaysian Bio-XCell Sdn Bhd for the construction and completion of Central Utilities Facility at Biotechnological Park Bio-XCell, Nusajaya, Johor.

4th March 2011 Letter of Award totalling RM258 million from IDR Assets Sdn Bhd

Sunway Construction accepted a letter of award for a contract worth RM258 million from IDR Assets Sdn Bhd for the construction and completion of package 4 – facility construction for LEGOLAND Malaysia Theme Park development at Mukim Pulau, Johor.

Awards and Accolades



Jan 2012

BRAND LAUREATE SME'S CHAPTER AWARDS 2011

Most Creative Brand
By Asia Pacific Brands Foundation (APBF)

Sunway Lagoon won the Most Creative Brand at the The Brand Laureate - SMEs Chapter Awards 2011 organized by APBF. APBF acknowledges the creative transition of Sunway Lagoon over the years into an impressive multipark destination with assorted attractions including Scream Park, Extreme Park and Wildlife Park. In addition, Sunway Lagoon has organized various Broadway-like musicals to much delight of its patrons.



Dec 2011

ANUGERAH PELANCONGAN NEGERI PERAK 2011

Kategori Produk Pelancongan Terbaik
By Tourism Malaysia Perak

Lost World of Tambun's efforts to boost Perak's tourism scene received recognition during the Anugerah Pelancongan Negeri Perak 2011 on 30th December 2011 which was organized by Tourism Malaysia Perak. The theme park was awarded with Kategori Produk Pelancongan Terbaik during the night.



Dec 2011

MALAYSIA TOURISM AWARD 2010/2011

Innovative Tourist Attraction - Man-Made Attraction/National Culture Heritage Identity (Merit Award)
By Ministry of Tourism Malaysia

Lost World of Tambun took home the Innovative Tourist Attraction - Man-Made Attraction/National Culture Heritage Identity (Merit Award) during the Malaysia Tourism Awards Night organized by Ministry Of Tourism Malaysia. The award was given in recognition of Lost World of Tambun's contribution to the local tourism activity with the addition of new rides and attractions. Two new attractions added in the year are the Tin Valley and Team Building Park.



MALAYSIA TOURISM AWARD 2010/2011

Innovative Shopping Outlet (Excellent Award)
By Ministry of Tourism Malaysia

Sunway Pyramid Shopping Mall was accorded the Innovative Shopping Outlet (Excellent Award) at the Malaysia Tourism Awards Night 2011 organised by the Ministry Of Tourism Malaysia. The award recognises shopping and retail outlets which supported efforts to make Malaysia an international shopping destination.



SOUTH EAST ASIA PROPERTY AWARDS 2011

- i. Sunway Vivaldi - Best Condominium Development (Malaysia)(Winner)
 - ii. Sunway Integrated Properties Sdn Bhd - Best Developer (Malaysia) (Highly Commended)
 - iii. Sunway Palazzio - Best Architectural Design Awards (South East Asia) (Highly Commended)
 - iv. Sunway Rymba Hills - Green Development Awards (South East Asia) (Highly Commended)
- By Ensign Media

Sunway Integrated Properties was feted at the inaugural South East Asia Property Awards 2011 held at Singapore's Hotel Fort Canning on 30th November 2011 bagging several awards. Sunway Vivaldi was awarded the winner of Best Condominium Development (Malaysia), while Sunway Palazzio and Sunway Rymba Hills were adjudged to be among the best developments in South East Asia in their respective categories by winning the Best Architectural Design Awards (South East Asia) and Green Development Awards (South East Asia) respectively. Sunway Integrated Properties Sdn Bhd was also named one of the Best Developers in Malaysia.



HOSPITALITY ASIA PLATINUM AWARDS (HAPA) 2011-2013

- i. HAPA Spa of the Year – Best 10 in Asia (Winner)
 - ii. HAPA Signature Luxury Resort – Best 10 in Asia (Platinum Winner)
 - iii. HAPA Signature Spa Experience – Best 10 in Asia (Platinum Winner)
 - iv. HAPA Best Housekeeping – Best 10 in Asia (Platinum Winner)
- By World Asia Publishing

Adding to its growing list of achievements, Banjaran Hot Springs Retreat took home multiple awards at the Hospitality Asia Platinum Awards. The awards included Spa of the Year, Signature Luxury Resort, Signature Spa Experience and Best Housekeeping.

Awards and Accolades



Nov 2011

NATIONAL ANNUAL CORPORATE REPORTING AWARDS (NACRA) 2011

- i. Sunway City Berhad - Industry Excellence Award (Properties, Hotels & Trusts)
- ii. Sunway Holdings Berhad - Industry Excellence Award (Construction & Infrastructure Projects Company)
- iii. Sunway Holdings Berhad - Platinum Award - Overall Best Designed Annual Report

By Bursa Malaysia Berhad, Malaysian Institute of Accountants and The Malaysian Institute of Certified Public Accountants (MICPA)

Sunway's commitment to promote greater standards in business and financial reporting through transparency and accountability was recognised during the National Annual Corporate Report Awards (NACRA) 2011.

Sunway City Berhad was awarded the Industry Excellence Awards in the category of Properties, Hotels & Trusts for the fifth consecutive year while Sunway Holdings Berhad clinched the Industry Excellence Awards under the Construction & Infrastructure Projects Company category for the second time. Sunway Holdings Berhad was also the proud recipient of the Platinum Award for Overall Best Designed Annual Report.



Oct 2011

MOST SUPPORTIVE SHOPPING MALL AWARD

By Malaysian Retailer-Chains Association (MRCA)

Sunway Pyramid won the "Most Supportive Shopping Mall" Award from MRCA for the 3rd time at MRCA's 19th Anniversary & Awards Banquet.

Founded in 1992, the Malaysian Retailer-Chains Association has more than 200 active members consisting of retail chain stores and operators, covering over 10,000 outlets throughout Malaysia.



Oct 2011

FIABCI MALAYSIA PROPERTY AWARD 2011

Best Resort Award

By International Real Estate Federation (FIABCI)

The Banjaran Hot Springs Retreat was acclaimed with the Best Resort Award at the prestigious FIABCI Malaysia Property Awards Ceremony. The FIABCI Malaysia Property Awards is the gold standard for distinguished developers and owners in the real estate industry. Winners of the FIABCI Malaysia Property Awards 2011 will have the opportunity to compete at the FIABCI International Prix d' Excellence Awards 2012.



Oct 2011

BEST OF MALAYSIA AWARDS 2011 -TRAVEL AWARDS BEST ATTRACTION - EXCELLENCE AWARDS

By Expatriate Lifestyle Magazine

After weeks of voting, Sunway Lagoon was announced winner of the prestigious 'Best Attraction - Excellence Award' at the 'Best of Malaysia Awards 2011 – Travel Awards' organized by Expatriate Lifestyle Magazine. The esteemed Best of Malaysia Awards 2011 – Travel Awards is an annual award that requires expatriates living in Malaysia to vote for their favorite places 'to see, eat, stay and enjoy'!

This win is the fourth for Sunway Lagoon. In 2007, Sunway Lagoon was named 'Best Outdoor Fun – Excellence Award'; 'Best Family Holiday / Resort – Excellence Award' in 2009 and 'Best Outdoor Fun – Winner ' in 2010.



Sep 2011

THE EDGE TOP PROPERTY DEVELOPER AWARDS

By The Edge

Sunway City maintained its position as one of the Top 10 Property Developers in Malaysia for the ninth consecutive year and Sunway City retained its third placing in the elite rankings of Malaysian developers for the fourth year in a row. The award was given based on several quantitative and qualitative elements which include financial performance, quality, value creation and innovation. In 2011, Sunway City improved its ranking on several qualitative attributes like product quality and expertise.



Sep 2011

MALAYSIAN BUSINESS - CIMA ENTERPRISE GOVERNANCE AWARD 2011

- i. Merit Award - Overall Category
- ii. Runner up - Green Initiative Category
- iii. Best Return to Shareholders

By Malaysian Business & CIMA

Sunway was honoured for its excellence in corporate governance at the 2011 Malaysian Business-Chartered Institute of Management Accountant (CIMA) Enterprise Governance Awards with a triple win. It was the only property-construction company recognized for its high level of corporate governance in three categories.



Jul 2011

MOST PROFITABLE COMPANY – PROPERTY AND REIT SECTOR

By The Edge Billion Ringgit Club 2011 Corporate Awards

Sunway City was recognised at the Edge Billion Ringgit Club Corporate Awards Gala Dinner 2011 as the most profitable company with highest return on equity over three years in the property and REIT sector.

Awards and Accolades



Jun 2011

ASIA'S BEST WATERPARK AWARD

By International Association of Amusement Parks and Attractions (IAAPA)

Sunway Lagoon Theme Park, as voted by the public across Asia, was awarded Asia's Best Waterpark Award by International Amusement Parks and Attractions Association (IAAPA). In the past, Sunway Lagoon Theme Park had also clinched the Asia's Best Attraction Award (Medium Category) for four (4) consecutive years from 2007 to 2010.



Jun 2011

ASIA PACIFIC PROPERTY AWARDS (APPA) 2011 IN ASSOCIATION WITH BLOOMBERG TELEVISION

- i. Sunway Vivaldi - Five Star Award for 2011 Condominium Category
 - ii. Sunway Rydgeway - Highly Commended Award for 2011 Development (Multiple Units) Category
- By International Property Awards

At the APPA 2011, two of Sunway's developments were celebrated for their achievements. Sunway Vivaldi received the Five-Star Award for 2011 Condominium Category while Sunway Rydgeway received the Highly-Commended Award for 2011 Development (Multiple Units) category.



Jun 2011

ASIA SUCCESS AWARD 2010/2011

Super Brand – The Best Preferred Leisure Destination Award
By Asia Success Inc.

Sunway Resort Hotel & Spa was the proud recipient of the SUPER BRAND – The Best Preferred Leisure Destination Award at Asia Success Award 2010/2011. The award introduced fascinating and successful brands to the consumers and the world at large, and recognised the crème de la crème of the branding world by awarding only the best businesses with the prestigious award.



May 2011

FIABCI PRIX D'EXCELLENCE AWARD 2011

Best Retail Category
By International Real Estate Federation (FIABCI)

Sunway Pyramid Shopping Mall emerged as winner of the highly regarded FIABCI Prix d'Excellence Award 2011 in the Retail Category at the Prix d'Excellence Awards ceremony held in Cyprus. Sunway Pyramid Shopping Mall had earlier won the 'Best Retail Development' at the FIABCI Malaysia Property Awards 2010 which qualified it for the world-level Prix d'Excellence. This is Sunway's second win at the Prix d'Excellence, having won the best Leisure Category through Sunway Lagoon Resort Hotel in 2002.



May 2011

BCI AWARDS 2011

Top Ten Property Developers in Malaysia
By BCI Asia Research Consultant

Sunway was ranked amongst the top ten property developers at the BCI Awards 2011. The BCI Awards acknowledges the top ten elite property developers in seven different Asian territories – Hong Kong SAR, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.



May 2011

SIMM-ARIBA PROCUREMENT EXCELLENCE AWARDS

Procurement Excellence Award - Company of the Year 2011
By Singapore Institute of Materials Management (SIMM) & Ariba

Pitted against shortlisted companies from Thailand, The Philippines and Malaysia, Sunway Group emerged as winner of the Procurement Excellence Award - Company of the Year 2011 at the SIMM-ARIBA Procurement Excellence Awards held in Resort World Sentosa, Singapore.

The initiative was launched by Singapore Institute of Materials Management (SIMM), a leading body for procurement, logistics and supply chain in Singapore; and Ariba, the world's leading provider of collaborative business commerce and procurement solutions headquartered in California, U.S.

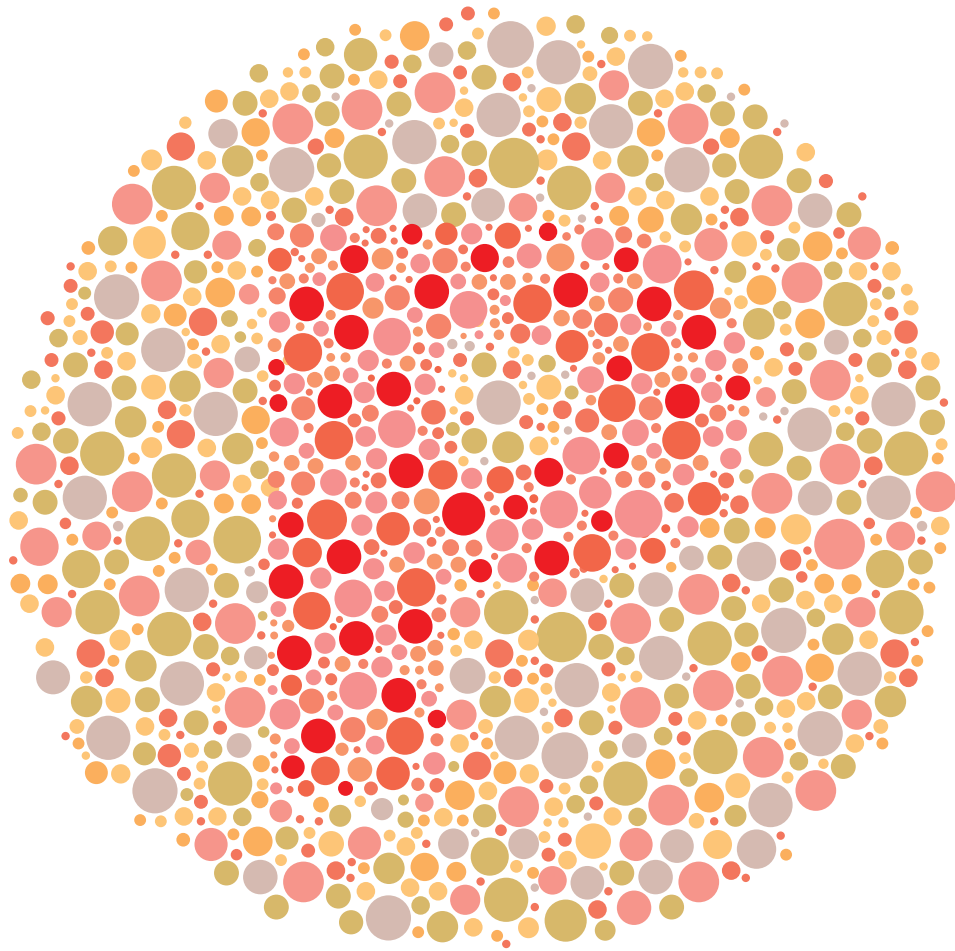


Mar 2011

EXPORT EXCELLENCE AWARD (SERVICES)

By Ministry of International Trade and Industry (MITI)

Sunway Construction was awarded the Export Excellence Award (Services) by Ministry of International Trade and Industry (MITI) which honours Malaysian companies for performing well in the global marketplace and their commitment and efforts in penetrating the export markets for their products and services.



PASSION
to excel and
be a good role model

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Share Performance



Dato' Chew Chee Kin
President

In this inaugural report to the shareholders of Sunway, I am pleased to report a strong performance by the Group in FY 2011. The most significant development during the year was the listing of Sunway on the Main Market of Bursa Malaysia Securities Berhad marking the successful completion of the merger between Sunway Holdings and Sunway City, and we look forward to moving ahead with our stronger business presence. The Group's financial performance in FY 2011 was anchored by robust results from our 2 core businesses – Integrated Properties and Construction. We achieved profit before tax of RM498.5 million and profit attributable to owners of the parent ("PATMI") of RM372.1 million.

President's Review

Integrated Properties

Property Development



Sunway's Property Development division achieved greater scale through the above-mentioned merger. Immediately post-merger, our total landbank was approximately 2,100 acres, with ongoing development projects in Malaysia, Singapore, China, Australia and India. The division achieved a strong performance in FY 2011 with RM2.0 billion worth of residential and commercial properties launched, and sales of RM1.9 billion.

We continued to consolidate our position as a leading Integrated Developer in Malaysia by replicating the success of the bustling Integrated Resort City in Bandar Sunway in projects such as Sunway Damansara, Sunway South Quay and Sunway City Ipoh. 2011 sales were primarily driven by projects within Integrated Developments, namely Sunway Nexis in Sunway Damansara and LaCosta in Sunway South Quay. Sunway Velocity, an Integrated Development located on 23 acres of freehold land in the vicinity of KLCC area, received strong interest from property buyers at its launch. The development has a Gross Development Value ("GDV") of RM3.6 billion, comprising retail lots, offices, serviced residences and a shopping mall. It is expected to be completed over the next 5-7 years and is expected to transform the Jalan Peel vicinity into a contemporary and vibrant region. Standalone developments in Malaysia, such as Sunway Vivaldi, also contributed to 2011 sales with increased take up during the year.

We have sought to diversify Sunway's geographic footprint in Malaysia through ongoing land bank replenishment. We completed the acquisition of 65 acres of land in Bukit Lenang, Johor in early FY 2011, establishing a presence in the Southern Region. In December 2011, we announced the signing of a Lease Purchase Agreement to acquire the leases over 691 acres of land in Medini Iskandar.

In Singapore, property sales of our joint venture with Hoi Hup were strong, with Miltonia Close and Arc@Tampines both enjoying take up rates of above 80%. Lake Vista, launched in November 2011, had a take up rate of 50% as at April 2012. Singapore contributed a total of RM770.0 million in effective sales to the Group for FY 2011.

Real Estate Investment Trust ("REIT")



As at 31 December 2011, we held a 36.8% effective stake in Sunway REIT. The investment properties under the REIT have performed well and collectively enjoyed positive rental reversion in FY2011, leading to a declared distribution per unit ("DPU") of 7.1sen for the year.

In 2011, Sunway REIT acquired Putra Place for RM 513.9 million through a public auction process. Putra Place is an integrated development comprising a retail mall, a hotel and an office tower. Plans are underway for the retail mall podium to undergo an extensive refurbishment in 2012, which will further increase its yield to the REIT.

President's Review

Property Investment



Sunway continues to directly hold and manage a number of properties, including the Sunway University campus, Monash University campus and Sunway Giza shopping mall. In FY 2011, our Property Investment division continued to build its portfolio of assets with the construction of the Pinnacle, Sunway Pyramid Phase 3 and the extension of Sunway University, which are all targeted for completion in the next 2-3 years. As of April 2012, construction works on the Sunway Velocity Shopping Mall has also commenced.

Hospitality



Our hospitality division performed commendably despite a turbulent year for tourism. Events such as the uprising in the Middle East, the tsunami in Japan, and the floods in Thailand resulted in room cancellations. However, Sunway Resort Hotel and Pyramid Tower Hotel managed to sustain their performance of the prior year, although, the Banjaran Hotsprings Retreat continued to incur gestation period losses.

There were two new additions to the division's portfolio during the year: the Lost World Hotel, a 3-star boutique hotel in Ipoh which complements our Lost World of Tambun theme park in Sunway City Ipoh, opened in April 2011, and the Sunway Putra Hotel in Kuala Lumpur came under the division's management in September 2011 subsequent to its acquisition by Sunway REIT.

Leisure



Our two theme parks proved to be resilient income generators with a total of over 1.5 million visitors in FY 2011. As part of our continued efforts to improve the experience for visitors, several new attractions were introduced, including Horrorwood Studios at Sunway Lagoon and Tin Valley and Teambuilding Park at Lost World of Tambun. Sunway Lagoon added vibrancy and diversity to the local entertainment scene, with its production of two West End-inspired musicals - Magical Musicals and Aladdin. The musicals generated ticket sales of over 50,000 during their respective runs at the Amphitheater and drew positive reviews from the media.

Construction



Construction is the other component of our unique dual core business model. The division achieved revenue of RM1.3 billion in 2011. We completed several high profile projects, namely, the Ministry of Housing and Local Government office tower, the Ministry of Women, Family and Community Development government building in Putrajaya and the Rihan Heights project in Abu Dhabi.

We had considerable success replenishing the construction order book in 2011, securing RM1.6 billion of new projects in Malaysia during the year and boosting the outstanding order book to RM2.8 billion as at 31 December 2011. While the order book comprises substantially of local projects secured through tenders and at competitive margins, we believe that we can enhance our margins through operational efficiency, rigorous cost monitoring and strategic central procurement of major construction materials.

Sunway has mitigated the adverse impact of raw material price volatility through our implementation of stringent risk management procedures. We will continue to remain vigilant and monitor material prices, taking appropriate proactive actions when necessary.

Our precast business in Singapore continues to grow from strength to strength. In 2011, we completed deliveries to three Housing Development Board's projects and secured rights to supply to three new projects, including Vacanza@East, Sunway's own development.

The precast business is an example of the synergies within Sunway as in-house products are used in most of our developments in Singapore. The high quality of our products has in turn assured buyers of the quality of our properties.

Driving Greater Synergies between Integrated Properties and Construction

We have developed and implemented two key initiatives to drive greater synergies from the Integrated Properties and Construction divisions. First, the formation of a property-construction committee, comprising key management from both divisions to drive property-construction collaboration. In the committee, the Construction division will contribute design and build expertise, provide project management optimization expertise and share costs database. Meanwhile, the Integrated Properties division will provide input on lifecycle management and from a marketing perspective. With the above contributions, both divisions can combine to create the most desired properties at the most competitive costs.

Second, the adoption of the Virtual Design and Construction ("VDC") tool, which enables stakeholders to communicate and visualize a project in 3-D format and be informed of the costs and time involved. VDC will enable alterations to be made to the project at the planning and design stage, reducing subsequent rectification and variation costs. This is a key value proposition of the property-construction collaboration as cooperation starts at an early stage. The pilot project for the collaboration between the 2 divisions under the VDC platform is currently ongoing with The Pinnacle.

President's Review

Strategic Investments

Sunway's Strategic Investments comprise established businesses which support and complement our core businesses of integrated properties and construction. They serve to diversify the growth and revenue streams of the Group.

Trading and Manufacturing



Our trading and manufacturing division continued its trajectory of strong growth in 2011 through the opening of new branches and addition of agency lines. The division now carries over 100 product lines, comprising agencies for prominent brands as well as our own-brand of products: Sunflex, Suntrak, Totalrubber and Sunguard. Our own-brand products complement the prominent brands marketed, and serves to diversify our portfolio.

We are present in 7 countries, have access to a wide network of customers and have established good working relationships with a range of reliable suppliers. We leverage this network to adopt a global sourcing approach, procuring best-in-class products from around the world and optimizing our foreign exchange position. The division continues to expand overseas, commencing manufacturing operations in China, and making inroads into the supply chain of local equipment manufacturers such as Sany and Chery.

Quarry and Building Materials



Despite delays in the implementation of the large scale infrastructure projects in Malaysia, our quarry and building materials division delivered a slight improvement in revenue and profits in FY2011.

In Malaysia, our quarry business is expected to perform better in 2012 with the rollout of the My Rapid Transit ("MRT") and Light Rail Transit ("LRT") projects, generating demand for aggregates.

In China, our spun pile business continues to gain traction, securing substantial market share in southern China. We obtained certifications from quality assurance agencies in Malaysia and Singapore in FY 2011, and are planning to expand our export sales and markets in the coming year.

Healthcare



Our healthcare division achieved a turnaround in its performance in FY2011, and welcomed a new Chief Executive Officer during the year. While the division's contribution to the Group remains relatively small, we view the healthcare business to be an essential value adding component to our Integrated Resort.

In line with Malaysian government's efforts to encourage medical tourism, we launched several initiatives to increase the number of foreign patients, including overseas roadshows in Indonesia, China and Bangladesh, and launching Sunfert IVF, a one stop center offering comprehensive fertility services that has been popular with foreign patients.

Corporate Development

The most significant corporate development during the year was the completion of the merger and the listing of Sunway. Whilst the benefits of the merger have been well articulated, we would also like to highlight some of the efforts expensed in enabling the merger to take place

The Group had undertaken a series of key initiatives to improve the competitive position of the merged entity and to capture synergies across the Group. We defined the Group's strategy and business model moving forward, restructured and streamlined internal controls and procedures for key corporate functions, designed the new organizational structure in line with our business needs, refined the Key Performance Indicator-based remuneration scheme for Senior Management, and conducted a talent stock-take exercise on executives to achieve better matching of internal opportunities with employees' skills and development plans. In addition, an international firm of management consultants, Bain & Co, had been appointed to advise us on some of the initiatives mentioned above.

I would like to take this opportunity to thank the entire team in Sunway who had worked tirelessly towards ensuring the successful merger of the two predecessor entities.

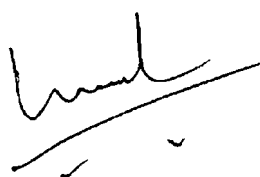
Outlook and Prospects

The operating environment in 2011 was challenging, with several natural disasters and the beginning of the financial crisis in Europe which led to volatility in global financial markets. In addition, policy changes were implemented in Malaysia, China and Singapore which dampened demand for properties. The outlook for the property sector in 2012 is mixed: some predict a gloomy outlook, while others forecast a recovery on the back of demand from home buyers, supported by a low interest rate environment over the next few years.

At Sunway, we subscribe to the latter view. While we are cognizant of challenges in the property sector, we believe that we can continue to achieve revenue growth by delivering the right type of products required by the market in terms of size, price, design and location. We have targeted new launches in 2012 of RM2.0 billion, with most of the launches comprising mid- to high-end properties in good locations.

The outlook for the construction industry is more favourable. In Malaysia, infrastructure projects, such as the MRT project, are expected to be a significant driver of industry demand. The MRT project is the single largest construction project undertaken in the country, and its multiplier effects are expected to extend to adjacent industries such as quarry and building materials. The majority of works for the MRT project are expected to be awarded within the year.

We believe that the FY2012 will present significant opportunities for the Group to secure new sales and to build our order book. With our stronger competitive position post-merger, we are well-positioned to capture these opportunities.



Dato' Chew Chee Kin
President

Financial Highlights

	Financial Year Ended		Quarter Ended			
	2011 RM'000	2010 RM'000	31 Mar 2011 RM'000	30 Jun 2011 RM'000	30 Sep 2011 RM'000	31 Dec 2011 RM'000
OPERATING RESULTS						
Revenue	3,691,712	3,102,129	833,711	1,002,565	934,031	968,606
Profit before tax	498,533	715,949	79,219	147,007	90,736	190,084
Income tax	(86,090)	277,710	9,702	(30,690)	(18,723)	(59,123)
Profit net of tax	412,443	993,659	88,921	116,317	72,013	130,961
Non-controlling interests	40,387	309,235	20,632	7,902	2,789	7,175
Profit attributable to owners of the parent	372,056	684,424	68,289	108,415	69,224	123,786
KEY BALANCE SHEET DATA						
Property, plant and equipment	960,567	928,268	948,639	957,881	972,137	1,014,503
Biological assets	416	461	435	270	291	401
Investment properties	888,896	726,146	752,294	768,352	785,573	865,513
Rock reserves	8,379	9,314	9,080	8,847	8,613	8,379
Land held for property development	1,017,292	533,187	535,715	629,724	661,315	942,691
Investments in associates and jointly controlled entities	1,281,199	1,241,817	1,435,513	1,487,580	1,502,586	1,508,233
Goodwill	326,497	329,230	330,095	330,105	330,095	325,345
Deferred tax assets	33,308	40,194	39,833	42,429	41,662	44,333
Trade receivables	7,013	9,935	17,634	18,011	13,456	13,941
Derivatives	33,600	-	-	-	30,652	33,565
Other investments	1,849	12,647	1,765	1,797	1,773	19,358
Current assets	3,284,612	3,149,317	3,157,849	3,209,478	3,310,140	3,039,140
Total assets	7,843,628	6,980,516	7,228,852	7,454,474	7,658,293	7,815,402
Current liabilities	2,353,440	1,962,087	2,196,165	2,293,336	2,242,251	2,259,837
Long term borrowings	1,934,472	903,993	1,678,295	1,662,981	1,886,652	1,962,993
Long term liabilities	154,686	140,709	193,770	196,866	202,344	179,789
Deferred tax liabilities	89,049	73,334	80,766	83,869	83,167	98,164
Derivatives	182	1,754	1,204	662	1,021	182
Total liabilities	4,531,829	3,081,877	4,150,200	4,237,714	4,415,435	4,500,965
Total equity	3,311,799	3,898,639	3,078,652	3,216,760	3,242,858	3,314,437
Non-controlling interests	326,366	380,700	397,336	418,529	425,224	331,158
Shareholders' equity	2,985,433	3,517,939	2,681,316	2,798,231	2,817,634	2,983,279
FINANCIAL RATIOS						
Profit / (loss) before tax to revenue (%)	13.50%	23.08%	9.50%	14.66%	9.71%	19.62%
Basic earnings / (loss) per share (sen)	28.79	52.95 ¹	5.28	8.39	5.36	9.58
Diluted earnings / (loss) per share (sen)	28.79	52.95 ¹	5.28	8.39	5.36	9.58
Closing share price as at end of period (RM)	2.55	N/A	N/A	N/A	1.89	2.55
Price-earning ratio (times)	8.86	N/A	N/A	N/A	N/A	N/A
Return on capital employed (ROCE) (%)	10.54%	16.04%	N/A	N/A	N/A	N/A
Return on equity (ROE) (%)	12.46%	19.46%	N/A	N/A	N/A	N/A
Net gearing ratio (times)	0.49	0.15	0.50	0.46	0.46	0.50
Net tangible assets per share (sen)	205.07	245.99 ¹	181.21	190.27	191.79	204.99
Net assets per share (sen)	230.98	272.18 ¹	207.45	216.50	218.00	230.81
Share capital ('000)	1,292,505	# ¹	1,292,505	1,292,505	1,292,505	1,292,505

¹ Number of shares as at 31 December 2010 is 2 ordinary shares of RM1.00 each. However, for meaningful analysis, the calculation for earnings per share, net tangible assets per share and net assets per share for FYE 2010 is based on number of shares of Sunway as at its listing date on 23 August 2011.

Segmental Performance



INTEGRATED PROPERTIES

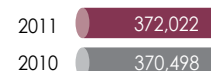
REVENUE
RM'000
1,433,426

PROFIT BEFORE TAX
RM'000
372,022

REVENUE



PROFIT BEFORE TAX



CONSTRUCTION

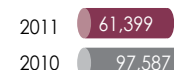
REVENUE
RM'000
1,220,958

PROFIT BEFORE TAX
RM'000
61,399

REVENUE



PROFIT BEFORE TAX



STRATEGIC INVESTMENTS

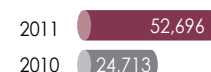
REVENUE
RM'000
1,025,952

PROFIT BEFORE TAX
RM'000
52,696

REVENUE

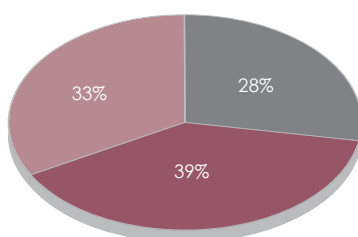


PROFIT BEFORE TAX

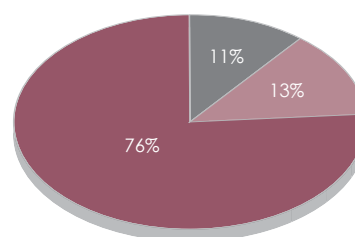


● 2011
● 2010

REVENUE 2011 (RM'000)



PROFIT BEFORE TAX 2011 (RM'000)



● Integrated Property ● Construction ● Strategic Investments



Chong Chang Choong
Chief Financial Officer

Sunway was listed on 23 August 2011 following the successful completion of the merger between Sunway Holdings and Sunway City. Under the merger method of accounting adopted by the enlarged Sunway Group, the financial results were prepared on a combined basis of the two predecessor entities from the beginning of the financial year irrespective of the fact that the merger was only completed in August. The comparative figures of the prior year were also prepared on a combined basis.

Chief Financial Officer's Review

Key Financial Highlights for Financial Year 2011 ("FY 2011")

- 19% growth in revenue.
- Core PATMI Margin sustained at 9%.
- Core PATMI increased by 14%.

Group Financial Review

RM'million	FYE2011	FYE2010
Revenue	3,691.7	3,102.1
Profit before tax ("PBT")	498.5	715.9
*Core PBT	445.7	451.0
Profit attributable to owners of the parent ("PATMI")	372.1	684.4
*Core PATMI	327.1	286.2
PBT Margin	14%	23%
*Core PBT Margin	12%	15%
PATMI Margin	10%	22%
*Core PATMI Margin	9%	9%
Basic Earnings Per Share	28.8	53.0
Basic Core Earnings Per Share	25.3	22.1

* Sunway's core PBT and PATMI excludes non-operational items like listing and merger expenses, fair value gains from associate and investment properties, unrealised gain or loss on derivatives, unrealised foreign exchange gain or loss and reversal of taxation.

The Group recorded revenue of RM3.7 billion and profit before tax of RM498.5 million as compared to the revenue of RM3.1 billion and profit before tax of RM715.9 million in the prior year. The strong revenue growth was mainly due to higher property sales, improved construction revenue and stronger trading and manufacturing turnover.

However, profit before tax for FY2011 was much lower than prior year. This was mainly due to the one-off gains of RM249.6 million from the disposal of property investment assets to Sunway Real Estate Investment Trust ("Sunway REIT"), which was included in the prior year figure.

After taking this adjustment into consideration, the profit before tax in FY 2011 was 7% higher as compared to the prior year. However, the core PBT margin was lower but the core PATMI margin was sustained. The various segmental reviews which follow will provide a more detailed analysis.

Integrated Properties

Property Development

The property development segment reported revenue of RM915.8 million and core profit before tax of RM222.6 million for the financial year ended 31 December 2011 (2010: RM623.0 million and RM189.4 million). This represented a growth of 47% and 18% for revenue and core profit before tax respectively compared to the previous financial period.

Despite the significant growth in revenue, overall profitability was dampened by the provisions of RM9.0 million made for the Jiangyin project in China due to construction delays and cost overrun. The lower profit growth was also due to the change in the property product mix and higher promotional expenditure incurred.

Chief Financial Officer's Review

Nevertheless, strong sales from Malaysia and Singapore helped the Group achieve overall property sales of RM1.9 billion in 2011 and boosted unbilled property sales to RM2.2 billion. Approximately 50% of the unbilled sales were contributed by developments in Malaysia, 40% stemmed from developments in Singapore, with the remaining 10% from developments in China and India.

Property Investment

In addition to property investment assets, this reporting segment also included contributions from Sunway REIT and the leisure and hospitality units. The segment reported revenue of RM517.6 million and core profit before tax of RM149.4 million for the financial year ended 31 December 2011 (2010: RM546.8 million and RM181.1 million). Note that the prior year comparatives of FY 2010 are core figures and had already excluded the one-off gains from the disposal of property investment assets to Sunway REIT, mentioned earlier in the review.

The lower revenue and profit before tax in FY 2011 was mainly due to the divestment of several key property investment assets to Sunway REIT in July 2010. While the Group still retains some ownership of the properties via Sunway REIT, the effective ownership stake was reduced when the REIT was listed.

The management fees and share of profits from Sunway REIT contributed approximately 53%, while the leisure and hospitality units added 31% to the overall profitability of the property investment segment. The remaining 16% contribution came from property investment assets.

Construction

The construction segment registered revenue of RM1.2 billion and core profit before tax of RM61.4 million for the financial year ended 31 December 2011 (2010: RM1.0 billion and RM97.6 million).

While the segment's revenue for the year was 22% higher than that of the previous year, profit before tax was reduced by approximately 37%. This was largely due to provisions made for the overseas operations of approximately RM23.0 million in respect of impairment of plant and machinery for our operations in China and provision made for rectification of defect works for Rihan Heights projects in Abu Dhabi.

Going forward, construction will continue to remain a key earnings driver for the Group. The success of securing RM1.6 billion of new contracts in 2011 has boosted the outstanding order book to approximately RM2.8 billion as at 31 December 2011. With the government's commitment to roll out several key infrastructure projects, our construction arm is well positioned to capitalise on such opportunities.

Strategic Investments

Besides our core Integrated Properties and Construction divisions, other businesses come under our Strategic Investments and include the trading and manufacturing, quarry and building materials and healthcare businesses. They provide adjacent synergies to our existing core businesses and contribute to the Group's profitability.

Trading and Manufacturing

The trading and manufacturing segment had another record year, growing revenue by 15% and core profit before tax by 35% to RM553.2 million and RM46.3 million respectively (2010: RM481.5 million and RM34.2 million). Overseas operations in Singapore, Indonesia, China and Australia continued to experience high growth and now comprise approximately 70% of the segment's profit before tax. Domestically, the heavy equipment sub-division had also performed well.

Quarry and Building Materials

In a relatively quiet 2011 due to delays in the implementation of large scale infrastructure projects in Malaysia, the quarry segment reported revenue of RM184.5 million and core profit before tax of RM8.0 million (2010: RM179.1 million and RM7.9 million). The Malaysian and Trinidad and Tobago operations achieved slightly improved profit before tax although this was offset by the losses suffered by the Vietnam quarries. The roll out of the MRT, LRT and other major infrastructure jobs in 2012 is expected to benefit our quarry business.

Meanwhile, the building materials segment, recorded a revenue of RM127.2 million and core loss before tax of RM2.7 million (2010: RM115.9 million and loss of RM15.0 million) during the year, largely due to losses suffered by its operations in China.

Healthcare

The healthcare segment registered revenue of RM161.1 million and core profit before tax of RM1.3 million during the year (2010: RM138.6 million and loss of RM2.4 million). Although the profit is not substantial, it represented an

important turnaround for the business which had been loss-making for several years. The new management team is confident of sustained improvement as it moves forward.

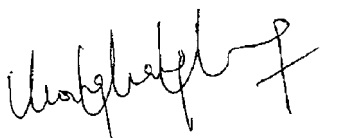
Group Capital Structure

RM'million	FYE2011	FYE2010
Shareholders' Fund	2,985.4	3,517.9
Gross Borrowings	2,253.7	1,405.8
Cash	776.7	868.5
Net Borrowings	1,477.0	537.3
Gross Gearing (times)	0.8	0.4
Net Gearing (times)	0.5	0.2
Net Assets Per Share (RM)	2.31	2.72

Following the merger, the shareholders' fund of Sunway was RM3.0 billion as at 31 December 2011, as compared to the two predecessor entities' combined shareholders' funds of RM3.5 billion. The lower shareholders' fund was mainly due to the 20% capital repayment of approximately RM900.0 million which were paid as part of the merger consideration. However, the reduction of the shareholders' fund was mitigated by the earnings generated and retained during FY 2011.

The capital repayment was financed by bank borrowings which boosted both the gross and net borrowings in 2011. As a result, the

net gearing also went up from 0.2 times to 0.5 times of shareholders' fund. Although the gearing level had increased, it was still within the prudential limit based on the sustainable recurring cash flow of the group.



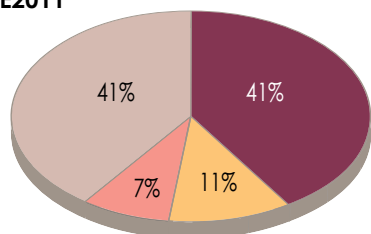
Chong Chang Choong
Chief Financial Officer

Value Added Statement

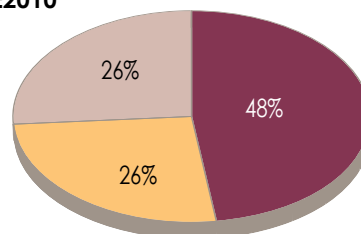
	FYE2011 RM'000	FYE2010 RM'000
Value Added		
Total revenue	3,691,712	3,102,129
Purchases of goods and services	(2,792,539)	(2,040,989)
Value Added by the Group	899,173	1,061,140
Share of profits of associates	99,689	73,152
Share of profits of jointly controlled entities	85,949	126,180
Net gain on revaluation of investment properties	50,273	61,527
Total Value Added	1,135,084	1,321,999
Reconciliation:		
Profit for the year	372,056	684,424
Add: Depreciation and amortisation	93,680	79,255
Finance costs	80,943	101,131
Staff costs	461,928	425,664
Taxation	86,090	(277,710)
Minority interests	40,387	309,235
Total Value Added	1,135,084	1,321,999
Value Distributed		
Employees		
Salaries and other staff costs	461,928	425,664
Government		
Corporate taxation	86,090	(277,710)
Providers of capital		
Finance costs	80,943	101,131
Minority interests	40,387	309,235
Reinvestment and growth		
Depreciation and amortisation	93,680	79,255
Income retained by the Group	372,056	684,424
Total Distributed	1,135,084	1,321,999

Value Distributed

FYE2011



FYE2010



Employees

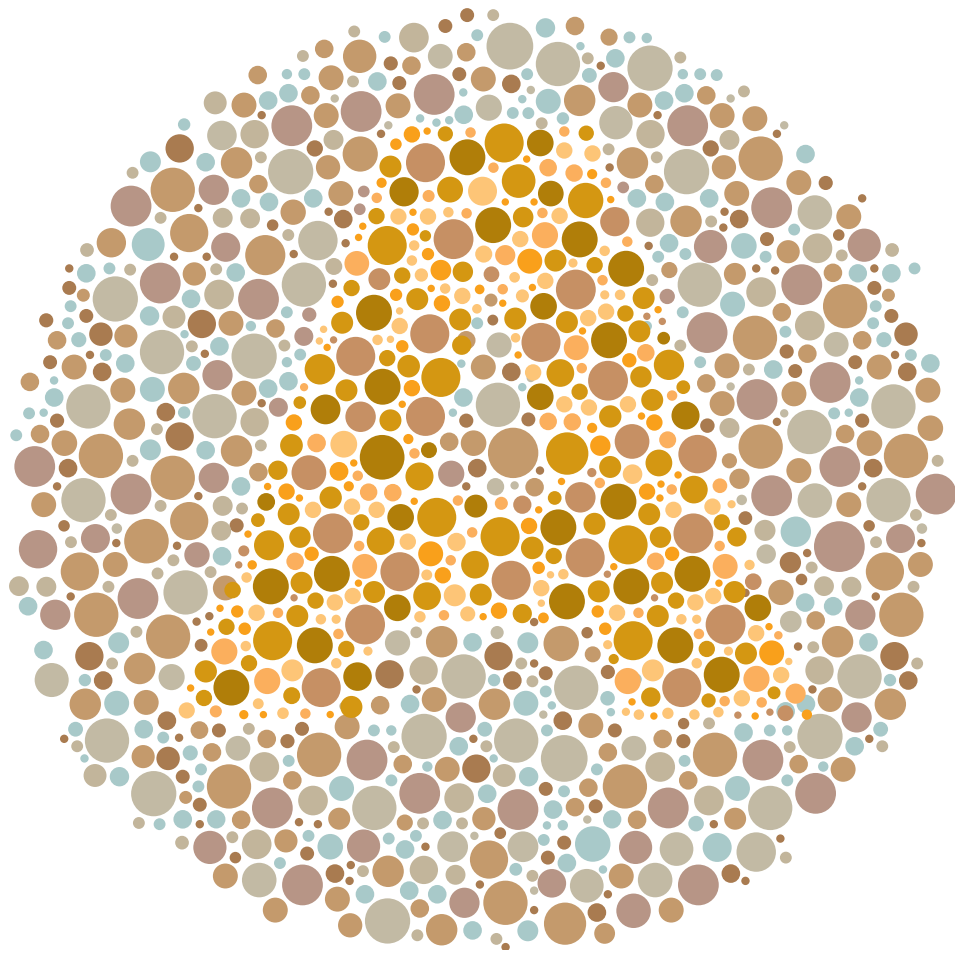
Reinvestment and
growthProviders of
capital

Government

Share Performance



	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
Sunway Closing Price (RM)	2.25	1.89	2.33	2.36	2.55
Monthly Trading Volume ('mil)	22	36	23	14	11
FTSE Bursa Malaysia KLCI Index*	1,447	1,387	1,492	1,472	1,531
Burse Malaysia Property Index	946	871	966	956	1,000



ACKNOWLEDGE

innovation and
reward initiative

EXEMPLARY LEADERSHIP

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Profile of Board of Directors

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Profile of Senior Management



Tan Sri Dato' Seri Dr Jeffrey
Cheah Fook Ling, AO
Executive Chairman,
Non-Independent Executive Director
Malaysian

Photo Courtesy of Millionaireasia

Profile of Board of Directors

Tan Sri Jeffrey Cheah, aged 67, is the Founder and Executive Chairman of Sunway Group. A business graduate of Victoria University in Melbourne, Australia, he began his career as an accountant at a motor assembly plant in Malaysia. In 1974, he founded and started Sunway Group.

Tan Sri Jeffrey Cheah has been conferred 8 honorary doctorates by leading universities worldwide. In 2007, he established the eponymous "Jeffrey Cheah Foundation" and in 2009, he transferred the entire ownership of Sunway Education Group Sdn Bhd together with its subsidiaries worth more than RM700 million to HSBC (Malaysia) Trustee Berhad, which holds in trust for the Jeffrey Cheah Foundation. Sunway Education Group Sdn Bhd comprises, inter alia, Sunway University, Sunway College, Monash University Sunway Campus, Jeffrey Cheah School of Medicine and Health Sciences and Sunway International School. Jeffrey Cheah Foundation was officially launched by the Prime Minister of Malaysia on 18 March 2010 in the presence of the Foundation's patron, His Royal Highness Sultan of Selangor. Besides transferring all his shares of the educational institutions to the Jeffrey Cheah Foundation, he further contributed RM20 million to the Foundation.

Tan Sri Jeffrey Cheah was appointed to Malaysia's education panel to review the nation's education system in December 2011 by the Deputy Prime Minister. He is a Member of the Board of Trustees of Mahathir Science Award Foundation, Razak School of Government and Perdana Leadership Foundation. He is among Malaysia's leading givers who made Forbes Asia's Heroes of Philanthropy list 2009.

In 2008, Tan Sri Jeffrey Cheah was appointed Officer of the Order of Australia ("AO") by the Prime Minister of Australia. AO is one of Australia's most prestigious and highly regarded awards conferred to a non-citizen of Australia. In the same year, he was appointed Chairman of Malaysia Crime Prevention Foundation (MCPF) Selangor Chapter by the Minister of Unity, Culture, Arts and Heritage. He is also the Chairman and Co-Founder of Asian Strategy & Leadership Institute.

Other achievements and appointments of Tan Sri Jeffrey Cheah include:-

2007

- Monash University School of Medicine and Health Sciences was named after Tan Sri Jeffrey Cheah in appreciation of his contribution to Monash University Sunway Campus and Malaysia-Australia bilateral ties.

2006

- His Royal Highness Sultan of Selangor installed him as the Foundation Chancellor of Sunway University.

2002

- Deputy President of National Kidney Foundation of Malaysia.
- First non-Malay Honorary Member of Kuala Lumpur Malay Chamber of Commerce.

1999

- Founding Trustee of Malaysian Liver Foundation.

1997

- President of Malaysian Hakka Association (until 2004).
- Council Member of Financial Reporting Foundation.

1996

- Appointed by the Minister of Education to the Higher Education Council of Malaysia.
- Appointed Chairman of Malaysian Industry-Government Group for High Technology for Construction and Housing.
- EXCO Member of Malaysian Tourism Action Council.

1990

- Appointed Director of National Productivity Centre.

Other awards bestowed upon Tan Sri Jeffrey Cheah include Property Man of the Year (Malaysia) in 1993, CEO of the Year (Malaysia) in 1996, Paul Harris Fellow Award in 2002 and Asia's Most Innovative Chinese Entrepreneur Award in 2005.

Tan Sri Jeffrey Cheah was appointed to the Board of Sunway on 22 November 2010 and he also serves as a Member of the Remuneration Committee.

His directorships in other public companies are Sunway Medical Centre Berhad, ASLI Foundation, Jeffrey Cheah Foundation, Mahathir Science Award Foundation, Razak School of Government and Perdana Leadership Foundation.

Profile of Board of Directors



DATUK SERI RAZMAN M HASHIM
Deputy Executive Chairman,
Non-Independent Executive Director
Malaysian

Datuk Seri Razman, aged 73, completed his early secondary education in Australia. He studied banking where he became a Member of Australian Institute of Bankers. He has more than 39 years of experience in the banking industry.

Upon his return to Malaysia, Datuk Seri Razman joined Standard Chartered Bank Malaysia Berhad as an Officer Trainee in 1964. Throughout his 34 years of banking experience in Standard Chartered Bank Malaysia Berhad, he served with the bank's office in London, Europe, Hong Kong and Singapore. In 1994, he was appointed as Executive Director/Deputy Chief Executive of Standard Chartered Bank Malaysia Berhad until his retirement in June 1999. In the same month in 1999, he was appointed as Chairman of MBF Finance Berhad by Bank Negara Malaysia as its nominee until January 2002 when the finance company was sold to Arab-Malaysian Group.

Datuk Seri Razman was appointed to the Board of Sunway on 17 June 2011.

His directorships in other public companies are Sunway Medical Centre Berhad, Sunway International Vacation Club Berhad, ASLI Foundation, Jeffrey Cheah Foundation, SILK Holdings Berhad, Multi-Purpose Holdings Berhad, Berjaya Land Berhad, MAA Group Berhad, Malaysian Assurance Alliance Berhad and MAA Takaful Berhad. He is the Alternate Trustee to Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling in Perdana Leadership Foundation.



DATO' CHEW CHEE KIN
President,
Non-Independent Executive Director
Malaysian

Dato' Chew, aged 67, graduated with a Bachelor of Economics (Honours) Degree from University of Malaya in 1974. He had attended the Program in Management Development at Harvard Business School in 1980.

Dato' 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 Sunway Group in 1981 as the Group General Manager (Operations) and was promoted to Deputy Group Managing Director (Operations) in 1989. In 1995, he was promoted to Group Managing Director and to President in 1999. He has more than 30 years' experience in general management, quarrying, construction, building materials, trading and manufacturing businesses.

Dato' Chew was appointed to the Board of Sunway on 17 June 2011.

His directorship in other public company is Gopeng Berhad.



SARENA CHEAH YEAP TI H
Executive Director,
Non-Independent Executive Director
Malaysian

Ms Sarena Cheah, aged 38, graduated from University of Western Australia with a Bachelor of Commerce (Accounting and Finance) Degree in 1994. She also obtained a Master Degree in Business Administration from Melbourne Business School in 2001.

Ms Sarena Cheah has been with Sunway Group since 1995, starting her career in the Corporate Finance and Group Internal Audit divisions. In 2000, she left to pursue her Master Degree in Business Administration at Melbourne Business School. Upon her return, she joined the Education and Healthcare divisions as Business Development Manager. In 2003, she rejoined the Corporate Finance division to lead the asset-backed securitisation exercise for Sunway City Berhad, which was delisted from Bursa Malaysia Securities Berhad and converted to a private limited company in 2011. In 2006, she became the Sales & Marketing General Manager in the Property Development division before holding the position as the Director of Strategy & Corporate Development in 2009. She assumed her current position as the Executive Director of Strategy & Corporate Development in August 2011.

Ms Sarena Cheah was appointed to the Board of Sunway on 18 November 2010 and she also serves as a Member of the Risk Management Committee.

Her directorships in other public companies are SunReit Capital Berhad, SunReit Unrated Bond Berhad (formerly known as Mega Revenue Sdn Bhd), Sunway Lagoon Club Berhad and she is the Alternate Director to Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling in Sunway Medical Centre Berhad.



DATUK LOW SENG KUAN
Independent Non-Executive Director
Malaysian

Datuk Low, aged 66, is a Chartered Accountant by profession and a Member of Malaysian Institute of Accountants. He graduated from Footscray Institute of Technology (Victoria University) in Business Studies (Accountancy) in 1969 and Royal Melbourne Institute of Technology (RMIT) in Industrial Accountancy in 1971.

In 1973, Datuk Low began his career as an Accountant in Malaysian Sheet Glass Sdn Bhd and was the Managing Director before he retired in March 2010. He was the President of Federation of Malaysian Manufacturers from 1996 to 1999 and he is currently the Vice-President. He had served as a Member of National Economic Action Council, National Economic Consultative Council II, Malaysian Industrial Development Authority and Malaysian Institute of Economic Research.

Currently, Datuk Low is the President of Transparency International Malaysia, an independent, non-governmental and non-partisan organisation committed to fight against corruption.

Datuk Low was appointed to the Board of Sunway on 17 June 2011 and he also serves as Chairman of the Audit Committee as well as a Member of the Remuneration and Nomination Committees.

His directorship in other public company is Pos Malaysia Berhad.

Profile of Board of Directors



WONG CHIN MUN

Independent Non-Executive Director
Malaysian

Mr Wong, aged 68, graduated with Bachelor of Business (Accounting) Degree and Bachelor of Business (Secretarial Administration) Degree from Curtin University, Australia in 1972. He is a Fellow of Australian Society of Certified Practising Accountants. He is also a Member of Malaysian Institute of Accountants. He had attended the Senior Executives Program at International Management Imede Development at Lausanne, Switzerland in 1982. He also attended JUSE International Program for Total Quality Control for Top Management in Tokyo by Japanese Union of Scientists and Engineers in 1993. He is a certified senior coach and trainer of Vistage International of U.S.

Mr Wong worked as the Financial Controller/Company Secretary in Yeo Heap Seng Bhd from 1974 to 1975. He then joined Nylex (Malaysia) Berhad ("Nylex") as the Financial Controller/Company Secretary in January 1976 and became the first local General Manager/Director of Nylex in 1980. He was promoted to the position of Managing Director in 1985 and left Nylex at the end of June 1994 to found TEC Asia Centre, an international organisation which aims to help chief executive officers manage change and grow their businesses.

Mr Wong had served on the National Export Council under the Ministry of International Trade & Industry from 1989 to 1992. He also served on the Board of Trustees of Malaysian Rubber Export Promotion Council from 2000 to 2002. Currently, he is a Council Member of Federation of Malaysian Manufacturers and the Chairman of Building Committee.

Mr Wong was appointed to the Board of Sunway on 17 June 2011 and he also serves as Chairman of the Risk Management and Remuneration Committees as well as a Member of the Audit and Nomination Committees.

His directorship in other public company is Kind Holdings Berhad.



LIM SWE GUAN

Independent Non-Executive Director
Singaporean

Mr Lim, aged 58, holds a Bachelor of Science (Estate Management) Second Class Honours Degree from University of Singapore and a Master of Business Administration from Darden School of Business, University of Virginia, United States of America. He is a Chartered Financial Analyst and a Member of Chartered Financial Analyst Institute. Among his achievements were the gold medals won from Singapore Institute of Valuers and Singapore Institute of Surveyors.

Mr Lim started his career as a Land Officer in Urban Redevelopment Authority of Singapore in 1979. He was a Director of Jones Lang Wootton Australia from 1989 to 1995 and a Portfolio Manager, Property Division in Suncorp Investment Management in 1995. He joined GIC Real Estate Pte Ltd in 1997 and was the Managing Director of GIC Real Estate Pte Ltd, the real estate investment arm of Government of Singapore Investment Corporation Pte Ltd before retiring on 18 February 2011.

Mr Lim was appointed to the Board of Sunway on 17 June 2011 and he also serves as Chairman of the Nomination Committee as well as a Member of the Audit and Remuneration Committees.

He has no directorship in other public companies in Malaysia.

NOTES:**1. Family Relationship with Director and/or Major Shareholder**

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling who is the Executive Chairman and major shareholder of Sunway, is the father of Sarena Cheah Yean Tih, the Executive Director.

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

2. Conflict of Interest

(a) Dato' Chew Chee Kin is a Director and shareholder of Sunway. He is also a Director and shareholder of Sunway Global Limited, whose principal activities are investment holding and provision of management services. Sunway Global Limited is a 98.8% owned subsidiary of Sunway Holdings Sdn Bhd, which in turn is a wholly-owned subsidiary of Sunway.

(b) Datuk Seri Razman M Hashim is a Director of Berjaya Land Berhad and its subsidiaries, Selat Makmur Sdn Bhd and FEAB Properties Sdn Bhd, whose principal activities are similar to Sunway Group, which include property development and investment holding.

(c) Sarena Cheah Yean Tih's spouse, Tan Yit Chong is a Director and major shareholder of Gasing Meridien Sdn Bhd, whose principal activity is property development, which is similar to the main principal activity of Sunway Group.

Save as disclosed above, none of the other Directors has any conflict of interest with Sunway Group.

3. Conviction for Offences

None of the Directors has any conviction for offences within the past 10 years other than traffic offences, if any.

4. Attendance of Board Meetings

The attendance of the Directors at Board Meetings held during the financial year ended 31 December 2011 is disclosed in the Corporate Governance Statement.

Profile of Senior Management

CORPORATE SERVICES



CHONG CHANG CHOONG

Chief Financial Officer

Bachelor of Arts (Honours) in Economics and Accounting,
University of Newcastle Upon Tyne, England

In 1980, Mr Chong started his career as an Article Clerk in Robson Rhodes, a chartered accountant firm in London. He returned to Malaysia in 1984 and he was a Corporate Banking Officer with Bumiputera Merchant Bankers Bhd. Subsequently, he held various positions in different financial institutions, including John Hancock Life Insurance Berhad and DMG K&N Kenanga Berhad. His last position prior to joining Sunway Group was the General Manager - Investments of Public Mutual Berhad from 1995 to 2004. Under his guidance, Public Mutual Berhad won numerous fund management awards.

Mr Chong joined Sunway Group as the Director of Group Corporate Affairs on 1 December 2010 and he is responsible for overseeing the corporate finance and treasury functions. Upon the listing of Sunway, he was redesignated to Chief Financial Officer of Sunway.

Mr Chong is a Member of Institute of Chartered Accountant in England and Wales and he has more than 20 years of experience in banking, stockbroking, corporate finance and portfolio fund management.



LARRY YAP CHIN LEONG

Executive Director – Corporate Services

Bachelor of Science Degree in
Mechanical Engineering,
University of Leeds;
Masters in Management,
Imperial College, London

Mr Larry Yap joined the Corporate Planning division of Sunway Group in 1982, subsequently serving as the Profit Centre Manager for the concrete, quarry and piling businesses from 1989, 1994 and 1999 respectively. During his tenure at the concrete company, Sun-Mix Concrete Sdn Bhd, he also served as Chairman of National Ready-mixed Concrete Association of Malaysia. Under his helm, Sun-Mix Concrete Sdn Bhd became the first in the ready-mixed industry to obtain ISO 9002 certification.

His vast experience enabled Mr Larry Yap to lead the Human Resources function for Sunway Group, which earned 6th place for the Asia Pacific Region Top Companies for Leaders 2007 global survey (conducted by Hewitt Associates in collaboration with Fortune magazine and the RBL Group). He has been invited to speak at various conferences and seminars on topics relating to human resources, talent management and development, and succession planning.

Mr Larry Yap has more than 30 years of experience with Sunway Group covering the areas of corporate planning, finance, information technology and human resources.

CONSTRUCTION DIVISION



DATO' TAN KIA LOKE

Senior Managing Director – Construction Division
Bachelor of Science (Hon) Degree in Civil Engineering,
University of Strathclyde, United Kingdom

In 1971, Dato' Tan started his career as a Technical Assistant in the Drainage & Irrigation Department, Malaysia. He then worked as a Design Engineer in Esa Perunding from 1978 to 1981 prior to joining Sunway Construction Sdn Bhd in 1981 as Project Manager to spearhead the formation of the construction arm of Sunway Group.

Dato' Tan is a registered professional engineer with the Board of Engineers, Malaysia, a Fellow of Institute of Engineers, Malaysia and Honorary Advisor of Master Builders Association of Malaysia. He was awarded Chief Executive Officer of the Year 2006 by Malaysian Construction Industry Excellence Awards. He has more than 30 years' experience in the construction industry.

Dato' Tan is currently a Board Member of Construction Industry Development Board and The Malaysian Property Incorporated, a government company formed to promote the marketing of Malaysian properties overseas.

KWAN FOH KWAI

Managing Director – Construction Division
Bachelor of Engineering (Civil) (Honours) Degree,
University Malaya

Mr Kwan began his career as a Contract Engineer in 1977 with the Department of Public Works, Ministry of Works for 3 years and was attached to the East-West Highway project. In 1980, he moved to Promet Construction Sdn Bhd as its Site Manager. Following this, he joined Alam Baru Sdn Bhd, a Class "A" Contractor, as General Manager in 1984. He joined Taisei Corporation of Japan from 1986 to 1996 and his last position was General Manager of Taisei (Malaysia) Sdn Bhd.

On 1 October 1996, Mr Kwan joined Sunway Construction Berhad as an Executive Director. In June 2001, he was promoted to Managing Director of Sunway Construction Berhad, which was delisted from Bursa Malaysia Securities Berhad and converted to a private limited company in 2004.

Mr Kwan is the President of Master Builders Association of Malaysia for 2010 to 2012. He is also a Member of Institute of Engineers Malaysia. He has over 34 years of extensive experience working in the construction industry, both in the public and private sectors. He is a Director of Construction Industry Development Board (CIDB) and Construction Labour Exchange Berhad (CLAB). Mr Kwan is also the Chairman of the Board of Governors of SMJK Yuk Choy, Ipoh, Perak.



Profile of Senior Management

INTEGRATED PROPERTIES DIVISION

DATO' NGEOW VOON YEAN

Managing Director – Property Investment Division
Bachelor of Commerce Degree
majoring in Business Studies and Economics,
University of Auckland, New Zealand

Dato' Ngeow began his career in 1977 with Landmarks Holdings Bhd, the developer owner of Sungei Wang Plaza, Regent Hotel. In 1988, he joined Metroplex Holdings Sdn Bhd, the developer of The Mall. In 1989, he moved to Singapore to join Marina Centre Holdings Pte Ltd, the developer and manager of Marina Square, a mixed-use waterfront development comprising 3 international class hotels, shopping mall and offices. He joined Suntec City Development Pte Ltd as part of the pioneering team in the development of one of Singapore's largest private mixed-use projects comprising an international convention and exhibition centre, shopping mall and 5 office towers in 1993. Currently, he manages the investment portfolio of Sunway Group which includes retail, commercial, leisure and other asset management components.

Dato' Ngeow has more than 29 years of working experience in property development and investment, and management industry. He was the founder President of Shopping and Highrise Buildings Association in both Malaysia and Singapore. He has wide experience in the development and management of mixed-use developments. He is a Council Member of Malaysian Association of Hotel Owners and Honorary Adviser to Malaysian Association for Shopping and Highrise Complex Management.



HO HON SANG

Managing Director – Property Development Division
Bachelor of Engineering (Honours),
University of Malaya



In 1984, Mr Ho started his professional career as an Engineer with Esa Jurutera Perunding Sdn Bhd and he was involved in the North South Highway project. He joined United Engineers Malaysia Berhad Group of Companies from 1988 until 1994 before joining Sunway City Berhad ("SunCity") as an Assistant General Manager. He was then appointed as the Unit Profit Centre Manager and also a Board Member of Sunway Damansara Sdn Bhd, a 60% owned subsidiary of SunCity, in 1995. Subsequently, in 2005 he was promoted to Chief Operating Officer – Property Development of SunCity, which was delisted from Bursa Malaysia Securities Berhad and converted to a private limited company in 2011.

Mr Ho has been a Member of Institution of Engineers, Malaysia since 1988 and a Member of Board of Engineers, Malaysia since 1989. He has more than 15 years of experience in the property development industry.



INTEGRATED PROPERTIES DIVISION

ONG PANG YEN

Managing Director – Property
Development Division (International)
Bachelor of Engineering (Honours) in Civil Engineering,
University of Malaya
LLB (Honours), University of London

Mr Ong has served in the Public Works Department for 8 years before joining Sunway City Berhad. He started his career in Sunway Group as a Resident Engineer in the Seberang Jaya Town Centre and was soon actively involved in Sunway Group's pioneer overseas investment projects in Cambodia, Zimbabwe, South Africa, China, India and Australia. In 2010, he was promoted to Chief Operating Officer – Property Development, International of Sunway City Berhad, which was delisted from Bursa Malaysia Securities Berhad and converted to a private limited company in 2011. He assumed his current position as Managing Director – Property Development, International in April 2012.

TRADING AND MANUFACTURING DIVISION

WONG FOOK CHAI

Executive Director – Trading and Manufacturing Division
Bachelor of Engineering (Honours),
University of Malaya

Having more than 27 years of service with Sunway Group, Mr Wong started his career in UMW, a major distributor of heavy equipment in Malaysia. In 1983, he joined Hong Leong Industries Berhad and later Sunway Group as a Product Manager in Sunway Enterprise (1988) Sdn Bhd. In 1985, he was reassigned to the newly formed subsidiary, Sunway Marketing Sdn Bhd (then known as Kanto Trading Sdn Bhd).

Mr Wong was promoted to General Manager in 1990 and assumed the responsibility of the management of Sunway Marketing (S) Pte Ltd. He was promoted to Senior General Manager in 1997, assuming greater responsibilities as Head of Sunway Trading Group of Companies, before attaining his current position in 2004.

Mr Wong was instrumental in expanding the business to many overseas countries including Singapore, Thailand, Indonesia, China and Australia and also establishing manufacturing companies for some of the products.



Profile of Senior Management

QUARRY DIVISION

TEH QUEN CHANG

Executive Director - Quarry Division
Bachelor of Science in Agribusiness, UPM;
Masters in Business Administration,
University of Bath, UK

Mr Teh Quen Chang has more than 22 years of experience in the quarrying industry. Prior to this, he was the Senior General Manager (Central Region) for Sunway Pioneer Quarry Group and was in charge of 5 quarries and 7 asphalt manufacturing plants with annual sales turnover of over RM150 million. He first joined Sungei Way Quarry Industries Sdn Bhd in 1990 as the Marketing Manager and last served as General Manager (Operations), taking charge of 8 quarries and 9 asphalt manufacturing plants in the Central and Northern Region of Peninsular Malaysia before the Group divested its quarrying operations to Pioneer International Limited in 1999. He is also currently the Deputy President of the Malaysia Quarry Association.



BUILDING MATERIALS DIVISION

DANNY NG BOON LIANG

Executive Director – Building Materials Division
Bachelor of Economics (Business Administration),
University of Malaya

Mr Danny Ng has over 25 years of working experience, including 15 years in quarry operations and road construction for the Quarry division of Sunway Group.

He currently oversees the Building Materials division which includes the interlocking concrete pavers and compressed concrete slabs for Malaysia and China, reinforced concrete pipes and precast concrete related products and vitrified clay pipes divisions.

Prior to this appointment, Mr Danny Ng was the Senior General Manager of the Sales and Marketing division of Sunway Building Technology Berhad Group of Companies. He was also the Senior General Manager of the Southern Region of Sunway Pioneer Quarry Sdn Bhd and Pioneer Sun-Mix Concrete Sdn Bhd, a former joint-venture company of Sunway Group.

HEALTHCARE DIVISION

LEE WENG KENG

Chief Executive Officer – Healthcare Division
Bachelor of Economics (Honours) Degree,
University of Malaya;
Masters in Business Administration,
Cranfield University, United Kingdom

In 1974, Mr Lee started his career as a secondary school teacher in Sekolah Tunku Abdul Rahman, Ipoh, and subsequently gained experience in material and logistic management in UMW Corporation Sdn Bhd in 1975 before joining Texas Instruments (M) Sdn Bhd in 1977 where he further enhanced his experience and management skills in logistic, production, operations and general business administration. He was the General Manager (M&C Operations) in Texas Instruments (M) Sdn Bhd before joining Sunway Group.

Mr Lee joined Sunway Group as General Manager (Operations) in 1994 and he was promoted as Senior General Manager in 1997. He successfully achieved the turnaround of Sunway Keramo Sdn Bhd, a vitrified clay pipes business subsidiary of Sunway and built it into a high quality and profitable company.

Mr Lee has provided the leadership for growing and developing the business of Sunway Education Group Sdn Bhd. He was appointed Head of Sunway Group Education and Healthcare divisions in 2005 and joined the Board of Directors of Sunway Medical Centre Berhad in the same year.



CHINA OPERATIONS

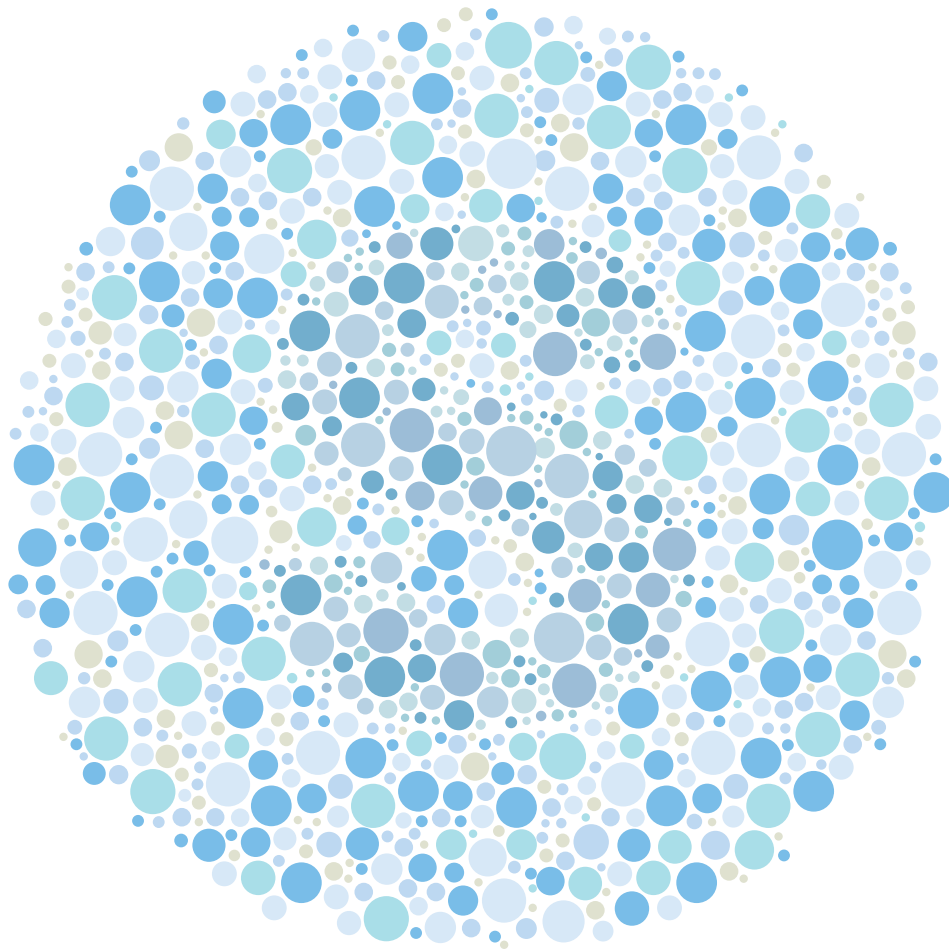
EVAN CHEAH YEAN SHIN

Chief Executive Officer – China
Bachelors Degree in Commerce and
Bachelors Degree in Business Systems,
Monash University

In 2001, Mr Evan Cheah started his career in the Corporate Finance division of Sunway Group. He is currently the Chief Executive Officer, China of Sunway Group. He is responsible for the China Corporate Office as well as the development of new business opportunities in China for Sunway Group.

In the past 10 years, Mr Evan Cheah has assumed positions in the Trading, Construction and Group Finance divisions of Sunway Group with roles in investment analysis and due diligence, corporate finance, management accounting and group procurement. He is a Chartered Financial Analyst Charterholder, a Certified Practising Accountant and a Member of Malaysian Institute of Accountants.





STANDARDS

to be nothing but excellent

SEGMENTAL REVIEW

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Integrated Properties

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Construction

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Strategic Investments

Revenue
RM1.4 billion

Profit before tax
RM368 million



Artist's impression of Sunway Velocity, an integrated mixed development just 3.8km to Kuala Lumpur city centre

Integrated Properties

Sunway's largest revenue and profit contributor, the Integrated Properties division is involved in developing and managing iconic property projects around the region. Beginning with its very first development in Bandar Sunway in the 1980s, the division had carved a reputation in developing integrated developments. As it stands today, Bandar Sunway is a thriving Integrated Resort City and the only in Malaysia with seven key components, namely, shopping mall, hotel, theme park, medical centre, office tower, education campus and residences. The different components serve to complement each other and add to vibrancy of the RM10 billion development.

The Integrated Properties division comprise of the following businesses which are capable of developing or managing world class properties either as stand-alone developments or as part of our famed integrated developments.

- Property Development
- Property Investment and REIT
- Leisure
- Hospitality



Sunway Velocity's Phase 1A Service Apartments have received Singapore's Building & Construction Authority Green Mark Certification Award (Provisional) status

Launches
RM2.0 billion
Sales
RM1.9 billion

Unbilled Sales
RM2.2 billion
Land Bank
2,107 acres



BayRocks garden waterfront villas overlook the pristine Sunway South Quay 28-acre lake

Property Development

Sunway's Property Development division is a multiple award winning developer with a presence in Malaysia, Singapore, China, India and Australia. Besides its flagship development in Bandar Sunway, Sunway's Property Development division had, over the years, developed landmark projects such as Kiara Hills, Sunway Palazzio, Sunway SPK Damansara, Sunway Rahman Putera, Sunway Vivaldi and Sunway Kinrara, in the process delivering over 17,000 properties to satisfied buyers.

As at 30 April 2012, the Property Development division has an undeveloped land bank of 2,798 acres (including the land in Medini Iskandar) with an estimated Gross Development Value ("GDV") of RM33 billion. The Group intends to develop this sizeable land bank to enhance its standing as a leading community master developer. Indeed, recent developments are mostly within larger integrated developments in Sunway South Quay, Sunway Damansara, Sunway Velocity and Sunway City Ipoh. Moving forward, we will be looking to also develop self-sustaining, integrated cities in Tianjin, China and Iskandar Malaysia.

Being amongst the first developers to adopt the Lifestyle of Health and Sustainability ("LOHAS") in Malaysia, Sunway continues to be committed to the philosophy and cater to needs of discerning homebuyers seeking a healthy and well balanced lifestyle. Sunway's residential developments seek to make livability a priority and give precedence to safety, health, education, mobility and recreation facilities. The properties themselves incorporate many environmentally friendly features and many of the recent residential offerings, especially in the Klang Valley, have received Singapore's Building and Construction Authority ("BCA") Green Mark awards.



Artist's impression of Sunway Nexus, a mixed commercial development which will enjoy enhanced connectivity with the upcoming MRT station less than 100m away

Property Development

Key Milestones

RM2.0 billion of Successful Launches in FY2011

Klang Valley - Integrated Developments

V-Retail, V-Office and V- Residence (Phase 1A), Sunway Velocity

A key launch during the year was Phase 1A of Sunway Velocity. The prelude to an integrated development which will eventually have a total GDV of more than RM3.6 billion, Phase 1A comprises 112 units of Office Suites with 2 levels of retail shops on the ground floor as well as 264 units of Service Apartments with 1 level of retail shops with a total GDV of RM400 million.

Meanwhile, the entire Sunway Velocity development which sprawls over 23 acres of prime freehold land, is located just 3.8 km from the Kuala Lumpur City Centre. Featuring retail shops, office suites, service apartments, an over 1 million square feet shopping mall and a lush central park, Sunway Velocity was designed to allow residents and patrons to experience a completely modern and contemporary lifestyle where everything is within reach in one destination. The unique selling points of this self-contained development include inter-connectivity through the 700m long and 16m wide environmental deck, excellent accessibility via public transportation systems with the existing LRT station and upcoming 2 MRT stations, and great connectivity from major roads and highways. Building quality and environmental friendliness will also be a high priority with the Phase 1A Service Apartments already receiving the BCA Green Mark Certification Award (Provisional) status.



Sunway Velocity will feature a lifestyle shopping mall measuring more than 1 million square feet

Sunway Nexis, Sunway Damansara

Another major launch in 2011 was that of another integrated development, Sunway Nexis in Sunway Damansara. Launched in 3 sub-phases known as Nexis Shoppe (3-storey retail shops), Nexis Biz Suites (13-storey office suites tower) and Nexis SOHO (20-storey flexi office block), Sunway Nexis has a total GDV of RM500 million.

With unobstructed views of the Kota Damansara forest reserve and Seri Selangor Golf Club, its prime location beside a thriving Sunway Giza Mall and accessibility to be further enhanced by the upcoming MRT station less than 100m away, Sunway Nexis is well positioned to be main commercial hub in the Dataran Sunway vicinity.

LaCosta, Sunway South Quay

Continuing with the development in Sunway South Quay, the division launched LaCosta, lakefront condominiums featuring 4 towers fronting a 28-acre serene lake, its very own private sandy beach pool and 4 themed sky gardens for the residents. Located in a peaceful surrounding, Sunway South Quay prides itself as a lakeside metropolis, representing the ultimate essence and vision of resort living just adjacent to the award winning Sunway Integrated Resort City. This lakeside residential enclave with its "Blue, the new Green" concept allows its residents to experience a refreshing avant-garde tropical concept that combines the soothing properties of water and lush greenery with the luxurious elements of city living.



Artist's impression of LaCosta's 4 towers enjoying an unobstructed view of the serene lake

Property Development

Klang Valley - Boutique Landed Developments

Catering to the demands of quality landed residential properties, Sunway Integrated Properties launched Sunway Montana Phase 1, Sunway Eastwood Phase 1 and Sunway Suria Phase 1C in the Klang Valley.

Sunway Montana

Sunway Montana @ Desa Melawati is an exclusive hillside enclave, meticulously designed and built along the natural contours of the hill and integrating harmoniously with the cascading terraces to maximize the hillside topography and allowing each home a picturesque view. With a quarter of the area of the development earmarked to be retained as a natural green lung with features such as a 14-acre private forest with a Skywalk, the development promotes premium healthy living in a green haven.

Phase 1 of its development comprising 107 units of 3-storey Courtyard Villas and Semi Detached homes complete with an exclusive Clubhouse was launched in FY 2011 with a GDV of RM240 million. The gated freehold residences come with patrolling services and are equipped with environmental and energy conservation features that further espouses the Lifestyles of Health and Sustainability ("LOHAS") philosophy of living.



Sunway Montana's 14-acre private forest with a Skywalk

Sunway Eastwood

Another landed residential development was Sunway Eastwood in Puchong South, Taman Equine, Selangor. Gated and complete with 24 hours security service, the low density project will be built over 33.37 acres and in 3 phases with a total GDV of RM355 million. Phase 1A consisting of 40 units of Semi-Detached homes with GDV of RM60 million was launched in FY2011 while the remaining phases will offer Semi-Detached homes, Park Residences, Bungalows and Link Bungalows.

The well designed development comes with a private clubhouse and central park with ample lush green areas covering more than 6.5 acres of the whole development. Located in a mature township with numerous existing amenities nearby and excellent road connectivity, residents will find it convenient to live in Sunway Eastwood.

Sunway Alam Suria

A comfortable living environment for big families and even for 3 generations under one roof, the last phase of Sunway Alam Suria, Phase 1C comprise 145 units of 2 ½ storey terrace homes built to encapsulate Malaysian's strong family values by integrating spacious areas in the homes to host their extended families. Designed with a modern façade, the homes are also complete with security alarm system, Astro-ready cabling and autogate entry point for a more secured access. More than a tenth of the whole Phase 1C is laced with green landscape, emanating a peaceful suburb feel for the residents.

Penang - Boutique Landed Developments

Sunway Cassia

In Penang, Sunway continues to extend its track record of providing quality and sustainable property developments through Sunway Cassia Phase 1. Launched in April 2011, Sunway Cassia is located in Batu Maung, Penang and close to the Second Penang Bridge. Built on a freehold land, the 33 units of 3-storey Terrace Homes have a gross floor area from 2,800 - 3,200 square feet each. The overall Sunway Cassia development will incorporate a 2-acre nature reserve and landscape parks such as Palm Avenue, Terrace Garden, Tecoma Lounge, Spice Garden and Nature Park.

Perak – Integrated Development

Lakeside Mansions, Sunway City Ipoh

Sunway continues its work on Sunway City Ipoh by launching the luxurious Lakeside Mansions, an exclusive gated and guarded community with only 16 units of 2-storey bungalows in a 4.54 acres enclave. The homes perched along the bank of a private 10-acre lake, enjoy a picturesque backdrop of natural limestone hills and lush greeneries. Each Lakeside Mansions is complete with a garage for at least 3 cars, solar-powered heater system, private swimming pool and garden gazebo. The whole development is also equipped with enhanced security with 2 private guard houses, security alarm system and Sunway's auxiliary police conducting round the clock patrol services.

Singapore – Affordable High Rise Housing

Continuing its successful joint venture with Hoi Hup Realty Pte Ltd, the division launched three projects in Singapore in FY 2011. Sunway's effective stake in all these developments are 30%.

Miltonia Residences

Launched in June with a GDV of approximately SGD380 million, the Miltonia Residences is a private development which offers 5 storey resort styled condominiums flanked by a beautiful golf course scenery on one side and a reservoir scenery on the other. Located beside Orchid Golf & Country Club at Miltonia Close, this resort-themed condominium offers great facilities and landscaping such as pools, water features and lushly landscaped gardens surrounding the condominium.

Arc at Tampines

Known simply as Arc at Tampines, the Executive Condominium project in Tampines is located on a 5.1 acre site. The project's estimated GDV is SGD465 million and consists of 574 residential units. In addition to a Miami-styled resort pool, the development also offers selected ground floor 'floating units' by the pool, which allow its residents to experience resort living in Tampines, Singapore.

Lake Vista @ Yuan Ching

The final launch in FY 2011 was that of Lake Vista @ Yuan Ching, a public housing project under the Design-Build-Sell-Scheme (DBSS) comprising 4 blocks of 22-storey buildings with a total of 682 residential units. With a GDV of SGD370 million, the development is located along Yuan Ching Road where homebuyers will be able to spend quality time with family members at the parkland surrounding nearby Jurong Lake.



Artist's impression of floating units besides the Miami-styled resort pool at Arc at Tampines

In addition, common facilities that can found within the vicinity include a Soft Meditation Court, Reflexology Path, Elderly and Adult Fitness Corner and an Adventure Playground.

Execution of International Projects

Overseas, while there no new launches, the division had been kept busy executing its ongoing projects in China, India and Australia.

China

Sunway's maiden project in Jiangyin, Sunway Guanghao Yi Fang Cheng, has been well received with all 6 blocks of condominiums launched and achieving an overall take up rate of 80%. Attention will now be placed on the construction and completion of the project. In FY 2011, provisions of RM9.0 million had been made for additional costs for construction, defects and anticipated compensation to purchasers due to delays. Nevertheless, the division is confident of completing the project and is looking forward to delivering the homes to its first Chinese homebuyers.

In Tianjin, where the Sino-Singapore Tianjin Eco-City development will take place, Sunway had a groundbreaking ceremony on 22 November 2011. The development will commence with the construction of its Sales Gallery and is expected to launch the first phase comprising residential apartments in the near future.

Property Development

India

In India, the focus is on completing Neville, the first phase of the Sunway Opus Grand development in Hyderabad, comprising 60 units of 3-storey flexi villas with its own resort-style clubhouse. Planning is also in progress to launch condominiums in Sunway Opus Grand and Sunway MAK in the near future.

Australia

During the year, Sunway, via its joint venture with Australand, continued with the industrial development at Eastern Creek, New South Wales and completed a warehouse and distribution center for Kmart.

Project Completions and Unbilled Sales

In FY 2011, Sunway Integrated Properties completed and delivered vacant possession of 3 developments, namely, Sunway Palazzio, Sunway Vivaldi and Nautica in Sunway South Quay which substantially reduced the division's unbilled sales. Nonetheless, strong sales from new launches coupled with sales of ongoing developments totaling RM1.9 billion in 2011 had helped replenished and boost unbilled property sales to RM2.2 billion providing clear visibility to the division's earning for the next 2 years.

Approximately 50% and 40% of the unbilled sales is for developments in Malaysia and Singapore respectively with developments in China and India representing the rest. This represents a diversified income base and will provide robustness to the division's future earnings

Strategic Land Bank Acquisition

Sunway ended the year with a flourish on the landbanking front. In October 2011, the division and its joint venture partners won the competitive tender for a parcel of land in Pasir Ris, Singapore with a bid of SGD140.96 million which is only fractionally higher than the next highest bidder. This is a strategic piece of land located in the matured area of Pasir Ris with amenities nearby and enjoys view over the Straits of Johor. The expected development on the land is a private condominium with over 400 units and an estimated GDV of approximately SGD350 million.

Meanwhile, in the last week of 2011, Sunway scored an even bigger coup, signing a Lease Purchase Agreement to acquire 99 year leases over 2 parcels of land measuring over 691 acres in Medini Iskandar. Development on the land, to be known as Sunway Iskandar, will be conducted jointly with the government's investment holding arm, Khazanah Nasional Berhad.

Artist's
impression of
Sunway
Guanghao
Yi Fang Cheng,
Jiangyin, China



Sunway Iskandar is envisioned to be an integrated, self-contained and secure township with vast green spaces yet having highway connectivity to reach Singapore and neighboring Iskandar developments in a short space of time. The entire development's GDV is estimated to be RM12 billion and will take place over a period of up to 10 years.

The acquisition of land interest in Medini Iskandar is in line with our earlier stated strategy of expanding in key frontier states like Johor and Penang. Johor, especially, is primed for high growth in the near future as developments in Iskandar Malaysia comes to fruition and with 2012 termed as the "tipping point" for the region. Amongst the new facilities and attractions to be ready in 2012 include Johor Premium Outlets, Newcastle University, Marlborough College and Legoland Theme Park. With the infrastructure ready and its close proximity to Singapore and international airports in Changi and Senai, the region has great potential to be an international city.

Future Plans

More exciting launches from Sunway Integrated Properties are in the pipeline in FY 2012. Many of them will be located within Sunway's integrated developments such as a lakeside commercial precinct known as Sunway Geo and condominiums in Sunway South Quay as well as designer office suites at Sunway Velocity.

There are also plans to introduce a new integrated development comprising residences and commercial properties, to be known as Sunway Wellesley, in Bukit Mertajam, Penang.

In terms of boutique developments, Sunway Montana and Sunway Eastwood are expected to roll out their subsequent phases while a new low density residential development is expected to be launched in Bukit Lenang, Johor.

Overseas, FY 2012 should witness the launch of Sunway's private condominium in Pasir Ris and the division's first wholly-owned Singapore project in Sembawang comprising 15 units of terrace houses. Due to land scarcity and high land acquisition cost, Sunway's developments in Singapore will likely to continue to be focused on standalone developments. Nonetheless, the developments will continue to embody Sunway's high expectations on quality and innovation.

Aside from launching properties, considerable man-hours will be expended in masterplanning Sunway Iskandar into a vibrant and diverse mixed-use activities hub in Medini. At 691 acres, it is a significant tract of land and much planning, designing and preparatory works will be required before development commences to ensure Sunway Iskandar meets its expected potential.



Artist's impression of Sunway Geo, Sunway South Quay's soon to be launched commercial precinct

Assets under Management
RM4.8 billion

Total Nett Lettable Area
5.2 million sq.ft.



Chinese New Year Celebration at Sunway Pyramid Shopping Mall

Property Investment & REIT

Anchoring Sunway's performance, the Property Investment and REIT division demonstrated its defensive attributes yet again, delivering another year of steady profits. Its portfolio of retail and commercial assets held directly, by Sunway and its subsidiaries, and indirectly, via 36.8% owned Sunway REIT, continued to enjoy good occupancy rates and positive rental reversions.

Retail Assets

Fuelled by strong domestic consumption, the Malaysian economy grew 5.1% in 2011. The increase in private and public sector spending had benefitted the retailers which in turn was positive for Sunway's retail assets.

The Group's flagship mall, the 14-year old Sunway Pyramid remained as an iconic retail destination and was voted by the public as Malaysia's "Most Favourite Mall 2011" in an online poll conducted by Tourism Malaysia. Located in Bandar Sunway, Selangor with a gross built up of 4.0 million square feet and 1.7 million square feet of net lettable area, the retail landmark is well known for its Egyptian inspired architecture. More than 36 million visitors thronged the mall in FY 2011.

Sunway Giza, continued to solidify its position as one of the most happening food and beverage and entertainment hubs in Kota Damansara, Selangor. Opened in 2009, the retail development which includes a 3-storey neighbourhood mall with a gross built up of 160,000 square feet and 66 outlets is a popular spot for urbanites.

Through clever marketing programs, Sunway Carnival Mall had been making significant inroads into the northern region retail scene. Since its opening in 2007, the 4-storey mall which houses 155 outlets with a gross built-up of 800,000 square feet, had continued to strengthen its brand presence with effective events and promotions and publicity campaigns.

Commercial Assets

Despite a challenging office market, Sunway's office towers comprising Menara Sunway in Bandar Sunway and Sunway Tower and Sunway Putra Tower in central Kuala Lumpur had been resilient in both occupancy and rental rates. The buildings command unique and, to a certain extent, captive tenants as Menara Sunway is the headquarters for all the companies under the Sunway umbrella, Sunway Tower appeals to oil and gas companies wishing to be close to the Kuala Lumpur City Center area and Sunway Putra Tower is home to a number of government offices. As such the occupancy rate for the buildings has remained above 90% in FY 2011.

Besides office space, Sunway directly owns two university campuses, namely Sunway University and Monash University Sunway Campus, and their respective student accommodation.

REIT

In July 2011, Sunway REIT celebrated its first anniversary with several accomplishments. In its financial year ending 30 June 2011, net property income was RM244.0 million, which was slightly above its forecast. It also declared annualised distribution per unit of 6.7sen which was in line with the annualised forecast. Assets Under Management ("AUM") increased to RM4.4 billion following acquisition of Sunway Putra Place, cementing its status as the largest REIT listed on Bursa Malaysia by AUM.

For existing assets, asset enhancement initiatives had been successfully carried out which resulted in additional net lettable area and increased traffic. Amongst the initiatives was the expansion in the Oasis Boulevard of Sunway Pyramid which created additional lettable area from common areas.

Property Investment & REIT

Key Milestones

Acquisition of Sunway Putra Place

Acquired by Sunway REIT for approximately RM513.9 million through a court sanctioned public auction, Sunway Putra Place comprises an office tower, shopping mall and hotel building.

The transaction was one of the largest in a public auction in Malaysia and while Sunway REIT was subsequently caught in a legal wrangle with the previous owners of the building, Sunway REIT Management Sdn Bhd ("the Manager") obtained full possession of Sunway Putra Place on 28 September 2011. The Manager has since managed to convince most occupiers to stay on as tenants. As at 31 December 2011, Sunway Putra Mall achieved occupancy rate of 80%, Sunway Putra Tower has average occupancy of 90% and Sunway Putra Hotel's occupancy grew to 60% compared to 20% when possession was first obtained.

Refurbishment plans are in store for the property in a bid to rejuvenate the building to appeal to current market trends and enhance net lettable area. Coupled with its strategic location beside the Putra World Trade Center and Hentian Putra, the yield of the building is expected to improve post refurbishment.

Rebuilding Portfolio of Assets

With the injection of eight property assets into Sunway REIT in 2010, the value of investment properties held directly under Sunway had dwindled significantly. To rebuild the portfolio of assets as well as to create a pipeline of future assets to be injected into the REIT, construction of several properties commenced in FY 2011, namely, The Pinnacle office tower, Sunway Pyramid Phase 3, Sunway Velocity shopping mall and the new university building for Sunway University. These developments are expected to be completed in the next 2-3 years.

International and Domestic Recognition

Sunway Pyramid, after clinching the FIABCI Malaysia Property Award 2010, went on further to win the internationally acclaimed FIABCI Prix d'Excellence 2011 for the Best Retail Development, edging out other retail developments worldwide.

Domestically, it was recognized by the Malaysian tourism authority for its contribution in promoting shopping tourism in Malaysia. The mall picked up the Ministry of Tourism's Malaysia Tourism Award 2011 for the second time and was named "Malaysia's Most Favourite Mall" as voted by the public in an online poll.

Meanwhile, Malaysia Retailer-Chains Association (MRCA) accorded Sunway Pyramid the "Most Supportive Shopping Mall" for the third time, a feat that no other shopping malls in Malaysia had achieved so far. The award was for the mall's contribution in fostering a close working relationship with retail industry players.

In FY 2011, Sunway Pyramid also secured the ISO9001:2008 certification, a testament to its world class standards in shopping mall management.



Artist's impression of Sunway Pinnacle

Future Plans

Key focus for the division in coming years would be continuing to grow its portfolio of assets via acquisitions, both pipelines assets from the Sponsor as well as external acquisitions. In particular, the group's wholly owned REIT Manager, Sunway REIT Management Sdn Bhd, will be closely monitoring the market for yield accretive acquisition targets as it has set a target of enlarging the REIT's Assets Under Management ("AUM") to RM7.0 billion in 5-7 years from listing.

Meanwhile, development of The Pinnacle, located next to Menara Sunway at Bandar Sunway is forging ahead and is targeted to be completed by early 2014. The development is targeted to have a net lettable area of 580,000 square feet and is designed to meet the expectations of multinational companies and large corporations, both foreign and local.

Sunway Pyramid 3, another project currently under construction by the property investment division will consist of retail outlets at the podium and a tourist class hotel for the tower. It will be an extension of the current Sunway Pyramid mall, enlarging what is already one of the biggest malls in the Klang Valley. The project is targeted for completion in 1Q 2015.

Besides expanding the asset portfolio, asset enhancement initiatives including creation of new rental space are being planned to drive the competitiveness of the properties and increase rental income. On this end, Wisma SunwayMas is undergoing a major refurbishment exercise which is targeted to be completed by mid 2012. Upon its completion, Wisma SunwayMas is expected to be a premier office building in Shah Alam.

Planning for the refurbishment works on Sunway Putra Mall is in progress and an estimated RM200.0 million will be spent on rejuvenating the mall, increasing lettable space and improving connectivity to the neighbouring LRT station, KTM Komuter station, Putra bus terminal and Putra World Trade Center. The refurbished mall is expected to feature distinctive retail zoning and see the addition of an eight hall cinema.

Artist's impression of Sunway Putra Place post refurbishment





Park Size
100 acres

Total Visitorship in 2011
1.56 million

Leisure

The Leisure division owns and manages two award-winning multi-park attractions which are Sunway Lagoon, located at Bandar Sunway and Lost World of Tambun located at Sunway City Ipoh, Perak.

Sunway Lagoon offers the wonders of more than 80 attractions spanning across five signature parks – Water Park, Amusement Park, Wildlife Park, Extreme Park and Scream Park. Besides being a unique land of play and leisure, Sunway Lagoon has also hosted some of the world's biggest music events, international concerts as well as musical productions.

The Lost World of Tambun is recreation of an ancient world set amidst modern civilization, offering action-packed, exciting adventures with thrilling rides and attractions. The themed attraction is set against natural landscapes, surrounded by exquisitely breathtaking limestone features and lush, bountiful greenery.

The main elements making up this wonderful world of adventure are the Water Park, Amusement Park, Lost World Hot Springs & Spa, Tiger Valley, Lost World Petting Zoo and new attractions, the Tin Valley and Team Building Park.

Key Milestones

New Attractions Boosting Total Visitorship

The number of visitors to Sunway's theme parks have grown to 1.56 million in FY 2011. Representing an increase of 3.2% over the previous year, the success in continuously increasing visitorships is due to constant addition of new attractions at both parks.

In FY 2011, the Lost World of Tambun introduced the Tin Valley and Team Building Park. At the Tin Valley, visitors will have the opportunity to journey back in time to not just see how tin mining activities were conducted but participate in "dulang washing" or tin ore panning. The Team Building Park, on the other hand, caters to companies seeking the right venue to forge a solid team spirit. The park features five adventures in a series of high rope elements designed to showcase the theme park's unique limestone environment.

Meanwhile, in Sunway Lagoon, "Horrorwood Studios" was added to the Scream Park. In a nutshell, it is a walk-through attraction equipped with state of the art audio and visual special effects and professionally trained actors.

Theatrical productions like Magical Musical and Aladdin also drew a good crowd and provided a good alternative entertainment to families during the major school holiday periods.



Leisure

Venue of Choice

Sunway Lagoon is increasingly becoming the venue of choice for popular events like concerts, countdowns and theatrical productions. In 2011, it hosted concerts for celebrities like Pitbull, Deadmau5, Raymond Lam, Justin Lo and Korean band, Beast. It also hosted the Miss Malaysia Universe 2011, the Grand Finale of Malaysian International Gourmet Festival, the Roxy Model Search 2011, the 2012 New Year Countdown Party and countless family days for multinationals and Malaysian corporate organisations.

Additional Feathers on the Cap

Sunway's theme parks are multi award winning attractions which have garnered international and domestic recognition. Sunway Lagoon, in particular, has been well regarded by the industry and its visitors. In 2011, it was named:

- Asia's Best Water Park by International Association of Amusement Parks and Attraction
- Top 3 International Water Park by Hanley Wood's Aquatics International
- Best Attraction by The Expatriate Lifestyle magazine.
- Most Creative Brand by The Brand Laureate SMEs Chapter Awards

The Lost World of Tambun is also fast establishing its reputation as an entertainment attractions and has been awarded with the following in 2011.

- Merit Award for Innovative Tourist Attractions (Man Made Attraction / National Culture Heritage Identity Category) by Tourism Malaysia
- Best Tourism Product by the Perak Tourism Awards 2011

Sunway Lagoon, venue of choice for concerts by international artists





Future Plan

The strategic plan for the Leisure division is to continue driving increases in visitorship. Initiatives on this end include putting in additional attractions. Plans are in place to bring in the world's largest Abyss™ waterslide with LED light effects. This brand new attraction will be set on the highest slope at the Water Park. The Abyss™ waterslide towers at nearly 100 feet high and takes up to six riders at a time through a thrilling series of twists and turns before plummeting them through the core of the Abyss™. With increased wall height and a lengthened funnel to ensure the largest drops and sustained oscillations, it promises to be a thrilling attraction.

Sunway Lagoon will also introduce the first ever 5D theatre in Malaysia in 2012. The attraction will stimulate one's sense of touch and smell in addition to the 3-D visual and audio technology. Other new attractions expected in Sunway Lagoon are an Insectarium and Birds Exhibit at the Wildlife Park and a Dinosaur Display at the Scream Park.

Efforts shall be placed in generating additional non-ticket revenue like rental income and food and beverage revenue. The Lost World Hot Springs & Spa, which had received overwhelming response, will be undergoing an expansion in fourth quarter of 2012. The expansion includes building exercise stations and creating additional food and beverages and retail space.

More concerts and high profile events can be expected as the Leisure division seeks to strengthen its position as a venue of choice for events. In early 2012, Hollywood acts like LMFAO and Jessie J had already held their concerts at the Surf Beach, Sunway Lagoon.

Number of Hotels and
Resorts Managed
14

Number of
Guestrooms
3,100

The Banjaran Hotsprings Retreat

Hospitality

The Hospitality division manages over 3,000 guestrooms in a portfolio of hotels & resorts under three brand names, namely, Sunway Hotels & Resorts, Allson Hotels & Resorts and The Banjaran Hotsprings Retreat, with the properties located across Malaysia, Vietnam, Cambodia and Indonesia.

Sunway Hotels & Resorts operates deluxe category resorts and hotels in primary and secondary cities which include hotels, villas and serviced residences. Sunway Hotels & Resorts offers comprehensive facilities such as a full range of food and beverage selections, meeting and convention venues, spas and pool services.

Allson Hotels & Resorts operates standard and superior, three to four star category hotels and service residences located in primary and secondary cities. It is defined by its pragmatism and practicality and is appreciated by guests who are driven by the key factors of convenience, practicality and affordability.

The Banjaran Hotsprings Retreat is a 5-star luxury wellness resort in Ipoh embraced by 280 million year old limestone caves, teeming with abundant greenery and natural geothermal spring water. It is the perfect escape with exquisite spa and wellness treatments.

Besides management of its self-owned properties, the Hospitality division provides hoteling technical services, franchise management as well as hotel marketing affiliation services.

Key Milestones

New Hotels

Close to 800 rooms were added under the division's management in the year. The major addition is through Sunway Putra Hotel, a 5 star business hotel with 631 rooms. The property is well positioned to capture the business travellers segment as it is located in central Kuala Lumpur and opposite the Putra World Trade Center, a key trade and convention venue.

Another addition to the division in May 2011 was the 174 rooms of Lost World Hotel in Ipoh, a boutique hotel catering mainly to visitors of our Lost World of Tambun theme park.

Multiple Award Winning Retreat

In its first full year of operations, The Banjaran Hotsprings Retreat, was the proud recipient of several prestigious awards. In recognition of the uniqueness of the property and its surroundings, it received the FIABCI Malaysia Property Award 2011 for the Resort Category. This is Sunway's fifth win in the FIABCI Malaysia Property Award series, an award which is highly coveted by all the property developers in Malaysia.

Meanwhile, to recognize The Banjaran's excellence in hospitality, it won several key awards at the Hospitality Asia Platinum Awards including Spa of the Year, Signature Luxury Resort, Signature Spa Experience and Best Housekeeping.

Maintaining High Level of Service and Accommodation Quality

To maintain high customer satisfaction in Sunway's accommodation, renovations and refurbishments are periodically carried out across all properties. Currently, refurbishment of Sunway Hotel Georgetown and Sunway Hotel Seberang Jaya is being carried out in stages and is expected to be completed by April 2013. In addition, to boost the comfort level of customers and the average room revenue, some of the Superior rooms in Pyramid Tower Hotel had been reconfigured to Superior Executive rooms.

Meanwhile, in efforts to enhance the popularity of our food and beverage outlets, Sunway Resort Hotel and Spa obtained Halal certifications for six of its kitchens which are Atrium Kitchen, Banquet Kitchen (Chinese section, Western section & Malay section), Banquet Cold Kitchen, Pastry & Bakery Kitchen and Bits & Bytes. To provide a better dining experience, the previous "Sun & Surf Café" underwent a renovation exercise during the first half of 2011 and reopened in June 2011 as a contemporary restaurant serving a diverse range of international cuisine. The new restaurant is now called Fuzion, located at level 1 of Sunway Resort Hotel & Spa.

Future Plans

In the coming year, focus will be on completing the refurbishment of rooms in Sunway Hotel Georgetown and Sunway Hotel Seberang Jaya. This will likely reinvigorate interest in the two hotels which are seen to be able to capture a higher share of the business travellers segment in their respective geographies. Soft changes are also expected to be made for the Pyramid Tower Hotel rooms in the form of replacement of furniture and fittings.

Revenue

RM1.2 billion

New Contracts Secured

RM1.6 billion

Profit before tax

RM61 million

Outstanding Order Book

RM2.8 billion

Actual site progress at Rihan Heights, Abu Dhabi



Construction

Sunway's Construction division has played a crucial role in nation building over the years, with its numerous projects standing proudly at various locations throughout the country. Amongst its completed projects are prominent buildings like the Kuala Lumpur Convention Center, Traders Hotel Kuala Lumpur, the Spirit Aerosystems facility in Subang and Sunway Pyramid Shopping Mall, as well as, infrastructure projects like the SILK Expressway and portions of the Maju Expressway and South Klang Valley Expressway.

As an award-winning contractor with ISO 9001, ISO 14001 and OHSAS 18001 certifications, it is one of Malaysia's leading construction companies providing fully-integrated design and build solutions in building and civil engineering works, Industrialised Building Systems (IBS) products, geotechnical solutions, mechanical & electrical engineering solutions, machinery and logistics, as well as decorative stones.

With such a diverse range of services, the division is able to tailor fully-integrated and cost-effective solutions to its clients, delivering effective design and build services. The division's strength lies in its ability to plan and construct almost any project, successfully taking them from conception to completion.

Building on the strong foundation of its division in Malaysia, Sunway has undertaken to replicate its success beyond Malaysian borders, venturing into Singapore, India and the Middle East.

Key Milestones

Projects Completed

The division successfully completed several projects during the year including the Ministry of Housing and Local Authority and the Ministry of Women, Family and Community Development government buildings in Putrajaya (with contracts sum totalling RM520 million), as well as the PML Dairies factory in Port Klang (RM 129 million).

Meanwhile, the completion of the link bridge from Impiana KLCC to Jalan Raja Chulan (Pavilion KL) for KLCC (Holdings) Sdn Bhd was well received by City folks who now have some respite from the weather when commuting in the area.

Sunway's largest overseas project to date, Rihan Heights in Abu Dhabi, reached substantial completion in the last quarter of 2011. In the same quarter, the Group decided to take a prudent approach and made necessary provisions for possible defect rectification to ensure customer's satisfaction with our product. Overall though, the project has been profitable for the division and will enhance the division's reputation in the Middle East region.



Link Bridge from Impiana Hotel to Pavilion Kuala Lumpur

Construction

Order Book Replenishment

In a relatively quiet 2011, the division outperformed most of its peers and secured new construction jobs worth approximately RM1.6 billion, predominantly located in Malaysia. In the Klang Valley, Sunway was contracted to complete the facilities works for Package B of the Kelana Jaya Light Rail Transit line extension. Down south, in Iskandar Malaysia, the division was awarded three iconic projects, namely Legoland Malaysia Theme Park, Pinewood Iskandar Malaysia Studios and the Bio-Xcell factory.

In terms of in-house jobs, the division had also been awarded the contract for a new office development known as The Pinnacle in Bandar Sunway and to begin construction of Phase 1 of Sunway Velocity.

The division's success at replenishing its order book has boosted the outstanding order book as at the end of 2011 to approximately RM2.8 billion. With more initiatives on extracting synergies between the Construction and Property divisions to unfold in the near future, the division is confident that it will be able to grow its outstanding order book to a higher level.

Singapore Precast Growing from Strength to Strength

Singapore's precast business successfully completed delivery to three Housing and Development Board ("HDB") projects, namely Casa Clementi, The Peak @ Toa Payoh and Champions Court, Woodlands in the year. It also won rights to supply to new projects in Punggol West (Punggol Emerald), Bukit Merah (Vacanza @ East) and Sengkang (Fernvale Foliage). Riding on these achievements, the operations contributed a record RM62.4 million to Group profit before tax in FY 2011.

A precaster approved by the HDB for public housing projects, the Singapore plant, located in Tampines, currently has a capacity of 120,000m³ per annum to meet the growing demand for HDB houses. Plans are underway to expand the plant's capacity further and to set up a satellite plant in Johor.

In December 2011, the division was certified for ISO 14000, which relates to environmental management, and this certification is expected to improve the market's perception of the division and the marketability of its products.

Sunway Precast Factory in Tampines, Singapore has a capacity of 120,000m³ per annum



Future Plans

Being one of the construction stalwarts in Malaysia, the division will continue to be omnipresent in bidding and executing external contracts. On the other hand, the division has also been enriched with a pipeline of orders from the Integrated Properties division with its numerous developments. As such, the division is expected to be kept busy in the coming years, with enhanced visibility over its future jobs to aid capacity management.

Besides securing new contracts, the division intends to focus on delivering high quality and innovative solutions to its customers through utilization of technological tools with an example being the Virtual Design and Construction ("VDC"). Dubbed as a 5-dimensional tool

that integrates the 3D Building Information Modeling ("BIM") with time and cost dimensions, VDC thus provides project stakeholders with all the information necessary to make decisions when planning design changes and helping to minimize variation and rectification costs subsequently.

In addition, the Construction division will look at further enhancing its health and safety track record. For FY 2011, it clocked 3,057,625 million man-hours without loss time accidents and the division hopes to continuously maintain the Company's man-hours without loss time accidents of 2.5 million for FY 2012.

Ministry of Housing and Local Authority and the Ministry of Women, Family and Community Development buildings in Putrajaya



Strategic Investments

Sunway's Strategic Investments comprise the Trading and Manufacturing, Quarry, Building Materials and Healthcare businesses which continue to support and synergise with our core businesses of Integrated Properties and Construction. They represent established, well run businesses and serve to diversify the revenue streams of the Group.



Building Materials

Trading & Manufacturing





Healthcare

Quarry



Regional Presence
7 countries

Distribution Points
43

Agency Lines
104



Sunway Marketing Singapore's fleet of mobile service vans

Trading & Manufacturing

Established in 1983, Sunway's Trading and Manufacturing division has since grown into an international trading house providing world-class products and services in each of its four major product lines, namely, Hoses & Fittings, Heavy Equipment, Heavy Equipment Parts and Building Materials.

In total, the division holds 104 (2010: 101) agency lines including well established brands like SANY, Furukawa and Airmar for heavy equipment and FP Diesel and DCF Trek for heavy equipment parts. Besides distributing for the above principals, the division has developed strong brand recognition for its in-house brands, "Sunflex" and "Totalrubber" hoses and fittings, "Suntrak" undercarriage parts and "Sunguard" filters.

As a natural expansion of its business activities upstream, the division is currently also involved in manufacturing hydraulic fittings, hose assembly and manufacturing heavy equipment undercarriage parts, with most of the manufacturing entities based in lower cost locations in China.

The division's competitive advantage stems from its vast network of 43 (2010: 41) distribution points comprising branches and warehouses spread across Malaysia, Singapore, Indonesia, Thailand, India, China and Australia. This extensive geographic footprint has enabled the division to attract and service a customer base of more than 9,000 clients located in 32 countries and involved in industries as diversified as mining, plantation, quarry, logging, construction, marine, oil and gas and manufacturing.

2011 Key Milestones/ Achievements

Enlarged Geographic Footprint

The division continued to extend its distribution network in 2011, adding a new branch in Sandakan, Sabah and a second branch in Kuching, Sarawak. It currently has 14 branches strategically located across Peninsular and East Malaysia. In June 2011, a second Singapore warehouse was opened in Gul Street, located at the West of Singapore to better serve customers in the marine and shipyard industry. In Thailand, a new branch was set up in Saraburi, Central Thailand, bringing the total number of branches in Thailand to four.

In China, the division established a presence in Guangzhou by contracting a logistics provider to warehouse and transport goods to end customers in the area.

Location	No. of Distribution Points
Malaysia	14
Singapore	2
Thailand	4
Indonesia	9
China	6
Australia	7
India	1

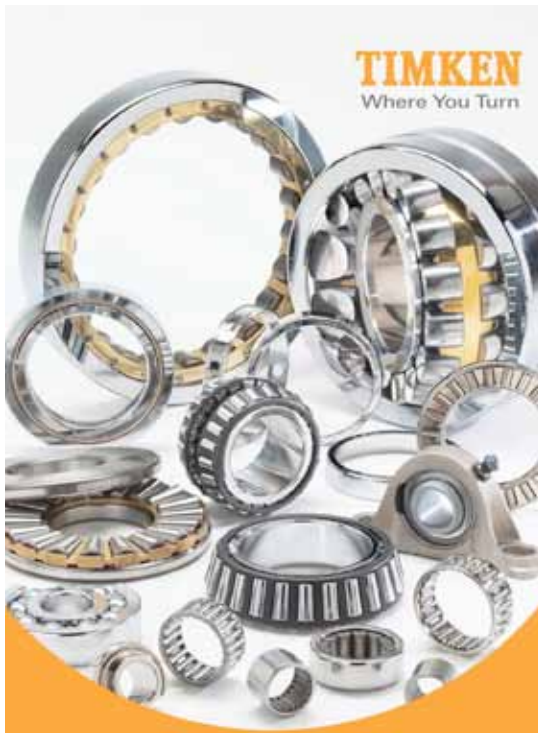


Totalrubber's warehouse in Australia

Trading & Manufacturing

Expanding Product Range

To ensure business sustainability and market leadership, the division strives to provide the best products from the best manufacturers through global sourcing.



Timken Bearings

New agency lines were obtained in 2011 for Timken, a renowned bearings brand from US, Copperstate high pressure hoses from US and Barfell fire resistant hoses from Australia. The division had also introduced Lonking wheel loaders and Ammann compactors to the Malaysian market. In Indonesia, Sunway was appointed as a distributor for Sany concrete pumps and Furukawa rock drills, as well as the authorised service provider for Wei Chai engines.

Besides additional agency lines, the division had expanded its product range by introducing "Sunguard", the division's own-branded filter products. This represents another effort by the division to develop its own proprietary products with higher value added and procuring customer loyalty for its products.

Vertical Integration to Better Serve Customers

In efforts to better serve customers, the division's Singapore operations had implemented 2 initiatives. A fabrication facility was set up to customise hoses and fittings products to customer's requirements. In addition, 24-hour mobile services were established primarily to serve hose customers which can afford minimal downtime. In 2011, the mobile servicing fleet was expanded from 4 units to 8 units of mobile vans.



Sunguard range of filters

In China, the division's Shanghai Trading operation commenced its hose assembly as a value added service to customers. The division's manufacturing arm, Sunway Xin Long (Anhui), also commenced supply to major customers like Chery Automobile.



Undercarriage parts manufactured and distributed by the division

Delivering When It Matters Most

Severe flooding in Thailand in mid-2011, one of the worst in the country's history, displaced thousands of Thais and caused interruptions to numerous businesses. Despite such adverse weather and conditions, Sunway's employees in Thailand were determined to keep business operations running as usual. With innovative modes of transportation, the division continued to deliver their goods and kept customers' businesses in operation.



Delivering during floods in Thailand in 2011

It is through such dedication to customer service that the division is maintaining their customers' trust and loyalty.

Future Plans

Due to the replicable nature of its business model and the strong foundation of its business, the division will seek to continue expanding geographically in existing as well as new countries. It will also look into cross marketing at all its branches worldwide. As a step in this direction, the division plans to introduce sales of heavy equipment parts at all of its Australian branches which currently solely focus on hoses and fittings products. With minimal capital expenditure, this move will increase the revenue streams of its branches.

In terms of product range, the division will continue to scour worldwide for quality products, obtaining their distribution rights and bringing them to the markets the division is in. The division will also continue to assess the feasibility of developing in-house proprietary products and expand this range of products due to their better profitability.

In increasingly competitive times, customer focus will be given priority and the division will seek to differentiate itself from competitors. The mobile service team, for example, will be further expanded to enhance onsite services to its customers.



Continuous expansion of customer base and supply network through participation in trade shows and exhibitions worldwide



Number of
Quarries

7

Number of
Asphalt Plants

8



Number of
Manufacturing
Facilities

7

Quarry and Building Materials

The Quarry and Building Materials division comprise established businesses which have a strong reputation and acquired leadership positions in the respective markets they are in. The main components of this division are the Quarry, Pavers, Spun Pile and Pipes businesses.

Quarry

Once the largest quarry operator in Malaysia, Sunway returned to the Malaysian quarry business in 2005, producing a comprehensive range of aggregates for the construction industry. Sunway currently operates 7 quarries in Peninsular Malaysia, 2 quarries in Vietnam and a quarry in Trinidad and Tobago. The quarry in Trinidad and Tobago was set up following a concession agreement signed with the National Quarries Company Limited and is contracted to produce and supply quarry products for the Trinidad's government projects at a pre-determined price. In addition, Sunway's Quarry business is a leading producer of asphalt with 8 asphaltic plants strategically located along potential development corridors and nearby major highways in Malaysia.

Pavers

With over 30 years of experience, the Pavers business is the largest inter-locking concrete paver manufacturer in Malaysia and is rapidly gaining market share in China where it has a plant each in Dongguan and Shanghai. The division's products have achieved Green Buildings Index certification in Malaysia and are Green Label certified in Singapore.

Spun Pile



Sunway's Spun Pile business is based in Zhuhai, China where it has built up sizeable market share in the Southern China region despite being a relatively new player. The plant is one of few in the Southern region with the capacity to produce large PHC spun piles with diameters of up to 1.2 meters and single length of up to 56 meters.

Pipes

Producing vitrified clay pipes, the Pipes business is solely based in Malaysia and caters to sewerage and drainage needs domestically.

Key Milestones

Increased Sales Volume

Despite the challenging environment and low level of construction activities in early 2011, the division still managed to register sales volume growth across most of its businesses. The Quarry business sold 4.3 million tons of aggregate and 685,000 tons of asphalt which is 2.3% higher than the prior year. Spun Pile sales volume recorded strong growth of 233% in 2011 as the business begins to establish itself in Southern China. The Pipes business increased sales by 3.8% to 30,300 tons. The Pavers volume dropped marginally by 5% mainly due to completion of main projects like Asian Games in Guangzhou.

Product Certifications

In 2011, the Spun Pile business attained accreditation from Singapore Concrete Institute, Ready-Mixed Concrete Certification of Singapore and Standards & Industrial Research Institute of Malaysia ("SIRIM"), for its products which are expected to increase the products' marketability and export opportunities. In line with the Group's Lifestyles of Health and Sustainability ("LOHAS") focus, the Pavers business had also earlier in the year obtained Green Label certification from Singapore, demonstrating the eco friendliness of its products.

Exiting Concrete Pipes Business

Operating in a competitive environment and with a lack of economies of scale, our concrete pipes business had not been profitable in the last few years. Management decided to exit the business in the second half of 2011 and the assets were divested for a consideration of RM6.2 million in October 2011. This is part of Sunway's initiative to redeploy the company's resources to strengthen core or profitable businesses.

Future Plans

The Quarry and Building Materials division is expected to benefit from increased construction activities in Malaysia, particularly the Quarry business, as civil engineering projects like the LRT extension, MRT and West Coast Expressway commences, generating strong demand for aggregates and asphalt. The Spun Pile business is also expected to do well as the operations continues to gain stronger recognition in Southern China and begins to explore export markets for its products.

Number of Specialist
Consultation Suites

100

Number of Beds

335

Number of Operation
Theatres

12



Healthcare

Sunway Medical Centre ("SunMed") offers a comprehensive range of medical services, including facilities and medical technologies for outpatient and in-patient speciality care, health and wellness programmes, and 24-hour emergency services. Together with its infrastructure of 335 hospital beds, more than 100 consultation suites and 12 operation theatres, SunMed is one of the country's foremost private medical care centres. A highlight of the centre after its recent expansion is the Swan Convention Centre, a multipurpose venue which can accommodate up to 500 people and has audio-visual linkage with two operating theaters to enable live telecast of surgical procedures.

SunMed's corporate values advocate dealing with utmost integrity, healthy respect for law and order, society and community, compassion towards patients and the community and continuously seeking to learn and share new knowledge. Adhering to these sets of values, SunMed will continue to solidify its presence in the country as a leading healthcare provider.

Key Milestones

Growing through Public Education and Awareness

SunMed hosted its first ever Healthfest for members of the public on 29 May 2011. It aimed to promote individual well-being and highlighted the importance of regular medical check-ups. It was also an educational platform where the public were able to gain basic health and preventive care knowledge from medical experts. Activities at the Healthfest included free health screenings and workshops on cervical cancer, speech and hearing, diet and nutrition and exercise safety that were conducted by SunMed's team of obstetrician and gynaecologists, audiologists, dieticians and sports therapists. Exhibition booths were also set up on-ground offering special health packages and medical products.

In continuity to this, SunMed officially launched Health in Your Hands, its flagship campaign, committed to inspiring Malaysians to start taking charge of their own health, in July 2011. The campaign was dedicated to improving the health and well-being of Malaysians. It served as a reminder for public to conduct health check-up regularly and increase health knowledge by attending community events organised by SunMed.

Enhancing Profile through Industry Leadership

SunMed Integrated Learning and Resource Centre organised the Hospital Leadership & Management Seminar in January 2011, a seminar designed for the top management personnel of relevant private and public healthcare sector. Participants went through a three-day seminar which included speakers from reputable institutions such as Boston Consulting Group, Monash University, University of Victoria, Parkway Holdings, PEMANDU, and more.

Subsequently in June, SunMed hosted a one-day CME (Continuous Medical Education) Seminar on Infectious Diseases for 100 General Practitioners from India. The seminar was part of an educational tour of the country for these delegates. SunMed was identified and chosen because of the state-of-the-art facilities that the hospital has as well as its affiliation to Sunway Group. The seminar included two speakers from SunMed, namely Tan Sri Dato' Dr M Jegathesan, Head of Division of Clinical Support and Chairman of SunMed Independent Research Ethics Committee, and Dr Tan Lian Huat, Infectious Disease Consultant.

Healthcare

Centres of Excellence

SunMed Clinical Research Centre (CRC), a new Centre of Excellence was launched on 25 February 2011. The CRC runs clinical research trials coupled with building collaborative research with Monash University. The CRC was launched in response to the demand for evidence-based clinical research in the hospital. It seeks to promote ethical and reliable clinical research based on international and local Good Clinical Practice (GCP) standards. Apart from research projects activity, the CRC also assists in documenting and tracking progress of the clinical studies being conducted.

On the same day, SunMed had signed a Memorandum of Understanding (MoU) with Prince Court Medical Centre (PCMC), a collaboration to offer SunMed patients selected oncology and laboratory services that will be held at PCMC itself. The joint collaboration between SunMed and PCMC aims to provide a holistic management for our patients, ensuring that their journey from diagnosis to treatment is managed efficiently.

Sunfert IVF, an international fertility centre located within Sunway Medical Centre was officially launched on 5 October 2011 by Malaysia's Minister of Health, YB Dato' Sri Liow Tiong Lai. Sunfert IVF is one of Malaysia's fastest growing one-stop fertility centres. Since its inception in November 2009, Sunfert IVF has helped couples from both Malaysia and abroad conceive, and has already seen many successes, with the first international IVF conceived twins from Indonesia, born on 10 October 2010.

Future Plans

Sunway Medical Centre will be recruiting more consultants of various disciplines in order to meet the increasing demands of patients and also to enhance the comprehensiveness of medical disciplines available at the centre.

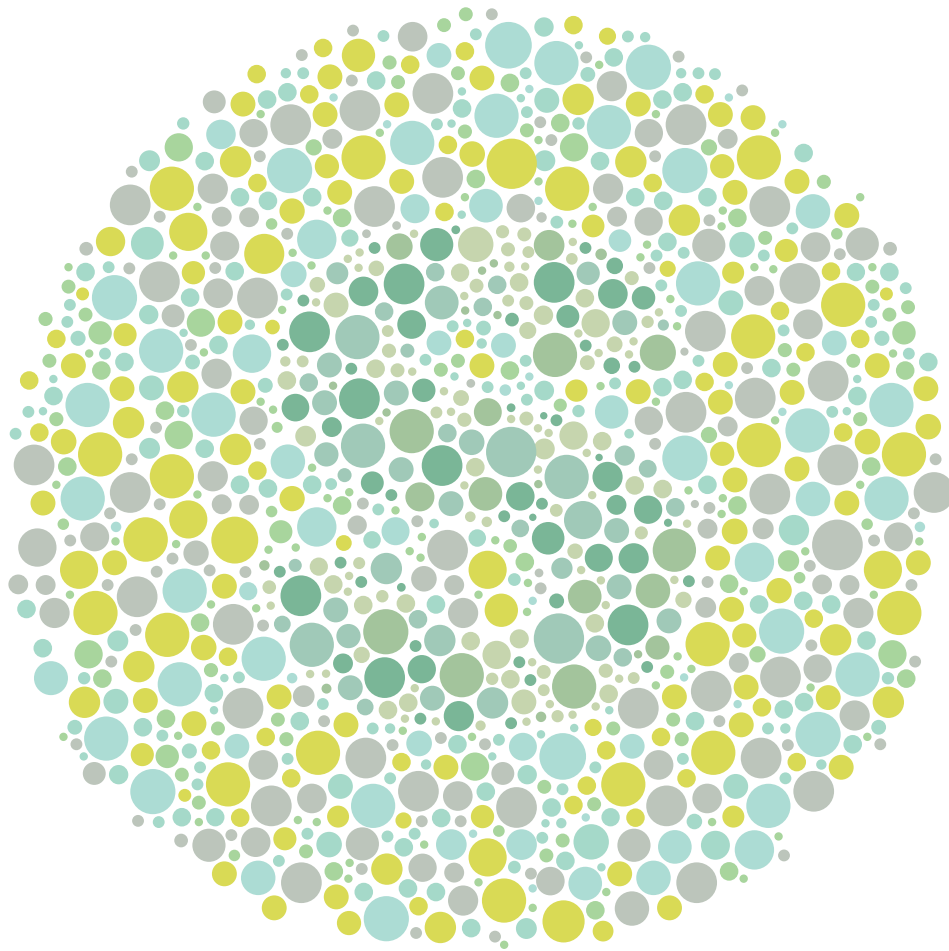
With the success of 2011 World Diabetes Day celebration that saw a series of events in Sunway Pyramid and in the hospital itself, Sunway Medical Centre will once again be organising various major activities in support of this day. With this, SunMed hopes to be able to reinforce the awareness of diabetes management among the community.

The Medical Oncology unit in SunMed, a centre bringing holistic and integrated cancer service to the community, will continue to be on its way to become a comprehensive Cancer Centre that provides one-stop cancer diagnostic and treatment services like chemotherapy, radiation therapy, PET-CT scanning and nuclear medicine.

In line with Government's drive to provide health tourism, Sunway Medical Centre will be actively promoting its various services overseas particularly in Indonesia and other regional countries.



Customer's health & well-being is key priority at SunMed



SURPASS
customer expectations

CORPORATE RESPONSIBILITY

110

Community

112

Marketplace

114

Workplace

117

Environment

Corporate Responsibility

Introduction

Our vision at Sunway is to be the leading regional property and construction group. To fulfill this aim we have developed a clear strategic plan which focuses on our mission to be innovative in delivering value, to build synergistic and sustainable relationships to achieve the highest standards of quality and excellence for all our stakeholders. Sunway views its role as a corporate citizen seriously and strives to achieve excellence in the four pillars of Community, Marketplace, Workplace and Environment.



Bus stops for the Sunway Shuttle Service

Community

We at Sunway believe we have an on-going role to play in supporting our communities for a better tomorrow for everyone. Through the Jeffrey Cheah Foundation, we have conducted substantial community work as we adopt a proactive role in promoting and developing sustainability and driving the development and growth of our communities.

Focusing on three areas, namely education, healthcare and the community as a whole, we recognise the need to try to set a benchmark in all that we do.

Through education, we seek to provide quality education to deserving Malaysians, whilst our efforts in healthcare aim to provide quality healthcare solutions and facilities, allowing our communities to pursue a healthy lifestyle. Lastly, we believe in elevating the socioeconomic of the communities. Our communities should be built in a sustainable manner, allowing the people living within them to enjoy a safe and comfortable environment.

From the launch of the Jeffrey Cheah Foundation to our "Safe City Initiative" and "Health in Your Hands" campaign, we aim to lead with passion and give to our communities in ways we know best. It therefore brings us immense pride and joy to be able to share some of our initiatives and achievements in the last reporting period with our stakeholders.

Education

In March 2010, the Jeffrey Cheah Foundation was launched with the transfer of equity from the Sunway Education Trust Fund to the Foundation, where they are held in perpetuity and any operating surpluses will be reinvested into the Sunway Education Group of Institutions or disbursed as scholarships to diligent and deserving students. Over 11,000 deserving and indigent Malaysian students have thus far pursued their tertiary education through the Foundation's scholarships amounting to more than RM80 million to date.



Jeffrey Cheah Foundation raises more than RM1.2 million for SJK (C) Chee Wen

The introduction of the Tan Sri Jeffrey Cheah Distinguished Speaker Series brings prominent and established speakers and communication experts from around the world to share their insights in their fields with the public and students alike whilst the Business Startup Showcase was a collaboration with Mad Incubator that attracted more than 3,000 people. Based on the belief that entrepreneurship can be taught, the Business Startup Showcase provided a series of talks, workshops and coaching programmes to aspiring entrepreneurs to help them take the first step towards starting a sustainable business. The Distinguished Speaker Series since its inception in 2005, has brought a total of 51 speakers from around the world attracting on average 200 people per session.

The Jeffrey Cheah Foundation also supported the Government's economic development plan when it organised its first national conference with the Asian Strategy and Leadership Institute (ASLI), the Institute of Strategic Analysis and Policy Research (INSAP) and The Star at the Sunway Lagoon Resort Hotel and Spa thereby provided a platform for members of the public to voice out their views on transforming Malaysia into a high income nation by 2020.

Healthcare

Sunway believes that our next step beyond raising the healthcare standards in Malaysia is to help cultivate healthy living habits in Malaysians. Our healthcare campaigns and initiatives aim to educate members of the public on the importance of taking charge of one's health. Monthly public forums have been conducted by our medical specialists and consultants to educate the public on various medical related issues including diagnoses, symptoms, prevention and cure of illnesses such as cancer, diabetes and stroke.

Our "Health in Your Hands" campaign was launched to raise the public's awareness on taking charge of their health and the importance of exercise. The campaign kick-started with the inaugural SunMed Jogathon, a charity run around the beautiful landscape of Bandar Sunway, aimed to help the general public understand and support those suffering from hearing and speech impairment or language delays. All proceeds from the run were donated to the Children's Wish Society of Malaysia, a not-for-profit organisation for children who are terminally ill or stricken with life-threatening illnesses.

With nearly 1.2 million Malaysians diagnosed with diabetes, we at Sunway decided to play our part in raising awareness of this killer disease in conjunction with World Diabetes Day on 14 November 2011. Starting with free counselling and blood glucose screening at the medical centre, information and preventative measures were advocated at exhibition booths sponsored by pharmaceutical companies for the entire week.

The Community

Focusing on the four pillars of social responsibility programmes, nation-building activities, environmental conservation and community lifestyle enhancements, we try to fulfill our responsibility as a corporate citizen the best way we know how – leading with passion. From on the job-training programme for students with special needs and disaster relief to caring for the residents of our adopted orphanage and acknowledging the good work of the Sisters from the Infant Jesus Convent, we at Sunway aim to deliver initiatives and projects that not only come with impactful results, but sustainable ones too.

In 2001, Sunway partnered the Royal Malaysian Police Force, the Malaysian Crime Prevention Foundation (MCPF) and the Selangor State Government to launch the Safe City Initiative to reduce crime rate in Bandar Sunway.



Graduation ceremony for the 6th Batch of Sunway's Auxiliary Police

Corporate Responsibility

The initiative began with the construction of a RM300,000 air-conditioned police pondok (or "booth") which included the necessary electronic technological infrastructures to detect crime. Together with the introduction of a mobile police unit, it aims to ensure the safety of the surrounding community of Bandar Sunway and instil neighbourhood spirit within the township. Since then, the initiative has gone from strength to strength with the employment of our security personnel as auxiliary police force working in tandem with our partners to provide 24-hour security patrolling. Today, the Sunway security force boasts a total of 800 personnel, 350 are Auxiliary Police whom have completed intensive training at the Malaysian Police Training Centre and are given rights to investigate crimes subject to the prior approval from the Inspector General of Police.



Deepavali celebration with single mothers and their children from the Bandar Sunway Malaysia Hindu Sangam Community at Sunway Pyramid

In the spirit of sharing, we have made it a practice to invite the underprivileged to our celebrations of all major festive occasions. Sunway Pyramid Shopping Mall played host to some 50 children from Yayasan Chow Kit and students from the special education unit of our adopted school, Sekolah Menengah Bandar Sunway during the launch of the Raya celebration. For Deepavali, we hosted a buffet dinner for some 40 single mothers and 55 children from the Bandar Sunway Malaysia Hindu Sangam Community. The Group had also donated RM10,000 to help reduce the financial hardships of these single mothers.

Meanwhile, Sunway Carnival Shopping Mall in Penang organised a fund-raising campaign in aid of The Salvation Army for the enhancement of its dormitory, which comes with a designated rest and relax area for senior citizens to converge and interact. We had also contributed a sum of RM1.6 million to the National Kidney Foundation ("NKF") of Malaysia for the purchase of two NKF LifeCheck Mobile Health Screening Units to help meet the needs of the rising number of kidney patients in Malaysia. With these two units, we hope to achieve the target of screening a cumulative 120,000 patients by the end of 2011 and 180,000 by 2012.

The move is also part of our unwavering commitment to help the underprivileged in any way we can.

We at Sunway are fortunate to have options in which to contribute to the community given the varied industries in which we conduct our business and we try to extend our Corporate Social Responsibility efforts to reach as many different communities as we can whilst remain mindful of our responsibilities as a corporate citizen. For a more detailed account of our community efforts in the last reporting period, please refer to our Sustainability Report 2011.

Marketplace

Customer Feedback, Satisfaction and Privacy



Continuous customer feedback to satisfy changing needs

Sunway aims to earn the loyalty of our customers by providing superior services and quality products. We regularly engage with our customers, exploring every opportunity to satisfy their changing and implied needs. At Sunway, we monitor our customer satisfaction on a consistent and timely basis.

Employees at Sunway are guided by our Code of Conduct and Ethics. Our Customer Relations Management (CRM) framework limits access to detailed customer contact lists. This secured layered access to data on clients is essential in preventing any breaches of customer privacy. Information affecting corporate bodies, customers and employees cannot be disclosed in any manner without proper authorisation. In particular, customer privacy is of utmost importance within our healthcare business. Stringent guidelines are in place at Sunway Medical Centre to protect patient medical records. Access to storage section of the Medical Records Department (MRD) is confined to Medical Records staff and authorised personnel.

Marketing and Communications

At Sunway Integrated Properties, our marketing and communication materials undergo a stringent legal review to meet all applicable laws and standards regulated by the local government and regulatory agencies.

We comply with the ADPL (Housing Developers License and Advertising Permit) for brochures, advertising permits and sales and purchases (S&P) agreements. Any marketing material produced by Sunway that profiles a client or its project is submitted to client for approval and use rights.

Advocating the Lifestyle of Health and Sustainability ("LOHAS") principle, we seek to reach out to a growing number of people choosing to embrace LOHAS on a daily basis. Every Sunway development embraces the five pillars of LOHAS when a holistic living environment takes center stage. LOHAS encompasses five pillars which are sustainable living, environment social justice, personal development and health and fitness. Collectively, they encourage families to lead a well-balanced lifestyle.

Product and Services information

Total Quality and Environment Management System (TQEMS) is an approach adopted by Sunway Integrated Properties with a focus on total customer satisfaction, delivering solutions that meet and exceed clients' needs. The system has helped to streamline our processes and increase profitability as it facilitates quality management, compliance management, risk assessment and other components that directly impact our product and services quality. The model is based on the four pillars of TQEMS – support of competent employees, total involvement and operational excellence, prevention of environmental pollution and compliance with legal and other requirements, continuous operational and measurement improvement.

In addition, to ensure our products and services are of the highest quality, ISO certification has been sought for a number of our business units. The list of our companies that are in compliance with ISO 9001 are as follows:

Construction division

- Sunway Construction Sdn. Bhd.
- Sunway Engineering Sdn. Bhd.
- Sunway Concrete Products Pte Ltd
- Sunway Builders Sdn. Bhd.
- Sunway Innopave Sdn. Bhd.

Integrated Properties division

- Sunway Integrated Properties Sdn. Bhd.
- Sunway City (Ipoh) Sdn. Bhd.
- Sunway City (Penang) Sdn. Bhd.
- Sunway City (JB) Sdn. Bhd.
- Sunway D' Mount Kiara Sdn. Bhd.
- Sunway Damansara Sdn. Bhd.
- Sunway Grand Sdn. Bhd.
- Sunway Melawati Sdn. Bhd.
- Sunway Montez Sdn. Bhd.
- Sunway Pinnacle Sdn. Bhd.
- Sunway Semenyih Sdn. Bhd.
- Sunway South Quay Sdn. Bhd.
- Sunway SPK Homes Sdn. Bhd.
- Sunwaymas Sdn. Bhd.

Suppliers

At Sunway, we ensure that purchased materials or services meet the requirements of the clients and specifications of the contract. The procurement process is carried out by the Group's in-house procurement function, which was established to support the Group's long-term profitability objectives, together with input and expertise from various functions of the business units.

The main objective is to identify and engage with suppliers who are reliable for quality products and services in the most cost effective manner. We hope to minimise costs by having a good purchasing strategy and an established set of trusted suppliers. Hence, the procurement team plays an important role in the selection of key suppliers and building long-lasting relationships that benefit both parties.



Sunway Integrated Properties Fair, the latest avenue for marketing the Group's properties

Corporate Responsibility

Workplace



Sunway Family 2011 Day at Sunway Lagoon

At Sunway, our passion for what we do revolves around our people, businesses and other stakeholders. "Leading with Passion" is a credo all Sunway businesses subscribe to. We aspire to sustain our leadership positions in the various industries we are in, while inspiring passion in our people. Passion is an inherent value deeply entrenched in our organisational culture.

We believe that fostering excellent human resources is essential to the Group's sustainable growth. Harnessing our people's expertise and commitment to deliver excellence creates value for our investors by building strong relationships with our stakeholders. The Group's corporate slogan "Our People, Our Strength" underscores its firm belief that employees collectively determine its strength, character and performance.

Sunway embraces diversity at the workplace and we do not allow room for any form of discrimination practice against people from a different gender; marital status; race; nationality; ethnic origin or age. We recruit 70% of our staff locally and stand firm against any form of discrimination. All employees at Sunway are treated with respect and in a fair and respected manner. Diversity is interwoven into the Group's key business strategies, service delivery, policies, procedures, practices, mission, vision and values.

We are committed to protecting and enhancing the human rights of its employees. Our Group employment policies are consistent with national standards, and we recognise the rights of our employees to freely choose to join relevant unions. We continue to ensure equal opportunity in the workplace and encourage employee diversity based on the basic employment principal of performance pay and equal pay regardless of gender. In addition, Sunway has a Disciplinary Policy, Grievance Policy and Recruitment Policy in place whereby employees are treated equally and fairly. We oppose forced labour and we support measures to effectively eliminate child and compulsory labour.

Employee Engagement and Satisfaction



Enhancing employee engagement through sports activities organised by Kelab Sukan Sunway

Employee engagement is pivotal to ensure that employees are properly motivated to contribute their best to the organisation. Employee engagement is important to ensure a high level of commitment and involvement from the employee towards the organisation and our core values.

Sunway has carried out comprehensive internal and external engagement surveys to monitor and understand the level of engagement of employees. We engage with our employees through the following channels:

- Informal chat session with General Managers
- Festive/Annual dinners
- Birthday celebrations
- Teambuilding activities
- Welcome lunches
- Townhall meetings
- Family/Movie outings
- Managers' conferences

Key Benefits and Performance Management

Sunway has an established salary structure that is reviewed on a yearly basis in line with the general industry practice. We provide benefits to employees to supplement cash remunerations, and we periodically monitor the market to ensure that cash and total remunerations remain competitive.

At Sunway, we recognise outstanding contributions of our people. We are committed to creating and maintaining a performance-oriented work environment in which employees are valued and their contributions duly rewarded. Our long service award acknowledges and rewards employee loyalty.

Our Performance Management System (PMS), also known as "Managing For Excellence" (MFE), is a platform for goal setting and evaluation of job performance and behavioural competencies.



Department teambuilding at Lost World of Tambun



Sunway Integrated Properties Annual Dinner

It also provides a platform for engagement between the employee and line managers to discuss about performance management, challenges faced, learning/development actions and career planning.

All confirmed employees are required to adhere to the MFE cycle which comprises of:

- MFE Planning (Jan-Feb)
- MFE R1 (Mid-Year review in July-Aug)
- MFE R3 (Year-End review in Nov-Dec)

Training and Career Development

Sunway's leadership is committed to talent development. One of our core leadership requirements for Sunway leaders is the ability to develop others. Sunway's leaders are committed to nurturing future leaders, and offer support for employees in terms of career progression.

We expect our people to have the Passion for Excellence. Sunway's "Managing for Excellence" performance management system facilitates the performance-based culture in Sunway. In support of employee development, annual talent reviews are conducted to identify employees' potential to further groom, support and accelerate employees' career progression.

At Sunway, we provide various types of training offerings to our employees, and they cover:

- Leadership skills – Our leadership skills development focuses around developing our employees in strategic thinking, leading others, developing others, interpersonal skills, passion for excellence and customer focus.

- Technical or functional skills - Project management, hospitality management (banqueting, reservations, housekeeping, customer services), theme park management, nursing, pharmacy management, radiology, clinical training of basic life support & code blue, First Respondent Programme, Patient's Right & Responsibilities, Quality Control & Assurance, Safety, Health & Environment (SHE) Training, Product Training, Software Application Development, Programme and ICT Training
- Managerial skills – This encompasses skills such as coaching, delegation, planning, monitoring and evaluation of performance, presentation.
- Management knowledge - Marketing, finance, strategic planning, operations management, human resource management and sales management.

Employees in Sunway are required to attend training courses relevant to their job role. There are also opportunities for development in preparing the more promising employees for future leadership roles in the company. In doing this, we have in place a suite of Talent Development programmes which aim at developing employees to assume middle and senior management positions in the company including the Sunway Managerial Advancement for Recruited Trainees (SMART) Programme, Emerging Leaders Programme (ELP), Developing Leaders Programme (DLP) and Advanced Leaders Programme (ALP).

In addition, we also provide sponsorship for high-performing employees who wish to pursue academic programmes such as diploma, tertiary, professional qualifications (ACCA, ICAEW, CIMA), Masters and PhD.

Corporate Responsibility



Participants at the "Influencer" training organised by Group Human Resource

Occupational Safety and Health (OSH)

The Group considers health and safety management to be equally as important as any other management function. It is the Management's responsibility to provide the framework to promote, stimulate and encourage the highest standard of safety and health at work. All employees, visitors including sub-contractors and workers must ensure that the Group's safety and health regulations are complied with and work towards achieving a healthy and safe working environment.

All project sites have a well-represented OSH Committee, which is chaired by the person-in-charge. The participation of subcontractors and employee representatives are of paramount importance to identify unsafe acts and conditions at the site. Proactive decisions are made to achieve continuous improvement at the sites.

We are committed to providing a safe and healthy workplace to all employees as well as those involved in our daily business activities. In this regard, Sunway strives towards ZERO life loss, and is committed to complying with provisions of the Occupational Safety & Health Act 1994, its regulations and all the approved codes of practice by:

- Identifying all hazards, assessing the risk and controlling them.

- Ensuring that all heads of operating companies are committed to strive for continuous improvement as per Occupational Safety & Health standards in their respective organisations.
- Ensuring that all companies comply with the Occupational Safety & Health laws, in regulations and approved codes of practice.
- Maintaining all occupational safety and health documentations and conduct periodic reviews on its effectiveness.

Compliance and Regulations

Below is a list of companies within the Group that are in compliance with OHSAS 18001:

- Sunway SPFM Sdn. Bhd.
- Sunway Lagoon Sdn. Bhd.
- Sunway Pyramid Sdn. Bhd.
- Sunway Resort Hotel Sdn. Bhd.
- Sunway Medical Centre Bhd.



Safety briefing at our construction project in Ipoh

Environment

Sunway is accountable for the impact of its business operations. Our aim is to improve our performance continuously to ensure we can make a positive contribution to the environmental, economic and social wellbeing of our stakeholders, their families and the broader community.

Guided by the Lifestyles of Health & Sustainability ("LOHAS") philosophy, we take a proactive approach towards environmental management that aims to minimise environmental impact through energy-efficient features, energy and water conservation measures, recycling programmes and preservation of biodiversity.

Environmental Management System

The Group is accredited with ISO 14001 Environmental Management System for Sunway Construction Sdn. Bhd. and Sunway Integrated Properties Sdn. Bhd. This is an internationally recognised standard for environmental management systems. Achieving this certification is a testament to Sunway's ongoing commitment to safeguard the environment.

Sunway Construction Sdn. Bhd. has also become the pioneer builder in Malaysia to have Building and Construction Authority of Singapore (BCA) Green Mark Managers and Leadership in Energy and Environment Design (LEED) accredited professionals as part of its team.

Green Products and Initiatives

Sunway was the first to obtain the GBI certification for its 2010 residential project Sunway SPK 3 Harmoni. In addition, Sunway Palazzo, Sunway Challis, Sunway Nautica and Sunway Vivaldi have all received the BCA Green Mark. These certifications reflect Sunway's vision to develop environmentally-friendly projects that promote sustainability and community building.



Bicycles presented to residents of a development in Sunway Damansara to encourage a healthy lifestyle and environment conservation

Our Building Materials Division is among the pioneers to introduce "green" concrete, which uses resource-saving and environmentally-friendly raw materials. Our products, including interlocking concrete pavers, compressed concrete paving slabs and cavite light weight concrete panels have received Green Label Certification from the Singapore Environment Council. This recognises our efforts in producing environmentally friendly products with a minimum usage of 20% recycled content.

Energy and Water

Energy consumption has been a key area of focus at Sunway, and we have implemented the following initiatives aimed at reducing the energy we consume:

- Replace cathode ray tube (CRT) monitors with LCD monitors
- Replace T8 fluorescent lights at Menara Sunway's basement car park with energy efficient T5 fluorescent lights
- Reduce the number of servers through virtualisation
- Set power save mode for desktops and notebook
- Adopt web conferencing solutions through audio and video conferencing
- Purchase energy saving equipment
- Switch appliances off e.g. computers, monitors, CPUs, printers, scanners, photocopiers, at the end of each working day
- Switch off lights in rooms when not being used

At the Banjaran Hot Springs Retreat, water is conserved by utilising geothermal spring water for irrigation of the landscape. Additionally, all private Jacuzzis in the villas, water features in the interior design and the pool use the natural spring water directly from the surrounding rainforest. To reduce water consumption, water saving push valves, shower heads and low flush toilet systems have been installed. Water conservation is further promoted via rainwater harvesting whereby rainwater is collected in a series of lakes contained by a weir system, and then used for landscaping.

Waste and Effluent Management

Runoff from construction sites may contain increased loads of suspended solids and contaminants. Hence, silt traps are installed at all construction sites to prevent a large amount of solid waste and contaminants from being discharged into rivers. Thus far, our construction division has never been penalised by the authorities for any environmental non-compliance.

The quarrying sector produces numerous types of waste throughout its operations, which can be a threat to the environment unless they are disposed of properly. Waste from quarrying activities, which is categorised under 'scheduled waste' is stored and disposed of by a licensed vendor according to the Department of Environment's (DOE's) requirements and regulations.

Construction activities produce a lot of noise, mainly from vehicles, heavy equipment and machinery, and generate high levels of dust (typically from concrete, cement, wood, stone, silica), and this can carry for large distances over a long period of time. We have developed and implemented an Environmental Management Compliance Plan (EMCP) for each construction project as part of the normal planning approval process. Potential environmental impacts

(including noise, visual, air quality, water quality, ecology and more) created as a consequence of the construction and during operation of the project are studied, and appropriate mitigation measures are implemented accordingly.

Biodiversity Conservation and Climate Change

Subscribing to the pillars of environment and sustainable development, Sunway Lagoon's Wildlife Park was constructed around the existing trees and plant life. Since then, more trees have been planted with most of them being local varieties of fruit trees and foliage. Thereafter, the fruits are used to feed over 150 species of animals at the Wildlife Park.

In March 2011, Sunway participated in Earth Hour for the third time. All non-essential lights were switched off for an hour during Earth Hour, to demonstrate support towards reducing global warming and creating awareness on climate change. Throughout the Sunway Pyramid Mall, huge pledge boards were located strategically at all shopping mall levels, urging shoppers to pledge to switch off all non-essential lights during Earth Hour and to take small actions towards a more sustainable lifestyle. Guests staying in the Sunway Resort Hotel and Spa were also encouraged to do the same for their respective guestrooms.



Celebrating Earth Hour at Sunway Pyramid Shopping Mall



Recycling campaign for residents in Sunway Damansara

Recycling and Other Environmental Initiatives

We have been working proactively to reduce, reuse, and recycle materials wherever possible. At Sunway, we have one or more recycling schemes in place, for aluminium cans, glass bottles, office paper, and other recyclable materials at most areas.

Sunway's recycling initiatives were implemented in 2001 and have since been adopted by all components of the Sunway Group that include its headquarters in Menara Sunway; Sunway Pyramid; Sunway University; Sunway Resort Hotel and Spa; Sunway Lagoon Club; Sunway Medical Centre; and Sunway Lagoon.

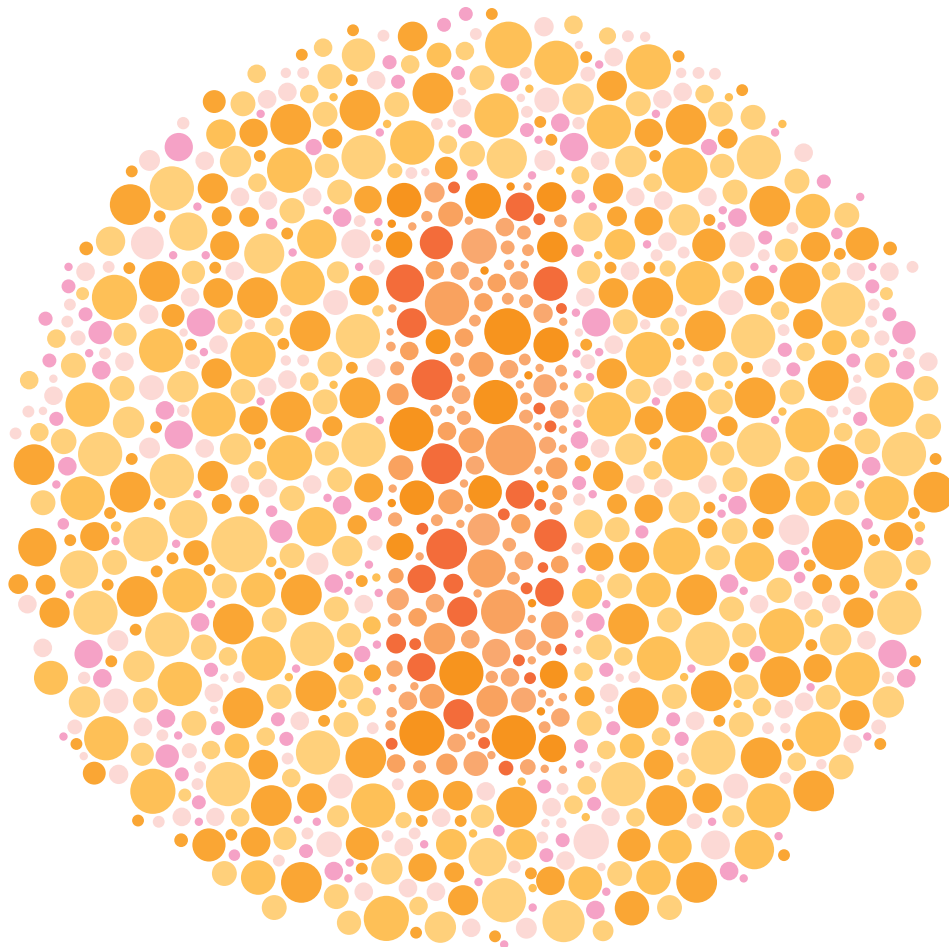
At Sunway Medical Centre, we discourage the use of non-biodegradable items such as polystyrene cups, plates, take-away containers, plastic bags, etc. In its effort to lead the way in going green, Sunway Medical Centre chose, as its 2011 Annual Corporate Gift for each of its employees, a lunch box with a stainless steel

fork and spoon in a reusable bag, to encourage its employees stop using the ever popular, but harmful polystyrene take-away food containers. The take-away food containers and cups used at the hospital's cafeteria are made of an eco-friendly material. Also, the bags used by the hospital's Pharmacy to contain the prescribed medication for its patients are made of paper and not plastic.

In June 2011, Sunway eco-riders took on the highway to spread an environmental message in conjunction with the United Nation Environment Programme's World Environment Day. The ride, which began from Sunway's headquarters at Menara Sunway to its Sales Gallery at Kota Damansara, took over two hours for the 20km journey. Through this endeavour, we hope to encourage the use of bicycles as an environmentally-conscious transportation alternative, and to captivate public awareness for the environment.



Sunway Eco-Riders, spreading environmental awareness in conjunction with World Environment Day



INTEGRITY

surrounding professionalism
and ethics first

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Corporate Governance Statement

The Board is committed to ensure that good corporate governance is practised throughout the Group with the ultimate objective of protecting and enhancing shareholders' value and the financial performance of the Company and of the Group.

The Board is committed to implementing the Malaysian Code on Corporate Governance ("the Code") wherever applicable in the best interest of the shareholders of the Company.

A. DIRECTORS

THE BOARD AND ITS RESPONSIBILITIES

The Board leads and controls the Group. It regularly meets to perform its main functions, amongst others, as follows:-

- Setting the objectives, goals and strategic plans for the Group with a view to maximising shareholders' value.
- Adopting and monitoring progress of the Company's strategies, budgets, plans and policies.
- Overseeing the conduct of the Group's businesses to evaluate whether the businesses are properly managed.
- Identifying principal risks of the Group and ensuring the implementation of appropriate systems to mitigate and manage these risks. The Board through the Risk Management Committee, sets, where appropriate, objectives, performance targets and policies to manage the key risks faced by the Group.
- Considering Management's recommendations on key issues including acquisitions, divestments, restructuring, funding and significant capital expenditure.
- Human resources planning and development.
- Reviewing the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board delegates certain responsibilities to the Board Committees, all of which operate within defined terms of reference.

BOARD COMPOSITION

During the year under review, the Board consists of 7 members, 3 or 1/3 are Independent Non-Executive Directors. The Board composition reflects a balance of Executive and Non-Executive Directors with a mix of suitably qualified and experienced professionals in the fields of accountancy, banking and finance, economics, real estate development and property management. This combination of different professions and skills working together enables the Board to effectively lead and control the Company.

There is clear segregation of responsibilities between the Executive Chairman and the President to ensure a balance of power and authority. The President is subject to the control of the Board. He is responsible for the day-to-day management of the business in accordance with the objectives and strategies established by the Board.

A brief profile of each Director is presented on pages 58 to 63 of the Annual Report.

MEETINGS AND SUPPLY OF INFORMATION

Unless there are urgent matters, the Board normally meets quarterly to review financial, operational and business performances. Notices and agenda of meetings duly endorsed by the Executive Chairman together with the relevant board papers are normally given at least 1 week prior to the meetings for the Directors to study and evaluate the matters to be discussed.

The board papers provided include inter alia, financial results, business plan and budget, progress report on the Company's developments, minutes of meetings of Board Committees, regulatory/statutory updates and other operational and financial issues for the Board's information and/or approval.

All Directors are entitled to information pertaining to the Company and the Group. In addition, all Directors have direct access to the advice and services of the Company Secretaries. They are also permitted to seek independent advice whenever deemed necessary, at the Company's expense.

There is a formal procedure approved by the Board for all Directors, whether as a full Board or in their individual capacity, to obtain independent professional advice, when necessary, at the Company's expense.

The Board met 4 times during the financial year ended 31 December 2011 and the details of attendance of the Directors are as follows:-

Name of Directors	Number of Meetings Attended	Percentage of Attendance (%)
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	4/4	100
Datuk Seri Razman M Hashim (Appointed on 17 June 2011)	4/4	100
Dato' Chew Chee Kin (Appointed on 17 June 2011)	4/4	100
Sarena Cheah Yean Tih	4/4	100
Datuk Low Seng Kuan (Appointed on 17 June 2011)	4/4	100
Wong Chin Mun (Appointed on 17 June 2011)	3/4	75
Lim Swe Guan (Appointed on 17 June 2011)	3/4	75

DIRECTORS' TRAINING

During the financial year, all the Directors had attended various training programmes and seminars 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 training programmes, seminars and workshops attended by the Directors during the financial year were, inter alia, on areas relating to corporate leadership and governance, financial reporting, property market, risk management and strategic planning.

Corporate Governance Statement

Training Programmes, Seminars and Workshops attended by Directors

Name of Directors	Course Title / Organiser	Date
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	• Fireside Chat with Dato' Sri Idris Jala on "The Economic Transformation Programme: What's in it for me?" (Kuala Lumpur Business Club)	31 January 2011
	• Government of Singapore Investment Corporation's 30th Anniversary Conference (Government of Singapore Investment Corporation)	9 May 2011
	• Sunway Managers Conference 2011 – "Passion Unites" (Sunway Group)	4 November 2011
Datuk Seri Razman M Hashim	• Update on Financial Reporting Standards (Trace Management Services Sdn Bhd & PricewaterhouseCoopers)	4 May 2011
	• Sunway Managers Conference 2011 – "Passion Unites" (Sunway Group)	4 November 2011
Dato' Chew Chee Kin	• Fireside Chat with Dato' Sri Idris Jala on "The Economic Transformation Programme: What's in it for me?" (Kuala Lumpur Business Club)	31 January 2011
	• Sunway Managers Conference 2011 – "Passion Unites" (Sunway Group)	4 November 2011
Sarena Cheah Yean Tih	• Fireside Chat with Dato' Sri Idris Jala on "The Economic Transformation Programme: What's in it for me?" (Kuala Lumpur Business Club)	31 January 2011
	• Global Master-Class: Internal & External Transformation (The London Speaker Bureau)	26 September 2011
	• Simplified Strategic Planning (Kexxel Group)	19 & 20 October 2011
	• Transformational Leadership Workshop (The London Speaker Bureau)	23 October 2011
	• Sunway Managers Conference 2011 – "Passion Unites" (Sunway Group)	4 November 2011
Datuk Low Seng Kuan	• Confronting the Bribery and Corruption Nexus in the Private Sector* (Transparency International Malaysia)	13 July 2001
	• Supply Chain and Logistic Summit* (Federation of Malaysian Manufacturers & GS 1 Malaysia)	11 October 2011
	• 17th Asean Federation of Accountants Conference – "Converge, Transform, Sustain: Towards World Class Excellence" (Malaysian Institute of Accountants)	2 & 3 November 2011
	• Sunway Managers Conference 2011 – "Passion Unites" (Sunway Group)	4 November 2011
	• FMM-Transparency International Malaysia Integrity Conference – "Making Business Sense from Integrity" (Federation of Malaysian Manufacturers & Transparency International Malaysia)	10 November 2011

Name of Directors	Course Title / Organiser	Date
Wong Chin Mun	<ul style="list-style-type: none"> Vistage CE-16 Group Meeting – “Greening your business is no longer just a passing FAD; it’s an opportunity to build cachet in the marketplace; innovate and ultimately profit” (Vistage Malaysia Sdn Bhd) 	11 March 2011
	<ul style="list-style-type: none"> Steps to Strozzi – Logistics & Training (Strozzi Institute, USA) 	30 March 2011 to 3 April 2011
	<ul style="list-style-type: none"> Vistage CE-16 Group Meeting – “Some people change jobs, business, mates and friends, but never think of changing themselves” (Vistage Malaysia Sdn Bhd) 	8 April 2011
	<ul style="list-style-type: none"> FMM Marketing & Branding Conference 2011 – “Social media marketing - The frontier of communication strategy” (Federation of Malaysian Manufacturers) 	24 May 2011
	<ul style="list-style-type: none"> Audit Committee Forum – Audit Committee Effectiveness: Winning Practices & What Works Best (The Institute of Internal Auditors Malaysia) 	12 July 2011
	<ul style="list-style-type: none"> 2011 Downunder Conference – Social Media for TEC Chairs (TEC Australia) 	27 to 30 July 2011
	<ul style="list-style-type: none"> Vistage CE-16 Group Meeting – “By my actions teach my mind - William Shakespeare” (Vistage Malaysia Sdn Bhd) 	12 August 2011
	<ul style="list-style-type: none"> WPO Firefly Forum Meeting – Current political/ economic situation and prospect for future (Luxasia Pte Ltd) 	9 & 10 September 2011
	<ul style="list-style-type: none"> FMM Human Resource Conference 2011 – Retaining talents in moving up the value chain (Federation of Malaysian Manufacturers) 	27 September 2011
	<ul style="list-style-type: none"> CEO Tea Talk 2011 by Tan Sri Dato' Dr Lin See-Yan & Ms Yeo Eng Ping (Vistage Malaysia Sdn Bhd) 	8 November 2011
	<ul style="list-style-type: none"> Vistage CE-16 Group Meeting – “The most effective leadership is by example, not edit” (Vistage Malaysia Sdn Bhd) 	11 November 2011
	<ul style="list-style-type: none"> CEO Business Luncheon Talk – Competition Act 2010 - An insight into what to expect (International Chamber of Commerce Malaysia) 	14 December 2011
Lim Swe Guan	<ul style="list-style-type: none"> Workshop on Property Valuation Concepts* (Asia Pacific Real Estate Association) 	1 July 2011

*Attended as speaker

Corporate Governance Statement

All Directors were also constantly updated by the Company Secretary on changes to the relevant guidelines on the regulatory and statutory requirements.

RE-APPOINTMENT, RETIREMENT BY ROTATION AND RE-ELECTION

The Company's Articles of Association provides that one-third of the Board is subject to retirement by rotation at each Annual General Meeting. Each Director shall retire once at least in each 3 years but shall be eligible for re-election. The Directors to retire in each year are those who have been longest in office since their last election or appointment.

Pursuant to Section 129(2) of the Companies Act, 1965, the office of a Director who is of or over the age of 70 years shall become vacant at the conclusion of the forthcoming Annual General Meeting and subject to approval being obtained from the shareholders, may be re-appointed to hold office until the next Annual General Meeting in accordance with Section 129(6) of the Companies Act, 1965. The office of Datuk Seri Razman M Hashim is subject to such vacancy and he is available for re-appointment at the forthcoming Annual General Meeting of the Company.

To assist the shareholders in their decision, sufficient information such as personal profile, attendance of meetings and the shareholdings of each Director standing for re-election and re-appointment are disclosed in this Annual Report.

BOARD COMMITTEES

The Board has set up the following Committees and will periodically review their terms of reference and operating procedures. The Committees are required to report to the Board on all their deliberations and recommendations and such reports are incorporated in the minutes of the Board Meetings.

1. Audit Committee

The Audit Committee comprising Datuk Low Seng Kuan as Chairman, Wong Chin Mun and Lim Swe Guan, is set up to play an active role in assisting the Board in discharging its governance responsibilities. The composition of the Audit Committee, its terms of reference, attendance of meetings and a summary of its activities are set out on pages 136 to 141 of the Annual Report.

2. Nomination Committee

The Nomination Committee comprises 3 wholly Independent Non-Executive Directors. The Chairman of this Committee is Lim Swe Guan. The other members of the Committee are Datuk Low Seng Kuan and Wong Chin Mun.

The Nomination Committee is responsible for identifying and making recommendations for any appointment and re-election of Board members. The Committee also assesses the effectiveness of the Board as a whole as well as the performance of each Director. The terms of reference of the Nomination Committee are set out on pages 130 and 131 of the Annual Report.

During the financial year, there was no meeting held.

3. Remuneration Committee

The Remuneration Committee comprises mainly Non-Executive Directors namely Wong Chin Mun as Chairman, Datuk Low Seng Kuan and Lim Swe Guan. The other member of the Committee is Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling.

The Remuneration Committee recommends to the Board, the proposed remuneration for Directors and the renewal of the terms of Employment Contracts for Executive Directors, with the aim of ensuring that the Company attracts and retains the Directors needed to run the Group successfully. The terms of reference of the Remuneration Committee are set out on pages 132 and 133 of the Annual Report.

During the financial year, 2 meetings were held for the following purposes:-

- (a) to note the term of reference of the Remuneration Committee;
- (b) to endorse the transfer of employment contracts and remuneration for the Executive Directors of the Company after the merger of Sunway Holdings Berhad and Sunway City Berhad;
- (c) to evaluate the performance of the Executive Directors and to endorse their annual increments and bonuses; and
- (d) to consider the renewal of Employment Contracts for the Deputy Executive Chairman and President.

The Executive Director and Senior Manager of Group Human Resources attended the said meetings on the invitation of the Committee.

4. Risk Management Committee ("RMC")

The RMC comprises Wong Chin Mun as Chairman, Chong Chang Choong and Sarena Cheah Yean Tih.

The RMC is tasked with the responsibility to oversee the risk management activities of the Group, approving appropriate risk management procedures and measurement methodologies across the organisation as well as identification and management of strategic business risks of the Group. The terms of reference of the RMC are set out on pages 134 and 135 of the Annual Report.

During the financial year, 1 meeting was held for the following purposes:-

- (a) to review the enterprise risk profile and divisional risk scorecard for effectiveness of risk management;
- (b) to review the status of implementation of action plans to manage and mitigate the identified risks;
- (c) to discuss the key changes in the business environment and key risk management issues/strategic business risks;
- (d) to discuss and report on any irregularities and proposed key recommendations to mitigate the risks;
- (e) to deliberate on key enterprise-wide risks and the Risk Scorecard; and
- (f) to discuss on the impact of economic uncertainties on the performance of the Group.

The RMC reports directly to the Board on a quarterly basis on its deliberations and recommendations.

B. DIRECTORS' REMUNERATION

Information prepared by independent consultants and survey data on the remuneration practices of comparable companies are taken into consideration in determining the remuneration packages for Executive and Non-Executive Directors. The remuneration of the Executive Directors is structured on the basis of linking rewards to corporate and individual performance. For Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities.

The Board as a whole resolves on the fees for the Non-Executive Directors with individual Directors abstaining from decisions in respect of their individual remuneration. The fees payable to the Non-Executive Directors are subject to the approval of shareholders.

Corporate Governance Statement

The details of the Directors' remuneration during the financial year are as follows:-

	Executive Directors RM	Non-Executive Directors RM	Total RM
Fees	-	162,741	162,741
Other Emoluments	-	17,424	17,424
Salaries and other Remuneration	2,370,773	-	2,370,773
Benefits-in-kind	33,553	-	33,553
Total:	2,404,326	180,165	2,584,491

The number of Directors whose remuneration falls under the following bands is as follows:-

Range of Remuneration	Executive Directors	Non-Executive Directors	Total
Below RM100,000	-	3	3
RM150,000 to RM200,000	2	-	2
RM500,000 to RM550,000	1	-	1
RM1,600,000 to RM1,650,000	1	-	1
Total:	4	3	7

[Note: The details of Directors' Remuneration of individual directors are not shown for security and confidentiality reasons.]

C. SHAREHOLDERS

DIALOGUE BETWEEN THE COMPANY AND INVESTORS

The Board values constant dialogue and is committed to clear communication with its shareholders and investors. In this respect, as part of the Group's active investor relations programme, discussions and dialogues are held with fund managers, financial analysts, shareholders and the media to convey information about the Group's performance, corporate strategy and other matters affecting shareholders' interests.

During the financial year, the Company had conducted quarterly press and analysts updates and held 44 meetings with investors and research analysts. The Company had also participated in domestic and overseas roadshows, and investor conferences in Singapore, Hong Kong and London.

In addition to published Annual Report and Quarterly Reports announced to Bursa Malaysia Securities Berhad, the Group has established a website at www.sunway.com.my from which investors and shareholders can access for information.

The Company also provides a separate executive summary together with its Annual Report, highlighting key financial information to facilitate shareholders' easy access to such key information.

While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

INVESTOR RELATIONS SERVICE

The Group's website has a section dedicated to investor relations which provides detailed information on the Group's businesses and latest developments. Any enquiries on investor related matters may be directed to this email address, irsunwayberhad@sunway.com.my or may also be conveyed to the following persons:-

1. Mr Chong Chang Choong
Chief Financial Officer
Tel No : (603) 5639 8187
Fax No : (603) 5639 9566
Email : chongcc@sunway.com.my
2. Ms Ng Lai Ping
Deputy Chief Financial Officer
Tel No : (603) 5639 8998
Fax No : (603) 5639 9566
Email : nlp@sunway.com.my
3. Mr Clement Chen
Senior Manager – Corporate Finance
Tel No : (603) 5639 8671
Fax No : (603) 5639 9566
Email : clementc@sunway.com.my

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company provides the principal forum for dialogue 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.

D. ACCOUNTABILITY AND AUDIT

FINANCIAL REPORTING

In presenting the Annual Financial Statements, Annual Report and Quarterly Reports to shareholders, the Board aims to provide a balanced and understandable assessment of the Group's financial position, performance and prospects. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

INTERNAL CONTROL

The Statement on Internal Control set out on pages 142 to 144 of the Annual Report provides an overview of the state of internal controls within the Group.

RELATIONSHIP WITH EXTERNAL AUDITORS

The Board maintains, via the Audit Committee, an active, transparent and professional relationship with the External Auditors. The role of the Audit Committee in relation to the External Auditors is disclosed in the Audit Committee Report set out on pages 136 to 141 of the Annual Report.

In addition, the External Auditors are invited to attend the Company's Annual General Meeting and are available to answer any questions from shareholders on the Annual Audited Financial Statements.

E. DIRECTORS' RESPONSIBILITY STATEMENT ON ANNUAL AUDITED FINANCIAL STATEMENTS

The Directors are responsible in the preparation of the Annual Audited Financial Statements to give a true and fair view of the state of affairs, results and cash flows of the Company and of the Group at the end of the financial year.

In preparing the financial statements, the Directors will ensure that suitable accounting policies have been applied consistently, and that reasonable and prudent judgments and estimates have been made. All applicable approved accounting standards and provisions of the Companies Act, 1965 have been complied with.

The Directors are also responsible for ensuring that proper accounting and other records are kept which disclose with reasonable accuracy, the financial position of the Company and of the Group and which enables them to ensure that the financial statements comply with the relevant statutory requirements.

F. COMPLIANCE WITH THE CODE

The Group has complied substantially with the principles and best practices outlined in the Code.

This Corporate Governance Statement was approved by the Board of Directors on 24 April 2012.

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO
Executive Chairman

Terms of Reference of Nomination Committee

1. MEMBERSHIP

- a. The Nomination Committee shall be appointed by the Board of Directors from among their number and shall comprise not fewer than 3 in number.
- b. The majority of the members of the Committee shall be independent non-executive Directors.
- c. The members of the Committee shall elect a Chairman from among their number who is not an Executive Director of the Company.
- d. In the event of any vacancy in the Committee resulting in the number of members being reduced to below 3, the Board shall, within 3 months fill the vacancy.

2. AUTHORITY

- a. The Committee is entrusted with the task of proposing new nominees for the Board and for assessing existing Directors on an on-going basis.
- b. The ultimate decision as to who shall be nominated should be the responsibility of the full Board after considering the recommendations of the Committee.

3. FUNCTIONS

- a. To determine the core competencies and skills required of Directors to best serve the business and operations of the Group as a whole and the optimum size of the Board to reflect the desired skills and competencies.
- b. To review the size of Non-Executive Directors, Board balance and determine if additional Directors are required and also to ensure that at least one-third of the Board is independent.
- c. To recommend to the Board on the appropriate number of Directors to comprise the Board which should fairly reflect the investments of the minority shareholders in the Company, and whether the current Board representation satisfies this requirement.
- d. To recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board.
- e. To consider in making its recommendations, candidates for directorships proposed by the Executive Chairman and/or the President and within the bounds of practicability, by any other senior executive or any Director or shareholder.
- f. To recommend to the Board, Directors or officers of the Company to fill the seats on Board Committees.
- g. To undertake a review of the required mix of skills and experience and other qualities of Directors, including core competencies which Non-Executive Directors should bring to the Board and to disclose this in the Annual Report.
- h. To assist the Board to implement a procedure to be carried out by the Committee for assessing the effectiveness of the Board as a whole and the Board Committees, as well as for assessing the contributions and performance of individual Directors and Board Committee members.
- i. To introduce such regulations, guidelines and/or procedures to function effectively and fulfill the Committee's objectives.

4. MEETINGS

- a. The Committee shall meet at least once a year. However, additional meetings may be called at any time at the Committee Chairman's discretion.
- b. The quorum for the meeting shall be 2 members.

5. REPORTING

The Chairman of the Committee shall report on each meeting to the Board.

6. SECRETARY

The Secretary to the Committee shall be the Company Secretary.

Terms of Reference of Remuneration Committee

1. OBJECTIVES

The Remuneration Committee shall:

- a. Ensure that the Company's Executive Directors are fairly rewarded for their individual contributions to the Company's overall performance and the levels of remuneration should be sufficient to attract and retain Directors to run the Company successfully.
- b. Demonstrate to all stakeholders in the business that the remuneration of the Executive Directors of the Company is set by a Committee of the Board which has no personal interest in the outcome of their decisions and who will give due regard to the interests of the stakeholders and to the financial and commercial health of the Company.

2. MEMBERSHIP

- a. The Committee shall be appointed by the Board from among their number and shall comprise not fewer than 3 in number.
- b. The majority of the members comprising the Committee shall be:
 - i. Non-Executive Directors of the Company; or
 - ii. any person not having a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the functions of the Committee.
- c. The members of the Committee shall elect a Chairman from among their number who is not an Executive Director of the Company.
- d. In the event of any vacancy in the Committee resulting in the number of members being reduced to below 3, the Board shall, within 3 months fill the vacancy.

3. FUNCTIONS

- a. To recommend to the Board the remuneration of the Executive Directors.
- b. Assume responsibility for all elements of Executive Directors' remuneration which include the following:
 - i. Basic salary
 - ii. Profit sharing schemes (if any)
 - iii. Share Options
 - iv. Any other benefits
 - v. Compensation for early termination
- c. Ensure that a fair differential between the remuneration of Executive Directors and other levels of management is maintained.
- d. Conduct continued assessment of individual Executive Directors to ensure that remuneration is directly related to corporate and individual performance.
- e. Obtain the advice and information from external source, if necessary, to compare the remuneration currently earned by the Executive Directors and those paid to Executive Directors of other companies of a similar size in a comparable industry sector.
- f. To ensure that the base salary element is competitive but fair.
- g. To advise on and monitor, a suitable performance related formula i.e. whether the formula is based on individual performance, company profit performance, earnings per share, etc.
- h. To provide an objective and independent assessment of the benefits granted to Executive Directors.

- i. To introduce any policy or guidelines which would enable the smooth administration and effective discharge of the Committee's duties and responsibilities.
- j. To furnish a report to the Board of any findings of the Committee.

4. MEETINGS

- a. The Committee shall meet at least once per year. However, additional meetings may be called at any time at the Committee Chairman's discretion.
- b. The quorum for the meeting shall be 2 members.

5. SECRETARY

The Secretary to the Committee shall be the Company Secretary.

Terms of Reference of Risk Management Committee

1. COMPOSITION

- a. The Risk Management Committee shall be appointed by the Board of Directors and shall comprise not fewer than 3 members, one of whom shall be an independent non-executive director.
- b. The independent non-executive director shall be the Chairman of the Committee.
- c. In the event of any vacancy in the Committee resulting in the number of members being reduced to below 3, the Board shall, within 3 months fill the vacancy.
- d. The Board shall have the discretion as it deems fit to rescind and/or revoke the appointment of any person(s) in the Committee.

2. ROLES AND RESPONSIBILITIES

As a delegate of the Board, the Committee oversees the management's activities in managing the Group's critical risks related to strategic, financial, operational, legal and other risks. The Committee is accountable to the Board and is responsible to advise the Board on matters related to risk management.

The Committee will assist the Board to fulfil its corporate governance, risk management and statutory responsibilities in order to manage the overall risk exposure of the Group. The Committee has the overall responsibility for approving appropriate risk management procedures and measurement methodologies across the Group.

The Committee's principal roles include the following:

- reviewing and recommending risk management strategies, policies and risk appetite/tolerance for the Board's approval;
- reviewing and assessing adequacy of risk management policies and framework in identifying, measuring, monitoring and controlling risks and the extent to which these are operating effectively;
- ensuring infrastructure, resources and systems are in place for risk management;
- ensuring that the staff responsible for implementing risk management systems perform those duties independently of the business units' risk-taking activities;
- reviewing management's periodic reports on risk exposure, risk portfolio composition and risk management activities;
- reviewing the enterprise risk rating and determine the critical risks to be escalated to the Board on a quarterly basis; and
- working with the Group Chief Financial Officer and Group Internal Audit, and contribute to the preparation of the Statement on Internal Control for inclusion in the Company's Annual Report, and to recommend the same for the approvals of the Audit Committee and Board.

The Risk Working Committee ("RWC") of the respective business units and the Group Risk Management Division will assist the Committee by identifying and managing risks within the Group. The RWC provides updates on key risks together with their action plans to the Committee through quarterly reporting.

The Committee shall be assisted by the Group Risk Management Division, which is headed by the Chief Risk Officer.

3. AUTHORITY AND ACCESS TO RESOURCES

The Committee will have authority to engage and authorise expenses (subject to the Delegations of Authority Policy) for independent consultants and other advisors as the Committee deems necessary to perform its duties.

The Committee may conduct or may authorise a third party to conduct specific assessment into any activity or function within the Group so far as it relates to the duties of the Committee and is in accordance with this terms of reference. The Committee is authorised to make recommendations to the Board regarding appropriate action resulting from any such assessment.

The Committee will have access to all books, records, facilities and personnel of the Group necessary for the Committee to discharge its duties and responsibilities.

4. MEETINGS

- a. The Committee shall meet at least quarterly in a year. Additional meetings may be called at any time at the Committee Chairman's discretion.

- b. The quorum for the meeting shall be 2 members.
- c. The Committee shall maintain minutes of each meeting of the Committee, and each written consent action taken without a meeting, reflecting the actions so authorised or taken by the Committee. The minutes of each meeting and all consents shall be placed in the minutes book.

5. REPORTING

The Chairman of the Committee shall report the proceedings of each Committee meeting to the Board.

6. SECRETARY

The Secretary to the Committee shall be the Chief Risk Officer, assisted by the Company Secretary.

Audit Committee Report

FORMATION

The Audit Committee was formed by the Board of Directors via a Directors' Circular Resolution passed on 20 July 2011.

The objective of the Audit Committee is to assist the Board of Directors in fulfilling its fiduciary responsibilities relating to internal controls, financial and accounting records and policies as well as financial reporting practices of the Company and its subsidiaries ("the Group").

COMPOSITION

The members of the Audit Committee during the financial year ended 31 December 2011 were as follows:-

1. Datuk Low Seng Kuan - Chairman
(Independent Non-Executive Director)
2. Wong Chin Mun
(Independent Non-Executive Director)
3. Lim Swe Guan
(Independent Non-Executive Director)

MEETINGS AND ATTENDANCE

The Audit Committee held 3 meetings during the financial year and the details of attendance of the Committee Members are as follows:-

Name of Committee Members	Number of Meetings Attended
Datuk Low Seng Kuan	3/3
Wong Chin Mun	3/3
Lim Swe Guan	2/3

The Chief Financial Officer, President and Internal Auditors were invited to the meetings held. The External Auditors were present at 1 of the total meetings held.

TERMS OF REFERENCE

1. MEMBERSHIP

- 1.1 The Audit Committee shall be appointed by the Board of Directors from amongst the Directors of the Company and shall consist of not less than 3 members.
- 1.2 All members of the Committee must be non-executive Directors, a majority of whom are independent directors as defined in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").
- 1.3 The members of the Committee should be financially literate and shall include at least 1 person:-
 - (a) who is a member of the Malaysian Institute of Accountants; OR
 - (b) who must have at least 3 years' working experience and:
 - (i) have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - (ii) is a member of 1 of the Associations of Accountants specified in Part II of the First Schedule of the Accountants Act 1967; OR
 - (c) who must have at least 3 years' post qualification experience in accounting or finance and:
 - (i) has a degree/ masters/ doctorate in accounting or finance; or
 - (ii) is a member of any professional accountancy organisation which has been admitted as a full member of the International Federation of Accountants; OR

- (d) who must have at least 7 years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.
- 1.4 No Alternate Director shall be appointed as a member of the Committee.
- 1.5 The members of the Committee shall elect a Chairman from amongst their number, who shall be an independent director.
- 1.6 If a member of the Committee resigns, dies or for any reason ceases to be a member resulting in the non-compliance of paragraphs 1.1, 1.2 or 1.3 above, the Board must fill the vacancy within 3 months.
- 1.7 The terms of office and performance of the Committee and each of its members shall be reviewed by the Board at least once every 3 years. However, the appointment terminates when a member ceases to be a Director.
- 2.5 The non-member Directors and employees of the Company and of the Group shall normally attend the meetings at the Committee's invitation, to assist in its deliberations and resolutions of matters raised. However, at least twice a year, the Committee should meet with the External Auditors without the presence of the executive board members.
- 2.6 The Internal Auditors shall be in attendance at all meetings to present and discuss the audit reports and other related matters as well as the recommendations relating thereto and to follow-up on all relevant decisions made.
- 2.7 The Company Secretary shall act as Secretary of the Committee and shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting.
- 2.8 The Secretary of the Committee shall be entrusted to record all proceedings and minutes of all meetings of the Committee.

2. MEETINGS

- 2.1 The quorum for a Committee Meeting shall be at least 2 members, the majority present must be independent directors.
- 2.2 The Committee shall meet at least 4 times a year and such additional meetings as the Chairman shall decide.
- 2.3 Notwithstanding paragraph 2.2 above, upon the request of any member of the Committee, non-member Directors, the Internal or External Auditors, the Chairman shall convene a meeting of the Committee to consider the matters brought to its attention.
- 2.4 The External Auditors have the right to appear and be heard at any meeting of the Committee and shall appear before the Committee when required to do so.

3. RIGHTS AND AUTHORITY

The Committee is authorised to:-

- 3.1 Investigate any matter within its terms of reference.
- 3.2 Have adequate resources required to perform its duties.
- 3.3 Have full and unrestricted access to information, records and documents relevant to its activities.
- 3.4 Have direct communication channels with the External and Internal Auditors.

Audit Committee Report

3.5 Engage, consult and obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise it considers necessary.

3.6 Convene meetings with the External Auditors, Internal Auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

4. FUNCTIONS AND DUTIES

4.1 To review and recommend for the Board's approval, the Internal Audit Charter which defines the independent purpose, authority, scope and responsibility of the internal audit function in the Company and the Group.

4.2 To formulate corporate governance and integrity policies, regulations and procedures and to monitor their compliance as well as to recommend and report to the Board, where necessary.

4.3 To review the following and report the same to the Board:-

(a) With the External Auditors:

(i) the audit plan and audit report and the extent of assistance rendered by employees of the Company;

(ii) their evaluation of the system of internal controls;

(iii) the audit fee and on matter concerning their suitability for nomination, appointment and re-appointment and the underlying reasons for resignation or dismissal as External Auditors;

(iv) the management letter and management's response; and

(v) issues and reservations arising from audits.

(b) With the Internal Audit Department:

(i) the adequacy and relevance of the scope, functions, competency and resources of the internal audit function and the necessary authority to carry out its work;

(ii) the audit plan of work programme and results of internal audit processes including recommendations and actions taken;

(iii) the extent of cooperation and assistance rendered by employees of the Company; and

(iv) the appraisal of the performance of the internal audit function including that of the senior staff and any matter concerning their appointment and termination.

(c) The quarterly results and year end financial statements prior to the approval by the Board, focusing particularly on:-

(i) changes in and implementation of major accounting policies and practices;

(ii) significant and unusual issues;

(iii) going concern assumption; and

(iv) compliance with accounting standards, regulatory and other legal requirements.

- (d) The major findings of investigations and management response.
 - (e) The propriety of any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- 4.4 To report any breach of the Listing Requirements which has not been satisfactorily resolved, to Bursa Malaysia Securities Berhad.
- 4.5 To prepare the Audit Committee Report for inclusion in the Company's Annual Report covering:-
- (a) the composition of the Committee including the name, designation and directorship of the members;
 - (b) the terms of reference of the Committee;
 - (c) the number of meetings held during the financial year and details of attendance of each member;
 - (d) a summary of the activities of the Committee in the discharge of its functions and duties for that financial year; and
 - (e) a summary of the activities of the internal audit function.
- 4.6 To review the following for publication in the Company's Annual Report as well as to review the Annual Report and recommend for the Board's approval:-
- (a) the disclosure statement of the Board on:
 - (i) the Company's applications of the principles set out in Part I of the Malaysian Code on Corporate Governance; and
 - (ii) the extent of compliance with the best practices set out in Part II of the Malaysian Code on Corporate Governance, specifying reasons for any area of non-compliance and the alternative measures adopted in such areas.
 - (b) the statement on the Board's responsibility for the preparation of the annual audited financial statements.
 - (c) the disclosure statement on the state of the internal controls system of the Company and of the Group.
 - (d) the statement by the Committee on the verification of allocation of share options to the Group's eligible employees in compliance with the criteria set out in the Bye-Laws of the Company's Employees' Share Option Scheme, at the end of each financial year (if applicable).
 - (e) other disclosures forming the contents of annual report spelt out in Part A of Appendix 9C of the Listing Requirements.
- The above functions and duties are in addition to such other functions as may be agreed to from time to time by the Committee and the Board.

5. INTERNAL AUDIT DEPARTMENT

- 5.1 The Head of the Internal Audit Department shall have unrestricted access to the members of the Committee and shall report to the Committee, whose scope of responsibility includes overseeing the development and the establishment of the internal audit function.
- 5.2 In respect of routine administrative matters, the Head of Internal Audit Department shall report to the Executive Chairman or his designate.

Audit Committee Report

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The activities of the Audit Committee for the financial year ended 31 December 2011 included the following:-

- (a) Reviewed and approved the Internal Audit Charter of the Internal Audit Department.
- (b) Reviewed the adequacy and relevance of the scope, functions, resources, risk based internal audit plan and results of the internal audit processes with the Internal Audit Department.
- (c) Reviewed the audit activities carried out by the Internal Audit Department and the audit reports to ensure corrective actions were taken in addressing the risk issues reported.
- (d) Reviewed with the assistance of the Internal Audit Department and management, the adequacy, appropriateness and compliance of the procedures established to monitor recurrent related party transactions.
- (e) Reviewed with the External Auditors, the audit plan of the Company and of the Group for the year (inclusive of risk and audit approach, system evaluation, audit fees, issues raised and management responses) prior to the commencement of the annual audit.
- (f) Reviewed the extent of assistance rendered by management and issues and reservations arising from audits with the External Auditors without the presence of management staff and the executive board members.
- (g) Reviewed the audit report, issues and reservations arising from statutory audit with the External Auditors.
- (h) Reviewed and discussed the Management Accounts with management.
- (i) Reviewed the quarterly results with management and the External Auditors for recommendation to the Board of Directors for approval and release to Bursa Malaysia Securities Berhad.
- (j) Approved the establishment of the Recurrent Related Party Transactions Committee and its terms of reference.
- (k) Reviewed all recurrent related party transactions entered into by the Company and the Group to ensure that the transactions entered into were at arm's length basis and on normal commercial terms.
- (l) Reviewed and approved the Conflict of Interest Policy.
- (m) Reviewed any conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- (n) Discussed the implications of any latest changes and pronouncements on the Company and the Group, issued by the statutory and regulatory bodies.
- (o) Reported to the Board of Directors on significant issues and concerns discussed during the Committee's meetings together with applicable recommendations. Minutes of the Committee's meetings were tabled, discussed and noted by the Board of Directors.

AUDIT COMMITTEE'S TRAINING

The details of training programmes and seminars attended by each Committee Member during the financial year ended 31 December 2011 are set out in the Corporate Governance Statement under "Directors' Training".

INTERNAL AUDIT FUNCTION AND SUMMARY OF ACTIVITIES

The internal audit function is performed in-house and undertaken by the Group's Internal Audit Department. During the financial year ended 31 December 2011, the Internal Audit Department carried out the following activities:-

- (a) Prepared the annual audit plan for the approval of the Audit Committee.
- (b) Regularly performed risk-based audits on strategic business units of the Company and of the Group, which covered reviews of the internal control system, accounting and management information system and risk management.
- (c) Issued audit reports to the Committee and management identifying weaknesses and issues as well as highlighting recommendations for improvements and followed up on matters raised.

- (d) Acted on suggestions made by the Committee and/or senior management on concerns over operations or controls and significant issues pertinent to the Company and of the Group.
- (e) Followed up on management corrective actions on audit issues raised by the External Auditors.
- (f) Reported to the Committee 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.

The costs incurred for the internal audit function in respect of the financial year ended 31 December 2011 amounted to RM2.3 million.

Statement on Internal Control

INTRODUCTION

The Malaysian Code on Corporate Governance stipulates that the Board of Directors of public listed companies should maintain a sound system of internal control to safeguard shareholders' investment and Group assets. Set out below is the Statement on Internal Control of Sunway and its subsidiaries ("the Group") made by the Board of Directors ("the Board") of Sunway in compliance with Chapter 15, Paragraph 15.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Statement on Internal Control: Guidance for Directors of Public Listed Companies.

THE BOARD'S RESPONSIBILITY

The Board places importance on, and is committed to maintaining a sound system of internal control and effective risk management practices in the Group to ensure good corporate governance. The Board affirms its responsibility for reviewing the adequacy and integrity of the Group's system of internal control and management information systems, including systems for compliance with applicable laws, rules, directives, guidelines and risk management practices.

Notwithstanding, as with any internal control system, the Group's system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives. It follows, therefore, that the system of internal control can only provide reasonable but not absolute assurance against material misstatement or loss.

The Group has in place an on-going process of identifying, evaluating, monitoring and managing the key risks affecting the achievement of its business objectives throughout the period. The Board reviews this process on a quarterly basis.

In the case of associates and jointly controlled entities, the management of those companies manages the systems of internal controls. The Statement on Internal Control therefore does not cover these associates and jointly controlled entities.

THE GROUP'S SYSTEM OF INTERNAL CONTROL

Monitoring Mechanisms and Management Style

Scheduled periodic meetings of the Board, Board Committees and management represent the main platform by which the Group's performance and conduct are monitored. The daily running of the business is entrusted to the President and his respective management teams. Under the purview of the Executive Chairman and President, the heads of the respective operating subsidiaries and departments of the Group are empowered with the responsibility of managing their respective operations.

The President actively communicates the Board's expectations to management at the management meetings. At these meetings, operational and financial risks are discussed and dealt with.

The Board is responsible for setting the business direction and for overseeing the conduct of the Group's operations through its various Board Committees and management reporting mechanisms. Through these mechanisms, the Board is informed of all major control issues pertaining to internal controls, regulatory compliance and risk taking.

Enterprise Risk Management

In dealing with its stewardship responsibilities, the Board recognises that effective risk management is part of good business management practice. The Board acknowledges that all areas of the Group's activities involve some degree of risk and is committed to ensuring that the Group has an effective risk management framework which will allow the Group to be able to identify, evaluate and manage risks that affect the achievement of the Group's business objectives within defined risk parameters in a timely and effective manner.

The Board delegated the responsibility of reviewing the effectiveness of risk management to the Risk Management Committee ("RMC"). The RMC is assisted by the Group Risk Management Department ("GRMD"). The roles of GRMD include monitoring and evaluating the effectiveness of the risk management process within the Group on an on-going basis. In addition, the RMC reviews and assesses the adequacy of risk management policies and ensures that resources, infrastructures and systems are in place for risk management.

The risk management framework also encompasses policies and procedures to be updated on a regular basis, compliance with current and applicable laws and regulations, and updates are made available to all employees. The GRMD, represented by the Chief Risk Officer, is a member of the Governance and Integrity Task Force Committee which oversees the governance and compliance processes of the Group. The Group also embarks on implementing a whistleblowing policy, providing an independent avenue for employees and stakeholders to report suspected or actual malpractices, misconducts or violations in a safe and confidential manner.

The details on Enterprise Risk Management are set out on pages 145 to 147 of the Annual Report.

Key Elements of the Group's System of Internal Control

The current system of internal control in the Group has within it, the following key elements:-

- Clear Group vision, mission, corporate philosophy and strategic direction which are communicated to employees at all levels.
- The Board which retains control over the Group with appropriate management reporting mechanisms which enable the Board to review the Group's progress.
- Board approved annual budgets and management plans prepared by each subsidiary during the Business Plan exercise to consider the relevant strengths, weaknesses, opportunities and threats including competitor, market and broader environmental analysis.
- Relevant Board Committees with formal terms of references clearly outlining their functions and duties delegated by the Board.
- Management meetings involving discussion on operational issues at the respective subsidiary levels.
- Comprehensive policies and procedures manuals that provide guidelines on, and authority limits over various operating, financial, human resources and health and safety matters.
- The use of the intranet as an effective means of communication and knowledge sharing.
- Regular divisional management meetings involving the review of the Group's operations, financial performance, human resources matters and business plan.
- Communication of policies and guidelines in relation to human resources matters to all employees through a staff handbook which is also available on the intranet.
- A systematic performance appraisal system for all levels of staff.
- Relevant training provided to personnel across all functions to maintain a high level of competency and capability.
- Continuous quality improvement initiatives to obtain accreditation for all operating subsidiaries such as ISO and OHSAS certification.
- An internal audit function which carries out internal audits based on an annual risk-based audit plan approved by the Audit Committee ("AC").

Statement on Internal Control

Assurance Mechanisms

The AC is tasked by the Board with the duty of reviewing and monitoring the effectiveness of the Group's system of internal control. In carrying out its responsibilities, the AC relies significantly on the support of the Group Internal Audit Department ("GIAD") which carries out internal audits on various operating units within the Group based on a risk-based audit plan approved annually by the AC.

Based on these audits, the GIAD provides the AC with periodic reports highlighting observations, recommendations and management action plans to improve the system of internal control. In addition, the AC also 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, for subsidiaries which are accredited with ISO or OHSAS certification, scheduled audits are conducted internally as well as by auditors of the relevant certification bodies. Results of the audits are reported to management.

The AC Report is set out on pages 136 to 141 of the Annual Report.

THE BOARD'S COMMITMENT

The Board recognises that the Group operates in a dynamic business environment in which the internal control system must be responsive in order to be able to support its business objectives. To this end, the Board remains committed towards maintaining a sound system of internal control and believes that a balanced achievement of its business objectives and operational efficiency can be attained.

THE BOARD'S CONCLUSION

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

This Statement on Internal Control was approved by the Board of Directors on 24 April 2012.



Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO
Executive Chairman

Enterprise Risk Management

OVERVIEW

Sunway Group's risk management framework comprises processes and policies which aim to address the risks faced by the Group. Our framework is consistent with the ISO 31000 Risk Management Principles and Guidelines, the Malaysian Code on Corporate Governance and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

We have continuously reviewed our risk management processes and policies to ensure that they are always consistent with the business and market environment currently faced by the Group.

RISK GOVERNANCE

Sunway's risk management framework provides a holistic view on how risks and strategies are linked to a performance management system for achieving the Group's objectives and goals. The fundamental approach to risk management in Sunway is to ensure that critical risks are proactively identified, communicated and managed across the Group.

Risk management is a priority and will be implemented through consultation with the Board of Directors, executives and all employees.

Risk Framework

This framework is designed to identify, quantify and control various risks encountered in our business operations. We can only mitigate but not completely eliminate all risks, in particular systemic risks.

The framework basically:

- establishes clear functional responsibilities and accountabilities within committee structures for the management of risk;
- sets risk policies and limits consistent with the risk appetite and risk tolerance of the Group; and
- ensures appropriate skills and resources are applied to risk management.

Risk Policy and Strategy

The Group's risk management policy is designed to establish the context for an embedded Enterprise Risk Management ("ERM") into key activities and business processes of the Group. This is important for the Group to identify, assess, treat and manage risks that may prevent the Group from achieving its objectives. The final outcome will be that the stakeholders can rest assured that their interest is protected.

Identifying risk parameters	Managing risk exposures	Consider risk factors
Ensuring that all critical risks are identified and controlled within the tolerance level.	Ensuring that effective internal controls and mitigation plans are in place.	Continuous cultivation of culture of identifying and managing risks within the Group.

Risk Communication

Sunway Group Risk	
Business Units	Support Services
Integrated Properties	Strategy
Construction	Finance
Trading & Manufacturing	Human Resource
Quarry & Building Materials	Group Internal Audit
Healthcare	Procurement

Enterprise Risk Management

Reporting Platform

Our risk organisation structure comprises the Board of Directors, Risk Management Committee and Risk Working Committees of the respective operating units.

Board of Directors

The Board shall approve the risk management strategies but will delegate authority for day-to-day decisions to the Risk Management Committee.

Risk Management Committee ("RMC")

The RMC consists of 3 members and is chaired by an Independent Non-Executive Director with its members appointed from the senior management team. The primary responsibility of the RMC is to review the risk management process. This includes reviewing the validity of the identified risks and ensuring that appropriate actions are taken to mitigate the risks.

The RMC shall meet at least 4 times a year. Meetings can be conducted at more frequent intervals should conditions require.

Other roles of the RMC include the following:

- reviewing and recommending risk management strategies, policies and risk appetite/tolerance for the Board's approval;
- reviewing and assessing adequacy of risk management policies and framework in identifying, measuring, monitoring and controlling risk and the extent to which these are operating effectively;
- ensuring infrastructure, resources and systems are in place for risk management; ensuring that the staff responsible for implementing risk management systems perform those duties independently of the business units' risk taking activities;
- reviewing management's periodic reports on risk exposure, risk portfolio composition and risk management activities;
- reviewing the enterprise risk rating and determine the critical risks to be escalated to the Board on a quarterly basis; and

- working with the Chief Financial Officer and Group Internal Audit, contribute to the preparation of the Statement on Internal Control for inclusion in the Company's Annual Report, and to recommend the same for the approvals of the Audit Committee and Board.

Critical risk issues evaluated by the RMC and/or major changes proposed by the RMC will be discussed at the Company's Board meeting. The RMC in turn is assisted by the Chief Risk Officer.

Risk Working Committee ("RWC")

In essence, risks are dealt and contained at the respective business units level, and are communicated upwards to the RMC through each subsidiary's board or RWC, as the case may be. The subsidiary's board may delegate the reporting function to the RWC of their business unit but they shall retain the overall risk responsibility.

Chief Risk Officer ("CRO") and Group Risk Management Department ("GRMD")

The CRO is primarily accountable for the effectiveness of the risk management system. The CRO should be distinguished from the risk owner due to the latter being such person within the Group who is able to actively influence the identified risk through decisions and actions. The CRO leads the GRMD which is supported by a risk management team.

The GRMD undertakes the role of assisting business units by identifying, quantifying and managing their critical risks. The GRMD is also extensively involved in the monitoring and reporting of risk action plans prepared by the business units.

KEY INITIATIVES

Risk Awareness and Training Session

During the year, the GRMD has completed the risk awareness and training sessions for key business units and the group functions. The objective of these training sessions is to raise the awareness of risk management concepts and mechanisms among the participants. This will then enable them to more effectively identify and manage risks in their own units.

Risk Action Implementation and Monitoring

The GRMD has undertaken the task to follow-up on risk action plans identified and prepared by the respective business units. Under the risk action plans, the respective business units need to identify the root causes, timeframe for action and staff responsibilities. These risk action plans are those linked to the critical risks of the Group.

Governance Initiatives

The GRMD is represented in the Task Force Committee on Governance & Integrity. The GRMD jointly leads the areas on fraud risk discussion and assessment, as well as in the introduction of whistle blowing hotlines.

KEY RISK FACTORS

Project Risk

These are risks associated with projects that are of a specific nature, in both short term and long term, and are frequently associated with acquisitions, change of management, failure to integrate projects, delay in project completion, increase in construction costs, effects from climate changes, potential softening property market and shortage of workers. An effective strategy for managing project risks is to develop a set of key criteria to manage the significant risks that are common in most projects. This approach assists project managers with the identification of the risks inherent in individual projects.

Each business unit is accountable for the achievement of project deliverables and outcomes. However, specific risks associated with project management are normally delegated to project managers for attention and action. Included among the benefits of efficiently managing project risks are the avoidance of unexpected time and cost overruns. Additionally, when project risks are well managed, there are fewer integration problems with assimilating required changes back into general management functions.

Country Risk

This is a collection of risks associated with investing in a foreign country. Some of the risks that fall under this category are political risk, exchange rate risk, economic risk, sovereign risk, societal risk and transfer risk, which refers to the risk of capital being locked up or frozen due to government action. The Group is exposed to this risk due to its business presence in the overseas markets such as Singapore, China, Indonesia, Vietnam, Thailand, Trinidad, India, Australia and Abu Dhabi.

Lately, managing this risk is seen as a top priority to the Group as a result of the uncertainty in the world's economy. Some of the concerns to the Group include overall economy slowdown particularly arising from the Euro zone debt crisis, China hard landing and high inflation rate.

The Group minimises its exposure to this risk through maintaining a close working relationship with local business partners and authorities in order to keep abreast with any changes in the laws and regulations in the respective foreign countries.

Financial Risk

This is related to the risk that the Group may have inadequate cash flow to meet its financial obligations. The financial risks are in relation to interest rates, foreign currency, liquidity and credit. The Group seeks to ensure that there is a reduction in cash outflow and increased cash inflow for the development of the Group's businesses, at the same time taking into consideration the impact of currency fluctuation risk, interest rate risk and the other risks related to the external financial market.

CONCLUSION

Commitment and discipline in managing the risks from all business units are the keys to providing assurance that risks are effectively managed. The Group continues to review the effectiveness of its risk management programme which covers risk governance, execution and implementation in order to help the Group achieve its objectives and goals.

With the support from the Board of Directors, RMC and RWC, the risk management function can move forward in enhancing the appreciation of risk management and creating a well-balance risk and reward culture across the Group.

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

Sunway did not undertake any corporate proposal to raise proceeds during the financial year ended 31 December 2011.

2. OPTIONS OVER ORDINARY SHARES, WARRANTS OR CONVERTIBLE SECURITIES EXERCISED

Sunway does not have an Employees' Share Option Scheme and as such, there were no options over ordinary shares. There was no exercise of warrants and Sunway did not issue any convertible securities during the financial year ended 31 December 2011.

3. AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR") PROGRAMME

Sunway did not sponsor any ADR or GDR programme during the financial year ended 31 December 2011.

4. SANCTIONS AND/OR PENALTIES

There were no public sanctions and/or penalties imposed on Sunway and its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial year ended 31 December 2011.

5. NON-AUDIT FEES

The non-audit fees paid/payable to the External Auditors of Sunway and its subsidiaries for the financial year ended 31 December 2011 amounted to RM545,000.

6. VARIATION IN RESULTS

There was no variance of 10% or more between the audited results for the financial year ended 31 December 2011 and the unaudited results previously announced by Sunway. Sunway did not release any profit estimate, forecast or projection for the financial year.

7. PROFIT GUARANTEE

There was no profit guarantee given by Sunway during the financial year ended 31 December 2011.

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

Save as disclosed below, there were no material contracts (not being contracts entered into in the ordinary course of business) entered into by Sunway and/or its subsidiaries involving directors' and major shareholders' interests during the financial year ended 31 December 2011:-

- (a) Sale of Business Agreement dated 18 January 2011 between Sunway and Sunway City Berhad in respect of the acquisition of all the businesses and undertakings of Sunway City Berhad, including assets and liabilities by Sunway for a total consideration of RM2.6 billion.
- (b) Sale of Business Agreement dated 18 January 2011 between Sunway and Sunway Holdings Berhad in respect of the acquisition of all the businesses and undertakings of Sunway Holdings Berhad, including assets and liabilities by Sunway for a total consideration of RM1.9 billion.

Relationship of Related Parties for item (a) above

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling and Sarena Cheah Yean Tih are Directors and major shareholders of Sunway.

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling is a Director and major shareholder of Sunway City Berhad. Sarena Cheah Yean Tih is a major shareholder of Sunway City Berhad.

Relationship of Related Parties for item (b) above

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling and Sarena Cheah Yean Tih are Directors and major shareholders of Sunway. Evan Cheah Yean Shin is a Director of Sunway.

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling is a Director and major shareholder of Sunway Holdings Berhad. Sarena Cheah Yean Tih and Evan Cheah Yean Shin are major shareholders of Sunway Holdings Berhad.

9. REVALUATION POLICY ON LANDED PROPERTIES

The details on the revaluation of Investment Properties are disclosed in Note 2.9 of the Notes to the Financial Statements. All other landed properties of the Group are stated at cost less accumulated depreciation and/or accumulated impairment losses, where applicable.

10. STATEMENT BY AUDIT COMMITTEE IN RELATION TO ALLOCATION OF OPTIONS OVER ORDINARY SHARES PURSUANT TO SUNWAY'S EMPLOYEES' SHARE OPTION SCHEME

Sunway does not have an Employees' Share Option Scheme and as such, there was no allocation of options over ordinary shares during the financial year ended 31 December 2011.

11. SHARE BUY-BACK

Sunway has not purchased any of its own shares during the financial year ended 31 December 2011.

12. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

The details of the recurrent related party transactions are disclosed in Note 52 of the Notes to the Financial Statements.

Investor Relations

Introducing Sunway

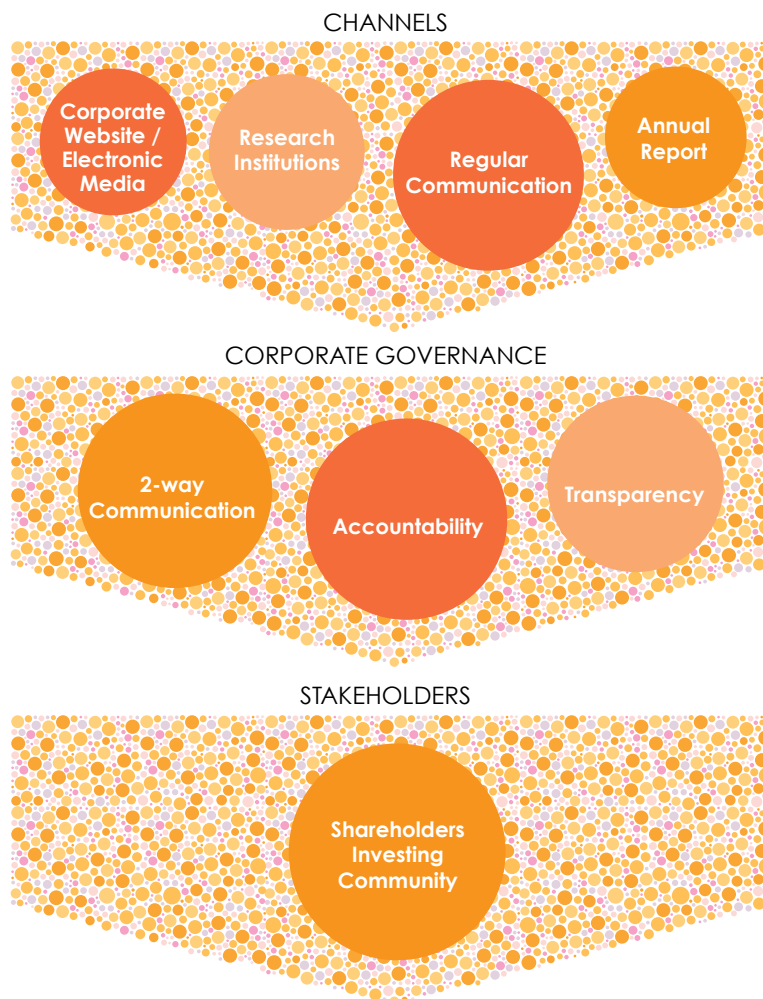
The Investor Relations ("IR") team has been kept busy since the listing of Sunway on 23 August 2011. Interest of the investing fraternity was stirred by the merger and a host of IR activities had been undertaken to explain the rationale, businesses and prospects of the merged entity.

Following on from this strong interest in Sunway and in light of the volatile global economy, the IR team had, for the remainder of FY 2011, continued to engage the investing public to emphasise the strengths of the enlarged Sunway Group and to update them on corporate developments which provide visibility to our earnings potential.

IR Guiding Principles – Transparency and Accountability

Sunway will continue to maintain the high IR standards adopted by its predecessor entities, with an unwavering commitment to providing clear, comprehensive and timely information, within regulatory guidelines, to assist the investing public in making accurate and timely investment decisions.

Sunway seeks to achieve the above through effective 2-way communication with stakeholders via multiple channels as illustrated in our IR Framework below.



Award-Winning Annual Report Team

Through the merger, Sunway has inherited 2 award-winning annual report teams. Previously, Sunway City had won the Industry Excellence Award for Properties, Hotels and Trusts at the National Annual Corporate Report Awards ("NACRA") for 5 consecutive years since 2007. Sunway Holdings had, on the other hand, won the Industry Excellence Award for Construction and Infrastructure Project Companies twice since 2010 and bagged the prestigious Platinum Prize for Best Designed Annual Report at the 2011 NACRA.

The wins evidence Sunway's commitment to delivering a comprehensive annual report detailing material and relevant information beyond statutory requirements. Such meticulous reporting was borne from the realisation that the annual report is a key avenue to keep our shareholders and investors updated on the company's businesses, strategic directions and financial performance and will continue to be embodied in Sunway's annual reports moving forward, beginning from this very edition.

IR Portal and E-mail

Concurrent with its listing on 23 August 2011, Sunway had launched its new corporate website at www.sunway.com.my. Within the website, there is a dedicated section for IR which incorporates the latest annual and quarterly financials, financial calendar, analysts' reports on Sunway, interactive stock chart and investment calculator. The contact details including the e-mail address of Sunway's IR team is also provided on the portal to accelerate and ease communication between stakeholders and Sunway's management team.

Reaching out to the Investing Community

To further facilitate 2-way communication between stakeholders and Sunway, we have hosted and attended various meetings and conferences with our shareholders, analysts and fund managers.



IR activities have heightened since listing day on 23 August 2011

Investor Relations

Date	Organiser	Event	Venue
11 May 2011	CLSA	CLSA Corporate Access Forum	Singapore
30 June 2011	Standard Chartered	Non-deal roadshow	London
17 Aug 2011	Maybank	Non-deal roadshow	Singapore
18 Aug 2011	Credit Suisse	Credit Suisse ASEAN & India Conference	Singapore
12-13 Sep 2011	Standard Chartered & HSBC	Non-deal roadshow	Singapore
14 Sep 2011	Standard Chartered & HSBC	Non-deal roadshow	Hong Kong
27 Sep 2011	OSK	Non-deal roadshow	Singapore
12 Oct 2011	OSK	OSK ASEAN Corporate Day	Hong Kong
25 Oct 2011	Bursa Malaysia	In the Spotlight @ Bursa Malaysia	Kuala Lumpur
25 Nov 2011	Standard Chartered	Standard Chartered-Asia Pacific Emerging Corporate Autumn Conference 2011	Singapore

In-house Meetings

As the merger loomed in August 2011, Sunway was inundated by meeting requests from investors and analysts, both local and foreign, interested to understand the investment case for the enlarged Sunway Group. For FY 2011, Sunway had hosted 44 one-to-one and small group meetings. Participants of these meetings consisted not only of analysts who had followed Sunway City and Sunway Holdings previously but included investors who show renewed interest in Sunway post-merger as well as completely new investors attracted to Sunway's newfound size, scale and liquidity.

Analyst Coverage and Recommendations

As at 10 May 2012, there were 12 research institutions covering Sunway. All of them had started coverage post listing. There are 9 Buy and 3 Hold calls by the research houses with the average Sunway target price being RM3.06.

Research Institutions

Affin Investment Bank
AmResearch
CIMB Investment Bank
ECM Libra Capital
Hong Leong Investment Bank
Hwang-DBS Vickers Research
KAF-Seagroatt & Campbell Securities
Maybank Investment Bank
OSK Research
RHB Research
TA Securities
UOB Kayhian

Analyst Briefings and Press Releases

For quarterly results announcements and significant corporate developments including acquisition of major land bank and award of major construction contracts, Sunway will release analyst briefing packs and press releases to analysts and the media immediately after the respective announcements are made to Bursa Malaysia so that the news can be disseminated to the wider investing public. In December 2011, Sunway had also organised its first conference call to brief analysts on the acquisition of a major land bank in Iskandar Malaysia.

Roadshows and Conferences

In efforts to disseminate information to a wider pool of investors and fund managers, we have participated in a number of local and international conferences and roadshows catered to both retail and institutional investors.

IR Calendar for FY 2011

16 Aug 2011

- Proforma 1st Quarter Results FY 2011 (Jan-Mar 2011)

23 Aug 2011

- Listing of Sunway

25 Aug 2011

- 2nd Quarter Results FY 2011 (Apr-Jun 2011)

24 Nov 2011

- 3rd Quarter Results FY 2011 (Jul-Sep 2011)

29 Feb 2012

- 4th Quarter Results FY 2011 (Oct-Dec 2011)

Company Focus
Sunway Berhad

Bloomberg: SWB MK | Reuters: SWAY.KL

10 May 2012

Wins RM1.2bn MRT contract

- New RM1.2bn MRT contract takes construction orderbook to RM4bn
- Beat our new order wins assumption; further upside expected
- Maintain BUY rating and RM3.30 TP

Wins MRT contract. Sunway announced that it has won Package V4 from Mass Rapid Transit (MRT) Co. for the construction of a viaduct gateway from Section 17, Petaling Jaya to the Semantan Portal. The 6.6km gateway contract is valued at about RM1.17bn, and takes Sunway's total construction orderbook to RM4bn.

Beat our new order wins estimate. This RM1.2bn MRT contract has upstaged our assumption for new order wins this year as we had assumed that Sunway's construction unit would win RM1.1bn worth of new contracts this year. However, earnings contribution will likely be recognized in FY13 onwards as awards for the Sungai Buloh – Kajang (SBK) line is scheduled to hit 85% by Oct-12. We are maintaining our forecasts for now as this is only slightly above our expectations and poses minimal impact on our SOP value. Note that each additional RM100m (based on 7% EBIT margin) new construction order win would add RM0.02/share to our SOP value. Hence, there should be further upside to Sunway's target price if the Group wins more big construction contracts.

Maintain BUY, RM3.30 TP. We continue to like Sunway because it is a growing property conglomerate. It is also set to launch Phase 1 of its 691-acre RM12bn gross development value (GDV) property project at Iskandar Malaysia in mid-2013, which we have yet to factor into our valuation for the Group.

HWANGDBS
VICKERS RESEARCH

Construction MALAYSIA
May 10, 2012

Sunway Bhd
SWB MK / SWAY.KL

FLASH NOTE

Market Cap US\$997.3m RM3.063m	Avg Daily Turnover US\$0.42m RM1.27m	Free Float 40.1% 1,293 m shares	Current Target RM2.37	Previous Target RM2.65	Up/downside 13.9%	SHORT TERM (3 MTB) TRADING BUY	LONG TERM OUTPERFORM
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Hong Leong Investment Bank
A Member of the Hong Leong Group

HLIB Research
PP 9454/12/2012 (031413)

Sunway (BUY ↔, EPS ↑)

INDUSTRY: OVERWEIGHT
EARNINGS EVALUATION

A good year

1 March 2012
Price Target: RM3.20 (↑)
Share price: RM2.61

Malaysia

Corporate Highlights

Results Note

Sunway Berhad
Higher Income From Property Investment And Property Development

Share Price : RM2.61
Fair Value : RM3.15
Recom : **Outperform (Maintained)**

1 March 2012

RHB
RHB Research Institute Sdn Bhd
A member of the RHB Banking Group
Company No: 233327-M

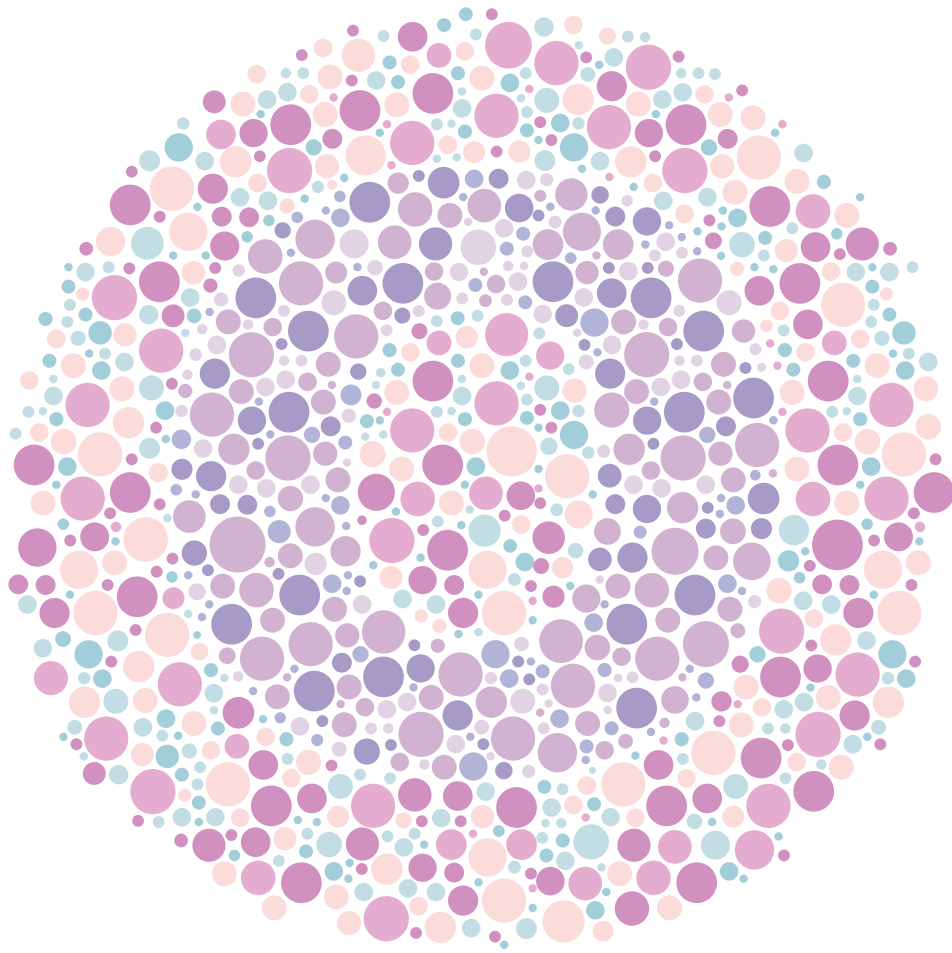
TA SECURITIES
A MEMBER OF THE TA GROUP
PISARA TA OHL 23 JALAN P. RAJULI, 50300 KUALA LUMPUR, MALAYSIA TEL: +603-20721277 / FAX: +603-20235048

Sunway Berhad
Strong Earnings Visibility

RESULTS UPDATE
Thursday, 01 March 2012
FBMKLC: 1,569.65
Sector: Property

TP: RM3.48 (+33.3%)
Last Traded: RM2.61
BUY

THIS REPORT IS INTENDED FOR INTERNAL CIRCULATION ONLY



ONE

vision unites us,
cooperating to promote teamwork

FINANCIALS

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Financial Statements

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List of Material Properties

Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2011.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the subsidiaries are set out in Note 53 to the financial statements.

MERGER EXERCISE

The Company had on 18 January 2011, entered into separate Sale of Business Agreement ("SBA") with Sunway Holdings Sdn. Bhd. ("SHSB") (formerly Sunway Holdings Berhad) and Sunway City Sdn. Bhd. ("SCSB") (formerly Sunway City Berhad) respectively (collectively known as the "Merged Entities"). The SBAs became unconditional on 24 June 2011 after all the conditions set out in the SBAs were fulfilled. The Merger was completed on 18 August 2011 following the transfer of the entire businesses and undertakings, including all assets and liabilities of the Merged Entities to the Company. Further details are disclosed in Note 57 to the financial statements.

As the Merged Entities are under common control before and after the merger, the Group and the Company applied the merger method of accounting. Accordingly, the consolidated financial statements have been accounted for as if the merger had occurred from the date when these entities came under the control of the common controlling party.

Results

	Group RM'000	Company RM'000
Profit net of tax	412,443	8,489
Profit attributable to:		
Owners of the parent	372,056	8,489
Non-controlling interests	40,387	-
	412,443	8,489

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements. In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than the effects arising from the merger exercise.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial period.

No final dividend has been proposed by the Board of Directors for the financial year ended 31 December 2011.

Directors' Report (contd.)

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO
 Sarena Cheah Yean Tih
 Datuk Seri Razman M Hashim (Appointed on 17.06.2011)
 Dato' Chew Chee Kin (Appointed on 17.06.2011)
 Datuk Low Seng Kuan (Appointed on 17.06.2011)
 Wong Chin Mun (Appointed on 17.06.2011)
 Lim Swe Guan (Appointed on 17.06.2011)
 Evan Cheah Yean Shin (Resigned on 17.06.2011)

In accordance with Article 107(1) of the Company's Articles of Association, Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling and Lim Swe Guan retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

Datuk Seri Razman M Hashim, being over the age of seventy years, shall vacate office at the conclusion of the forthcoming Annual General Meeting in accordance with Section 129 of the Companies Act, 1965 ("the Act") and seeks re-appointment in accordance with Section 129(6) of the Act to hold office until the conclusion of the next Annual General Meeting.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial period, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 10 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the directors has a substantial financial interest, except as disclosed in Note 52 to the financial statements.

Directors' Report (contd.)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares, warrants and options over ordinary shares in the Company and its related corporations during the financial year were as follows:

Number of ordinary shares of RM1 each					
	As at 1.1.2011/ Date of Appointment	Allotted*	Acquired	Sold	As at 31.12.2011
The Company					
Direct interest:					
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	1	49,702,805	4,660,300	(1)	54,363,105
Datuk Seri Razman M Hashim	-	602,032	190,000	-	792,032
Dato' Chew Chee Kin	-	2,402,619	-	-	2,402,619
Sarena Cheah Yean Tih	1	432,956	-	(1)	432,956
Datuk Low Seng Kuan	-	37,170	-	(37,170)	-
Wong Chin Mun	-	59,428	-	-	59,428
Deemed interest:					
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO ^a	1	567,121,112	2	(1)	567,121,114
Dato' Chew Chee Kin ^b	-	77,142	-	-	77,142
Sarena Cheah Yean Tih ^c	1	616,290,935	4,660,302	(1)	620,951,237
Datuk Low Seng Kuan ^d	-	31,170	-	-	31,170
Number of ordinary shares of RM1 each					
	As at 18.8.2011 ^a	Acquired	Cancelled***	Sold	As at 31.12.2011
Related corporation^{^^}					
Sunway City Sdn. Bhd.					
Direct interest:					
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	12,833,251	-	(12,833,251)	-	-
Datuk Seri Razman M Hashim	380,000	-	(380,000)	-	-
Sarena Cheah Yean Tih	10,000	-	(10,000)	-	-
Deemed interest:					
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO ^e	198,463,117	-	(198,463,117)	-	-
Sarena Cheah Yean Tih ^f	211,286,368	-	(211,286,368)	-	-

Directors' Report (contd.)

DIRECTORS' INTERESTS (contd.)

Number of ordinary shares of RM1 each					
	As at 18.8.2011 [^]	Acquired	Cancelled***	Sold	As at 31.12.2011
Related corporation^^					
Sunway Holdings Sdn. Bhd.					
Direct interest:					
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	32,345,278	-	(32,345,278)	-	-
Dato' Chew Chee Kin	2,072,700	-	(2,072,700)	-	-
Wong Chin Mun	80,000	-	(80,000)	-	-
Datuk Low Seng Kuan	50,000	-	(50,000)	-	-
Sarena Cheah Yean Tih	455,000	-	(455,000)	-	-
Deemed interest:					
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO ^g	249,316,059	-	(249,316,059)	-	-
Datuk Low Seng Kuan ^h	50,000	-	(50,000)	-	-
Sarena Cheah Yean Tih ⁱ	281,140,337	-	(281,140,337)	-	-
Number of ordinary shares of HKD1 each					
	As at 18.8.2011 [^]	Acquired	Cancelled	Sold	As at 31.12.2011
Related corporation^^					
Sunway Global Limited					
Direct interest:					
Dato' Chew Chee Kin	869,684	-	-	-	869,684
Number of warrants 2011/2016					
	As at 1.1.2011	Allotted**	Cancelled	Sold	As at 31.12.2011
The Company					
Direct interest:					
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	-	9,940,556	-	-	9,940,556
Datuk Seri Razman M Hashim	-	120,405	-	-	120,405
Dato' Chew Chee Kin	-	480,523	-	-	480,523
Sarena Cheah Yean Tih	-	86,590	-	-	86,590
Datuk Low Seng Kuan	-	7,433	-	-	7,433
Wong Chin Mun	-	11,885	-	-	11,885

Directors' Report (contd.)

DIRECTORS' INTERESTS (contd.)

Number of warrants 2011/2016					
	As at 1.1.2011	Allotted**	Cancelled	Sold	As at 31.12.2011
The Company					
Deemed interest:					
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO ^a	-	113,431,172	-	-	113,431,172
Dato' Chew Chee Kin ^b	-	15,428	-	-	15,428
Sarena Cheah Yean Tih ^c	-	123,265,133	-	-	123,265,133
Datuk Low Seng Kuan ^d	-	7,433	-	-	7,433
Number of warrants 2007/2017					
	As at 18.8.2011 ^a	Acquired	Cancelled***	Sold	As at 31.12.2011
Related corporation^{AA}					
Sunway City Sdn. Bhd.					
Direct interest:					
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	5,820,924	-	(5,820,924)	-	-
Datuk Seri Razman M Hashim	131,096	-	(131,096)	-	-
Sarena Cheah Yean Tih	3,333	-	(3,333)	-	-
Deemed interest:					
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO ⁱ	77,966,499	-	(77,966,499)	-	-
Sarena Cheah Yean Tih ^k	83,784,090	-	(83,784,090)	-	-
Number of warrants 2009/2014					
	As at 18.8.2011 ^a	Acquired	Cancelled***	Sold	As at 31.12.2011
Related corporation^{AA}					
Sunway Holdings Sdn. Bhd.					
Direct interest:					
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	11,269,029	-	(11,269,029)	-	-
Dato' Chew Chee Kin	2,013,433	-	(2,013,433)	-	-
Datuk Low Seng Kuan	66	-	(66)	-	-
Sarena Cheah Yean Tih	184,700	-	(184,700)	-	-

Directors' Report (contd.)

DIRECTORS' INTERESTS (contd.)

Number of warrants 2009/2014					
	As at 18.8.2011 [^]	Acquired	Cancelled***	Sold	As at 31.12.2011
Related corporation^{^^}					
Sunway Holdings Sdn. Bhd.					
Deemed interest:					
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO ^g	149,226,239	-	(149,226,239)	-	-
Dato' Chew Chee Kin ^b	180,000	-	(180,000)	-	-
Datuk Low Seng Kuan ^b	66	-	(66)	-	-
Sarena Cheah Yean Tih ⁱ	160,251,768	-	(160,251,768)	-	-
Options over ordinary shares of HKD 1 each					
	As at 18.8.2011 [^]	Granted	Exercised		As at 31.12.2011
Related corporation^{^^}					
Sunway Global Limited					
Direct interest:					
Dato' Chew Chee Kin	14,215,770	-	-		14,215,770

[^] 18 August 2011, being the date of completion of the merger exercise.

^{^^} The company became a related corporation of the Company upon completion of the merger exercise on 18 August 2011.

^{*} Allotment of shares by the Company on 18 August 2011 pursuant to the Company's acquisition of the entire businesses and undertakings including all the assets and liabilities of Sunway Holdings Sdn. Bhd. and Sunway City Sdn. Bhd.

^{**} Allotment of warrants by the Company on 18 August 2011 on the basis of 1 free warrant for every 5 ordinary shares held in the Company.

^{***} Cancellation of all the ordinary shares and warrants of Sunway City Sdn. Bhd. and Sunway Holdings Sdn. Bhd. following the capital reduction and repayment exercise on 18 August 2011.

^a Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Builder Sdn. Bhd., Jef-San Enterprise Sdn. Bhd., Active Equity Sdn. Bhd., Progressive Traders Sdn. Bhd., Sungei Way Corporation Sdn. Bhd., Timah Sini-Sana Sdn. Bhd., Sunway Holdings Sdn. Bhd., Sunway City Sdn. Bhd. and children.

^b Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through spouse.

^c Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Builder Sdn. Bhd., Active Equity Sdn. Bhd., Progressive Traders Sdn. Bhd., Sungei Way Corporation Sdn. Bhd., Timah Sini-Sana Sdn. Bhd., Sunway Holdings Sdn. Bhd., Sunway City Sdn. Bhd., spouse and parents.

^d Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through spouse and child.

^e Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn. Bhd., Active Builder Sdn. Bhd., Jef-San Enterprise Sdn. Bhd., Sungei Way Corporation Sdn. Bhd. and child.

^f Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn. Bhd., Active Builder Sdn. Bhd., Sungei Way Corporation Sdn. Bhd. and parent.

^g Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn. Bhd., Timah Dunia Dredging Sdn. Bhd., Sungei Way Corporation Sdn. Bhd. and children.

^h Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through child.

ⁱ Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn. Bhd., Timah Dunia Dredging Sdn. Bhd., Sungei Way Corporation Sdn. Bhd. and parent.

Directors' Report (contd.)

DIRECTORS' INTERESTS (contd.)

- j Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Sungei Way Corporation Sdn. Bhd. and child.
- k Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Sungei Way Corporation Sdn. Bhd. and parent.

By virtue of Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling and Sarena Cheah Yean Tih's substantial interests in the Company, they are deemed to have interest in the shares of all the subsidiaries to the extent the Company has an interest.

The other director in office at the end of the financial year did not have any interests in shares, warrants and options over ordinary shares in the Company or its related corporations during the financial year.

ISSUE OF SHARES

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM2 to RM1,292,505,004 by way of issuance of 1,292,505,002 new ordinary shares of RM1 each at an issue price of RM2.80 per ordinary share as part of the consideration for the acquisition of the businesses and undertakings, including the assets and liabilities, of SCSB and SHSB as disclosed in Note 47 and Note 57 to the financial statements.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

WARRANTS

On 18 August 2011, the Company issued 258,501,000 free warrants on the basis of one (1) free warrant for every five (5) ordinary shares of RM1.00 each held in the Company.

The warrants entitle the registered holder, at any time within a period of 5 years commencing on and including the issue date and expiring on 17 August 2016, to subscribe for 1 new ordinary share of RM1.00 each in the Company at an exercise price of RM2.80 per ordinary share for every warrant held.

During the financial year, no warrants were exercised by the warrant holders.

OTHER STATUTORY INFORMATION

- (a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

Directors' Report (contd.)

OTHER STATUTORY INFORMATION (contd.)

- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS

Significant events during the financial year are disclosed in Note 57 to the financial statements.

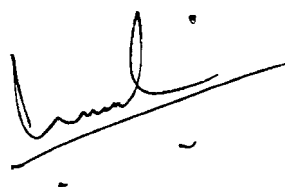
AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 24 April 2012.



Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO



Dato' Chew Chee Kin

Statement by Directors

Pursuant to Section 169(15) of the Companies Act, 1965

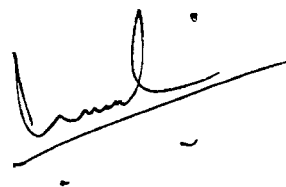
We, Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling and Dato' Chew Chee Kin, being two of the directors of Sunway Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 167 to 315 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2011 and of their financial performance and cash flows for the year then ended.

The information set out in Note 59 on page 316 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 24 April 2012.



Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO



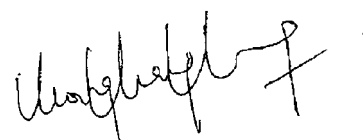
Dato' Chew Chee Kin

Statutory declaration

Pursuant to Section 169(16) of the Companies Act, 1965

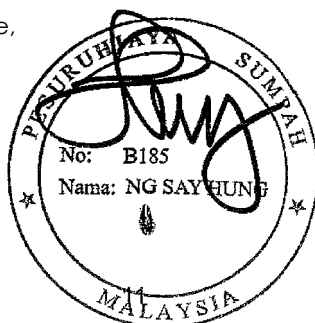
I, Chong Chang Choong, being the officer primarily responsible for the financial management of Sunway Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 167 to 316 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Chong Chang Choong
at Petaling Jaya in the State of Selangor
Darul Ehsan on 24 April 2012



Chong Chang Choong

Before me,



No. 10-1, Jalan PJS 11/20A,
Sunway Metro, 47150 Petaling Jaya,
Selangor Darul Ehsan.

Independent Auditors' Report

To the Members of Sunway Berhad (Incorporated In Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Sunway Berhad, which comprise the statements of financial position as at 31 December 2011 of the Group and of the Company, and the income statements and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 167 to 315.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2011 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all subsidiaries of which we have not acted as auditors, which are indicated in Note 53 to the financial statements, being financial statements that have been included in the consolidated financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

Independent Auditors' Report

To the Members of Sunway Holdings Berhad (contd.)

(Incorporated In Malaysia)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (contd.)

- (d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 59 on page 316 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Ernst & Young
AF: 0039
Chartered Accountants

Kuala Lumpur, Malaysia
24 April 2012



Kua Choo Kai
No. 2030/03/14(J)
Chartered Accountant

Income Statements

For the financial year ended 31 December 2011

	Note	Group		Company	
		01.01.2011 to 31.12.2011 RM'000	01.01.2010 to 31.12.2010 RM'000	01.01.2011 to 31.12.2011 RM'000	10.11.2010 to 31.12.2010 RM'000
Revenue	4	3,691,712	3,102,129	33,546	-
Cost of sales	5	(2,630,015)	(2,069,707)	(18,207)	-
Gross profit		1,061,697	1,032,422	15,339	-
Other income	6	193,292	309,971	4,170	-
Administrative expenses		(486,364)	(406,526)	(7,130)	(79)
Selling and marketing expenses		(136,012)	(112,494)	-	-
Other expenses		(266,278)	(232,876)	(3)	-
Operating profit/(loss)		366,335	590,497	12,376	(79)
Finance income	7	27,503	27,251	16,931	-
Finance costs	7	(80,943)	(101,131)	(21,146)	-
Share of results of associates		99,689	73,152	-	-
Share of results of jointly controlled entities		85,949	126,180	-	-
Profit/(loss) before tax	8	498,533	715,949	8,161	(79)
Income tax expense	11	(86,090)	277,710	328	-
Profit/(loss) net of tax		412,443	993,659	8,489	(79)
Attributable to:					
Owners of the parent		372,056	684,424	8,489	(79)
Non-controlling interests		40,387	309,235	-	-
		412,443	993,659	8,489	(79)
Earnings per share attributable to owners of the parent (sen per share):					
Basic	12	28.79	52.95		
Diluted	12	28.79	52.95		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Comprehensive Income

For the financial year ended 31 December 2011

	Group		Company	
	01.01.2011 to 31.12.2011 RM'000	01.01.2010 to 31.12.2010 RM'000	01.01.2011 to 31.12.2011 RM'000	10.11.2010 to 31.12.2010 RM'000
Profit/(loss) net of tax	412,443	993,659	8,489	(79)
Other comprehensive income*:				
Foreign currency translation	(721)	(22,900)	-	-
Cash flow hedge reserve - fair value losses (Note 46)				
- Fair value of derivatives	33,600	-	29,798	-
- Amount recycled to profit or loss	(47,380)	-	(41,500)	-
Share of other comprehensive income of associates	-	22,645	-	-
Other comprehensive loss for the year net of tax	(14,501)	(255)	(11,702)	-
Total comprehensive income/(loss) for the year	397,942	993,404	(3,213)	(79)
Total comprehensive income/(loss) attributable to:				
Owners of the parent	360,590	690,700	(3,213)	(79)
Non-controlling interests	37,352	302,704	-	-
	397,942	993,404	(3,213)	(79)

* There is no tax effect arising from each of the component of the other comprehensive income.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of financial position

As at 31 December 2011

		Group		Company	
	Note	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
Assets					
Non-current assets					
Property, plant and equipment	13	960,567	928,268	700	-
Biological assets	14	416	461	-	-
Investment properties	15	888,896	726,146	-	-
Rock reserves	16	8,379	9,314	-	-
Land held for property development	17	1,017,292	533,187	-	-
Investments in subsidiaries	18	-	-	3,622,102	-
Investments in associates	20	1,015,303	987,896	-	-
Investments in jointly controlled entities	21	265,896	253,921	-	-
Goodwill	22	326,497	329,230	-	-
Deferred tax assets	37	33,308	40,194	338	-
Trade receivables	26	7,013	9,935	-	-
Derivatives	41	33,600	-	29,798	-
Other investments	23	1,849	12,647	5,391	-
		4,559,016	3,831,199	3,658,329	-
Current assets					
Property development costs	24	669,334	621,315	-	-
Inventories	25	451,840	301,545	-	-
Trade receivables	26	782,382	731,590	9,219	-
Other receivables	27	325,762	278,907	1,433	-
Amounts due from subsidiaries	19	-	-	984,901	-
Amounts due from associates	28	-	1,685	-	-
Amounts due from jointly controlled entities	29	211,001	278,686	-	-
Tax recoverable		67,588	54,566	-	-
Derivatives	41	-	12,484	-	-
Cash and bank balances	30	776,705	868,539	10,694	6
		3,284,612	3,149,317	1,006,247	6
Total assets		7,843,628	6,980,516	4,664,576	6

Statements of Financial Position

As at 31 December 2011 (contd.)

		Group		Company	
	Note	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
Equity and liabilities					
Current liabilities					
Trade payables	38	1,039,505	826,186	-	-
Other payables	39	950,996	552,783	15,709	85
Amounts due to subsidiaries	35	-	-	1,881	-
Amounts due to associates	28	15,065	13,430	-	-
Borrowings	32	310,214	491,749	-	-
Hire purchase and finance lease liabilities	36	9,008	10,054	-	-
Derivatives	41	1,554	279	-	-
Tax payable		27,098	67,606	10	-
		2,353,440	1,962,087	17,600	85
Non-current liabilities					
Borrowings	32	1,915,660	876,435	1,031,254	-
Long term liabilities	33	31,471	28,465	-	-
Advances by minority shareholders of subsidiaries	34	123,215	112,244	-	-
Hire purchase and finance lease liabilities	36	18,812	27,558	-	-
Deferred tax liabilities	37	89,049	73,334	-	-
Derivatives	41	182	1,754	-	-
		2,178,389	1,119,790	1,031,254	-
Total liabilities		4,531,829	3,081,877	1,048,854	85
Equity attributable to equity holders of the Company					
Share capital	42	1,292,505	*	1,292,505	*
Share premium	43	2,326,509	-	2,326,509	-
Equity contribution	44	35,376	35,376	-	-
Merger reserve	45	(1,192,040)	1,652,652	-	-
Reserves	46	523,083	1,829,911	(3,292)	(79)
		2,985,433	3,517,939	3,615,722	(79)
Non-controlling interests		326,366	380,700	-	-
Total equity		3,311,799	3,898,639	3,615,722	(79)
Total equity and liabilities		7,843,628	6,980,516	4,664,576	6

* Represents 2 ordinary shares of RM1.00 each amounting to RM2.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes In Equity

For the financial year ended 31 December 2011

Attributable to owners of the parent																	
Non-distributable																	
	Share capital (Note 42) RM'000	Share premium (Note 43) RM'000	Equity contribution from non-controlling interests (Note 44) RM'000	Merger reserve (Note 45) RM'000	Capital reserve (Note 46) RM'000	Capital redemption reserve (Note 46) RM'000	Statutory reserve (Note 46) RM'000	Revaluation reserve (Note 46) RM'000	Share option reserve (Note 46) RM'000	Equity contribution reserve (Note 46) RM'000	Cash flow hedge reserve (Note 46) RM'000	Furniture & fittings (Note 46) RM'000	Foreign currency translation reserve (Note 46) RM'000	Other reserves, total (Note 46) RM'000	Distributable retained earnings (Note 46) RM'000	Equity attributable to owners of the parent, total interests RM'000	Equity, total RM'000
2011 Group																	
At 1 January 2011	*	-	35,376	1,652,652	34,137	75,378	618	22,501	2,201	20,026	-	-	(26,470)	128,391	1,701,520	3,517,939	3,898,639
Total comprehensive income	-	-	-	-	-	-	-	-	-	-	(13,780)	-	2,314	(11,466)	372,056	360,590	397,942
Total recognised income and expense for the year	-	-	-	-	-	-	-	-	-	-	(13,780)	-	2,314	(11,466)	372,056	360,590	397,942
Transfer to statutory reserve	-	-	-	-	-	-	261	-	-	-	-	-	-	261	(261)	-	-
Transfer to furniture & fittings reserve	-	-	-	-	-	-	-	-	-	-	-	2,049	-	2,049	(2,049)	-	-
Share of depreciation transfer on land, net of tax by an associated company	-	-	-	-	-	-	-	(144)	-	-	-	-	-	(144)	193	49	49
Transactions with owners	-	-	-	-	-	-	261	(144)	-	-	-	2,049	-	2,166	(2,117)	49	49
Arising from merger exercise	1,292,505	2,326,509	-	(2,844,692)	-	-	-	-	-	-	-	-	-	-	(1,661,632)	(887,310)	(887,310)
ESOS vested during the financial year	-	-	-	-	-	-	-	-	969	-	-	-	-	969	(969)	-	-
Additional equity contribution	-	-	-	-	-	-	-	-	-	1,617	-	-	-	1,617	-	1,617	1,617
Additional shares acquired by non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(39,463)	(39,463)
Dilution of equity interest in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,452)	(7,452)	(6,938)
Redemption of preference shares in a subsidiary	-	-	-	-	-	143	-	-	-	-	-	-	-	143	(143)	-	(65,300)
Acquisition of equity interest from non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(9,286)
Total transactions with owners	1,292,505	2,326,509	-	(2,844,692)	-	143	-	-	969	1,617	-	-	-	2,729	(1,670,196)	(893,145)	(984,831)
At 31 December 2011	1,292,505	2,326,509	35,376	(1,192,040)	34,137	75,521	879	22,357	3,170	21,643	(13,780)	2,049	(24,156)	121,820	401,263	2,985,433	3,311,799

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* Represents 2 ordinary shares of RM1.00 each amounting to RM2.

Statements of Changes In Equity

For the financial year ended 31 December 2011 (contd.)

Company	Non-distributable			Distributable	
	Share capital (Note 42) RM'000	Share premium (Note 43) RM'000	Cash flow hedge reserve (Note 46) RM'000	(Accumulated loss)/ retained earnings (Note 46) RM'000	Equity, total RM'000
At 1 January 2011	*	-	-	(79)	(79)
Total comprehensive loss	-	-	(11,702)	8,489	(3,213)
Transactions with owners					
Arising from merger exercise	1,292,505	2,326,509	-	-	3,619,014
At 31 December 2011	1,292,505	2,326,509	(11,702)	8,410	3,615,722
At date of incorporation	*	-	-	-	-
Total comprehensive loss	-	-	-	(79)	(79)
At 31 December 2010	*	-	-	(79)	(79)

* Represents 2 ordinary shares of RM1.00 each amounting to RM2.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flows

For the financial year ended 31 December 2011

	Group		Company	
	01.01.2011 to 31.12.2011 RM'000	01.01.2010 to 31.12.2010 RM'000	01.01.2011 to 31.12.2011 RM'000	10.11.2010 to 31.12.2010 RM'000
Cash flows from operating activities				
Receipts from customers	3,915,612	3,299,428	7,779	85
Payment to suppliers and contractors	(2,836,339)	(2,127,552)	(19,139)	(79)
Payment of operating expenses	(736,654)	(679,894)	-	-
Interest received				
- subsidiaries	-	-	11,987	-
- deposits with licensed financial institutions	19,593	20,399	15	-
- others	-	-	1	-
Dividends received				
- subsidiaries	-	-	11,760	-
- associate and jointly controlled entity	151,970	70,664	-	-
- others	1,893	-	-	-
Cash generated from operations	516,075	583,045	12,403	6
Taxes refunded	18,729	15,473	-	-
Taxes paid	(135,767)	(131,479)	-	-
Net cash generated from operating activities	399,037	467,039	12,403	6
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	13,314	21,497	-	-
Proceeds from disposal of other investment	-	63	-	-
Proceeds from dilution of equity interest in a subsidiary	14,200	-	-	-
Proceeds from disposal of investment in a subsidiary	51	41,486	-	-
Proceeds from disposal of other investment	-	1,987	-	-
Consideration from disposal of non-current assets classified as held for sale	-	3,456,746	-	-
Net cash generated from investing activities carried forward	27,565	3,521,779	-	-

Statements of Cash Flows

For the financial year ended 31 December 2011 (contd.)

	Group		Company	
	01.01.2011 to 31.12.2011 RM'000	01.01.2010 to 31.12.2010 RM'000	01.01.2011 to 31.12.2011 RM'000	10.11.2010 to 31.12.2010 RM'000
Cash flows from investing activities (contd.)				
Net cash generated from				
investing activities brought forward	27,565	3,521,779	-	-
Deposit paid on acquisition of land	(37,197)	(20,000)	-	-
Acquisition of land	(47,251)	(51,215)	-	-
Acquisition of property, plant and equipment (Note a)	(142,044)	(121,339)	(703)	-
Acquisition of biological assets	(184)	(78)	-	-
Acquisition and additional investment in subsidiaries	(14,276)	(250,481)	(907,842)	-
Acquisition and subsequent expenditure of investment properties	(57,946)	(63,983)	-	-
Full repayment of balance consideration for the acquisition of investment properties in previous financial year	(11,278)	(17,889)	-	-
Acquisition and subsequent expenditure of investment properties under construction	(41,346)	(4,778)	-	-
Net cash (used in)/generated from investing activities carried forward	(323,957)	2,992,016	(908,545)	-

Statements of Cash Flows

For the financial year ended 31 December 2011 (contd.)

	Group		Company	
	01.01.2011 to 31.12.2011 RM'000	01.01.2010 to 31.12.2010 RM'000	01.01.2011 to 31.12.2011 RM'000	10.11.2010 to 31.12.2010 RM'000
Cash flows from investing activities (contd.)				
Net cash (used in)/generated from investing activities brought forward	(323,957)	2,992,016	(908,545)	-
Investment in a jointly controlled entity	(29,873)	(16,837)	-	-
Investment in an associate	(10,087)	(882,429)	-	-
Disposal of other investments	(50)	(20)	-	-
Redemption of preference shares in subsidiaries	-	(15,000)	-	-
Advances from subsidiaries	-	-	14,103	-
Advances from/(to) associates, joint venture partners and jointly controlled entities	71,005	(80,682)	-	-
Net cash (used in)/generated from investing activities	(292,962)	1,997,048	(894,442)	-
Cash flows from financing activities				
Drawdown of term loans	1,303,132	199,752	904,754	-
Drawdown of revolving credits	650,437	269,974	-	-
Drawdown of bank borrowings	307,110	1,619,784	-	-
Repayment of term loans	(313,549)	(818,298)	-	-
Repayment of revolving credits	(763,250)	(152,474)	-	-
Repayment of bank borrowings	(317,273)	(784,790)	-	-
Repayment of bonds	-	(196,233)	-	-
Repayment of commercial papers and medium term notes	-	(84,984)	-	-
Net cash generated from financing activities carried forward	866,607	52,731	904,754	-

Statements of Cash Flows

For the financial year ended 31 December 2011 (contd.)

	Group		Company	
	01.01.2011 to 31.12.2011 RM'000	01.01.2010 to 31.12.2010 RM'000	01.01.2011 to 31.12.2011 RM'000	10.11.2010 to 31.12.2010 RM'000
Cash flows from financing activities (contd.)				
Net cash generated from				
financing activities brought forward	866,607	52,731	904,754	-
Repayment of hire purchase and				
lease financing	(9,792)	(5,799)	-	-
Interest paid	(71,445)	(104,522)	(12,027)	-
Interest received	5,091	7,002	-	-
Repayment to non-controlling interests of				
subsidiaries	-	(96,330)	-	-
Redemption of preference shares held by				
non-controlling interests of subsidiaries	(65,300)	(136,319)	-	-
Proceeds from redemption of				
preference shares in jointly controlled entity	9,500	-	-	-
Proceeds from redemption of				
preference shares in other investments	10,853	-	-	-
Issuance of preference shares to non-				
controlling interests of subsidiaries	2,100	-	-	-
Issuance of ordinary shares to non-				
controlling interests of subsidiaries	300	1,903	-	-
Issuance of ordinary shares pursuant to				
Employees' Share Option Scheme	-	6,344	-	-
Net cash generated from/(used in)				
financing activities carried forward	747,914	(274,990)	892,727	-

Statements of Cash Flows

For the financial year ended 31 December 2011 (contd.)

	Group		Company	
	01.01.2011 to 31.12.2011 RM'000	01.01.2010 to 31.12.2010 RM'000	01.01.2011 to 31.12.2011 RM'000	10.11.2010 to 31.12.2010 RM'000
Cash flows from financing activities (contd.)				
Net cash generated from/(used in)				
financing activities brought forward	747,914	(274,990)	892,727	-
Issuance of ordinary shares pursuant to				
exercise of warrants	-	57	-	-
Dividends paid to ordinary shares	-	(139,883)	-	-
Capital repayment to shareholders	(904,753)	(885,916)	-	-
Dividends paid to non-controlling interests				
of subsidiaries	(39,463)	(932,481)	-	-
Net cash (used in)/generated from				
financing activities	(196,302)	(2,233,213)	892,727	-
Net (decrease)/increase in cash				
and cash equivalents	(90,227)	230,874	10,688	6
Effects of foreign exchange rates changes	7,310	(16,275)	-	-
Cash and cash equivalents at				
beginning of financial year/date of				
incorporation	856,194	641,595	6	*
Cash and cash equivalents at end				
of financial year/period (Note 30)	773,277	856,194	10,694	6

* Represents 2 ordinary shares of RM1.00 each amounting to RM2.

Note a:

Additions of property, plant and equipment	160,582	165,322	703	-
Additions via hire purchase and				
finance lease arrangements	(18,538)	(43,983)	-	-
Cash outflow for acquisition of property,				
plant and equipment	142,044	121,339	703	-

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

31 December 2011

1. CORPORATE INFORMATION

Sunway Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal place of business and registered office of the Company is located at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the subsidiaries are set out in Note 53.

The financial statements for the year ended 31 December 2011 were authorised for issue in accordance with a resolution of the directors on 24 April 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRS") and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 January 2011 as described fully in Note 2.2.

The financial statements of the Group and of the Company have been prepared on a historical cost basis, unless otherwise indicated in the summary of significant accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial period except as follows:

On 1 January 2011, the Group and the Company adopted the following new and amended FRSs and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2011.

Description	Effective for annual periods beginning on or after
FRS 1 First-time Adoption of Financial Reporting Standards	1 July 2010
Amendments to FRS 2 Share-based Payment	1 July 2010
FRS 3 Business Combinations	1 July 2010
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 127 Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 138 Intangible Assets	1 July 2010
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010

Notes to the Financial Statements 31 December 2011 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)**2.2 Changes in accounting policies (contd.)**

Description	Effective for annual periods beginning on or after
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to FRS 132 Classification of Rights Issues	1 March 2010
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
Amendments to FRS 7 Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 1 Limited Exemption for First-time Adopters	1 January 2011
Amendments to FRS 1 Additional Exemptions for First-time Adopters	1 January 2011
IC Interpretation 4 Determining whether an Arrangement contains a Lease	1 January 2011
Improvements to FRSs (2010) issued in 2010	1 January 2011

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and of the Company except for those discussed below:

Revised FRS 3 Business Combinations and Amendments to FRS 127 Consolidated and Separate Financial Statements

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in accounting for business combinations occurring after 1 July 2010. These changes impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

The revised FRS 3 continues to apply the acquisition method to business combinations but with some significant changes. All payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

The amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

Amendments to FRS 7: Improving Disclosures about Financial Instruments

The amended standard requires enhanced disclosure about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy (Level 1, Level 2 and Level 3), by class, for all financial instruments recognised at fair value. A reconciliation between the beginning and ending balance for Level 3 fair value measurements is required. Any significant transfers between levels of the fair value hierarchy and the reasons for those transfers need to be disclosed. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures are presented in Note 54(g). The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 54(d).

Notes to the Financial Statements 31 December 2011 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)**2.2 Changes in accounting policies (contd.)****Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations**

The amendments to FRS 5 requires that when a subsidiary is held for sale, all its assets and liabilities shall be classified as held for sale under FRS 5, even when the Group will retain a non-controlling interest in the subsidiary after the sale.

2.3 Standards and Interpretations issued but not yet effective

The Group has not adopted the following Standards and Interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14 Prepayments of a Minimum Funding Requirement	1 July 2011
Amendments to FRS 1 Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7 Disclosures - Transfers of Financial Assets	1 January 2012
Amendments to FRS 112 Deferred tax - Recovery of Underlying Assets	1 January 2012
FRS 124 Related Party Disclosures	1 January 2012
Amendments to FRS 101 Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of Interests in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 Employee Benefits	1 January 2013
FRS 127 Separate Financial Statements	1 January 2013
FRS 128 Investment in Associates and Joint Ventures	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9 Financial Instruments	1 January 2015

Notes to the Financial Statements 31 December 2011 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.3 Standards and Interpretations issued but not yet effective (contd.)

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application, except as disclosed below:

Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets

The amendments clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in FRS 140 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in FRS 116 to be always measured on a sale basis of that asset.

As at 31 December 2011, the Group recognized deferred tax liability of RM81,534,000 in relation to fair value changes of its investment properties on the basis that their recovery is through use. Upon adoption of this amendment, approximately RM56,287,000 will be adjusted retrospectively.

Amendments to FRS 101: Presentation of Items of Other Comprehensive Income

The amendments to FRS 101 change the grouping of items presented in Other Comprehensive Income. Items that could be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Group's financial position or performance.

FRS 9 Financial Instruments

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The adoption of this first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets but will potentially have no impact on classification and measurements of financial liabilities. The Group is in the process of making an assessment of the impact of adoption of FRS 9.

FRS 10 Consolidated Financial Statements

FRS 10 replaces the portion of FRS 127 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. FRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in FRS 127.

FRS 11 Joint Arrangements

FRS 11 replaces FRS 131 Interests in Joint Ventures and IC Interpretation 113 Jointly-controlled Entities – Non-monetary Contributions by Venturers.

FRS 11 removes the option to account for jointly controlled entities ("JCE") using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method.

The application of this new standard will not have any material impact to the financial position of the Group.

Notes to the Financial Statements 31 December 2011 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.3 Standards and Interpretations issued but not yet effective (contd.)

FRS 12 Disclosure of Interests in Other Entities

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

FRS 13 Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted. The Group is currently assessing the impact of adoption of FRS 13.

FRS 127 Separate Financial Statements

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

FRS 128 Investments in Associates and Joint Ventures

As a consequence of the new FRS 11 and FRS 12, FRS 128 is renamed as FRS 128 Investments in Associates and Joint Ventures. This new standard describes the application of the equity method to investments in joint ventures in addition to associates.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called "Transitioning Entities").

Transitioning Entities are allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings. The Group has opted to defer the adoption of the MFRS Framework to the financial period beginning on 1 January 2013.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Notes to the Financial Statements 31 December 2011 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.4 Basis of consolidation (contd.)

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 2.11. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Business combinations involving entities under common control are accounted for by applying the merger method of accounting. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital and capital reserves of the "acquired" entity is reflected within equity as merger reserve. The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the parent.

2.6 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

Notes to the Financial Statements 31 December 2011 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.6 Foreign currency (contd.)

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Freehold land is measured at cost less any accumulated impairment losses.

Notes to the Financial Statements 31 December 2011 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)**2.7 Property, plant and equipment (contd.)**

Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold lands are depreciated over the period of their respective lease term. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	%
Buildings	2 - 33
Renovations	10
Plant and machinery	5 - 20
Motor vehicles	10 - 20
Equipment, furniture and fittings	5 - 33

Quarry development expenditure consists of expenditure incurred to construct infrastructure to facilitate the quarry operations. Quarry development expenditure is amortised over the extractable rock reserves period, ranging from 7 to 30 years.

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.8 Biological assets

All items of biological assets are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All upkeep and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

Subsequent to recognition, biological assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of biological assets is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated biological life, at an annual rate of 20%.

The residual values, biological life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of biological asset.

An item of biological asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

Notes to the Financial Statements 31 December 2011 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.9 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the reporting date. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.7 up to the date of change in use.

2.10 Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date bear to the estimated total contract costs or by reference to the physical completion of the contract.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

2.11 Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

Notes to the Financial Statements 31 December 2011 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.11 Goodwill (contd.)

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.6.

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1 January 2006 are deemed to be assets and liabilities of the Company and are recorded in RM at the rates prevailing at the date of acquisition.

2.12 Rock reserves

Rock reserves are stated at cost less amortisation and any accumulated impairment losses. Rock reserves are amortised based on annual extraction rates over the estimated life of the reserves, with the maximum period of amortisation capped at 80 years.

2.13 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment loss on goodwill is not reversed in a subsequent period.

Notes to the Financial Statements 31 December 2011 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.14 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.15 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.16 Jointly controlled entities

Jointly controlled entities are corporations, partnerships or other entities over which there is contractually agreed sharing of control by the Group with one or more parties where the strategic financial and operating decisions relating to the entities require unanimous consent of the parties sharing control.

Investments in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting as described in Note 2.15.

In the Company's separate financial statements, investments in jointly controlled entities are stated at cost less impairment losses.

Notes to the Financial Statements 31 December 2011 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.16 Jointly controlled entities (contd.)

On disposal of such investment, the difference between net disposal proceeds and its carrying amount is included in profit or loss.

Where necessary, adjustments have been made to the financial statements of jointly controlled entities to ensure consistency of accounting policies with those at the Group.

2.17 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

(a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

Notes to the Financial Statements 31 December 2011 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.17 Financial assets (contd.)

(c) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the two preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2.18 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

Notes to the Financial Statements 31 December 2011 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)**2.18 Impairment of financial assets (contd.)****(a) Trade and other receivables and other financial assets carried at amortised cost (contd.)**

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2.19 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.20 Land held for property development and property development costs**(a) Land held for property development**

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Notes to the Financial Statements 31 December 2011 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.20 Land held for property development and property development costs (contd.)

(b) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within trade payables.

2.21 Inventories

Properties held for sale are stated at lower of cost and net realisable value. Cost comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

Trading inventories, food and beverages and consumables are stated at lower of cost and net realisable value after adequate provision for damaged, obsolete and slow moving items. Cost is determined using the weighted average method. Cost comprises costs of purchase.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.22 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.23 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Notes to the Financial Statements 31 December 2011 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.23 Financial liabilities (contd.)

Financial liabilities, within the scope of FRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.24 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates and documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group assesses both at hedge inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items and applies hedge accounting only where effectiveness tests are met on both a prospective and retrospective basis. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Notes to the Financial Statements 31 December 2011 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.24 Derivative financial instruments and hedging activities (contd.)

The Group does not have any fair value hedges and net investment hedges except for cash flow hedge.

Cash flow hedge

The Group uses cash flow hedges to mitigate the risk of variability of future cash flows attributable to foreign currency and interest rate fluctuations over the hedging period on the foreign currency borrowings. Where a cash flow hedge qualifies for hedge accounting, the effective portion of gains and losses on remeasuring the fair value of the hedging instrument are recognised directly in equity in the cash flow hedging reserve until such time as the hedged items affect profit or loss, then the gains or losses are transferred to the profit or loss. Gains or losses on any portion of the hedge determined to be ineffective are recognised immediately in the profit or loss. The application of hedge accounting will create some volatility in equity reserve balances.

Where a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gains or losses existing in equity at that time remain in equity and are recognised when the forecast transaction is ultimately recognised in the profit or loss. Where a forecast transaction is no longer expected to occur, the cumulative gains or losses that were reported in equity are immediately transferred to the profit or loss.

2.25 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.26 Employee benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.27 Leases

(a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Notes to the Financial Statements 31 December 2011 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.27 Leases (contd.)

(a) As lessee (contd.)

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.28(c).

2.28 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Sales of properties under development, land and properties held for sale

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 2.20(b).

Revenue from sale of land and properties held for sale are recognised net of discount and upon transfer of significant risks and rewards of ownership to the purchasers. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or possible return of properties held for sale.

(b) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.10.

(c) Rental income

Rental income including those from investment properties, is recognised on the accrual basis unless recoverability is in doubt, in which case, it is recognised on receipt basis.

(d) Investment income

Dividend income is recognised when the Group's right to receive payment is established.

Interest income from short term deposits and advances is recognised on the accrual basis, using the effective interest method, unless recoverability is in doubt, in which case, it is recognised on receipt basis.

Notes to the Financial Statements 31 December 2011 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.28 Revenue (contd.)

(e) Sale of goods, services and rights of enjoyment

Revenue from sale of goods is recognised based on invoiced value of goods sold and revenue from sale of services is recognised net of service taxes and discounts as and when services are performed.

Entrance fees collected for rights of enjoyment of facilities are recognised when tickets are sold.

(f) Club subscription fees

Club subscription fees are recognised on the accrual basis.

(g) Time share revenue

Membership fees are recognised over the membership period.

Annual maintenance fees are recognised on the accrual basis based on fees chargeable to members upon execution and renewal of the membership.

(h) Management fees

Management fees from the management of real estate investment funds activity are recognised on the accrual basis.

(i) Interest on lease and hire purchase

Interest on lease and hire purchase are recognised as income on the sum-of-the-digits method.

2.29 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint controlled entities, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the Financial Statements 31 December 2011 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)**2.29 Income taxes (contd.)****(b) Deferred tax (contd.)**

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.30 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 56, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.31 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Notes to the Financial Statements 31 December 2011 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.32 Warrants

Warrants are classified as equity.

The issue of ordinary shares upon exercise of the warrants are treated as new subscriptions of ordinary shares for the consideration equivalent to the warrants exercise price.

2.33 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) Operating lease commitments - as lessor

The Group has entered into commercial property leases on its investment properties. The commercial properties combined leases of land and buildings. At the inception of the lease, it was not possible to obtain a reliable estimate of the split of the fair values of the lease interest between the land and the buildings. Therefore, the Group evaluated based on terms and conditions of the arrangement, whether the land and the buildings were clearly operating leases or finance leases.

The Group assessed the following:

- (i) The land titles do not pass to the lessee; and
- (ii) The rentals paid to the landlord for the commercial properties are increased to the market rent at regular intervals, and the lessee does not participate in the residual value of the building.

Management judged that it retains all the significant risks and rewards of ownership of these properties, thus accounted for the contracts as operating leases.

(b) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Notes to the Financial Statements 31 December 2011 (contd.)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (contd.)**3.1 Judgements made in applying accounting policies (contd.)****(b) Classification between investment properties and property, plant and equipment (contd.)**

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 31 December 2011 is RM326,497,000 (2010: RM329,230,000). Further details are disclosed in Note 22.

(b) Depreciation of property, plant and equipment

The cost of hotel properties is depreciated on a straight-line basis over its remaining useful lives. Management estimates the useful lives of these hotel properties to be 50 years from the date of completion or from the date of acquisition, based on common life expectancies applied in the hotel industry. The remaining useful lives of the Group's hotel properties are between 26 years to 49 years.

The useful lives and residual values of other components of property, plant and equipment are also estimated based on common life expectancies and commercial factors applied in the various respective industries.

Changes in expected level of usage, occupancy rates and economic development could impact the economic useful lives and the residual values of these assets, and hence future depreciation charges on such assets could be revised.

(c) Property development

The Group recognises property development revenue and expenses in the statement of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development cost incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

Notes to the Financial Statements 31 December 2011 (contd.)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (contd.)

3.2 Key sources of estimation uncertainty (contd.)

(d) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. As at 31 December 2011, the total carrying value of recognised tax losses and capital allowances of the Group is RM157,948,000 (2010: RM101,372,000) and the unrecognised tax losses and capital allowances of the Group is RM414,282,000 (2010: RM429,445,000). Further details are provided for in Note 37.

(e) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the reporting date is disclosed in Note 26.

(f) Investment property and investment property under construction ("IPUC")

Investment property includes: (i) completed investment property; and (ii) IPUC. Completed investment property comprises real estate (land or building, or both) held by the Group or leased under a finance lease in order to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business.

In the previous financial year, the Group has adopted the amendments to FRS 140. Consequently, IPUC is valued at fair value if it can be reliably determined. If a fair value cannot be reliably determined, then IPUC is measured at cost. The fair value of IPUC is either determined on the basis of the discounted cash flow or the residual methods. However, using either method to value IPUC also requires considering the significant risks which are relevant to the development process, including but not limited to construction and letting risks.

As at reporting date, the carrying amount of IPUC of the Group is RM72,986,000 (2010: RM16,219,000). The fair value of the IPUC cannot be reliably determined and accordingly, the IPUC is measured at cost.

(g) Construction contracts

The Group recognises construction contract revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the stage of completion, the extent of the construction costs incurred, the estimated total construction revenue and costs, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on experience and by relying on the work of specialists. The details of construction contracts are disclosed in Note 40.

Notes to the Financial Statements 31 December 2011 (contd.)

4. REVENUE

	Group		Company	
	01.01.2011 to 31.12.2011 RM'000	01.01.2010 to 31.12.2010 RM'000	01.01.2011 to 31.12.2011 RM'000	10.11.2010 to 31.12.2010 RM'000
Property development				
- sale of properties under development	875,834	612,014	-	-
- sale of property stocks	39,978	10,987	-	-
Construction contracts	1,220,958	1,004,938	-	-
Sale of goods and services	1,457,702	1,267,302	-	-
Rental income	53,246	177,013	-	-
Management fees from real estate investment fund	25,315	9,055	-	-
Rendering of services, subscription fees and others	11,971	12,342	-	-
Lease and hire purchase	3,576	2,390	-	-
Time sharing fees	3,132	6,088	-	-
Dividend income from subsidiaries	-	-	17,109	-
Distribution of income from real estate investment trust	-	-	41	-
Management fees from subsidiaries	-	-	16,396	-
	3,691,712	3,102,129	33,546	-

5. COST OF SALES

	Group		Company	
	01.01.2011 to 31.12.2011 RM'000	01.01.2010 to 31.12.2010 RM'000	01.01.2011 to 31.12.2011 RM'000	10.11.2010 to 31.12.2010 RM'000
Property development costs (Note 24)	(543,177)	(331,232)	-	-
Cost of property stocks sold	(17,566)	(10,124)	-	-
Construction contract cost	(1,120,326)	(828,106)	-	-
Cost of goods sold and services rendered	(947,038)	(895,454)	(18,207)	-
Lease and hire purchase	(145)	(2,130)	-	-
Cost of time sharing business operations	(1,763)	(2,661)	-	-
	(2,630,015)	(2,069,707)	(18,207)	-

Notes to the Financial Statements 31 December 2011 (contd.)

6. OTHER INCOME

Included in other income are the following:

	Group		Company	
	01.01.2011 to 31.12.2011 RM'000	01.01.2010 to 31.12.2010 RM'000	01.01.2011 to 31.12.2011 RM'000	10.11.2010 to 31.12.2010 RM'000
Fair value gain of investment properties (Note 15)	51,786	65,547	-	-
Forfeiture income	10,510	264	-	-
Net gain on disposal of non-current assets classified as held for sale	439	135,816	-	-
Gain on disposal of subsidiaries	2,988	558	-	-
Gain on disposal of property, plant and equipment	3,278	5,485	-	-
Gain on liquidation of subsidiaries	901	-	-	-
Rental income				
- equipment	22	7,160	-	-
- land and buildings	13,201	8,533	-	-
- others	9,749	9,506	-	-
Fair value gain of derivative financial instruments	6,865	16,981	-	-
Gain on derecognition of financial assets/financial liabilities	-	1,270	-	-
Gain on hedged instruments	-	724	-	-
Bad debts recovered	1,314	8,927	-	-
Reversal of allowance for impairment				
- trade receivables (Note 26)	42,017	3,002	-	-
- other receivables (Note 27)	1,191	-	-	-
Reversal of impairment losses on other investments	4	63	-	-
Foreign exchange gain				
- realised	10,180	10,144	-	-
- unrealised	2,901	1,658	-	-
Reversal of provision for liabilities	16,844	-	-	-

Notes to the Financial Statements 31 December 2011 (contd.)

7. FINANCE INCOME AND COSTS

	Group		Company	
	01.01.2011 to 31.12.2011 RM'000	01.01.2010 to 31.12.2010 RM'000	01.01.2011 to 31.12.2011 RM'000	10.11.2010 to 31.12.2010 RM'000
Finance income				
Interest income from:				
Advances to subsidiaries	-	-	16,915	-
Accretion of interest	760	3,693	-	-
Deposits with licensed banks	12,096	13,552	16	-
Placement in cash fund	4,995	-	-	-
Others	9,652	10,006	-	-
	27,503	27,251	16,931	-
Finance costs				
Dividends on cumulative redeemable preference shares payable to minority shareholders of subsidiaries	-	(9,088)	-	-
Interest expense				
- hire purchase and finance lease arrangements	(6,584)	(2,577)	-	-
- inter-company balances	-	-	(43)	-
- bank overdrafts	(573)	(2,110)	(15)	-
- revolving credits	(8,623)	(5,541)	-	-
- commercial papers and medium term notes	(15,612)	(859)	(15,612)	-
- term loans	(33,575)	(54,368)	(5,476)	-
- bonds	-	(7,784)	-	-
- bankers' acceptance	(2,120)	(1,366)	-	-
Unwinding of discount	(8,817)	(12,475)	-	-
Others	(5,039)	(4,963)	-	-
	(80,943)	(101,131)	(21,146)	-

Notes to the Financial Statements 31 December 2011 (contd.)

8. PROFIT/(LOSS) BEFORE TAX

The following amounts have been included in arriving at profit/(loss) before tax:

	Group		Company	
	01.01.2011 to 31.12.2011 RM'000	01.01.2010 to 31.12.2010 RM'000	01.01.2011 to 31.12.2011 RM'000	10.11.2010 to 31.12.2010 RM'000
Employee benefits expense (Note 9)	461,611	425,097	15,197	-
Non-executive directors' remuneration (Note 10)	191	234	180	-
Auditors' remuneration				
- statutory audits	3,161	3,228	150	2
- underprovision in prior year	391	112	-	-
- other services	545	439	300	-
Bad debts written off	2,286	295	-	-
Hire of plant and machinery	1,318	2,107	-	-
Depreciation/Amortisation				
- property, plant and equipment (Note 13)	89,686	78,291	3	-
- biological assets (Note 14)	59	29	-	-
- rock reserve (Note 16)	935	935	-	-
Foreign exchange loss				
- realised	7,364	4,862	-	-
- unrealised (others)	3,405	8,662	-	-
- unrealised (hedged items)	47,380	-	41,500	-
Cash flow hedge reserve recycled to profit or loss	(47,380)	-	(41,500)	-
Impairment losses on				
- property, plant and equipment (Note 13)	15,188	3,352	-	-
- goodwill (Note 22)	3,000	-	-	-
- investment in a associate	119	-	-	-
Write down of inventories to net realisable value	4,577	13,086	-	-
Loss on disposal of				
- property, plant and equipment	370	2,020	-	-
Written off of				
- property, plant and equipment	11,118	5,441	-	-
- biological assets	170	120	-	-
- inventories	2,797	1,804	-	-
- pre-operating expenses	-	77	-	-
Allowance for impairment				
- trade receivables (Note 26)	23,537	32,277	-	-

Notes to the Financial Statements 31 December 2011 (contd.)

8. PROFIT/(LOSS) BEFORE TAX (contd.)

	Group		Company	
	01.01.2011 to 31.12.2011 RM'000	01.01.2010 to 31.12.2010 RM'000	01.01.2011 to 31.12.2011 RM'000	10.11.2010 to 31.12.2010 RM'000
Rental expense				
- land and buildings	72,511	26,057	935	-
- lease rental	3,703	-	-	-
- property, plant and equipment	1,957	1,622	38	-
- others	1,094	1,401	2	-
Fair value loss of investment properties (Note 15)	1,513	4,020	-	-
Direct operating expenses arising from investment property that generated rental income	10,729	27,664	-	-
Fair value loss of derivative financial instruments	14,632	2,459	-	-
Provision for liabilities	-	16,844	-	-

9. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	01.01.2011 to 31.12.2011 RM'000	01.01.2010 to 31.12.2010 RM'000	01.01.2011 to 31.12.2011 RM'000	10.11.2010 to 31.12.2010 RM'000
Wages and salaries	336,659	321,664	13,163	-
Social security contributions	5,468	2,838	1,401	-
Contributions to defined contribution plan	30,654	27,554	40	-
Other benefits	88,830	73,041	593	-
	461,611	425,097	15,197	-

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM11,271,000 (2010: RM7,813,000) and RM2,371,000 (2010: Nil) respectively as further disclosed in Note 10.

Notes to the Financial Statements 31 December 2011 (contd.)

10. DIRECTORS' REMUNERATION

	Group		Company	
	01.01.2011 to 31.12.2011 RM'000	01.01.2010 to 31.12.2010 RM'000	01.01.2011 to 31.12.2011 RM'000	10.11.2010 to 31.12.2010 RM'000
Executive directors' remuneration (Note 9):				
Other emoluments	11,271	7,813	2,371	-
Non-executive directors' remuneration (Note 8):				
Fees	163	108	163	-
Other emoluments	28	126	17	-
	191	234	180	-
Total directors' remuneration	11,462	8,047	2,551	-
Estimated money value of benefits-in-kind	126	333	33	-
Total directors' remuneration including benefits-in-kind (Note 52)	11,588	8,380	2,584	-

The details of remuneration receivable by directors of the Company during the financial year are as follows:

	Company	
	01.01.2011 to 31.12.2011 RM'000	10.11.2010 to 31.12.2010 RM'000
Executive:		
Salaries, bonus and other emoluments	2,117	-
Contribution to defined contribution plan	254	-
Estimated money value of benefits-in-kind	33	-
	2,404	-
Non-executive:		
Fees	163	-
Other emoluments	17	-
	2,584	-

Notes to the Financial Statements 31 December 2011 (contd.)

10. DIRECTORS' REMUNERATION (contd.)

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors	
	2011	2010
Executive directors:		
RM150,001 - RM200,000	2	-
RM500,001 - RM550,000	1	-
RM1,600,001 - RM1,650,000	1	-
Non-executive directors:		
Below RM100,000	3	-

The above disclosure is based on the remuneration received by the directors from the Company after the merger exercise.

11. INCOME TAX EXPENSE

	Group		Company	
	01.01.2011 to 31.12.2011 RM'000	01.01.2010 to 31.12.2010 RM'000	01.01.2011 to 31.12.2011 RM'000	10.11.2010 to 31.12.2010 RM'000
Current income tax:				
Malaysian income tax	78,985	93,264	10	-
Foreign tax	8,396	22,343	-	-
	87,381	115,607	10	-
Under/(over)provision in prior year:				
Malaysian income tax	4,549	(2,008)	-	-
Foreign tax	(28,422)	(8,076)	-	-
	63,508	105,523	10	-
Deferred tax (Note 37):				
Relating to origination and reversal of temporary differences	21,506	(381,279)	(338)	-
Under/(over)provision in prior year	1,076	(1,954)	-	-
	22,582	(383,233)	(338)	-
Total income tax	86,090	(277,710)	(328)	-

Domestic current income tax is calculated at the statutory tax rate of 25% (2010: 25%) of the estimated assessable profit/(loss) for the year.

Notes to the Financial Statements 31 December 2011 (contd.)

11. INCOME TAX EXPENSE (contd.)

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group	
	01.01.2011 to 31.12.2011 RM'000	01.01.2010 to 31.12.2010 RM'000
Profit before tax	498,533	715,949
Taxation at Malaysian statutory tax rate of 25% (2010: 25%)	124,633	178,987
Different tax rates in other countries	(4,841)	1,925
Deferred tax recognised at different tax rates	(2)	-
Income not subject to tax	(30,447)	(39,326)
Expenses not deductible for tax purposes	68,050	40,234
Utilisation of previously unrecognised tax losses, unabsorbed capital allowances and other deductible temporary differences	(1,912)	(28,649)
Deferred tax assets not recognised in respect of current year's tax losses, unabsorbed capital allowances and other deductible temporary differences	5,223	9,366
Deferred tax assets recognised on previously unrecognised tax losses, unabsorbed capital allowances and other deductible temporary differences	(5,407)	(6,472)
Effect of share of profit of associates	(24,922)	(18,288)
Effect of share of profit of jointly controlled entities	(21,488)	(31,545)
Net deferred tax effect arising from a change in the manner of recovery of asset (Note a)	-	(371,904)
Overprovision of income tax in prior year	(23,873)	(10,084)
Under/(over)provision of deferred tax in prior year	1,076	(1,954)
Income tax expense for the year	86,090	(277,710)

Notes to the Financial Statements 31 December 2011 (contd.)

11. INCOME TAX EXPENSE (contd.)

Note (a):

During the previous financial year, certain subsidiaries of Sunway City Sdn. Bhd. completed the disposal of their interest in 8 properties to Sunway Real Estate Investment Trust ("Sunway REIT"). As a result of the change in the manner of recovery of the properties from that of recovery through use to recovery through sale, the management had reassessed the measurement of the deferred tax liabilities after considering the tax consequences that would follow from the manner in which the respective entities expect, to recover the carrying amount of the above properties and this has resulted in a total net reversal of deferred tax liability amounting to RM371,904,000.

	Company	
	01.01.2011 to 31.12.2011 RM'000	10.11.2010 to 31.12.2010 RM'000
Profit/(loss) before tax	8,161	(79)
Taxation at Malaysian statutory tax rate of 25% (2010: 25%)	2,040	(20)
Income not subject to tax	(2,450)	-
Expenses not deductible for tax purposes	-	20
Deferred tax assets not recognised in respect of current year tax losses	82	-
Income tax expense for the year	(328)	-

Tax savings during the financial year arose from:

	Group	
	01.01.2011 to 31.12.2011 RM'000	01.01.2010 to 31.12.2010 RM'000
Utilisation of current year tax losses	8,123	-
Utilisation of previously unrecognised tax losses	7,319	14,246

Notes to the Financial Statements 31 December 2011 (contd.)

12. EARNINGS PER SHARE

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	01.01.2011 to 31.12.2011	01.01.2010 to 31.12.2010
Profit attributable to ordinary equity holders of the Company (RM'000)	372,056	684,424
Weighted average number of ordinary shares in issue ('000)	1,292,505	1,292,505
Basic earnings per share (sen)	28.79	52.95

The profit or loss reflects the results of the Group for the full year, irrespective of when the combination took place. In this regard, for the computation of earnings per share, the shares are assumed to have been issued on 1 January 2010.

(b) Diluted

There is no dilution in the earning per share of the Group as the market values of warrants were lower than the exercise prices. Accordingly, there is no assumed full conversion of the warrants to merit for adjusting for an increase in the number of ordinary shares which could result in a dilution of the Group's earnings per share.

Notes to the Financial Statements 31 December 2011 (contd.)

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Buildings RM'000	Leasehold land RM'000	Renovations RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Equipment, furniture and fittings RM'000	Quarry development expenditure RM'000	Capital work-in- progress RM'000	Total RM'000
Group										
At 31 December 2011										
Cost										
At 1 January 2011	62,449	611,299	25,473	4,357	817,149	51,780	134,742	24,560	28,632	1,760,441
Additions	1,654	22,459	148	1,744	55,601	6,310	29,323	257	43,086	160,582
Disposals/write-offs	-	(84)	-	(226)	(35,100)	(4,574)	(7,364)	(158)	(50)	(47,556)
Reclassifications	-	5,193	3,746	-	12,697	430	-	-	(22,066)	-
Transfer (to)/from investment properties (Note 15)	(9,535)	1,085	-	-	-	-	-	-	-	(8,450)
Exchange differences	-	2,882	479	19	4,166	(64)	641	-	607	8,730
At 31 December 2011	54,568	642,834	29,846	5,894	854,513	53,882	157,342	24,659	50,209	1,873,747
Accumulated depreciation										
At 1 January 2011	-	86,080	4,593	2,463	485,376	42,468	93,525	4,964	-	719,469
Depreciation charge for the year (Note 8)	-	16,001	811	925	55,541	4,182	11,232	994	-	89,686
Disposals/write-offs	-	(23)	-	(94)	(19,011)	(3,886)	(2,659)	(158)	-	(25,831)
Exchange differences	-	414	38	10	1,278	(82)	507	-	-	2,165
At 31 December 2011	-	102,472	5,442	3,304	523,184	42,682	102,605	5,800	-	785,489
Accumulated impairment losses										
At 1 January 2011	-	66,433	-	-	39,366	-	244	-	6,661	112,704
Impairment loss for the year (Note 8)	-	-	-	-	15,188	-	-	-	-	15,188
Disposals	-	-	-	-	-	-	(201)	-	-	(201)
At 31 December 2011	-	66,433	-	-	54,554	-	43	-	6,661	127,691
Net carrying amount	54,568	473,929	24,404	2,590	276,775	11,200	54,694	18,859	43,548	960,567

Notes to the Financial Statements 31 December 2011 (contd.)

13. PROPERTY, PLANT AND EQUIPMENT (contd.)

	Freehold land RM'000	Buildings RM'000	Leasehold land RM'000	Renovations RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Equipment, furniture and fittings RM'000	Quarry development expenditure RM'000	Capital work-in- progress RM'000	Total RM'000
Group (contd.)										
At 31 December 2010										
Cost										
At 1 January 2010	62,446	878,603	41,306	6,874	879,974	53,676	361,688	23,026	78,103	2,385,696
Additions	3	38,442	-	1,594	50,845	7,542	50,001	1,534	15,361	165,322
Disposals/write-offs	-	(1,717)	(3,693)	-	(19,101)	(7,579)	(25,002)	-	(7,277)	(64,369)
Reclassifications	-	51,089	-	-	-	-	-	-	(51,089)	-
Transfer to non-current assets classified as held for sale (Note 31)	-	(352,050)	(1,554)	(4,083)	(78,903)	(221)	(249,834)	-	(4,749)	(691,394)
Transfer from investment properties (Note 15)	-	3,063	-	-	-	-	-	-	-	3,063
Transfer to investment properties under construction (Note 15)	-	-	(11,441)	-	-	-	-	-	-	(11,441)
Transfer from land held for property development (Note 17)	-	-	1,403	-	-	-	-	-	-	1,403
Exchange differences	-	(6,131)	(548)	(28)	(15,666)	(1,638)	(2,111)	-	(1,717)	(27,839)
At 31 December 2010	62,449	611,299	25,473	4,357	817,149	51,780	134,742	24,560	28,632	1,760,441
Accumulated depreciation										
At 1 January 2010	-	101,577	4,392	3,175	499,660	45,384	258,383	4,267	-	916,838
Depreciation charge for the year (Note 8)	-	12,417	735	450	38,879	4,338	20,594	878	-	78,291
Disposals/write-offs	-	(1,613)	(306)	-	(11,421)	(6,217)	(21,160)	(179)	-	(40,896)
Transfer to non-current assets classified as held for sale (Note 31)	-	(24,694)	(159)	(1,158)	(34,874)	(102)	(163,897)	-	-	(224,884)
Exchange differences	-	(1,607)	(69)	(4)	(6,868)	(935)	(395)	(2)	-	(9,880)
At 31 December 2010	-	86,080	4,593	2,463	485,376	42,468	93,525	4,964	-	719,469
Accumulated impairment loss										
At 1 January 2010	-	64,525	-	-	38,137	-	29	-	6,661	109,352
Impairment loss for the year (Note 8)	-	1,908	-	-	1,229	-	215	-	-	3,352
At 31 December 2010	-	66,433	-	-	39,366	-	244	-	6,661	112,704
Net carrying amount	62,449	458,786	20,880	1,894	292,407	9,312	40,973	19,596	21,971	928,268

Notes to the Financial Statements 31 December 2011 (contd.)

13. PROPERTY, PLANT AND EQUIPMENT (contd.)

	Equipment, furniture and fittings RM'000	Capital work-in- progress RM'000	Total RM'000
Company			
At 31 December 2011			
Cost			
At 1 January 2011	-	-	-
Additions	26	677	703
At 31 December 2011	26	677	703
Accumulated depreciation and impairment			
At 1 January 2011	-	-	-
Depreciation charge for the year (Note 8)	3	-	3
At 31 December 2011	3	-	3
Net carrying amount	23	677	700

The Company has no property, plant and equipment in the previous financial period.

- (a) The net carrying amount of property, plant and equipment held under hire purchase and finance lease arrangements is as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Motor vehicles	3,366	4,467	-	-
Equipment, furniture and fittings	415	39,685	-	-
Plant and machinery	73,792	40,977	-	-
	77,573	85,129	-	-

- (b) Property, plant and equipment of the Group with net carrying amount of RM362,247,000 (2010: RM390,244,000) are pledged as securities for borrowings as disclosed in Note 32.

Notes to the Financial Statements 31 December 2011 (contd.)

14. BIOLOGICAL ASSETS

	Group	
	2011 RM'000	2010 RM'000
Cost		
At beginning of financial year	640	683
Additions	184	78
Write-off	(216)	(121)
At end of financial year	608	640
Accumulated depreciation		
At beginning of financial year	179	151
Depreciation charge for the year (Note 8)	59	29
Write-off	(46)	(1)
At end of financial year	192	179
Net carrying amount	416	461

Biological assets consist of animals used in a petting zoo operated by a subsidiary.

15. INVESTMENT PROPERTIES

	Group	
	2011 RM'000	2010 RM'000
Investment properties	815,910	709,927
Investment properties under construction	72,986	16,219
	888,896	726,146

Notes to the Financial Statements 31 December 2011 (contd.)

15. INVESTMENT PROPERTIES (contd.)

	Group	
	2011 RM'000	2010 RM'000
At valuation		
At beginning of financial year	709,927	3,211,032
Additions from acquisition	405	2,023
Additions from subsequent expenditure	57,541	61,960
Transfers from/(to):		
- property development cost (Note 24)	-	118,727
- land held for property development (Note 17)	(14,830)	22
- property, plant and equipment (Note 13)	8,450	(3,063)
- inventories	4,108	44,600
Non-current assets classified as held for sale (Note 31)	-	(2,786,865)
Fair value adjustment		
- gain (Note 6)	51,786	65,547
- loss (Note 8)	(1,513)	(4,020)
Exchange differences	36	(36)
At end of financial year	815,910	709,927

The investment properties consist of the following:

	Group	
	2011 RM'000	2010 RM'000
Long term leasehold land	113,640	135,956
Freehold land	13,465	3,665
Buildings	688,805	570,306
	815,910	709,927

Investment properties comprise a number of commercial properties leased to third and related parties.

Investment properties of the Group with an aggregate carrying value of RM365,000,000 (2010: RM353,000,000) are pledged as securities for borrowings as disclosed in Note 32.

In the previous financial year, the carrying values of the properties were based on valuation carried out by CH William Talhar & Wong, and City Valuers & Consultants. The carrying values of the properties as at 31 December 2011 are based on valuation carried out by Raine & Horne International Zaki + Partners. Fair value is determined primarily based on income and comparison approaches.

Notes to the Financial Statements 31 December 2011 (contd.)

15. INVESTMENT PROPERTIES (contd.)

	Group	
	2011 RM'000	2010 RM'000
Investment properties under construction		
At cost		
At beginning of financial year	16,219	-
Additions from subsequent expenditure	41,346	4,778
Transfers from:		
- property development cost (Note 24)	15,421	-
- property, plant and equipment (Note 13)	-	11,441
At end of financial year	72,986	16,219

Investment properties under construction consist of buildings and leasehold land.

16. ROCK RESERVES

	Group	
	2011 RM'000	2010 RM'000
At beginning of financial year	9,314	10,249
Amortisation during the financial year (Note 8)	(935)	(935)
At end of financial year	8,379	9,314

Notes to the Financial Statements 31 December 2011 (contd.)

17. LAND HELD FOR PROPERTY DEVELOPMENT

	Freehold land RM'000	Long term leasehold land RM'000	Development costs RM'000	Total RM'000
Group				
At 31 December 2011				
Cost				
At 1 January 2011	243,749	143,473	145,965	533,187
Exchange difference	161	781	(161)	781
Additions	490,751	2,401	22,732	515,884
Transfers (to)/from property development costs (Note 24)	(52,300)	(28,242)	45,119	(35,423)
Transfers from/(to) investment properties (Note 15)	-	15,363	(533)	14,830
Disposal	(11,967)	-	-	(11,967)
At 31 December 2011	670,394	133,776	213,122	1,017,292
At 31 December 2010				
Cost				
At 1 January 2010	244,166	112,488	152,854	509,508
Exchange difference	141	-	-	141
Additions	5,340	77,737	4,975	88,052
Transfer to jointly controlled entity	(5,898)	-	-	(5,898)
Transfers to property, plant and equipment (Note 13)	-	(1,197)	(206)	(1,403)
Transfers to property development costs (Note 24)	-	(45,533)	(11,658)	(57,191)
Transfers to investment properties (Note 15)	-	(22)	-	(22)
At 31 December 2010	243,749	143,473	145,965	533,187

Freehold land and related development costs of the Group costing RM40,840,000 (2010: RM242,706,000) are pledged to financial institutions as securities for borrowings as disclosed in Note 32.

Leasehold land and related development costs of the Group costing RM59,920,000 (2010: RM59,920,000) are pledged to financial institutions as securities for borrowings as disclosed in Note 32.

Notes to the Financial Statements 31 December 2011 (contd.)

18. INVESTMENTS IN SUBSIDIARIES

	Company	
	2011 RM'000	2010 RM'000
At cost		
Unquoted ordinary shares	341,292	-
Unquoted preference shares	3,280,810	-
Net carrying amount at end of financial year	3,622,102	-

Investments in subsidiaries of the Company arise from the transfer of the entire businesses and undertakings, including all assets and liabilities of Sunway Holdings Sdn. Bhd. and Sunway City Sdn. Bhd. pursuant to the merger exercise. Further details are disclosed in Note 47.

During the financial year, the Group completed the following acquisitions:

- (a) On 14 January 2011, Sunway City Sdn. Bhd. ("SCSB") (formerly Sunway City Berhad), a wholly-owned subsidiary of the Company, acquired 100% equity interest in Sunway Pyramid Development Sdn. Bhd. (formerly known as Sunway Top Magnitude Sdn. Bhd.) for RM2 cash;
- (b) On 5 April 2011, SunwayMas Sdn. Bhd., a wholly-owned subsidiary of Sunway Holdings Sdn. Bhd. ("SHSB") (formerly Sunway Holdings Berhad), a wholly-owned subsidiary of the Company, acquired 100% equity interest in Daksina Harta Sdn. Bhd. for RM2 cash;
- (c) On 21 April 2011, SCSB, acquired 100% equity interest in Sunway Putra Hotel Sdn. Bhd. (formerly known as Wisdom Achievers Sdn. Bhd.) for RM2 cash;
- (d) On 26 September 2011, Sunway Construction Sdn. Bhd., a wholly-owned subsidiary of SHSB, acquired 100% equity interest in Sungei Way Construction (S) Pte. Ltd. for SGD2 (equivalent to approximately RM5) cash;
- (e) On 14 November 2011, Sunway City (S'pore) Pte. Ltd., a wholly-owned subsidiary of SCSB, has received the business license issued by Shanghai Administration for Industry and Commerce which confirmed that a limited company known as Sunway Investment Management Consultancy (Shanghai) Co. Ltd. was incorporated on 2 November 2011; and
- (f) On 16 November 2011, SCSB acquired 100% equity interest in Sunway Mall Sdn. Bhd. for RM2 cash.

During the financial year, the Group subscribed to additional shares in the following companies:

- (a) On 27 January 2011, SCSB acquired 30% equity interest in Sunway Tunas Sdn. Bhd. ("STSB") from Koperasi Tunas Muda Sungai Ara Berhad for a total cash consideration of RM838,750. As a result, STSB became a wholly-owned subsidiary of SCSB;
- (b) On 30 December 2011, SCSB had subscribed for an additional 147,499 ordinary shares of RM1 each representing approximately 59% of the total issued and paid-up share capital of Sunway Velocity Mall Sdn. Bhd. ("SVMSB") (formerly known as Glitter Performance Sdn. Bhd.) for a total consideration of RM147,499 ("the Subscription").

Prior to the Subscription, SVMSB was a 50% owned associated company of SCSB, holding 1 share. As a result of the Subscription, SVMSB has become a 59% owned subsidiary of SCSB; and

- (c) During the current financial year, the Group acquired 6.84% equity interest in Sunway Medical Centre Berhad ("SMC") from its minority interests for a total cash consideration of RM13,437,539. As a result SMC became a 91.63% owned subsidiary of the Group.

Notes to the Financial Statements 31 December 2011 (contd.)

18. INVESTMENTS IN SUBSIDIARIES (contd.)

During the financial year, the Group completed the following disposals:

- (a) On 7 April 2011, Sunway Smartek Sdn. Bhd. a 75.1% owned subsidiary of SHSB which in turn is a wholly owned subsidiary of the Company disposed of Sunway Smartek Marketing Sdn. Bhd. to Mr Chen Shiang Yih and Ms Fong Shin Chien for a total cash consideration of RM51,000. As a result, Sunway Smartek Marketing Sdn. Bhd. has ceased to be a subsidiary of Sunway Smartek Sdn. Bhd.; and
- (b) On 17 June 2011, Sunway Lagoon Sdn. Bhd., a wholly owned subsidiary of SCSB which in turn is a wholly owned subsidiary of the Company, disposed off 15% equity interest in Eastern Glory Enterprises Limited ("EGEL") to True Paragon Sdn. Bhd. ("TPSB") for a total cash consideration of AUD4,414,611 (equivalent to RM14,200,000).

Pursuant to the disposal, the equity interest held by the Group in EGEL reduced to 45%. However, the Group retains control of EGEL as the Group has more than one half of the voting rights by virtue of an agreement with TPSB.

The above acquisitions and disposals of the subsidiaries did not have any material effect on the financial results and financial position of the Group.

19. AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2011 RM'000	2010 RM'000
Short term amounts due from subsidiaries		
Interest bearing amounts	977,334	-
Non-interest bearing amounts	7,567	-
Total amount due from subsidiaries	984,901	-

The amounts due from subsidiaries are unsecured, repayable on demand and bear interest at rates ranging from 3.90% to 4.98% per annum.

Notes to the Financial Statements 31 December 2011 (contd.)

20. INVESTMENTS IN ASSOCIATES

	Group	
	2011 RM'000	2010 RM'000
Unquoted shares at cost	24,323	24,323
Quoted shares at cost	1,082,883	1,072,796
Share of post-acquisition reserves	105,974	88,584
Share of non-distributable reserves	21,914	21,865
Unrealised profit arising from sale of assets to associate	(72,144)	(72,144)
	1,162,950	1,135,424
Less: Accumulated impairment losses	(147,647)	(147,528)
	1,015,303	987,896
Market value of quoted shares	1,256,170	1,055,913

During the current financial year, Sunway REIT Management Sdn. Bhd., a wholly-owned subsidiary of the Company received 9,413,700 (2010: 2,235,600) units representing 0.35% (2010: 0.08%) of the total issued units in Sunway REIT as part payment of management fees from Sunway REIT.

As a result, the Group and the Company now hold 36.83% (2010: 36.61%) and 0.18% (2010: Nil) equity interest in Sunway REIT with a total carrying value of RM892,516,000 (2010: RM882,429,000) and RM5,391,000 (2010: Nil) respectively as at 31 December 2011. Sunway REIT was listed on the Main Market of Bursa Malaysia Securities Berhad on 8 July 2010.

The financial statements of the associates are coterminous with those of the Group, except for Pyramid Bowl Sdn. Bhd. which have a financial year end of 31 March, Aktif-Sunway Sdn. Bhd. and Sunway REIT which have financial year end of 30 June. For the purpose of applying the equity method of accounting, the management accounts of these associates as at 31 December 2011 have been used.

The Group's share of revenue, profit, assets and liabilities of associates are as follows:

	2011 RM'000	2010 RM'000
Assets and liabilities		
Current assets	109,064	103,892
Non-current assets	1,653,743	1,399,075
Total assets	1,762,807	1,502,967
Current liabilities	(407,989)	(56,848)
Non-current liabilities	(267,371)	(386,079)
Total liabilities	(675,360)	(442,927)
Results		
Revenue	142,794	98,817
Profit for the year	99,689	73,152

Notes to the Financial Statements 31 December 2011 (contd.)

20. INVESTMENTS IN ASSOCIATES (contd.)

Details of the associates are as follows:

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(a) Associates of Sunway City Sdn. Bhd.				
Aktif-Sunway Sdn. Bhd.	Malaysia	Ceased operation	20	20
Sunway Velocity Mall Sdn. Bhd. (formerly known as Glitter Performance Sdn. Bhd.)	Malaysia	Property investment	-	50
Sunway Cana City Development Ltd. #	Cambodia	Property development	49	49
Sunway Real Estate Investment Trust	Malaysia	Investment in real estate	-	36.61
(b) Associate of Sunway Damansara Sdn. Bhd.				
Sunway D'Mont Kiara Sdn. Bhd.	Malaysia	Property development	30	30
(c) Associate of Sunway Leisure Sdn. Bhd.				
Pyramid Bowl Sdn. Bhd. #	Malaysia	Bowling alley operator	40	40
(d) Associate of Sunway City (S'pore) Pte. Ltd.				
Sunway MAK International Private Limited	India	Property development	26.3	26.3
(e) Associate of Sunway Holdings Sdn. Bhd.				
Sungei Way-Saigon-Pilecon Engineering Company #	Vietnam	Dormant	42.3	42.3

Notes to the Financial Statements 31 December 2011 (contd.)

20. INVESTMENTS IN ASSOCIATES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(f) Associate of Fortuna Gembira Enterpris Sdn. Bhd.				
Gopeng Berhad #	Malaysia	Cultivation of oil palm, investment holding and property development	19.33	19.33
(g) Associate of Sunway Juarasama Sdn. Bhd.				
Sungei Way Construction (S) Pte. Ltd. #	Singapore	Dormant	-	50
(h) Associate of SunwayMas Sdn. Bhd.				
Varich Industries Sdn. Bhd. #	Malaysia	Dormant	50	50
(i) Associate of Sunway Marketing Sdn. Bhd.				
Buildtrend B.S.G. (M) Sdn. Bhd. #	Malaysia	Distribution of architectural building products and sanitary wares	30	30
(j) Associate of Sunway Builders Sdn. Bhd.				
ISZL Consortium #	Unincorporated	Construction	25	25
(K) Associate of Sunway REIT Holdings Sdn. Bhd. (formerly known as Sunway Gamma Knife (Malaysia) Sdn. Bhd.)				
Sunway Real Estate Investment Trust	Malaysia	Investment in real estate	36.65	-

Audited by firms of auditors other than Ernst & Young

Notes to the Financial Statements 31 December 2011 (contd.)

21. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

	Group	
	2011 RM'000	2010 RM'000
Unquoted shares at cost	79,485	59,112
Premium on acquisition	10,721	10,721
Equity contribution		
- in respect of land held for property development	5,898	5,898
Share of post-acquisition reserves	169,792	178,190
	265,896	253,921

Details of the jointly controlled entities are as follows:

Name of jointly controlled entities	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
Jointly controlled entities with Sunway City Sdn. Bhd. Group				
Sunway SPK Homes Sdn. Bhd.	Malaysia	Property development	50	50
Sunway Opus International Private Limited	India	Property development	50	50
Sunway Fawanis JV	Unincorporated	Property development	-	50
Suncity Medallion JV	Unincorporated	Property development	50	50
Eastern Creek Stage 3	Unincorporated	Property development	50	50
Tianjin Eco-City Sunway Property Development Co. Ltd. #	China	Property development	60	-
Sunway Iskandar Sdn. Bhd. (formerly known as Semerah Cahaya Sdn. Bhd.)	Malaysia	Property development	38	-

Notes to the Financial Statements 31 December 2011 (contd.)

21. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (contd.)

Name of jointly controlled entities	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
Jointly controlled entities with Sunway Holdings Sdn. Bhd. Group				
Hoi Hup Sunway Development Pte. Ltd. #	Singapore	Real estate development	30	30
Hoi Hup Sunway J.V. Pte. Ltd. #	Singapore	Real estate development	30	30
Hoi Hup Sunway Property Pte. Ltd. #	Singapore	Real estate activities with own or leased property	30	30
SunCon Central Glass J.V. #	Unincorporated	Completion of curtain walling works	70	70
SunCon Soma Joint Venture #	Unincorporated	Construction	50	50
Sunway Daechang Forging Investment Limited #	Hong Kong	Investment holding	50	50
Silver Coast-Sunway Innopave J.V. #	Unincorporated	Construction works	60	60
Hoi Hup Sunway Miltonia Pte. Ltd. #	Singapore	Real estate developer	30	30
Hoi Hup Sunway Pasir Ris Pte. Ltd. #	Singapore	Real estate developer	30	-
Hoi Hup Sunway Tampines Pte. Ltd. #	Singapore	Real estate developer	30	30

Notes to the Financial Statements 31 December 2011 (contd.)

21. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (contd.)

Name of jointly controlled entities	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
Jointly controlled entities with Sunway Holdings Sdn. Bhd. Group (contd.)				
Hoi Hup Sunway Yuan Ching Pte. Ltd. #	Singapore	Real estate developer	30	30
SunGeo - Awangsa J.V. #	Unincorporated	Piling and substructure works	50.8	50.8
Fableplus Sdn. Bhd. - Sunway Engineering Joint Venture #	Unincorporated	Provision of mechanical and engineering works	30	30

Audited by firms of auditors other than Ernst & Young

The Group's aggregate share of the current assets, non-current assets, current liabilities, non-current liabilities, income and expenses of the jointly controlled entities are as follows:

	2011 RM'000	2010 RM'000
Assets and liabilities		
Current assets	689,839	1,041,400
Non-current assets	50,174	107,975
Total assets	740,013	1,149,375
Current liabilities	(371,837)	(640,909)
Non-current liabilities	(102,280)	(254,545)
Total liabilities	(474,117)	(895,454)
Results		
Revenue	501,226	850,504
Expenses, including finance costs and after tax	(415,277)	(724,324)

Notes to the Financial Statements 31 December 2011 (contd.)

21. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (contd.)

The detail of goodwill included within the Group's carrying amount of investments in a jointly controlled entities is as follows:

	2011 RM'000	2010 RM'000
Cost		
Arising from investment in a jointly controlled entity and as at 31 December	10,721	10,721

During the current financial year, the terms of the shareholders' agreement in relation to Sunway Fawanis JV were revised to the effect that the project will be fully undertaken by the Group. However, the cessation of the jointly controlled arrangement did not result in any material effect to the financial results and financial position of the Group.

22. GOODWILL

	Group	
	2011 RM'000	2010 RM'000
Cost		
At beginning of financial year	338,070	160,603
Acquisition of subsidiary	267	-
Additional equity interest in subsidiaries	-	178,353
Disposal of subsidiaries	-	(886)
At end of financial year	338,337	338,070
Accumulated impairment		
At beginning of financial year	(8,840)	(8,840)
Impairment loss recognised in profit or loss (Note 8)	(3,000)	-
At end of financial year	(11,840)	(8,840)
Net carrying amount	326,497	329,230

In the previous financial year, additional goodwill mainly arose from the acquisition of additional equity interest in Sunway Lagoon Sdn. Bhd. and Sunway Resort Hotel Sdn. Bhd.

During the current financial year, an impairment loss of RM3,000,000 was recognised in relation to Sunway Creative Stones Sdn. Bhd. as the business operations have been scaled down.

Notes to the Financial Statements 31 December 2011 (contd.)

22. GOODWILL (contd.)**Allocation of goodwill**

Goodwill has been allocated to the Group's CGUs, according to business segments as follows:

	2011 RM'000	2010 RM'000
Property investment *	193,749	193,722
Construction	74,104	77,104
Quarry	40,647	40,647
Trading and manufacturing	8,673	8,673
Property development	247	7
Others	9,077	9,077
	326,497	329,230

* The property investment segment includes property investment, leisure, hospitality and Sunway REIT.

Key assumptions used in value-in-use calculations

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the growth rates stated below. The key assumptions used for value-in-use calculations for the major business segments are:

	Quarry %	Construction %	Property investment %
At 31 December 2011			
Gross margin	13.6	6.5	37.7
Growth rate	13.1	15.6	18.8
Discount rate	12.0	14.0	10.0
At 31 December 2010			
Gross margin	12.4	12.1	22.1
Growth rate	18.9	(1.1)	27.0
Discount rate	14.0	14.0	10.0

Notes to the Financial Statements 31 December 2011 (contd.)

22. GOODWILL (contd.)

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year increased for expected efficiency improvements.

(ii) Growth rate

The weighted average growth rates used are consistent with the long-term average growth rate for the industry.

(iii) Discount rate

The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of each of the major business segments, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the units to materially exceed their recoverable amounts.

23. OTHER INVESTMENTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At cost:				
Unquoted ordinary shares	3,506	3,456	-	-
Unquoted preference shares	-	10,853	-	-
Corporate membership	84	83	-	-
	3,590	14,392	-	-
Less: Accumulated impairment losses	(1,741)	(1,745)	-	-
	1,849	12,647	-	-
At fair value:				
Quoted shares	-	-	5,391	-
Total other investments	1,849	12,647	5,391	-

Notes to the Financial Statements 31 December 2011 (contd.)

24. PROPERTY DEVELOPMENT COSTS

	Group	
	2011 RM'000	2010 RM'000
Cumulative property development costs		
At beginning of financial year:		
- Freehold land	117,044	197,712
- Long term leasehold land	379,914	325,827
- Development costs	1,633,927	1,700,364
	2,130,885	2,223,903
Costs incurred during the year:		
- Freehold land	52,211	8,372
- Long term leasehold land	32,627	34,498
- Development costs	648,638	326,416
	733,476	369,286
Exchange difference:		
- Long term leasehold land	2,457	(2,446)
- Development costs	1,454	(2,728)
	3,911	(5,174)
Transfers (to)/from:		
Land held for property development (Note 17):		
- Freehold land	52,300	-
- Long term leasehold land	28,242	45,533
- Development costs	(45,119)	11,658
	35,423	57,191
Inventories:		
- Freehold land	(2,920)	(2,150)
- Long term leasehold land	(34,815)	(115)
- Development costs	(118,248)	(5,066)
	(155,983)	(7,331)
Investment properties (Note 15):		
- Development costs	-	(118,727)

Notes to the Financial Statements 31 December 2011 (contd.)

24. PROPERTY DEVELOPMENT COSTS (contd.)

	Group	
	2011 RM'000	2010 RM'000
Cumulative property development costs (contd.)		
Investment properties under construction (Note 15):		
- Development costs	(15,421)	-
Reversal of completed projects:		
- Freehold land	(49,709)	(86,890)
- Long term leasehold land	(84,191)	(23,383)
- Development costs	(365,304)	(277,990)
	(499,204)	(388,263)
At end of financial year:		
- Freehold land	168,926	117,044
- Long term leasehold land	324,234	379,914
- Development costs	1,739,927	1,633,927
	2,233,087	2,130,885
Accumulated impairment losses		
At beginning of financial year		
- Development costs	(1,577)	(1,577)
Exchange differences		
- Development costs	(46)	-
At end of financial year	(1,623)	(1,577)
Cumulative costs recognised in profit or loss		
At beginning of financial year	(1,507,993)	(1,564,238)
Recognised during the year (Note 5)	(543,177)	(331,232)
Reversal of completed projects	499,204	388,263
Exchange differences	(10,164)	(786)
At end of financial year	(1,562,130)	(1,507,993)
Property development costs at end of financial year	669,334	621,315

Interest expense capitalised during the financial year under development costs of the Group amounted to RM25,039,000 (2010: RM4,754,000).

Freehold land and related development costs of the Group amounting to RM185,705,000 (2010: RM239,020,000) are pledged to financial institutions as securities for borrowings as disclosed in Note 32. Of the total amount pledged to financial institutions as securities for borrowings during the financial year, RM131,564,000 is in the process of being discharged as disclosed in Note 32.

Notes to the Financial Statements 31 December 2011 (contd.)

24. PROPERTY DEVELOPMENT COSTS (contd.)

Leasehold land and development costs of the Group amounting to RM74,300,000 (2010: RM290,162,000) are pledged to financial institutions as securities for borrowings as disclosed in Note 32.

25. INVENTORIES

	Group	
	2011 RM'000	2010 RM'000
At cost		
Properties held for sale	202,482	85,650
Trading inventories	124,918	85,857
Food and beverages	3,021	1,719
Consumables	11,906	9,991
Raw materials	12,459	9,953
Work in progress	2,497	2,920
Finished goods	79,357	91,755
	436,640	287,845
Net realisable value		
Properties held for sale	15,200	13,700
	451,840	301,545

26. TRADE RECEIVABLES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-current				
Finance lease receivables	5,075	6,295	-	-
Hire purchase receivables	1,938	3,640	-	-
	7,013	9,935	-	-

Notes to the Financial Statements 31 December 2011 (contd.)

26. TRADE RECEIVABLES (contd.)

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current				
Trade receivables	714,591	704,414	9,219	-
Retention sums (Note 40)	132,774	128,069	-	-
Finance lease receivables	3,389	2,202	-	-
Hire purchase receivables	2,624	3,049	-	-
Amounts due from customers on contracts (Note 40)	40,609	42,036	-	-
Accrued billings in respect of property development costs	2,188	424	-	-
	896,175	880,194	9,219	-
Less: Allowance for impairment	(113,793)	(148,604)	-	-
	782,382	731,590	9,219	-
Total trade receivables	789,395	741,525	9,219	-
Total trade receivables	789,395	741,525	9,219	-
Other receivables (Note 27)	325,762	278,907	1,433	-
Add: Amounts due from subsidiaries (Note 19)	-	-	984,901	-
Add: Amounts due from associates	-	1,685	-	-
Add: Amounts due from jointly controlled entities	211,001	278,686	-	-
Less: Amounts due from customers on contracts (Note 40)	(40,609)	(42,036)	-	-
Less: Prepayments (Note 27)	(26,648)	(41,273)	(1,428)	-
Less: Accrued billings in respect of property development costs	(2,188)	(424)	-	-
Add: Cash and bank balances (Note 30)	776,705	868,539	10,694	6
Total loans and receivables	2,033,418	2,085,609	1,004,819	6

Notes to the Financial Statements 31 December 2011 (contd.)

26. TRADE RECEIVABLES (contd.)

The repayment terms of finance lease and hire purchase receivables are as follow:

	Group	
	2011 RM'000	2010 RM'000
Finance lease receivables:		
Not later than 1 year	3,794	2,763
Later than 1 year and not later than 5 years	6,259	6,796
Later than 5 years	375	-
	10,428	9,559
Less: Unearned interest	(1,964)	(1,062)
	8,464	8,497
Representing finance lease receivables:		
Not later than 1 year	3,389	2,202
Later than 1 year and not later than 5 years	4,718	6,295
Later than 5 years	357	-
	8,464	8,497
Hire purchase receivables:		
Not later than 1 year	2,837	3,415
Later than 1 year and not later than 5 years	2,078	3,905
	4,915	7,320
Less: Unearned interest	(353)	(631)
	4,562	6,689
Representing hire purchase receivables:		
Not later than 1 year	2,624	3,049
Later than 1 year and not later than 5 years	1,938	3,640
	4,562	6,689

Notes to the Financial Statements 31 December 2011 (contd.)

26. TRADE RECEIVABLES (contd.)

The currency exposure profile of trade receivables are as follows:

	Group	
	2011 RM'000	2010 RM'000
Ringgit Malaysia (RM)	598,829	543,379
Singapore Dollar (SGD)	76,283	49,122
Vietnam Dong (VND)	1,964	5,012
Indonesian Rupiah (INR)	10,100	9,093
United States Dollar (USD)	2,376	599
Renminbi (RMB)	38,061	38,476
Trinidad and Tobago Dollar (TTD)	8,755	29,104
Thai Bath (THB)	3,606	3,864
India Rupee (IR)	18,896	26,559
Euro (EURO)	2	5
Macau Pataca (MOP)	2,839	3,063
United Arab Emirates Dirham (AED)	15,272	19,667
Australian Dollar (AUD)	12,231	12,390
Hong Kong Dollar (HKD)	181	1,192
	789,395	741,525

Included in trade receivables are the following amounts due from related parties:

	Group	
	2011 RM'000	2010 RM'000
Sunway Technology Sdn. Bhd. Group	441	617
Dekon Holdings Sdn. Bhd. Group	-	108
Adasia (M) Sdn. Bhd.	-	104

The amounts due from related parties are unsecured and non-interest bearing. The relationship with the related parties is as disclosed in Note 52. The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of 14 days to 30 days (2010: 14 days to 30 days). Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest bearing.

Notes to the Financial Statements 31 December 2011 (contd.)

26. TRADE RECEIVABLES (contd.)**Ageing analysis of trade receivables**

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2011 RM'000	2010 RM'000
Neither past due nor impaired	430,556	422,636
1 to 30 days past due not impaired	98,347	71,357
31 to 60 days past due not impaired	49,918	45,961
61 to 90 days past due not impaired	103,606	111,038
91 to 120 days past due not impaired	20,261	20,413
More than 120 days past due not impaired	86,343	67,329
	358,475	316,098
Impaired	114,157	151,395
	903,188	890,129

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired relate to customers with good track record with the Group. Based on past experience, the Board believes that no allowance for impairment is necessary in respect of those balances.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group		
	Collectively impaired RM'000	Individually impaired RM'000	Total RM'000
As at 31 December 2011			
Trade receivables			
- nominal amounts	549	113,608	114,157
Less: Allowance for impairment	(185)	(113,608)	(113,793)
	364	-	364

Notes to the Financial Statements 31 December 2011 (contd.)

26. TRADE RECEIVABLES (contd.)

	Group		
	Collectively impaired RM'000	Individually impaired RM'000	Total RM'000
As at 31 December 2010			
Trade receivables			
- nominal amounts	6,023	145,372	151,395
Less: Allowance for impairment	(3,811)	(144,793)	(148,604)
	2,212	579	2,791

Movement in allowance for impairment accounts:

	Group	
	2011 RM'000	2010 RM'000
At beginning of financial year	148,604	123,813
Charge for the year (Note 8)	23,537	32,277
Reversal of impairment losses (Note 6)	(42,017)	(3,002)
Written off	(16,250)	(4,155)
Exchange differences	(81)	(329)
At end of financial year	113,793	148,604

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

27. OTHER RECEIVABLES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current				
Deposits	25,055	53,094	1	-
Prepayments (Note 26)	26,648	41,273	1,428	-
Sundry receivables	277,988	155,829	4	-
Amounts due from joint venture partners	-	33,831	-	-
	329,691	284,027	1,433	-
Less: Allowance for impairment	(3,929)	(5,120)	-	-
	325,762	278,907	1,433	-

Notes to the Financial Statements 31 December 2011 (contd.)

27. OTHER RECEIVABLES (contd.)

Included in sundry receivables are the following amounts due from related parties:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Sunway Technology Sdn. Bhd. Group	16	-	4	-
Dekon Holdings Sdn. Bhd. Group	-	375	-	-
Perbadanan Kemajuan Negeri Selangor	33	-	-	-
Adasia (M) Sdn. Bhd.	-	13	-	-

In the previous financial year, deposits of the Group include deposits paid amounting to RM20,000,000 for the acquisition of land.

The amounts due from joint venture partners are unsecured, non-interest bearing and the term of repayment is on demand.

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

Movement in allowance for impairment accounts:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At beginning of financial year	5,120	5,120	-	-
Reversal of impairment losses (Note 6)	(1,191)	-	-	-
At end of financial year	3,929	5,120	-	-

28. AMOUNTS DUE FROM/(TO) ASSOCIATES

The amounts due from/(to) associates of the Group are unsecured, non-interest bearing and the term of repayment is on demand.

29. AMOUNTS DUE FROM JOINTLY CONTROLLED ENTITIES

The amounts due from jointly controlled entities of the Group are unsecured, non-interest bearing and the term of repayment is on demand.

Notes to the Financial Statements 31 December 2011 (contd.)

30. CASH AND BANK BALANCES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash on hand and at banks	512,361	507,283	452	6
Deposits with:				
Licensed banks	151,404	238,277	10,242	-
Other financial institutions	29,343	122,979	-	-
Placement in cash fund	83,597	-	-	-
Cash and bank balances	776,705	868,539	10,694	6

Included in cash at banks of the Group are amounts of RM138,104,000 (2010: RM119,569,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are restricted from use in other operations.

The weighted average effective interest rate of deposits with both licensed banks and other financial institutions of the Group and of the Company are 4.27% (2010: 3.00%) and 2.39% per annum (2010: Nil) respectively.

The average maturity of deposits with licensed banks and other financial institutions of the Group and of the Company are 46 days (2010: 34 days) and 1 day (2010: Nil) respectively.

The average maturity of placement in cash fund of the Group is 1 day and the weighted average interest rate is 2.41% per annum.

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the reporting date:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash and bank balances	776,705	868,539	10,694	6
Bank overdrafts (Note 32)	(3,428)	(12,345)	-	-
Total cash and cash equivalents	773,277	856,194	10,694	6

Notes to the Financial Statements 31 December 2011 (contd.)

31. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	Group	
	2011 RM'000	2010 RM'000
At beginning of financial year	-	-
Reclassified from:		
Investment properties (Note 15)	-	2,786,865
Property, plant and equipment (Note 13)	-	466,510
Disposal	-	(3,253,375)
At end of financial year	-	-

During the previous financial year ended 31 December 2010, certain subsidiaries of the Group disposed of their interest in eight (8) properties to Sunway Real Estate Investment Trust ("Sunway REIT") for a total consideration of RM3,457 million, satisfied by way of cash amounting to approximately RM2,575 million and units in Sunway REIT worth RM882.4 million.

32. BORROWINGS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Short term borrowings				
Secured:				
Bank overdrafts	2,152	3,217	-	-
Bankers' acceptance	16,497	2,401	-	-
Term loans	83,285	136,433	-	-
Revolving credits	123,700	227,413	-	-
Bills discounting	5,512	10,261	-	-
	231,146	379,725	-	-
Unsecured:				
Bank overdrafts	486	9,128	-	-
Bankers' acceptance	21,568	41,700	-	-
Term loans	24,770	37,095	-	-
Revolving credits	20,000	14,100	-	-
Block discount creditors	12,244	10,001	-	-
	79,068	112,024	-	-
	310,214	491,749	-	-

Notes to the Financial Statements 31 December 2011 (contd.)

32. BORROWINGS (contd.)

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Long term borrowings					
Secured:					
Term loans		1,473,424	521,763	946,254	-
Bank overdrafts		790	-	-	-
Revolving credits		-	15,000	-	-
		1,474,214	536,763	946,254	-
Unsecured:					
Term loans		341,875	238,480	-	-
Medium term notes		85,000	85,000	85,000	-
Block discount creditors		14,571	16,192	-	-
		441,446	339,672	85,000	-
		1,915,660	876,435	1,031,254	-

Total borrowings

Bank overdrafts	30	3,428	12,345	-	-
Term loans	(a)	1,923,354	933,771	946,254	-
Revolving credits	(b)	143,700	256,513	-	-
Medium term notes	(c)	85,000	85,000	85,000	-
Bills discounting		5,512	10,261	-	-
Bankers' acceptance		38,065	44,101	-	-
Block discount creditors	(d)	26,815	26,193	-	-
		2,225,874	1,368,184	1,031,254	-

The weighted average interest rates per annum of borrowings that were effective as at reporting date were as follows:

	Group		Company	
	2011 %	2010 %	2011 %	2010 %
Bank overdrafts	4.49	5.09	-	-
Term loans	4.48	4.82	4.61	-
Revolving credits	3.87	4.43	-	-
Medium term notes	4.08	4.08	4.08	-
Bills discounting	4.43	4.22	-	-
Bankers' acceptance	4.01	3.70	-	-
Block discount creditors	6.05	5.14	-	-

Notes to the Financial Statements 31 December 2011 (contd.)

32. BORROWINGS (contd.)

The Company has entered into interest rate swap contracts to hedge the floating rate interest payable on its long term borrowings. The contracts entitle the Company to pay interest at fixed rates on notional principal amounts and oblige it to receive interest at floating rates on the same amounts. Under the swaps, the Company agrees with the other parties to exchange, the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

The currency profile of borrowings are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Ringgit Malaysia (RM)	1,297,009	1,256,884	237,504	-
Singapore Dollar (SGD)	39,850	30,338	-	-
Renminbi (RMB)	77,612	62,107	-	-
US Dollar (USD)	801,350	3,305	793,750	-
Japanese Yen (YEN)	-	745	-	-
Trinidad and Tobago Dollar (TTD)	6,600	12,946	-	-
Euro (EURO)	95	-	-	-
Australian Dollar (AUD)	3,358	1,859	-	-
	2,225,874	1,368,184	1,031,254	-

(a) The maturity of the term loans are as follows:

Not later than 1 year	108,055	173,528	-	-
Later than 1 year and not later than 2 years	1,096,836	226,130	946,254	-
Later than 2 years and not later than 3 years	292,809	126,367	-	-
Later than 3 years and not later than 4 years	128,100	123,032	-	-
Later than 4 years and not later than 5 years	53,395	93,218	-	-
Later than 5 years	244,159	191,496	-	-
	1,923,354	933,771	946,254	-

Notes to the Financial Statements 31 December 2011 (contd.)

32. BORROWINGS (contd.)

(b) The maturity of the revolving credits are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Not later than 1 year	143,700	241,513	-	-
Later than 1 year and not later than 2 years	-	5,000	-	-
Later than 2 years and not later than 3 years	-	5,000	-	-
Later than 3 years and not later than 4 years	-	5,000	-	-
	143,700	256,513	-	-

(c) The maturity of the medium term notes are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Not later than 1 year	-	-	-	-
Later than 1 year and not later than 2 years	25,000	-	25,000	-
Later than 2 years and not later than 3 years	30,000	25,000	30,000	-
Later than 3 years and not later than 4 years	30,000	30,000	30,000	-
Later than 4 years and not later than 5 years	-	30,000	-	-
	85,000	85,000	85,000	-

Notes to the Financial Statements 31 December 2011 (contd.)

32. BORROWINGS (contd.)

(d) The maturity of the block discount creditors are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Not later than 1 year	12,244	10,001	-	-
Later than 1 year and not later than 2 years	9,821	8,308	-	-
Later than 2 years and not later than 3 years	4,258	5,672	-	-
Later than 3 years and not later than 4 years	492	2,057	-	-
Later than 4 years and not later than 5 years	-	155	-	-
Later than 5 years	-	-	-	-
	26,815	26,193	-	-

The secured borrowings of the Group are secured by legal charges on certain of the Group's land as well as fixed and floating charges on certain of the Group's assets amounting to RM1,088,012,000 (2010: RM1,575,052,000) as disclosed in Note 13, Note 15, Note 17 and Note 24.

33. LONG TERM LIABILITIES

	Group	
	2011 RM'000	2010 RM'000
Deferred income		
At end of financial year	33,442	29,032
To be recognised within 1 year (Note 39)	(1,971)	(567)
To be recognised after 1 year	31,471	28,465

Deferred income represents deferred timeshare membership fees which are to be recognised over the membership period.

Notes to the Financial Statements 31 December 2011 (contd.)

34. ADVANCES BY MINORITY SHAREHOLDERS OF SUBSIDIARIES

Included in advances by minority shareholders of subsidiaries was contribution of RM122,534,000 (2010: RM112,398,000) by minority shareholders of a subsidiary, Sunway South Quay Sdn. Bhd. ("SSQSB") pursuant to a Musyarakah Shareholders' Agreement entered into with its shareholders.

Under the Musyarakah Shareholders' Agreement, Musyarakah Profit equivalent to shareholders profit yield of not less than 5.50% (2010: 5.50%) per annum shall be paid from the Distributable Profits of SSQSB to the extent practicable.

The contribution shall be repaid from Distributable Profits of SSQSB commencing from 31 December 2007 over a period of six (6) years as and when any cash surplus is available.

The other advances by minority shareholders of subsidiaries are unsecured, non-interest bearing and have no fixed terms of repayment.

35. AMOUNTS DUE TO SUBSIDIARIES

The amounts due to subsidiaries are unsecured, the term of repayment is on demand and bear interest at rates ranging from 3.00% to 4.30% per annum except for RM279,000 which is non-interest bearing.

36. HIRE PURCHASE AND FINANCE LEASE LIABILITIES

	Group	
	2011 RM'000	2010 RM'000
Future minimum lease payments:		
Not later than 1 year	10,557	11,972
Later than 1 year and not later than 2 years	9,114	10,606
Later than 2 years and not later than 3 years	7,900	8,746
Later than 3 years and not later than 4 years	2,909	7,897
Later than 4 years and not later than 5 years	14	2,942
Total future minimum lease payments	30,494	42,163
Less: Future finance charges	(2,674)	(4,551)
Present value of finance lease liabilities	27,820	37,612

Notes to the Financial Statements 31 December 2011 (contd.)

36. HIRE PURCHASE AND FINANCE LEASE LIABILITIES (contd.)

	Group	
	2011 RM'000	2010 RM'000
Analysis of present value of finance lease liabilities:		
Not later than 1 year	9,008	10,054
Later than 1 year and not later than 2 years	8,182	9,164
Later than 2 years and not later than 3 years	7,721	7,892
Later than 3 years and not later than 4 years	2,895	7,587
Later than 4 years and not later than 5 years	14	2,915
	27,820	37,612
Less: Amount due within 12 months	(9,008)	(10,054)
Amount due after 12 months	18,812	27,558

The hire purchase and finance lease liabilities of the Group attracted interest at rates ranging from 2.75% to 8.70% (2010: 2.16% to 8.70%) per annum.

37. DEFERRED TAX

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At beginning of financial year	33,140	416,373	-	-
Recognised in profit or loss (Note 11)	22,582	(383,233)	(338)	-
Exchange differences	19	-	-	-
At end of financial year	55,741	33,140	(338)	-
Presented after appropriate offsetting as follows:				
Deferred tax assets	(33,308)	(40,194)	(338)	-
Deferred tax liabilities	89,049	73,334	-	-
	55,741	33,140	(338)	-

Notes to the Financial Statements 31 December 2011 (contd.)

37. DEFERRED TAX (contd.)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group:

	Tax losses and unabsorbed capital allowances RM'000	Land held for development RM'000	Property, plant and equipment RM'000	Others RM'000	Total RM'000
At 1 January 2010	(41,037)	(16,707)	(8,699)	(18,786)	(85,229)
Recognised in profit or loss	15,694	862	(2,086)	(2,033)	12,437
At 31 December 2010	(25,343)	(15,845)	(10,785)	(20,819)	(72,792)
Recognised in profit or loss	(14,119)	-	10,308	6,758	2,947
Exchange differences	(25)	-	(1)	(547)	(573)
At 31 December 2011	(39,487)	(15,845)	(478)	(14,608)	(70,418)

Deferred tax liabilities of the Group:

	Lease rental RM'000	Property, plant and equipment RM'000	Rock reserves RM'000	Investment properties RM'000	Others RM'000	Total RM'000
At 1 January 2010	3,853	39,888	4,155	445,015	8,691	501,602
Recognised in profit or loss	1,423	(18,075)	(229)	(378,056)	(733)	(395,670)
At 31 December 2010	5,276	21,813	3,926	66,959	7,958	105,932
Recognised in profit or loss	-	11,183	-	14,575	(6,123)	19,635
Exchange differences	-	592	-	-	-	592
At 31 December 2011	5,276	33,588	3,926	81,534	1,835	126,159

Deferred tax assets of the Company:

	Others RM'000
At 1 January 2011	-
Recognised in profit or loss (Note 11)	(338)
At 31 December 2011	(338)

Notes to the Financial Statements 31 December 2011 (contd.)

37. DEFERRED TAX (contd.)**Deferred tax assets of the Company:** (contd.)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Unused tax losses	129,771	129,737	328	-
Unabsorbed capital allowances	284,511	299,708	-	-
Other deductible temporary differences	43,437	36,658	-	-
	457,719	466,103	328	-

Deferred tax assets have not been recognised in respect of these items as they have arisen in companies that have a recent history of losses or in companies where future taxable profits may be insufficient to trigger the utilisation of these items.

Section 44(5A) and Paragraph 75A of Schedule 3 of the MITA which became effective in Year of Assessment ("YA") 2006 restricts the utilisation of unabsorbed business losses and capital allowance where there is a substantial change in the ordinary shareholder of a company. The test for determining whether there is a substantial change in shareholders is carried out by comparing the shareholders on the last day of the basis period in which the unabsorbed losses/capital allowances were ascertained with those on the first day of the basis period in which the unabsorbed losses/capital allowances are to be utilised.

Pursuant to guidelines issued by the Malaysian tax authorities in 2008, the Ministry of Finance ("MOF") has exempted all companies from the provision of Section 44(5A) and Paragraph 75A of Schedule 3 except dormant companies. Therefore, all active subsidiaries are allowed to carry forward their unabsorbed capital allowances and business losses.

Notes to the Financial Statements 31 December 2011 (contd.)

38. TRADE PAYABLES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade payables	811,713	675,589	-	-
Amounts due to customers on contracts (Note 40)	109,725	91,888	-	-
Amounts due to contractor and consultant	14,677	57,438	-	-
Progress billings in respect of property development	103,390	1,271	-	-
	1,039,505	826,186	-	-
Total trade payables	1,039,505	826,186	-	-
Other payables (Note 39)	950,996	552,783	15,709	85
Add: Amounts due to subsidiaries	-	-	1,881	-
Add: Amounts due to associates	15,065	13,430	-	-
Add: Advances by minority shareholders of subsidiaries	123,215	112,244	-	-
Less: Amounts due to customers on contracts (Note 40)	(109,725)	(91,888)	-	-
Less: Progress billings in respect of property development costs	(103,390)	(1,271)	-	-
Less: Provision for liabilities (Note 39)	-	(16,844)	-	-
Less: Deferred income (Note 39)	(1,971)	(567)	-	-
Add: Total borrowings (Note 32)	2,225,874	1,368,184	1,031,254	-
Total financial liabilities carried at amortised cost	4,139,569	2,762,257	1,048,844	85

Included in trade payables are the following amounts due to related parties:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Sunway Technology Sdn. Bhd. Group	993	1,240	-	-
Dekon Holdings Sdn. Bhd. Group	-	6,675	-	-
Adasia (M) Sdn. Bhd.	-	6	-	-

The amounts due to related parties are unsecured and non-interest bearing. The relationship with the related parties is as disclosed in Note 52.

The normal trade credit terms granted to the Group and the Company range from 15 days to 180 days (2010: 15 days to 180 days).

Notes to the Financial Statements 31 December 2011 (contd.)

39. OTHER PAYABLES

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Sundry payables	(a)	651,572	293,128	1,785	83
Amounts due to contractors and consultants	(a)	16,205	17,675	-	-
Accruals		264,931	206,403	13,924	2
Refundable deposits		16,317	18,166	-	-
Provision for liabilities	(b),38	-	16,844	-	-
Deferred income	(c),38	1,971	567	-	-
		950,996	552,783	15,709	85

- (a) Included in sundry payables and amounts due to contractors and consultants are the following amounts due to related parties:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Sunway Technology Sdn. Bhd. Group	5	229	3	-
Dekon Holdings Sdn. Bhd. Group	-	37,626	-	-
Adasia (M) Sdn. Bhd.	-	189	-	-

The relationship with the above related parties is as disclosed in Note 52.

- (b) Provision for liabilities made in the previous financial year is in respect of estimated delay damages for an overseas construction project undertaken by the Group. During the current financial year, the Group had negotiated with its customer and no delay damages will be imposed to the Group. Accordingly, the provision is reversed to profit or loss.
- (c) Deferred income of the Group represents deferred timeshare membership fees.

Notes to the Financial Statements 31 December 2011 (contd.)

40. CONSTRUCTION CONTRACTS

	Group	
	2011 RM'000	2010 RM'000
Costs incurred to date	4,667,270	4,215,673
Accrued profits to date	769,503	669,645
Total costs and accrued profits to date	5,436,773	4,885,318
Progress billings to date	(5,505,889)	(4,935,170)
	(69,116)	(49,852)
Amounts due from customers on contracts (Note 26)	(40,609)	(42,036)
Amounts due to customers on contracts (Note 38)	109,725	91,888
	-	-
Advances received on contracts (included in payables)	8,299	4,727
Retention sums (Note 26)	132,774	128,069

41. DERIVATIVES

	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000
Group			
As at 31.12.2011			
Non-hedging derivatives:			
Current			
Forward currency contract	252	-	(169)
Interest rate swap	107,263	-	(1,385)
	107,515	-	(1,554)
Non-current			
Cross currency swap	905,120	33,600	-
Interest rate swap	16,368	-	(182)
	921,488	33,600	(182)
Total derivatives	1,029,003	33,600	(1,736)

Notes to the Financial Statements 31 December 2011 (contd.)

41. DERIVATIVES (contd.)

	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000
Group			
As at 31.12.2010			
Non-hedging derivatives:			
Current			
Forward currency contract	150,289	12,484	-
Interest rate swap	7,263	-	(279)
	157,552	12,484	(279)
Non-current			
Interest rate swap	125,447	-	(1,754)
Total derivatives	282,999	12,484	(2,033)
Company			
As at 31.12.2011			
Non-hedging derivatives:			
Non-current			
Cross currency swap	752,250	29,798	-

The Company has no derivative in the previous financial period.

An interest rate swap is a derivative in which one party exchanges a stream of interest payments for another party's stream of cash flow. The Group had entered into interest rate swap to exchange floating interest rate for fixed interest rate in order to minimise the exposure from fluctuation of interest rate. This interest rate swap receives floating interest rate equal to Kuala Lumpur Interbank Offered Rate ("KLIBOR") per annum, pays fixed rate of interest of 4.20% per annum.

The fair value of the interest rate swap contracts are determined by using the market rates at the end of reporting period and changes in the fair value is recognised in the profit or loss.

The Group also entered into foreign currency forward contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure.

The Group also entered into cross currency swap contracts to manage its exposure in foreign currency risk arising from foreign currency borrowings which was entered into to minimise the interest cost. The Group uses cash flow hedges to mitigate the risk of variability of future cash flows attributable to foreign currency and interest rate fluctuations over the hedging period on the foreign currency borrowings. Where a cash flow hedge qualifies for hedge accounting, the effective portion of gains or losses on remeasuring the fair value of the hedging instrument are recognised directly in other comprehensive income until such time as the hedged item affects profit or loss, then the gains or losses are transferred to the income statement. Gains or losses on any portion of the hedge determined to be ineffective are recognised immediately in the profit or loss.

During the financial year, the Group recognised a net loss of RM7,767,000 (2010: net gain of RM14,522,000) arising from fair value changes of derivatives.

Notes to the Financial Statements 31 December 2011 (contd.)

42. SHARE CAPITAL

	Group/Company Number of shares of RM1 each		Group/Company Amount	
	2011 '000	2010 '000	2011 RM'000	2010 RM'000
Authorised				
Ordinary shares of RM1 each:				
At beginning of financial year/date of incorporation	10,000,000	100	10,000,000	100
Created during the year	-	9,999,900	-	9,999,900
At end of financial year	10,000,000	10,000,000	10,000,000	10,000,000
Issued and fully paid				
Ordinary shares of RM1 each:				
At beginning of financial year/date of incorporation	*	-	*	*
Issued during the year	1,292,505	*	1,292,505	-
At end of financial year	1,292,505	*	1,292,505	*

* Represents 2 ordinary shares of RM1.00 each amounting to RM2.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM2 to RM1,292,505,004 by way of the issuance of 1,292,505,002 new ordinary shares of RM1 each at an issued price of RM2.80 per ordinary share as part of the consideration for the acquisition of the businesses and undertakings, including the assets and liabilities of SHSB and SCSB as disclosed in Note 47 and Note 57.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

43. SHARE PREMIUM

	Group/Company	
	2011 RM'000	2010 RM'000
At beginning of financial year	-	-
Arising from issuance of new ordinary shares	2,326,509	-
At end of financial year	2,326,509	-

During the financial year, the Company issued 1,292,505,002 new ordinary shares of RM1.00 each at an issue price of RM2.80 each resulting in a share premium of RM2,326,509,004.

Notes to the Financial Statements 31 December 2011 (contd.)

44. Equity contribution from non-controlling interests

The equity contribution represents certain minority shareholders' advances to a subsidiary of the Group, Sunway Semenyih Sdn. Bhd. ("SSSB"). The timing of repayment of the advances is to be determined by the Board of Directors of SSSB.

Accordingly, the advances has been classified as equity.

45. MERGER RESERVE

The negative merger reserve as at the reporting date arose as a result of the excess of the consideration paid over the share capital and capital reserves of both SCSB and SHSB as at the acquisition date. Further details on the merger exercise are disclosed in Note 47.

46. RESERVES

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<u>Non-distributable reserves:</u>					
Capital reserves	(a)	34,137	34,137	-	-
Capital redemption reserve	(b)	75,521	75,378	-	-
Statutory reserve	(c)	879	618	-	-
Revaluation reserve	(d)	22,357	22,501	-	-
Share option reserve	(e)	3,170	2,201	-	-
Equity contribution reserve	(f)	21,643	20,026	-	-
Cash flow hedge reserve	(g)	(13,780)	-	(11,702)	-
Furniture and fittings reserve	(h)	2,049	-	-	-
Foreign currency translation reserve	(i)	(24,156)	(26,470)	-	-
Total non-distributable reserves		121,820	128,391	(11,702)	-
<u>Distributable reserve:</u>					
Retained earnings/ (accumulated loss)		401,263	1,701,520	8,410	(79)
Total reserves		523,083	1,829,911	(3,292)	(79)

The movement in each category of reserves is disclosed in the statements of changes in equity.

The nature of each category of reserve are as follows:

(a) Capital reserves

Capital reserves represent the Group's share of post acquisition capital reserves in associates.

(b) Capital redemption reserve

Capital redemption reserve arises from the redemption of cumulative redeemable preference shares in accordance with Section 61(5) of Companies Act, 1965.

Notes to the Financial Statements 31 December 2011 (contd.)

46. RESERVES (contd.)**(c) Statutory reserve**

Statutory reserve represents the 10% of accumulated gains recognised in the People's Republic of China subsidiaries' income statement, which is undistributable.

According to the Articles of Association of the subsidiaries, when distributing net profit of each year, the subsidiaries shall set aside 10% of its after tax profits for the statutory common reserve fund (except where the fund has reached 50% of the subsidiaries' registered capital) and 5% to 10% of after tax profits for the statutory common welfare fund. These reserves cannot be used for purposes other than those for which they are created and are not distributable as cash dividends.

(d) Revaluation reserve

Revaluation reserve represents increase in the fair value of land of an associated company.

(e) Share option reserve

The share option reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options.

(f) Equity contribution reserve

Equity contribution reserve represents the Group's share of jointly controlled entities' other reserves arising from measuring shareholders' advances at fair value and the reserve arising from the fair valuation of minority interests' advances to certain subsidiaries.

(g) Cash flow hedge reserve

Cash flow hedge reserve represents the net gains or losses, net of tax, on effective cash flow hedging instruments that will be recycled to the profit or loss when the hedged transaction affects profit or loss.

(h) Furniture and fittings reserve

In accordance with the Hotel Master Lease Agreement, the Group must set aside in the furniture, fitting and equipments (FF&E) reserve during each financial year, an amount equivalent to 2.5% of the anticipated revenue. The FF&E reserve must be used and disbursed only in accordance with the agreed FF&E Plan.

(i) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Notes to the Financial Statements 31 December 2011 (contd.)

47. MERGER EXERCISE

On 18 August 2011, the Company acquired the entire businesses and undertakings, including all assets and liabilities of SHSB and SCSB (collectively known as the "Merged Entities").

The consideration for the acquisition of the Merged Entities was satisfied via the payment of RM904.7 million cash and the issuance of 1,292.5 million new ordinary shares of RM1.00 each at an issue price of RM2.80 each together with 258.5 million free warrants.

The issuance of the new ordinary shares by the Company during the current financial year to effect the above transaction has been reflected in the share capital of the Company as shown in Note 42. As the Merged Entities were under common control before and after the merger, the Group and the Company applied the merger method of accounting. Accordingly, the consolidated financial statements have been accounted for as if the merger had occurred from the date when these entities were under common control.

48. OPERATING LEASE AGREEMENTS**(a) The Group and the Company as lessee**

The Group has entered into a non-cancellable operating lease agreement with Sunway REIT, an associated company. The lease with Sunway REIT is for the use of leasehold lands and hotel buildings.

The future minimum lease payments payable under the above non-cancellable operating leases and other non-cancellable operating leases of the Group and the Company contracted for as at the reporting date but not recognised as payables, are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Not later than 1 year	62,217	60,860	517	-
Later than 1 year and not later than 5 years	186,367	193,820	1,613	-
Later than 5 years	143,818	188,389	-	-
	392,402	443,069	2,130	-

Notes to the Financial Statements 31 December 2011 (contd.)

48. OPERATING LEASE AGREEMENTS (contd.)**(b) The Group and the Company as lessors**

The Group has also entered into various non-cancellable operating lease agreements on properties with third parties.

The future minimum lease payments receivable under the above non-cancellable operating leases as at the reporting date but not recognised as receivables, are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Not later than 1 year	29,753	27,530	-	-
Later than 1 year and not later than 5 years	126,863	113,450	-	-
Later than 5 years	323,313	112,420	-	-
	479,929	253,400	-	-

Rental income recognised in profit or loss during the financial year is disclosed in Note 4 and Note 6.

49. CAPITAL COMMITMENTS

	Group	
	2011 RM'000	2010 RM'000
Capital expenditure		
Approved and contracted for property, plant and equipment and investment properties	39,043	41,311
Approved but not contracted for property, plant and equipment and investment properties	1,094,913	104,134
	1,133,956	145,445

50. CONTINGENT LIABILITIES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Unsecured:				
Guarantees given to third parties in respect of trade and contracts	2,275,002	1,407,626	215,397	-

Notes to the Financial Statements 31 December 2011 (contd.)

50. CONTINGENT LIABILITIES (contd.)

Material outstanding litigations

- (i) A suit was filed by Affin Bank Berhad ("Affin") against, inter alia, Yap Yee Ping and Ng Kam Hung ("Plaintiffs") for payment of an amount of RM27.7 million and/or any other amount to Affin. The Plaintiffs are seeking, inter alia, certain declarations and also an order that SunwayMas Sdn. Bhd. ("SunwayMas"), a wholly owned subsidiary of the Group, indemnifies the Plaintiffs for all claims brought against them by Affin in relation to a tripartite agreement executed amongst Cindai Unggul Sdn. Bhd. ("Employer"), SunwayMas and BSN Commercial Bank Bhd. (Now vested in Affin) on 2 May 2000. SunwayMas was appointed as a Project Manager to revive, manage and coordinate the development and construction of the Employer on a piece of land in the Mukim of Pulau, District of Johor Bahru, Johor.

Arising from this suit, the Plaintiffs have filed a counterclaim action against Affin and SunwayMas as the second defendant on 9 May 2008. Thereafter, the Plaintiffs have served a Statement of Defence and Counterclaim ("Counterclaim") on SunwayMas. SunwayMas intends to defend this Counterclaim and at the advice of their solicitors, an order to strike out the case has been submitted, followed by a statement of defense on 4 December 2008. The hearing for case management which was fixed on 27 July 2009, was adjourned to 30 September 2009. On the said date, the hearing for case management was fixed on 4 February 2010 and it has been struck out with costs. The Employer filed and appealed against the decision on 2 March 2010. The hearing date for the appeal is yet to be fixed by the Court.

SunwayMas's solicitors are of the opinion that the chances of success of the Plaintiffs' claim against SunwayMas are negligible.

The directors are of the opinion, after taking appropriate legal advice, that no provision for the abovementioned claims is necessary.

- (ii) On 4 September 2008, the solicitors of Sunway Construction Sdn. Bhd. ("SunCon") had been served with a Statement of Claim ("Statement of Claim") by Shristi Infrastructure Development Corporation Ltd. ("Claimant"). The Statement of Claim was received by SunCon's office in Malaysia on 8 September 2008.

Pursuant to an agreement signed between SunCon and the National Highway Authority of India for the rehabilitation and upgrading of NH-25 to a four-lane configuration in the state of Uttar Pradesh being a part of the East-West Corridor Project, SunCon had entered into a work order with the Claimant for the upgrading and rehabilitation of the stretch of NH-25 from 143.6 km to 170.0 km, of which the Claimant has provided two bank guarantees ("Bank Guarantees") to SunCon.

The Claimant has failed to carry out its obligations under the work order and SunCon has terminated the work order and cashed the Bank Guarantees. The Claimant had filed an application in the Supreme Court of India for the appointment of an arbitrator to arbitrate upon the disputes between the parties. The Supreme Court had appointed a sole arbitrator.

The Statement of Claim was raised in respect of various claims (including claiming the refund of the amount cashed on the Bank Guarantees) and the total amount claimed is Rs891,455,058 (approximately equivalent to RM70 million).

At the hearing on 2 February 2009, the arbitrator recorded SunCon's filing of the Statement of Defence and Counterclaim. In the counterclaim, SunCon is seeking for Rs781,394,628.61 (approximately equivalent to RM60 million) for inter alia, additional costs incurred by SunCon to complete the works, recovery of mobilisation advance and interest charges, loss of reputation and loss of profits.

On 5 January 2011, Shristi did not produce its Witness Statement and has been directed to file it by 7 February 2011. The hearing was then adjourned to 11 March 2011 for compliance and finalising the bundles, etc. The cross examination dates are 28 and 29 March 2011, to be followed on 11 and 12 April 2011. Shristi has to submit a statement of its assets as at 31 December 2010 supported by an affidavit before the next date of the hearing.

Notes to the Financial Statements 31 December 2011 (contd.)

50. CONTINGENT LIABILITIES (contd.)

Material outstanding litigations (contd.)

On 28 March 2011, the Arbitrator had directed the following:

- (a) Admission or denial by Shristi or SunCon of each other's documents to be completed by 4 April 2011.
- (b) Further documents to be filed by both parties by 12 April 2011.
- (c) List of witnesses and Supplemental Affidavit to be filed by Shristi by 12 April 2011 and Shristi's witness to be present on 12 April 2011.

On the 12 April 2011 hearing, both sides were allowed to file further documents, if any, within the next 3 weeks, as the final submission. The next hearing date was scheduled on 16 May 2011 for noting compliance of directions and thereafter, cross-examination of their first witness on 1 and 2 July 2011. However, Shristi and their solicitor did not show up for the hearing on 1 July 2011 but they showed up for the hearing on 28 and 29 July 2011. The hearing continued on 15 and 16 September 2011 and 20 September 2011 for the cross examination of Shristi's 1st witness. Subsequently, the hearings scheduled in October and November 2011 was postponed to 13 till 15 December 2011. A procedural hearing was held on 5 December 2011 for noting compliance.

The hearing for 6 February was vacated while the hearing for 15 and 16 February 2012, 22 to 23 March 2012 and 27 to 29 March 2012 was maintained.

Further cross examination to be held from 17 to 19 April 2012 were vacated. The next hearing is scheduled for 9, 10 and 12 May 2012.

The directors are of the opinion, after taking appropriate legal advice, that no provision for the abovementioned claims is necessary.

51. SIGNIFICANT INTER-COMPANY TRANSACTIONS

	Note	Company	
		01.01.2011 to 31.12.2011 RM'000	10.11.2010 to 31.12.2010 RM'000
Dividends receivable from subsidiaries		17,109	-
Interest receivable from subsidiaries	(i)	16,915	-
Management fee receivable from a subsidiary		16,396	-
Accounting services fees payable to a subsidiary		(100)	-
Interest payable to subsidiaries	(ii)	(43)	-
Hotel and related expenses payable to a subsidiary		(35)	-
Medical services expenses payable to a subsidiary		(21)	-

Notes to the Financial Statements 31 December 2011 (contd.)

51. SIGNIFICANT INTER-COMPANY TRANSACTIONS (contd.)

- (i) The interest receivable arose from the amounts due from subsidiaries. Further details are disclosed in Note 19.
- (ii) The interest payable arose from the amounts due to subsidiaries. Further details are disclosed in Note 35.

52. SIGNIFICANT RELATED PARTY TRANSACTIONS

- (i) During the financial year, the Group transacted with certain related parties. The transactions with the related parties are in respect of:

Name of companies	Nature of transactions	Group	
		01.01.2011 to 31.12.2011 RM'000	01.01.2010 to 31.12.2010 RM'000
(a) Sunway Technology Sdn. Bhd. Group ("STSB Group")	Information systems products and consultancy fees Sales financial & IT related services	(682) 512	(1,228) 304
(b) Perbadanan Kemajuan Negeri Selangor ("PKNS") Group	Construction costs Dividend paid	(1,000) (32,000)	(6,000) -
(c) Adasia (M) Sdn. Bhd. ("Adasia")	Advertising fees	(4,427)	(4,179)
(d) Sunway Education Group Sdn. Bhd. Group ("SEG Group")	Conference and seminar Rental income Hotel and related services Ticketing and tour sales	- - - -	1,370 28,788 1,642 2,225
(e) Dekon Holdings Sdn. Bhd. Group ("DHSB Group")	Construction costs Landscaping services Interior design works Renovation works Cleaning and maintenance Building materials	(98,732) (3,261) (11,611) - (527) 8,827	(135,191) (2,475) (4,385) (3,267) (522) -

Notes to the Financial Statements 31 December 2011 (contd.)

52. SIGNIFICANT RELATED PARTY TRANSACTIONS (contd.)

Name of companies	Nature of transactions	Group	
		01.01.2011 to 31.12.2011 RM'000	01.01.2010 to 31.12.2010 RM'000
(f) Sunway Real Estate	Lease of Sunway Resort Hotel & Spa	(54,111)	(13,191)
Investment Trust	Lease of Sunway Hotel Seberang Jaya	(5,275)	(1,206)
("Sunway REIT")	Lease of Sunway Putra Hotel	(3,167)	-
(OSK Trustee)	Leasing/rental of properties in respect of:		
	Sunway Pyramid Convention Centre	(3,000)	(795)
	Sunway Carnival Convention Centre	(811)	(286)
	Sunway Pyramid Shopping Mall	(1,512)	-
	Menara Sunway and accommodation for security staff	(3,231)	(2,478)
	Rental and management of car parks and related services	(14,607)	(3,676)
	Management services	43	5,644
	Property management and related services	21,059	4,749

(ii) The above parties are deemed related to the Group as follows:

- (a) Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng, Sarena Cheah Yean Tih and Evan Cheah Yean Shin are directors of STSB Group. Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling is a major shareholder of STSB Group. Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng has deemed interest in STSB Group via a corporation where she has more than 15% shareholding and by virtue of her spouse's interest in STSB Group. Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng, Sarena Cheah Yean Tih and Evan Cheah Yean Shin are the spouse and children of Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling respectively.

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling and Sarena Cheah Yean Tih are directors and major shareholders of the Company as well as directors in several subsidiaries of the Company. Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng and Evan Cheah Yean Shin are directors in several subsidiaries of the Company and major shareholders of the Company.

- (b) PKNS is a major shareholder with 40% direct interest in Sunway Damansara Sdn. Bhd., which is a 60% owned subsidiary of the Company. PKNS also has 30% deemed interest in Sunway D'Mont Kiara Sdn. Bhd., which is an associated company of Sunway Damansara Sdn. Bhd.

Notes to the Financial Statements 31 December 2011 (contd.)

52. SIGNIFICANT RELATED PARTY TRANSACTIONS (contd.)

(ii) The above parties are deemed related to the Group as follows: (contd.)

(c) Sarena Cheah Yean Tih and Evan Cheah Yean Shin were directors of Adasia. Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng, Sarena Cheah Yean Tih and Evan Cheah Yean Shin were major shareholders of Adasia. Adasia ceased to be related party to the Group on 26 September 2011.

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling and Sarena Cheah Yean Tih are directors and major shareholders of the Company as well as directors in several subsidiaries of the Company. Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng and Evan Cheah Yean Shin are directors in several subsidiaries of the Company and major shareholders of the Company.

(d) During the financial year ended 31 December 2010, SEG Group was deemed related to the Group by virtue of Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling's and Datuk Razman M Hashim's common directorships in SEG Group and the Group. Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng, Sarena Cheah Yean Tih and Evan Cheah Yean Shin are directors of SEG Group. Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, Sarena Cheah Yean Tih and Evan Cheah Yean Shin had deemed interests in SEG Group. Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, Sarena Cheah Yean Tih and Evan Cheah Yean Shin had ceased as major shareholders of SEG Group and SEG Group ceased to be related party to the Group on 15 September 2010.

(e) Datuk Razman M Hashim was a major shareholder of DHSB Group. DHSB Group ceased to be related party to the Group on 28 October 2011.

Datuk Razman M Hashim is a director and shareholder of the Company as well as director in several subsidiaries of the Company.

(f) The Company and its wholly-owned subsidiary, Sunway REIT Holdings Sdn. Bhd. (formerly known as Sunway Gamma Knife Centre (Malaysia) Sdn. Bhd.) are major unit holders of Sunway REIT. Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng, Sarena Cheah Yean Tih, Evan Cheah Yean Shin, Sungei Way Corporation Sdn. Bhd. and Active Equity Sdn. Bhd., being major shareholders of the Company, also have deemed interests in Sunway REIT via the Company and Sunway REIT Holdings Sdn. Bhd (formerly known as Sunway Gamma Knife Centre (Malaysia) Sdn. Bhd.).

Information regarding outstanding balances arising from related party transactions as at 31 December 2011 are disclosed in Note 26, Note 27, Note 38 and Note 39.

(iii) The remuneration of the directors and other members of key management during the financial year are as follows:

	Group		Company	
	01.01.2011 to 31.12.2011 RM'000	01.01.2010 to 31.12.2010 RM'000	01.01.2011 to 31.12.2011 RM'000	10.11.2010 to 31.12.2010 RM'000
Short-term employee benefits	19,775	14,188	2,330	-
Post-employment benefits:				
Defined contribution plan	2,198	1,587	254	-
	21,973	15,775	2,584	-

Notes to the Financial Statements 31 December 2011 (contd.)

52. SIGNIFICANT RELATED PARTY TRANSACTIONS (contd.)

(iv) Included in the total key management personnel are:

	Group		Company	
	01.01.2011 to 31.12.2011 RM'000	01.01.2010 to 31.12.2010 RM'000	01.01.2011 to 31.12.2011 RM'000	10.11.2010 to 31.12.2010 RM'000
Directors' remuneration (Note 10)	11,588	8,380	2,584	-

53. SUBSIDIARIES

Details of the subsidiaries are as follows:

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(a) Subsidiaries of Sunway Berhad				
Sunway Holdings Sdn. Bhd.	Malaysia	Investment holding and provision of management services	100	-
Sunway City Sdn. Bhd.	Malaysia	Investment holding	100	-
Sunway REIT Management Sdn. Bhd.	Malaysia	Managing and administering real estate investment trust	100	-
Sunway Treasury Sdn. Bhd. (formerly known as Sunway Monorail Sdn. Bhd.)	Malaysia	Provision of financial services	100	-
Sunway Lagoon Club Berhad (held in trust by Sunway City Sdn. Bhd.)	Malaysia	Recreational club facilities	83.51	-
Sunway REIT Holdings Sdn. Bhd. (formerly known as Sunway Gamma Knife Centre (Malaysia) Sdn. Bhd.)	Malaysia	Investment holdings	100	-

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(a) Subsidiaries of Sunway Berhad (contd.)				
Sunway Real Estate (China) Ltd. (60% held by Sunway City Sdn. Bhd. and 40% held by SunwayMas Sdn. Bhd.)	Hong Kong	Investment holding	100	-
Sunway Medical Centre Berhad (held in trust by Sunway City Sdn. Bhd.)	Malaysia	Operator of a medical centre	91.63	-
Suncity Suncon JV (50% held by Sunway City Sdn. Bhd. and 50% held by Sunway Construction Sdn. Bhd.)	Unincorporated	Property development	100	-
(b) Subsidiaries of Sunway Medical Centre Berhad				
Sunmed@Home Sdn. Bhd.	Malaysia	Home nursing care and allied healthcare services	51	51
SunMed Clinics Sdn. Bhd.	Malaysia	Provision of medical consultation services and facility services	100	100
(c) Subsidiary of Sunway Real Estate (China) Ltd.				
Sunway Guanghao Real Estate (Jiangyin) Co. Ltd.	China	Property Development	65	65

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(d) Subsidiaries of Sunway Holdings Sdn. Bhd.				
Sunway Construction Sdn. Bhd.	Malaysia	Turnkey, construction related design and build, civil engineering and building works	100	100
SunwayMas Sdn. Bhd.	Malaysia	Property and housing development	100	100
Sunway Keramo Sdn. Bhd.	Malaysia	Marketing, manufacturing and sale of glazed vitrified clay pipes and other similar related clay products	100	100
Sunway Marketing Sdn. Bhd.	Malaysia	Marketing, distribution and sale of construction related products and industrial products	100	100
Sunway Marketing (S) Pte. Ltd. #	Singapore	Trading in hose and fittings and hose assembly	100	100

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(d) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)				
Sunway Leasing Sdn. Bhd.	Malaysia	Provision of finance through leasing, hire purchase, money lending and share financing	100	100
Sunway Risk Management Sdn. Bhd.	Malaysia	General and life insurance agency providing insurance underwriting and consultancy services	100	100
Sunway Management Sdn. Bhd.	Malaysia	Share registration and secretarial services	100	100
Sunway Land Sdn. Bhd.	Malaysia	Investment holding	100	100
Sunway Holdings (Vietnam) Sdn. Bhd.	Malaysia	Investment holding	100	100
Reptolink Sdn. Bhd.	Malaysia	Investment holding	100	100
Sunway Property (China) Limited #	Hong Kong	Investment holding	99	99
Shahawan (M) Sdn. Bhd.	Malaysia	Property investment	100	100

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(d) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)				
Galaxy Avenue Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Orient Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway BPO Sdn. Bhd.	Malaysia	Provision of financial, accounting and information technology services	100	100
Sunway Shared Services Centre Sdn. Bhd.	Malaysia	Provision of financial, accounting and information technology services	100	100
Sunway Supply Chain Enterprise Sdn. Bhd.	Malaysia	General traders dealing in timber, plywood, metal products, information and communication technology equipment, general plant and machineries and other general merchandise	100	100

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(d) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)				
Sunway Juarasama Sdn. Bhd.	Malaysia	Dormant	100	100
ABS Land & Properties Berhad (In Liquidation)	Malaysia	Dormant	100	100
Sunway Quarry Industries Sdn. Bhd.	Malaysia	Manufacturing and supplying of premix, quarry operations to carry out contract works for civil projects	100	100
Sunway Pipeplus Technology Sdn. Bhd.	Malaysia	Production of concrete pipes	100	100
Sunway Paving Solutions Sdn. Bhd.	Malaysia	Manufacturing and marketing of concrete pavers, hollow concrete blocks and eurotiles, undertake contracts for paving works and the hiring of heavy machineries	100	100
Sunway Quarry (Kuala Kangsar) Sdn. Bhd.	Malaysia	To sell or otherwise deal in stones, aggregates, premix or other construction related products	100	100

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(d) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)				
Sunway Quarry (Melaka) . Sdn Bhd. #	Malaysia	Investment holding	100	100
Sunway Quarry Industries (Caribbean) Limited #	Trinidad and Tobago	Manufacturing and quarry operations to carry out contract works for civil projects	100	100
Sunway Integrated Outsourcing Sdn. Bhd.	Malaysia	Provision of business process outsourcing, knowledge process outsourcing and information technology outsourcing services	100	100
Myanmar Sungei Way Holdings Limited # (In Liquidation)	Myanmar	Dormant	99.90	99.90
PT Sunway Quarry Indonesia #	Indonesia	Dormant	95.00	95.00
Amalan Insaf (M) Sdn. Bhd. #	Malaysia	Dormant	82.50	82.50
Sunway Global Limited #	Hong Kong	Investment holding and provision of management services	76.93	76.93

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(e) Subsidiaries of Sunway Construction Sdn. Bhd.				
Sunway Innopave Sdn. Bhd.	Malaysia	Construction of civil and building works and provision of project management	100	100
Sunway M&E Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Machinery Sdn. Bhd.	Malaysia	Renting of machinery and site equipment and undertaking sub-contract work	100	100
Sunway Engineering Sdn. Bhd.	Malaysia	Provision of mechanical and engineering works	75.10	75.10
Sunway Builders Sdn. Bhd.	Malaysia	Construction of building and civil works	100	100
Sunway Geotechnics (M) Sdn. Bhd.	Malaysia	Manufacturing and sales of precast micro injection piles and reinforced concrete piles; undertaking of piling contracts and hire of heavy machineries	100	100

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(e) Subsidiaries of Sunway Construction Sdn. Bhd. (contd.)				
Sunspan Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Permai Sdn Bhd. (formerly known as Muhibbah Permai Sdn. Bhd.)	Malaysia	Property development	80	80
Sunway Industrial Products Sdn. Bhd.	Malaysia	Investment holding	100	100
Sunway Machineries Services Sdn. Bhd.	Malaysia	Investment holding	100	100
Sunway Construction India Pte. Ltd. #	India	Construction of civil and building works	98	98
Sunway Creative Stones Sdn. Bhd.	Malaysia	Trading of construction materials and general contract work	70	70
Sunway GD Piling Sdn. Bhd.	Malaysia	Piling and foundation works	100	100
Sunway Construction Caribbean Limited #	Trinidad and Tobago	Construction of civil and building works	100	100
Sunway IBS Sdn. Bhd.	Malaysia	Dormant	70	70
Sun-Block (Batang Kali) Sdn. Bhd.	Malaysia	Dormant	100	100

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(e) Subsidiaries of Sunway Construction Sdn. Bhd. (contd.)				
Sunway Interiors Sdn. Bhd.	Malaysia	Dormant	100	100
Identiti Jelata (M) Sdn. Bhd. (In Liquidation)	Malaysia	Dormant	100	100
Target Beam (M) Sdn. Bhd. (In Liquidation)	Malaysia	Dormant	100	100
Crosside Realty Sdn. Bhd. (In Liquidation)	Malaysia	Dormant	100	100
Classvest Realty Sdn. Bhd. (In Liquidation)	Malaysia	Dormant	100	100
Sunway Precast Industries Sdn. Bhd.	Malaysia	Manufacturing precast concrete building components; undertaking of precast concrete building contracts and renting of machinery	100	100
Binajelata (M) Sdn. Bhd. (In Liquidation)	Malaysia	Dormant	100	100

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(e) Subsidiaries of Sunway Construction Sdn. Bhd. (contd.)				
Sungei Way Construction (S) Pte. Ltd. #	Singapore	General contractors (Building construction including major upgrading works) and building construction NEC+	100	-
(f) Subsidiary of Sunway Industrial Products Sdn. Bhd.				
Sunway Concrete Products (S) Pte. Ltd. #	Singapore	Manufacturing and sale of precast concrete building components	100	100
(g) Subsidiary of Sunway Concrete Products (S) Pte. Ltd.				
Sunway Developments Pte. Ltd. #	Singapore	Other investment holding companies and general contractors (building construction including major upgrading works)	100	100

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(h) Subsidiary of Sunway Developments Pte. Ltd.				
Sunway Land Pte. Ltd. #	Singapore	Real estate developers and building contractor NEC+	100	100
(i) Subsidiaries of Sunway Creative Stones Sdn. Bhd.				
Sunway Dimension Stones Sdn. Bhd.	Malaysia	Cutting, profiling and other value-added works on granites, marbles and related natural stones materials	100	100
Sunway Creative Stones (Xiamen) Co. Ltd. #	China	Trading of construction materials and general contract works	100	100
(j) Subsidiaries of Sunway Machineries Services Sdn. Bhd.				
Sunway PMI-Pile Construction Sdn. Bhd.	Malaysia	Dormant	98.30	98.30
Sunway SK Sdn. Bhd.	Malaysia	Construction of building and civil works	100	100

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(k) Subsidiary of Sunway Engineering Sdn. Bhd.				
Sunway Smartek Sdn. Bhd.	Malaysia	Dormant	100	100
(l) Subsidiary of Sunway Smartek Sdn. Bhd.				
Chen One Holding Sdn. Bhd. (formerly known as Sunway Smartek Marketing Sdn. Bhd.)	Malaysia	Dormant	-	51
(m) Subsidiary of Sunway Geotechnics (M) Sdn. Bhd.				
Sunway Geotechnics (S) Pte. Ltd. #	Singapore	Piling and foundation works	100	100
(n) Subsidiaries of SunwayMas Sdn. Bhd.				
Sunway Bangi Sdn. Bhd.	Malaysia	Property development	100	100
Mujurmas Sdn. Bhd.	Malaysia	Property development	100	100
Pembangunan Risjaya Sdn. Bhd.	Malaysia	Property development	100	100

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(n) Subsidiaries of SunwayMas Sdn. Bhd. (contd.)				
Sunway Rawang Heights Sdn. Bhd.	Malaysia	Property development	100	100
Sunway Kanching Heights Sdn. Bhd.	Malaysia	Property development	100	100
Eaglefield Sdn. Bhd.	Malaysia	Property development	100	100
Sunway Rydgeway Sdn. Bhd.	Malaysia	Property and housing development	80	80
Sunway Termuning Sdn. Bhd.	Malaysia	Property and housing development	80	80
Virgo Rhythm Sdn. Bhd.	Malaysia	Property and housing development	100	100
Sunway Land (China) Limited #	Hong Kong	Investment holding	100	100
Sunway Eastwood Sdn. Bhd. (formerly known as Analisa Kekal Sdn. Bhd.)	Malaysia	Property and housing development	100	100
Geneba Dua Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway PJ51A Sdn. Bhd.	Malaysia	Property and housing development	100	100
Daksina Harta Sdn. Bhd.	Malaysia	Dormant	100	

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(o) Subsidiary of Sunway Quarry Industries Sdn. Bhd.				
Sunway Quarry Industries (Taiping) Sdn. Bhd.	Malaysia	Quarry operation	100	100
(p) Subsidiaries of Sunway Marketing Sdn. Bhd.				
Sunway Marketing (East Malaysia) Sdn. Bhd.	Malaysia	Trading in hoses and fittings and industrial products	85	85
Sunway Hose Centre Sdn. Bhd.	Malaysia	Trading in hoses and fittings and hose assembly	85	85
Sunway Architectural Products Sdn. Bhd.	Malaysia	Trading in architectural and finishing products	85	85
Sunway Pharma Sdn. Bhd. #	Malaysia	Dormant	100	100
Sunway Opus International Trading Private Limited. #	India	To undertake business of import, marketing and sale of architectural and finishing products	60	60

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(q) Subsidiaries of Sunway Marketing (S) Pte. Ltd.				
PT Sunway Marketing Indonesia #	Indonesia	Dormant	95	95
Sunway Marketing (Shanghai) Pte. Ltd. #	China	Dormant	100	100
PT Sunway Trek Masindo #	Indonesia	Trading in hose and fittings, hose assembly and heavy equipment parts	95	95
Sunway Marketing (Thailand) Ltd. #	Thailand	Trading in hose and fittings, hose assembly and heavy equipment parts	99.99	99.99
TotalRubber Ltd. #	Australia	Import and distribution of industrial rubber and plastics	100	100
PT Sunway Flowtech #	Indonesia	Trading in hoses and fittings, and hose assembly	95	95

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(r) Subsidiaries of Sunway Leasing Sdn. Bhd.				
SWL Nominees (Tempatan) Sdn. Bhd.	Malaysia	Provision of shares nominee services	100	100
Sunway Elite Sdn. Bhd.	Malaysia	To coordinate and provide administration of employees' health care benefits and insurance services	100	100
Sunway Credit Sdn. Bhd.	Malaysia	Provision of finance through hire purchase	100	100
(s) Subsidiaries of Reptolink Sdn. Bhd.				
Sunway Enterprise (1988) Sdn. Bhd.	Malaysia	Trading and hiring of heavy machinery and spares	100	100
Sunway Hydraulic Industries Sdn. Bhd.	Malaysia	Importation and trading of hydraulic fittings	100	100
(t) Subsidiaries of Sunway Holdings (Vietnam) Sdn. Bhd.				
Sunway Hatay Construction & Building Materials JV Co. Ltd. #	Vietnam	Quarrying and manufacturing of ready-mixed concrete	86	86
Sungei Way Ocean Joint Venture Ltd. #	Vietnam	Quarrying and production of building stones	70	70

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(t) Subsidiaries of Sunway Holdings (Vietnam) Sdn. Bhd. (contd.)				
Realty Investments (HB) Inc. #	Panama	Investment holding	100	100
(u) Subsidiary of Realty Investments (HB) Inc.				
Hang Bai Office Complex JVC #	Vietnam	Dormant	74	74
(v) Subsidiary of Sunway Land Sdn. Bhd.				
Fortuna Gembira Enterpris Sdn. Bhd.	Malaysia	Investment holding	100	100
(w) Subsidiary of Sunway Keramo Sdn. Bhd.				
Sunway Pipe Inspection and Repair Services Centre Sdn. Bhd.	Malaysia	Dormant	100	100
(x) Subsidiaries of Sunway Paving Solutions Sdn. Bhd.				
Sun-Block (Senai) Sdn. Bhd.	Malaysia	Dormant	100	100
Sun-Block (Beranang) Sdn. Bhd.	Malaysia	Dormant	100	100

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(t) Subsidiaries of Sunway Paving Solutions Sdn. Bhd. (contd.)				
Sunway Cavity Wall Panel Sdn. Bhd.	Malaysia	Manufacturing and marketing of cavity wall panel	100	100
Sunway Cavity Wall Panel (S) Pte. Ltd. #	Singapore	Manufacturing and marketing of cavity wall panel	100	100
(y) Subsidiary of Sunway Quarry (Melaka) Sdn. Bhd.				
Sunway Quarry Industries (Melaka) Sdn. Bhd.	Malaysia	Granite quarrying	100	100
(z) Subsidiary of ABS Land & Properties Berhad				
Coral-White Sdn. Bhd. (In Liquidation)	Malaysia	Dormant	100	100
(aa) Subsidiaries of Sunway Global Limited				
Sunway Building Materials (Shanghai) Co. Ltd. #	China	Manufacturing, sale and marketing of interlocking pavers	100	100
Sunway Building Materials (Dongguan) Co. Ltd. #	China	Manufacturing, sale and marketing of interlocking pavers	100	100

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(aa) Subsidiaries of Sunway Global Limited (contd.)				
Sunway Spun Pile (Zhuhai) Co. Ltd. #	China	Design, manufacture and sale of pretensioned spun concrete piles	80	80
Sunway GD Foundation Engineering Co. Ltd. #	Macau	To carry out foundation and construction works	60	60
Sunway Xin Long (Anhui) Hydraulic Co. Ltd. #	China	Production and sale of automotive parts, hydraulic pipes, coupling and adapter, production, sale and marketing of building materials, import and export trading	78	78
Sunway Trading (Shanghai) Pte. Ltd. #	China	Trading and distribution of hoses and couplings, machineries, spare parts and related items	100	100
Sunway Daechang Forging (Anhui) Co. Ltd. #	China	Manufacturing and assembling of undercarriage components, trading, providing design, consultancy services, repair and maintenance	60	60

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(ab) Subsidiary of Sunway Enterprise (1988) Sdn. Bhd.				
Heng Ngai Knitting Manufacturer Sdn. Bhd.	Malaysia	Dormant	100	100
(ac) Subsidiaries of Sunway GD Foundation Engineering Co. Ltd. #				
Shanghai Xinhetai Construction Ltd. #	China	To undertake the business of foundation engineering	70	70
Splendid Era Sdn. Bhd. #	Malaysia	To carry out foundation and construction works and renting of machineries	100	100
Sunway GD Foundation Engineering Technical Advisory (Shanghai) Co. Ltd. #	China	Providing technical and consultancy advisory for engineering works and to undertake engineering works through contracting construction projects	100	100
PT Sunway Construction Engineering #	Indonesia	To carry out foundation and construction works	55	55

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(ad) Subsidiary of Sunway Trading (Shanghai) Pte. Ltd.				
Sunway International Trading (Tianjin) Pte. Ltd. #	China	Trading in hoses and fittings and providing technical consultancy advisory services	100	100
(ae) Subsidiary of Shanghai Xinhetai Construction Ltd.				
Shanghai Sunway Geotechnics Engineering Co. Ltd. #	China	Undertake geotechnical and foundation engineering through contracting construction projects, installation, leasing and renting of machineries and equipment, marketing and distribution of building materials related products	100	100
(af) Subsidiaries of TotalRubber Ltd.				
Total Rubber Services Franchising Pty. Ltd. #	Australia	Franchisor for TOTALRUBBER franchising business	100	100
Pacific Flow Technology Pty. Ltd. #	Australia	Manufacturing and sales of rubber hose products	80	80

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(ag) Subsidiary of Sunway Risk Management Sdn. Bhd.				
Sunway Captive Insurance Ltd. (Held in trust by General Captive International Ltd.)	Malaysia	To carry on business as a Labuan subsidiary rent-a-captive insurer	100	100
(ah) Subsidiaries of Sunway City Sdn. Bhd.				
Sunway Integrated Properties Sdn. Bhd. (formerly known as Bintutara Sdn. Bhd.)	Malaysia	Property development	100	100
Sunway Kinrara Sdn. Bhd.	Malaysia	Property development	100	100
Sunway Hotel (Penang) Sdn. Bhd.	Malaysia	Hotel business	100	100
Sunway City (Penang) Sdn. Bhd.	Malaysia	Property development and investment holding	100	100
Konsep Objektif (M) Sdn. Bhd.	Malaysia	Investment holding	70	70
Sunway Pyramid Sdn. Bhd.	Malaysia	Dormant	52	52
Sunway City Properties Sdn. Bhd.	Malaysia	Property development and investment holding	100	100
Sunway Lagoon Sdn. Bhd.	Malaysia	Theme park operator	100	100
Sunway Resort Hotel Sdn. Bhd.	Malaysia	Hotel business	100	100

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(ah) Subsidiaries of Sunway City Sdn. Bhd. (contd.)				
Sunway Travel Sdn. Bhd.	Malaysia	Travel and tour agent	100	100
Sunway Hospitality Holdings Ltd.	British Virgin Islands	Hotel management	100	100
Emerald Tycoon Sdn. Bhd.	Malaysia	Investment holding	100	100
Sunway Grand Sdn. Bhd.	Malaysia	Property development	100	100
Pembinaan Objektif (M) Sdn. Bhd.	Malaysia	Investment holding	100	100
Sunway Medical Holdings Sdn. Bhd.	Malaysia	Investment holding	100	100
Suncity SSC Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway City (Cambodia) Sdn. Bhd.	Malaysia	Investment holding	76	76
Sunway City (Ipoh) Sdn. Bhd.	Malaysia	Property development and investment holding	65	65
Sunway Damansara Sdn. Bhd.	Malaysia	Property development and investment holding	60	60
Sunway Leisure Sdn. Bhd.	Malaysia	Ice rink operator and car park management	100	100
Sunway Semenyih Sdn. Bhd.	Malaysia	Property development	70	70
Sunway Tunas Sdn. Bhd.	Malaysia	Property development	100	70

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(ah) Subsidiaries of Sunway City Sdn. Bhd. (contd.)				
Area Star Sdn. Bhd.	Malaysia	Property investment	100	100
Sunway Monash Residence Sdn. Bhd.	Malaysia	Struck off pursuant to section 308 of the Act	-	100
Sunway City (S'pore) Pte. Ltd. #	Singapore	Promotion and marketing services and investment holding	100	100
Sunway Development Sdn. Bhd. (formerly known as Sunway FitOut Sdn. Bhd.)	Malaysia	Investment holding	100	100
Sunway Destiny Sdn. Bhd.	Malaysia	Property investment	100	100
Sunway Facility Management Sdn. Bhd.	Malaysia	Building facilities management	100	100
Sunway IFM Sdn. Bhd.	Malaysia	Building facilities management	100	100
Sunway City (JB) Sdn. Bhd.	Malaysia	Property development	80	100
Sunway Melawati Sdn. Bhd.	Malaysia	Property development	100	100
Sunway Bukit Gambier Sdn. Bhd.	Malaysia	Property development	100	100
Sunway PFM Sdn. Bhd.	Malaysia	Building facilities management	100	100
Sunway Crest Sdn. Bhd.	Malaysia	Property development	100	100

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(ah) Subsidiaries of Sunway City Sdn. Bhd. (contd.)				
Sunway International Vacation Club Berhad	Malaysia	Time sharing businesses	100	100
Sunway Platinum Success Sdn. Bhd.	Malaysia	Property investment	100	100
Sunway Healthy Lifestyle Sdn. Bhd.	Malaysia	Medical tourism	100	100
Sunway Residence Sdn. Bhd.	Malaysia	Property investment	100	100
Sunway Leisure Services Sdn. Bhd.	Malaysia	Provision of transportation services	100	100
Rich Worldclass Sdn. Bhd.	Malaysia	Property investment	100	100
Sunway Homes (MM2H) Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Tower 1 Sdn. Bhd.	Malaysia	Property investment	100	100
Sunway Symphony Sdn. Bhd.	Malaysia	Property investment	100	100
Sunway Shopping Centre Management Private Limited #	Hong Kong	Dormant	100	100
Sunway City India Private Limited #	India	Property development and investment holding	99.99	99.99

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(ah) Subsidiaries of Sunway City Sdn. Bhd. (contd.)				
Sunway Tower 2 Sdn. Bhd.	Malaysia	Property investment	100	100
Sunway Ambience Sdn. Bhd.	Malaysia	Property investment	100	100
Sunway Rahman Putra Sdn. Bhd.	Malaysia	Property development	100	100
Sunway Loyalty Card Sdn. Bhd.	Malaysia	Loyalty card program	100	100
Sunway Pinnacle Sdn. Bhd.	Malaysia	Property investment	100	100
SunCity Vietnam Sdn. Bhd.	Malaysia	Investment holding	100	100
Sunway City Captive Insurance Ltd. (held in trust by General Captive International Ltd.)	Malaysia	Dormant	100	100
Sunway Parking Management Sdn. Bhd.	Malaysia	Property investment	100	100
Warisan Kerjasama Sdn. Bhd.	Malaysia	Dormant	100	100
Salient Century Sdn. Bhd.	Malaysia	Property investment	100	100
Sejati Pesona Sdn. Bhd.	Malaysia	Dormant	100	-
Sunway Pyramid Development Sdn. Bhd. (formerly known as Sunway Top Magnititude Sdn. Bhd.)	Malaysia	Property investment	100	-

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(ah) Subsidiaries of Sunway City Sdn. Bhd. (contd.)				
Sunway Putra Hotel Sdn. Bhd. (formerly known as Wisdom Achievers Sdn. Bhd.)	Malaysia	Hotel business	100	-
Sunway Mall Sdn. Bhd. (formerly known as Super Eminence Sdn. Bhd.)	Malaysia	Dormant	100	-
Sunway Velocity Mall Sdn. Bhd.	Malaysia	Property investment	59	-
(ai) Subsidiaries of Sunway City (Penang) Sdn. Bhd.				
Fame Parade Sdn. Bhd.	Malaysia	Dormant	100	100
Era Primision Sdn. Bhd.	Malaysia	Dormant	100	100
Commercial Parade Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Hotel (Seberang Jaya) Sdn. Bhd.	Malaysia	Hotel business	100	100
Sunway Carnival Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Bintang Sdn. Bhd.	Malaysia	Property development	100	100
Sejati Pesona Sdn. Bhd.	Malaysia	Dormant	-	100
Associated Circle Sdn. Bhd.	Malaysia	Dormant	100	100
Alliance Parade Sdn. Bhd.	Malaysia	Dormant	100	100

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(aj) Subsidiary of Konsep Objektif (M) Sdn. Bhd.				
Sunway Hotel Phnom Penh Ltd. #	Cambodia	Hotel business	75	75
(ak) Subsidiary of Sunway City Properties Sdn. Bhd.				
Pena Enterprise Sdn. Bhd.	Malaysia	Property development and investment holding	100	100
(al) Subsidiaries of Sunway Lagoon Sdn. Bhd.				
Eastern Glory Enterprises Limited	British Virgin Islands	Investment holding	45	60
Sunway Townhouse Sdn. Bhd.	Malaysia	Property development	100	100
Sunway South Quay Sdn. Bhd.	Malaysia	Property development	60	60
Frontier Acres Sdn. Bhd.	Malaysia	Property investment	100	100
Sunway Wildlife Sdn. Bhd.	Malaysia	Wound up pursuant to creditors' liquidation	-	100
Sunway Lagoon Management Sdn. Bhd.	Malaysia	Wound up pursuant to creditors' liquidation	-	100
(am) Subsidiary of Sunway South Quay Sdn. Bhd.				
Sunway Monash-U Residence Sdn. Bhd.	Malaysia	Property investment	100	100

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(an) Subsidiaries of Sunway Hospitality Holdings Ltd.				
Allson International Hotels & Resorts (B.V.I.) Limited	British Virgin Islands	Hotel management	100	100
Allson International Management Limited	British Virgin Islands	Hotel management	100	100
Sunway International Hotels & Resorts Sdn. Bhd.	Malaysia	Hotel management	100	100
Allson International Hotels & Resorts Sdn. Bhd.	Malaysia	Hotel management	100	100
(ao) Subsidiary of SunCity Vietnam Sdn. Bhd.				
Hochimex Nominee Company Limited	Hong Kong	Investment holding	100	100
(ap) Subsidiary of Hochimex Nominee Company Limited				
Sunway Hotel Hanoi Liability Limited Company with One Member	Vietnam	Hotel business	100	100
(aq) Subsidiary of Emerald Tycoon Sdn. Bhd.				
Sunway D'Mont Kiara Sdn. Bhd.	Malaysia	Property development	70	70

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(ar) Subsidiary of Sunway D'Mont Kiara Sdn. Bhd.				
Ekuiti Meranti (M) Sdn. Bhd.	Malaysia	Property investment	100	100
(as) Subsidiary of Sunway City (Cambodia) Sdn. Bhd.				
Sunway City Cambodia Limited #	Cambodia	Dormant	80	80
(at) Subsidiaries of Sunway City (Ipoh) Sdn. Bhd.				
Kinta Sunway Resort Sdn. Bhd.	Malaysia	Property investment and hotel owner and operator	100	100
Objektif Ekuiti (M) Sdn. Bhd.	Malaysia	Dormant	100	100
Peluang Klasik (M) Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Lagoon Water Park Sdn. Bhd.	Malaysia	Theme park operator	100	100
Lagoon Fantasy Sdn. Bhd.	Malaysia	Dormant	100	100
Semangat Kancil (M) Sdn. Bhd.	Malaysia	Dormant	100	100
Ganda Antik Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Hotel Services (Ipoh) Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Lost World Hotel Sdn. Bhd.	Malaysia	Hotel business	100	100

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(au) Subsidiaries of Sunway Damansara Sdn. Bhd.				
Imbasan Intisari Sdn. Bhd.	Malaysia	Dormant	100	100
Tidal Elegance Sdn. Bhd.	Malaysia	Dormant	100	100
Park Symphony Sdn. Bhd.	Malaysia	Dormant	100	100
Pan Unicreation Sdn. Bhd.	Malaysia	Dormant	100	100
Winning Excellence Sdn. Bhd.	Malaysia	Dormant	100	100
Laudable Generations Sdn. Bhd.	Malaysia	Dormant	100	100
Contemporary Deal Sdn. Bhd.	Malaysia	Dormant	100	100
Contemporary Factor Sdn. Bhd.	Malaysia	Dormant	100	100
Petikan Tropika Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Giza Mall Sdn. Bhd. (formerly known as Cahaya Jejaka Sdn. Bhd.)	Malaysia	Property investment	100	100
Sunway Giza Parking Sdn. Bhd. (formerly known as Seruan Istilah Sdn. Bhd.)	Malaysia	Property investment	100	100
Sumber Dorongan Sdn. Bhd.	Malaysia	Dormant	100	100
Anggaran Salju Sdn. Bhd.	Malaysia	Dormant	100	100
Bisikan Seni Sdn. Bhd.	Malaysia	Dormant	100	100

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(au) Subsidiaries of Sunway Damansara Sdn. Bhd. (contd.)				
Emerald Freight Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Monterez Sdn. Bhd.	Malaysia	Property development	100	100
(av) Subsidiary of Sunway PFM Sdn. Bhd. (formerly known as Menara Sunway Sdn. Bhd.)				
Sunway Mall Parking Sdn. Bhd. (formerly known as MSW Parking Sdn. Bhd.)	Malaysia	Car park management	100	100
(aw) Subsidiary of Sunway IFM Sdn. Bhd.				
Sunway Parking Services Sdn. Bhd.	Malaysia	Car park management	100	100
(ax) Subsidiary of Pena Enterprise Sdn. Bhd.				
Logic Square Sdn. Bhd.	Malaysia	Dormant	100	100

Notes to the Financial Statements 31 December 2011 (contd.)

53. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2011 %	2010 %
(ay) Subsidiaries of Eastern Glory Enterprises Limited				
Estonia Enterprises Limited	British Virgin Islands	Dormant	100	100
Hartford Lane Pty. Ltd.	Australia	Trustee	100	100
International Theme Park Pty. Ltd.	Australia	Investment holding	100	100
(az) Subsidiaries of International Theme Park Pty. Ltd.				
Sunway Australia Unit Trust	Australia	Unit trust	100	100
Sydney Theme Park Pty. Limited	Australia	Theme park license holder	100	100
(ba) Subsidiary of Sunway City (S'pore) Pte Ltd				
Sunway Investment Management Consultancy (Shanghai) Co Ltd. #	China	Provision of management consultancy advisory services	100	-

Audited by firms of auditors other than Ernst & Young

+ Refers to 'not elsewhere classified'

Notes to the Financial Statements 31 December 2011 (contd.)

54. FINANCIAL INSTRUMENTS**(a) Financial risk management objectives and policies**

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient.

(b) Interest rate risk

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Fixed rate instruments				
Financial assets	27,082	10,658	10,242	-
Financial liabilities	(416,298)	(277,018)	(85,000)	-
	(389,216)	(266,360)	(74,758)	-
Variable rate instruments				
Financial assets	310,998	453,470	991,207	-
Financial liabilities	(1,848,082)	(1,133,448)	(958,054)	-
	(1,537,084)	(679,978)	33,153	-

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

As the Group and the Company have no significant interest-bearing financial assets, the Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. The Group's and the Company's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's and the Company's interest rate risk arises primarily from interest bearing borrowings. The Group manages its interest rate exposure by monitoring a mix of fixed and floating rate borrowings. The Group also entered into interest rate swap contracts to hedge the floating rate interest payable on certain borrowings. At the reporting date, approximately 18% (2010: 20%) of the Group's borrowings are at fixed rates of interest.

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate instruments at fair value through the profit or loss. Therefore, a change in interest rates at the reporting date would not affect the profit or loss.

Sensitivity analysis for variable rate instruments

A change of 25 basis points in interest rates at the reporting date would result in the profit or loss before tax to be higher/(lower) by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Notes to the Financial Statements 31 December 2011 (contd.)

54. FINANCIAL INSTRUMENTS (contd.)**(b) Interest rate risk** (contd.)

	Group	
	2011 RM'000	2010 RM'000
<u>25 basis points increase</u>		
Variable rate instruments	(3,843)	(1,700)
<u>25 basis points decrease</u>		
Variable rate instruments	3,843	1,700

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is not significantly exposed to foreign currency risk as the majority of the Group's transactions, assets and liabilities are denominated in Ringgit Malaysia (RM) except for foreign currency risk arising from countries in which certain foreign subsidiaries operate. The currencies giving rise to this risk are primarily Singapore Dollar (SGD), United States Dollar (USD), Australian Dollar (AUD), Trinidad & Tobago Dollar (TTD), Chinese Renminbi (RMB), Indian Rupees (IR), Arab Emirates Dollar (AED) and Indonesian Rupiah (INR). Foreign currency exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Approximately 22% of the Group's sales are denominated in foreign currencies whilst almost 20% of costs are denominated in the respective functional currencies of the Group entities.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the revenue stream to be generated from its investments.

The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances amount to RM228 million.

Material foreign currency transactions exposures are hedged, mainly with derivative financial instruments such as forward foreign exchange contracts and cross currency swap contracts.

The Group also entered into cross currency swap contracts to manage its exposure in foreign currency risk arising from foreign currency borrowings which was entered into to minimise the interest cost.

In relation to its investments in foreign subsidiaries whose net assets are exposed to currency translation risks and which are held for long term investment purposes, the differences arising from such translation are recorded under the foreign currency translation reserve. These translation differences are reviewed and monitored on a regular basis.

Notes to the Financial Statements 31 December 2011 (contd.)

54. FINANCIAL INSTRUMENTS (contd.)**(c) Foreign currency risk** (contd.)Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and the Company's profit net of tax to a reasonably possible change in the foreign exchange rates against the functional currency of the Group and the Company, with all other variables held constant.

	Group 31.12.2011 Profit net of tax RM'000	Company 31.12.2011 Profit net of tax RM'000
SGD/RM		
- strengthened 2%	389	-
- weakened 2%	(389)	-
USD/RM		
- strengthened 6%	(39,417)	(39,529)
- weakened 6%	39,417	39,529
RMB/RM		
- strengthened 4%	299	-
- weakened 4%	(299)	-
IR/RM		
- strengthened 2%	54	-
- weakened 2%	(54)	-
TTD/RM		
- strengthened 2%	100	-
- weakened 2%	(100)	-
AUD/RM		
- strengthened 4%	1,149	-
- weakened 4%	(1,149)	-
AED/RM		
- strengthened 7%	1,667	-
- weakened 7%	(1,667)	-
INR/RM		
- strengthened 7%	3,899	-
- weakened 7%	(3,899)	-

Notes to the Financial Statements 31 December 2011 (contd.)

54. FINANCIAL INSTRUMENTS (contd.)**(d) Liquidity risk**

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

Group	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
At 31 December 2011				
Financial liabilities:				
Trade payables (excluding amounts due to customers on contracts, progress billings in respect of property development costs)	826,390	-	-	826,390
Amounts due to associates	15,065	-	-	15,065
Advances by minority shareholders of subsidiaries	-	146,702	-	146,702
Other payables (excluding provision for liabilities and deferred income)	949,025	-	-	949,025
Borrowings (excluding bank overdrafts and revolving credits)	188,543	1,730,542	265,592	2,184,677
Derivatives- settled net	263	182	-	445
Total undiscounted financial liabilities	1,979,286	1,877,426	265,592	4,122,304

Notes to the Financial Statements 31 December 2011 (contd.)

54. FINANCIAL INSTRUMENTS (contd.)

(d) Liquidity risk (contd.)

Group	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
At 31 December 2010				
Financial liabilities:				
Trade payables (excluding amounts due to customers on contracts, progress billings in respect of property development costs)	733,027	-	-	733,027
Amounts due to associates	13,430	-	-	13,430
Advances by minority shareholders of subsidiaries	-	182,078	-	182,078
Other payables (excluding provision for liabilities and deferred income)	535,372	-	-	535,372
Borrowings (excluding bank overdrafts and revolving credits)	578,249	816,412	239,587	1,634,248
Derivatives- settled net	279	133	-	412
Total undiscounted financial liabilities	1,860,357	998,623	239,587	3,098,567

(e) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Notes to the Financial Statements 31 December 2011 (contd.)

54. FINANCIAL INSTRUMENTS (contd.)**(e) Credit risk** (contd.)Exposure to credit risk

Concentration of credit risk relating to trade receivables is limited due to the Group's many varied customers. These customers are internationally dispersed, engage in a wide spectrum of activities, and sell in a variety of end markets. The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group 2011		Group 2010	
	RM'000	% of total	RM'000	% of total
By country:				
British Virgin Islands	181	0.02%	1,192	0.16%
Malaysia	598,829	75.86%	543,379	73.28%
Singapore	76,283	9.66%	49,122	6.62%
Australia	12,231	1.55%	12,390	1.67%
China	38,061	4.82%	38,476	5.19%
India	18,896	2.39%	26,559	3.58%
Vietnam	1,964	0.25%	5,012	0.68%
Indonesia	10,100	1.28%	-	-
United Arab Emirates	15,272	1.93%	-	-
Trinidad and Tobago	8,755	1.11%	29,104	3.92%
United States of America	2,376	0.30%	-	-
Others	6,447	0.83%	36,291	4.90%
	789,395	100%	741,525	100%
By segment:				
Property development	155,108	19.65%	98,775	13.32%
Property investment	76,672	9.71%	86,674	11.69%
Construction	285,973	36.23%	319,347	43.07%
Trading and marketing	95,140	12.05%	101,085	13.63%
Quarry	49,383	6.26%	51,088	6.89%
Investment holding	9,221	1.17%	1,530	0.21%
Others	117,898	14.93%	83,026	11.19%
	789,395	100%	741,525	100%

Notes to the Financial Statements 31 December 2011 (contd.)

54. FINANCIAL INSTRUMENTS (contd.)

(f) Fair values

The carrying amounts of financial assets and liabilities of the Group as at reporting date approximated their fair values except for the following:

	Group	
	Carrying amount RM'000	Fair value RM'000
At 31 December 2011		
Financial assets		
Investment in associates		
- Quoted shares	1,082,883	1,256,170
Finance lease receivables (Non-current)	5,075	3,667
Hire purchase receivables (Non-current)	1,938	1,711
Financial liabilities		
Finance lease and hire purchase obligations (Non-current)	18,812	16,160
Block discount creditors	26,815	25,719
At 31 December 2010		
Financial assets		
Investment in associates		
- Quoted shares	1,072,796	1,055,913
Finance lease receivables (Non-current)	6,295	5,448
Hire purchase receivables (Non-current)	3,640	3,482
Financial liabilities		
Finance lease and hire purchase obligations (Non-current)	27,558	25,614
Block discount creditors	26,193	25,051

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade receivables (current)	26
Other receivables (current)	27
Amounts due from/(to) associates	28
Amounts due from jointly controlled entities	29
Borrowings (current)	32
Borrowings (non-current)	32
Advances by minority shareholders of subsidiaries	34
Trade payables (current)	38
Other payables (current)	39

Notes to the Financial Statements 31 December 2011 (contd.)

54. FINANCIAL INSTRUMENTS (contd.)**(f) Fair values** (contd.)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Derivatives

Interest rate swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties and interest rate curves.

Forward currency contracts are valued using a valuation technique with market observable inputs. The derivatives arising from the forward currency contracts are stated at fair value using the prevailing market rate. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

Cross currency swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties and interest rate curves.

The Company provides financial guarantees to financial institutions for borrowings amounting to RM736,181,000 (2010: Nil) obtained by its subsidiaries. As at reporting date, the fair value of the financial guarantees is immaterial. The fair value of the financial guarantees is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- The estimated loss exposure if the party guaranteed were to default.

It is not practical to determine the fair values of:

- (i) non-current unquoted shares because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs;
- (ii) amounts due from/(to) subsidiaries, associates and jointly controlled entity, amounts due to contractors and consultants and advances by minority shareholders of subsidiaries due principally to a lack of fixed repayment terms entered by the parties involved and without incurring excessive costs. However, the Group and the Company do not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that would eventually be received or settled.

Notes to the Financial Statements 31 December 2011 (contd.)

54. FINANCIAL INSTRUMENTS (contd.)**(g) Valuation of financial instruments**

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1

Quoted market prices in an active market for identical assets or liabilities.

Level 2

Valuation inputs (other than Level 1 input) that are observable for the asset or liability, either directly or indirectly.

Level 3

Valuation inputs that are not based on observable market data.

The table below analyses financial instruments, measured at fair value at the end of the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
At 31 December 2011				
Financial assets				
Derivatives	-	33,600	-	33,600
Financial liabilities				
Derivatives	-	1,736	-	1,736
Company				
At 31 December 2011				
Financial assets				
Derivatives	-	29,798	-	29,798
Quoted shares	5,391	-	-	5,391
	5,391	29,798	-	35,189

55. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is the maintenance of a strong credit rating and healthy capital ratio, in order to support the Group's businesses and maximising shareholders' value.

The Group manages its capital structure by ensuring that financial commitments are met as and when they fall due. In addition, divestment of the Group's non-core assets which provides low returns are also made to optimise the capital structure of the Group.

The Group monitors capital utilisation using the gearing ratio. This ratio is used to assess the appropriateness of the Group's debt level, hence its capital structure. The ratio is calculated as net debt divided by total equity. Net debt includes current and non-current loans and borrowings less deposits, cash and bank balances, while total equity is the equity attributable to the owners of the parent.

Notes to the Financial Statements 31 December 2011 (contd.)

55. CAPITAL MANAGEMENT (contd.)

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Borrowings	32	2,225,874	1,368,184	1,031,254	-
Less: Cash and bank balances	30	(776,705)	(868,539)	(10,694)	(6)
Net debt		1,449,169	499,645	1,020,560	(6)
Equity attributable to owners of the parent		2,985,433	3,517,939	3,615,722	(79)
Gearing ratio		49%	14%	28%	N/A

56. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services. In addition, the businesses are also considered from a geographical perspective. The Group's reporting segments are as follows:

- (i) Property development - development of residential and commercial properties.
- (ii) Property investment - management, operation and letting of properties, operation of theme parks, rendering recreational club facilities, travel agent and time sharing businesses, management and operation of hotels, management of real estate investment fund.
- (iii) Construction - construction of building and civil works and provision of mechanical, electrical and piling works.
- (iv) Trading and manufacturing - trading and manufacturing of construction and industrial products, building materials and importing and distribution of pharmaceutical products.
- (v) Quarry - quarrying, manufacturing and supplying of premix, manufacturing of ready-mixed concrete and production of building stones.
- (vi) Investment holding - management and letting of properties as well as holding of investment in the shares of subsidiaries, associates and other investments.
- (vii) Others - management and operation of a medical centre, manufacturing of vitrified clay pipes, concrete pipes, interlocking pavers, pretensioned spun concrete piles, precast micro injection piles, reinforced concrete piles, eurotiles, blocks and concrete products, provision of secretarial and share registration services, provision of management services, underwriting of insurance, lease and hire purchase financing.

Except as indicated above, no operating segments has been aggregated to form the above reporting segment.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise corporate assets, liabilities and expenses.

Segment revenue, expenses and results include transfers between business segments. These are eliminated on consolidation.

Notes to the Financial Statements 31 December 2011 (contd.)

56. SEGMENT INFORMATION (contd.)

Business segments

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

	Property Development RM'000	Property Investment RM'000	Property Investment RM'000	Construction RM'000	Trading and Manufacturing RM'000	Quarry RM'000	Investment Holding RM'000	Others RM'000	Eliminations RM'000	Unusual items RM'000	Note	Total RM'000
31.12.2011												
Revenue												
Sales to external customers	915,812		517,614	1,220,958	553,154	184,491	3,429	296,254	-	-		3,691,712
Inter-segment sales	-		16,386	96,820	89,025	2,750	204,448	37,413	(446,842)	-	A	-
Total revenue	915,812		534,000	1,317,778	642,179	187,241	207,877	333,667	(446,842)	-		3,691,712
Results												
Operating profit/(loss)	130,619		108,414	58,372	49,784	8,394	(22,736)	11,793	-	29,462		374,102
Loss on derivatives	-		-	-	-	-	-	-	-	(7,767)		(7,767)
Finance income	12,425		6,485	1,998	420	449	-	5,726	-	-		27,503
Finance costs	(1,650)		(32,011)	(3,660)	(3,921)	(949)	(23,912)	(14,840)	-	-		(80,943)
Share of results of associates	(10)		66,490	-	-	-	-	2,043	-	31,166		99,689
Share of results of jointly controlled entities	81,260		-	4,689	-	-	-	-	-	-		85,949
Profit/(loss) before tax	222,644		149,378	61,399	46,283	7,894	(46,648)	4,722	-	52,861		498,533
Income tax expense	(29,411)		(37,614)	(19,447)	(11,407)	(431)	4,476	(3,106)	-	10,850		(86,090)
Net profit/(loss) for the year	193,233		111,764	41,952	34,876	7,463	(42,172)	1,616	-	63,711		412,443
Non-controlling interests	(32,020)		(2,227)	9,967	(1,323)	-	2,796	1,145	-	(18,725)		(40,387)
Attributable to owners of the parent	161,213		109,537	51,919	33,553	7,463	(39,376)	2,761	-	44,986	C	372,056

Notes to the Financial Statements 31 December 2011 (contd.)

56. SEGMENT INFORMATION (contd.)

Business segments (contd.)

	Property Development RM'000	Property Investment RM'000	Construction RM'000	Trading and Manufacturing RM'000	Quarry RM'000	Investment Holding RM'000	Others RM'000	Eliminations RM'000	Unusual items RM'000	Note	Total RM'000
31.12.2011 (contd.)											
Assets											
Segment assets	2,467,127	1,591,288	986,466	365,433	182,037	112,653	547,326	-	-		6,252,330
Investments in associates	156,198	804,233	-	63	-	-	54,809	-	-		1,015,303
Investment in jointly controlled entities	260,641	-	5,255	-	-	-	-	-	-		265,896
Unallocated assets											310,099
Total assets											7,843,628
Liabilities											
Segment liabilities	1,347,420	393,479	692,386	162,596	58,213	1,512,212	249,439	-	-		4,415,745
Unallocated liabilities											116,084
Total liabilities											4,531,829
Other segment information											
Capital expenditure	7,713	159,084	52,215	314	6,816	837	33,079	-	-	B	260,058
Depreciation and amortisation	1,856	19,183	24,583	5,175	12,237	247	27,399	-	-		90,680

Notes to the Financial Statements 31 December 2011 (contd.)

56. SEGMENT INFORMATION (contd.)

Business segments (contd.)

	Property Development RM'000	Property Investment RM'000	Construction RM'000	Trading and Manufacturing RM'000	Quarry RM'000	Investment Holding RM'000	Others RM'000	Eliminations RM'000	Unusual items RM'000	Note	Total RM'000
31.12.2010											
Revenue											
Sales to external customers	623,001	546,843	1,004,938	481,522	179,143	1,297	265,385	-	-	-	3,102,129
Inter-segment sales	41,818	19,913	89,967	49,231	20,000	21,350	17,351	(259,630)	-	A	-
Total revenue	664,819	566,756	1,094,905	530,753	199,143	22,647	282,736	(259,630)	-	-	3,102,129
Results											
Operating profit/(loss)	126,758	183,206	69,357	37,764	8,304	(19,014)	(6,117)	-	190,239	-	590,497
Finance income	7,892	12,071	3,523	106	1,492	1,730	437	-	-	-	27,251
Finance costs	(22,561)	(37,179)	(5,937)	(3,608)	(1,855)	(22,258)	(7,733)	-	-	-	(101,131)
Share of results of associates	(236)	23,041	(18,030)	(97)	-	-	(6,283)	-	74,757	-	73,152
Share of results of jointly controlled entities	77,506	-	48,674	-	-	-	-	-	-	-	126,180
Profit/(loss) before tax	189,359	181,139	97,587	34,165	7,941	(39,542)	(19,696)	-	264,996	-	715,949
Income tax expense	(39,798)	(30,697)	(20,363)	(8,709)	(2,831)	10,307	(1,703)	-	371,504	-	277,710
Net profit/(loss) for the year	149,561	150,442	77,224	25,456	5,110	(29,235)	(21,399)	-	636,500	-	993,659
Non-controlling interests	(18,258)	(43,276)	(10,011)	(1,006)	-	151	1,420	-	(238,255)	-	(309,235)
Attributable to owners of the parent	131,303	107,166	67,213	24,450	5,110	(29,084)	(19,979)	-	398,245	C	684,424

Notes to the Financial Statements 31 December 2011 (contd.)

56. SEGMENT INFORMATION (contd.)

Business segments (contd.)

	Property Development RM'000	Property Investment RM'000	Construction RM'000	Trading and Manufacturing RM'000	Quarry RM'000	Investment Holding RM'000	Others RM'000	Eliminations RM'000	Unusual items RM'000	Note	Total RM'000
31.12.2010 (contd.)											
Assets											
Segment assets	1,882,047	1,437,909	611,037	258,376	129,186	733,175	444,873	-	-	-	5,496,603
Investments in associates	25,959	894,740	-	183	-	-	67,014	-	-	-	987,896
Investment in jointly controlled entities	56,388	-	197,533	-	-	-	-	-	-	-	253,921
Unallocated assets											242,096
Total assets											6,980,516
Liabilities											
Segment liabilities	1,163,948	343,685	701,802	155,399	66,252	256,031	253,820	-	-	-	2,940,937
Unallocated liabilities											140,940
Total liabilities											3,081,877
Other segment information											
Capital expenditure	6,915	127,864	37,757	12,359	5,175	174	43,917	-	-	B	234,161
Depreciation and amortisation	1,885	14,525	17,922	3,355	12,972	7,558	21,038	-	-	-	79,255

Notes to the Financial Statements 31 December 2011 (contd.)

56. SEGMENT INFORMATION (contd.)**Geographical segments**

The following table provides an analysis of the Group's revenue, profit/(loss) before tax, net profit/(loss), profit/(loss) attributable to owners of the parents and assets by geographical segment:

	Revenue RM'000	Profit/(loss) before tax RM'000	Net profit/ (loss) RM'000	Attributable to owners of the parents RM'000	Segment Assets RM'000
31.12.2011					
Malaysia	2,887,163	380,791	284,528	247,928	4,935,160
Singapore	197,562	114,808	102,022	102,022	506,316
China	250,251	(60,755)	(62,352)	(37,962)	395,593
India	38,588	(2,170)	(2,166)	(2,166)	89,199
Australia	72,655	37,648	64,481	37,763	85,881
Abu Dhabi	132,926	10,572	10,572	10,572	80,770
Other countries	112,567	17,639	15,358	13,899	159,411
	3,691,712	498,533	412,443	372,056	6,252,330
31.12.2010					
Malaysia	2,098,985	535,019	826,143	520,716	4,558,762
Singapore	325,671	137,603	121,619	121,619	384,812
China	190,168	10,489	8,214	6,336	234,750
India	106,682	932	928	928	63,208
Australia	60,987	7,087	14,241	14,081	27,444
Abu Dhabi	192,465	42,764	42,764	42,764	54,706
Other countries	127,171	(17,945)	(20,250)	(22,020)	172,921
	3,102,129	715,949	993,659	684,424	5,496,603

Note Nature of eliminations to arrive at amounts reported in the consolidated financial statements

- A Inter-segment revenues are eliminated on consolidation.
- B Capital expenditures consist of:

	2011 RM'000	2010 RM'000
Property, plant and equipment	160,582	165,322
Biological assets	184	78
Investment properties	99,292	68,761
	260,058	234,161

Notes to the Financial Statements 31 December 2011 (contd.)

56. SEGMENT INFORMATION (contd.)**Note Nature of eliminations to arrive at amounts reported in the consolidated financial statements** (contd.)

C Unusual items consist of:

	2011 RM'000	2010 RM'000
Net gain on disposal of assets to REIT after adjustment	-	122,611
Upfront fee	-	(1,200)
(Loss)/gain on derivatives	(7,767)	16,570
Fair value gain from an associate	31,166	74,757
Listing and merger expenses	(20,811)	-
Fair value gain from investment properties	50,273	52,258
	52,861	264,996
Income tax expense	10,850	371,504
Non-controlling interests	(18,725)	(238,255)
	44,986	398,245

57. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAROffer to acquire all of the business and undertaking including all assets and liabilities of SHSB and SCSB

On 24 November 2010, the Company made an offer to SHSB and SCSB to acquire all of the businesses and undertakings of SHSB and SCSB as carried on by the acquirees as at the date hereof, including all assets and liabilities of SHSB and SCSB at the following purchase consideration:

SHSB

- (i) equivalent to RM2.60 per ordinary share of RM1.00 each in SHSB multiplied by the total outstanding shares in SHSB (less treasury shares, if any) at a date to be determined later;
- (ii) equivalent to the Black-Scholes valuation based on RM2.60 per ordinary share in SHSB and calculated by applying all the relevant variables as at 22 November 2010, for the options issued under SHSB's employees' share option scheme ("ESOS options"), multiplied by the total outstanding number of ESOS options issued (for every issue of the ESOS options, batched by their respective conversion prices). The Black-Scholes values for the ESOS options range from RM0.98 to RM1.67 per ESOS option (subject to the respective conversion price of the options); and
- (iii) equivalent to the Black-Scholes valuation based on RM2.60 per ordinary share in SHSB and calculated by applying all the relevant variables as at 22 November 2010, being RM1.50 per warrant of SHSB ("Warrant"), multiplied by the total outstanding number of Warrants in issue at a date to be determined later.

SCSB

- (i) equivalent to RM5.10 per ordinary share of RM1.00 each in SCSB multiplied by the total outstanding shares in SCSB (less treasury shares, if any) at a date to be determined later;
- (ii) equivalent to the Black-Scholes valuation based on RM5.10 per ordinary share in SCSB and calculated by applying all the relevant variables as at 22 November 2010 for the options issued under SCSB's employees' share option scheme ("ESOS options"), multiplied by the total outstanding number of ESOS options issued (for every issue of the ESOS options, batched by their respective conversion prices). The Black-Scholes values for the ESOS options range from RM0.96 to RM4.10 per ESOS option (subject to the respective conversion price of the options); and

Notes to the Financial Statements 31 December 2011 (contd.)

57. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (contd.)

Offer to acquire all of the business and undertaking including all assets and liabilities of SHSB and SCSB (contd.)

SCSB (contd.)

- (iii) equivalent to the Black-Scholes valuation based on RM5.10 per ordinary share in SCSB and calculated by applying all the relevant variables as at 22 November 2010, being RM1.29 per warrant of SCSB ("Warrant"), multiplied by the total outstanding number of warrants in issue at a date to be determined later.

On 14 December 2010, SHSB announced that the non-interested Directors of SHSB, after taking into consideration of the independent advice of their Independent Adviser, OSK Investment Bank Berhad, have decided to accept the Company's offer, subject to, inter alia, the approval of the shareholders and relevant authorities, where required.

On 14 December 2010, SCSB announced that the non-interested Directors of SCSB, after taking into consideration the independent advice of their Independent Adviser, Goldman Sachs (Malaysia) Sdn Bhd, have decided to accept the the Company's offer, subject to, inter alia, the approval of the shareholders and relevant authorities, where required.

On 18 January 2011, the Company entered into a conditional Sale of Business Agreement ("SBA") with SHSB and SCSB in relation to the proposed acquisition of the entire businesses and undertakings including all the assets and liabilities of SHSB and SCSB ("Proposed Acquisition").

On 18 March 2011, SHSB and SCSB announced that an application was made to the Securities Commission to seek its approval, amongst others, for the Proposed Acquisition.

On 18 May 2011, SHSB and SCSB announced that the Securities Commission has vide its letter dated 16 May 2011, granted its approval under Section 212(5) of the Capital Markets Services Act 2007 in relation to the Proposed Acquisition subject to certain terms and conditions.

On 15 June 2011, SHSB and SCSB announced that their shareholders and warrant holders have approved the Company's offer during the Extraordinary General Meeting and Warrant Holders Meeting respectively held on 15 June 2011. The SBAs became unconditional on 24 June 2011.

The Company completed the acquisitions on 18 August 2011 and was listed on the Main Market of Bursa Malaysia Securities Berhad on 23 August 2011.

Acquisition of freehold land in Johor

On 28 December 2010, Sunway City (JB) Sdn. Bhd. ("SCJB"), a wholly owned subsidiary of SCSB, entered into a Sale and Purchase Agreement ("SPA") with Bukit Lenang Development Sdn. Bhd. ("BLD") to purchase parcels of land held under PTD No. 64070 to 64099 HS(D) No. 151079 to 151108, PTD No. 64105 HS(D) No. 151114, PTD No. 64198 to 64323 HS(D) No. 151207 to 151332, PTD No. 64325 HS(D) No. 151334, PTD No. 64342 to 64513 HS(D) No. 151351 to 151522, PTD No. 64515 HS(D) No. 151524 and PTD No. 64517 to 64592 HS(D) No. 151526 to 151601 in the Mukim of Plentong, Daerah Johor Bahru, Negeri Johor measuring in total approximately 2.816 million square feet for a total purchase consideration of RM134.5 million.

The mode of payment is as follows:

- (i) RM13.0 million upon execution of the SPA;
- (ii) RM7.0 million paid to SCJB's solicitors as stakeholder pending fulfillment of conditions precedent;
- (iii) RM32.2 million being redemption sum to Affin Bank Berhad within 90 days from the date the SPA becomes unconditional or such longer period as agreed by the parties, or alternatively to enter into such arrangements as may be acceptable to Affin Bank Berhad;

Notes to the Financial Statements 31 December 2011 (contd.)

57. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (contd.)

Acquisition of freehold land in Johor (contd.)

- (iv) the differential amount between RM60.0 million and all sums paid under items (i) and (ii) above shall be paid to BLD within 120 days from the date the SPA becomes unconditional or such longer period as the parties may agree; and
- (v) an aggregate amount equivalent to 8% of the gross development value to be carried out on the Land provided the amount payable to BLD shall not be less than the minimum amount of RM74.5 million and this shall be paid on a pro-rated basis against the sales value of each unit sold to and paid by the purchasers.

The acquisition was completed on 6 May 2011.

Subscription and Shareholders' Agreement

On 19 December 2011, SCSB entered into a Subscription and Shareholders' Agreement ("SSA") with Dayang Bunting Ventures Sdn. Bhd. ("DBV"), a wholly owned subsidiary of Khazanah Nasional Berhad ("Khazanah") and Semerah Cahaya Sdn. Bhd. ("Semerah") with the intention of establishing a joint venture company to acquire leases of up to 99 years over the several parcels of land located in Zone F within Medini, Iskandar Malaysia ("Lands") to undertake an integrated commercial and residential development and to regulate the relationship of SCSB and DBV as shareholders of Semerah.

Details of the Lands are as follows:

- (i) Land held under HS(D) 453631, PTD 154498, Mukim Pulai, Daerah Johor Bahru Darul Takzim measuring 223.085 hectares; and
- (ii) Land held under HS(D) 453633, PTD 154500, Mukim Pulai, Daerah Johor Bahru Darul Takzim measuring 56.864 hectares.

Salient terms of the SSA includes, inter-alia, the following:

- (i) The initial shareholding structure of SCSB and DBV in Semerah will be 38%:62% with a paid-up share capital of RM360 million comprising 3,600,000 ordinary shares of RM1.00 each and 356,400,000 redeemable preference shares ("RPS") of RM0.01 each at an issue price of RM1.00 per RPS (at RPS to ordinary share ratio of 99:1).

Thereafter, SCSB will inject an additional investment of RM198 million progressively by way of subscription of new ordinary shares of RM1.00 each and RPS of RM0.01 each at an issue price of RM1.00 per RPS at the same RPS to ordinary share ratio of 99:1 in Semerah. The share subscription for the additional RM198 million shall be payable progressively, calculated at the rate of interest per annum payable by Semerah on its bank borrowings from the date of the drawdown of the loans obtained by Semerah and up to the date of subscription of each tranche of the additional shares, over a period of up to 54 months from the date of the Lease Purchase Agreement ("LPA").

The final shareholding structure of SCSB and DBV in Semerah upon the completion of the additional investment by SCSB shall be 60%:40% respectively.

- (ii) During the period where SCSB holds less than 50% equity interest in Semerah, SCSB will be entitled to nominate 2 directors whilst DBV shall be entitled to nominate 3 directors. After SCSB holds more than 50% equity in Semerah, SCSB will be entitled to nominate 4 directors whilst DBV shall be entitled to nominate 3 directors.
- (iii) SCSB shall have the right to appoint the Chief Executive Officer and the Chief Financial Officer.
- (iv) SCSB or a subsidiary of the Company will provide management services on terms and conditions to be agreed between SCSB and DBV.

Notes to the Financial Statements 31 December 2011 (contd.)

57. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (contd.)

Subscription and Shareholders' Agreement (contd.)

Semerah had on even date, entered into a conditional LPA with Global Capital and Development Sdn. Bhd. ("GCD") for the acquisition of the lands on an "as is where is" basis and free from encumbrances for a total purchase consideration of up to RM745.331 million.

GCD is the registered lessee of the lease granted by Iskandar Investment Berhad (formerly known as South Johor Investment Corporation Berhad) in respect of the Lands. The total purchase consideration shall be satisfied by Semerah in the following manner:

- (i) RM15.4 million being deposit sum to be paid by 31 December 2011;
- (ii) RM61.6 million shall be paid by 31 January 2012 subject to the satisfaction of due diligence and feasibility studies; and
- (iii) The balance of up to RM668.331 million to be paid by 31 May 2012 subject to satisfaction of the condition precedent.

The balance of the purchase consideration is calculated based on a formula contained in the LPA wherein a lesser amount is paid if the balance purchase consideration is settled at an earlier date prior to the expiry of the completion period.

The LPA is conditional upon Semerah procuring the approval from the Iskandar Regional Development Authority on its application for an approved developer status by 31 March 2012 or such later date as the parties shall mutually agree in writing.

The proposed acquisition of the Lands has not been completed as at the date of this report.

58. COMPARATIVES

As described in Note 2.4 to the financial statements, the merger method of accounting was adopted by the Group in respect of the acquisition of the entire businesses and undertakings including all the assets and liabilities of SHSB and SCSB. Accordingly, the results of the Group have been stated as if SHSB and SCSB have been combined with the Company throughout the current and previous accounting periods even though the Company was only incorporated on 10 November 2010. The comparative figures of the Group relate to that of SHSB and SCSB for the financial year ended 31 December 2010 adjusted for the effects arising from using the merger method of accounting.

The financial statements of the Company for the period ended 31 December 2010 were for a period of two months. Accordingly, the income statement, statement of comprehensive income, statement of cash flows and the related notes are not comparable.

Notes to the Financial Statements 31 December 2011 (contd.)

59. SUPPLEMENTARY INFORMATION

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2011 into realised and unrealised profits is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Total retained earnings				
- realised	224,957	1,395,215	(33,090)	(79)
- unrealised	37,201	90,603	41,500	-
Total share of retained earnings from associated companies				
- realised	33,453	41,410	-	-
- unrealised	41,665	99,955	-	-
Total share of retained earnings from jointly controlled entities				
- realised	97,027	319,928	-	-
- unrealised	-	(8,018)	-	-
	434,303	1,939,093	8,410	(79)
Less: Consolidation adjustments	(33,040)	(237,573)	-	-
Total retained earnings	401,263	1,701,520	8,410	(79)

List of Material Properties

As at 31 December 2011

Location / Address	Land area (acres) / Built up area (sq ft)	Description / Existing Use	Age of Building (Years)	Tenure	Net Book Value as at 31.12.2011 RM'000	Date of Acquisition (A) / Revaluation (R)
Lot No. 62222,62228,62631 "Lot No. 62634-62635,62637-62640,62646,62649,62651, 62656 62654,62658,62661,62663" PT885, HS(D) 222682 (amalgamate with Lot No. 62640) PT887, HS(D) 222684 (amalgamate with Lot No. 62663) Bandar Sunway Selangor Darul Ehsan	89	Land under development and held for development	-	Leasehold expiring 05.07.2104, 02. 04.2106, 15.05.2106	273,025	A: Apr 2004, Nov 2005, Mar 2006
Xin Gou Village, Xia Gang, Jiangyin City, Jiangsu Province, China Land Registration (2010) No. 6676 No: 006990090048	17	Land under development	-	Land use right Residential 25.1.2078 Commercial 25.1.2048	256,221	A: Jun 2008
PT894 HSD(T) 238253 PT907 HSD(T) 238960 Bandar Sunway Selangor Darul Ehsan	12 / 762,558	Monash University Campus	5	Leasehold expiring 02.04.2106 & 15.05.2106	205,000	R: Dec 2011
PN 81534 Lot 62644 PT 895 HS(D) 238254 Bandar Sunway Selangor Darul Ehsan	8 / 623,010	Sunway Monash-U Residences	1	Leasehold expiring 15.5.2106 & 2.4.2106	200,000	R: Dec 2011
PN 12550, Lot 45 (formerly known as PT37 HS(D) 118341) PN 12549, Lot 3816 (formerly known as PT 1489 HS(D) 118318) Bandar Sunway Selangor Darul Ehsan	4 / 755,940	Sunway Medical Centre	12	Leasehold expiring 01.04.2097	160,505	A: 1986 (Land) 1999 (Phase 1 building) Nov 2009 (Phase 2 building)
PT28 HS(D) 118332 PT1904 HS(D) 118325 Bandar Sunway Selangor Darul Ehsan	12 / 704,577	Sunway University Campus	18	Leasehold expiring 01.04.2097	160,000	R: Dec 2011
PTD 64070-64099, 64105, 64198-64323, 64325, 64342- 64513, 64515, 64517- 64592, Mukim Plentong Daerah Johor Bahru Negeri Johor	65	Land held for development	-	Freehold	134,528	A: May 2011

List of Material Properties

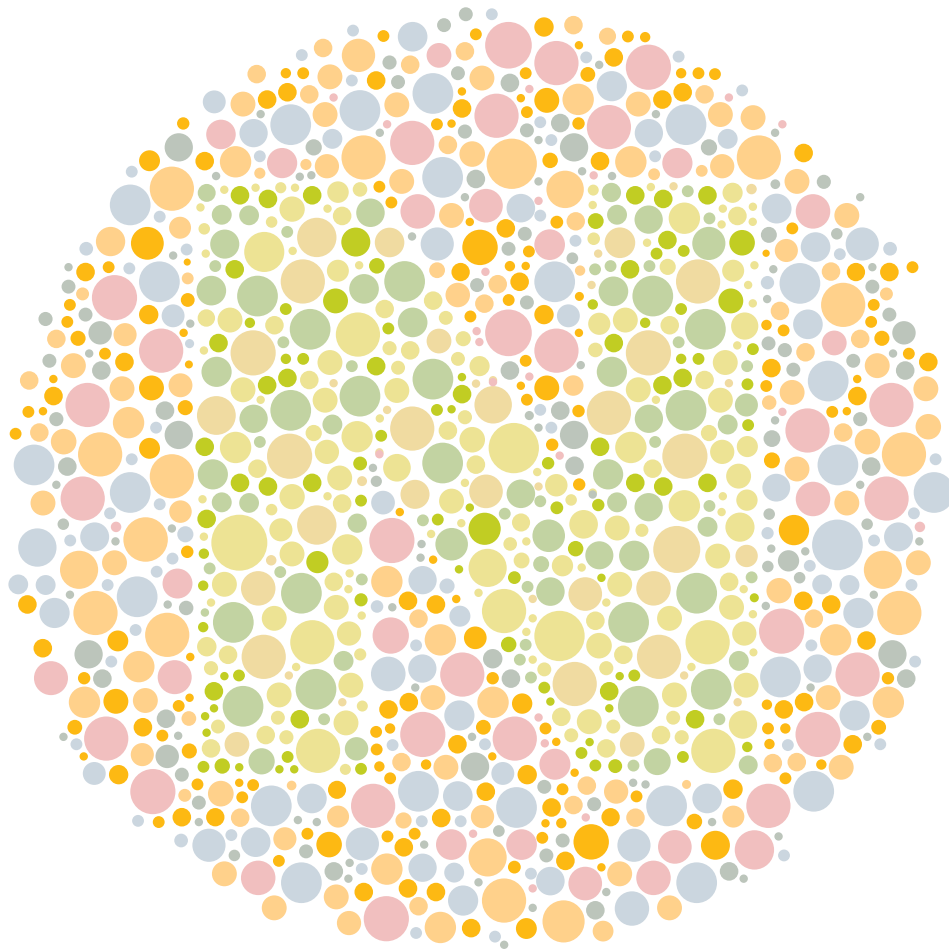
As at 31 December 2011

Location / Address	Land area (acres) / Built up area (sq ft)	Description / Existing Use	Age of Building (Years)	Tenure	Net Book Value as at 31.12.2011 RM'000	Date of Acquisition (A) / Revaluation (R)
PT 6595 HS (D) 103603 PT 6594 HS (D) 103602 in Mukim of Kuala Lumpur	8	Land under development	-	Freehold	131,912	A: Nov 2001
Lot No 18336 No Hakmilik 92673 Lot No 7144 No Hakmilik 92621 PT 1696-97 HS (D) 39673-74 PT 4023 HS (D) 28648 PT 22324 HS (D) 121725 MK Semenyih, Daerah Ulu Langat Selangor Darul Ehsan	512	Land under development and held for development	-	Freehold	123,933	A: Aug 1996, Jun 2000
PN 89791 Lot 54662 PT 947 HS (D) 231954 PT 371-376 HS (D) 145186-145191 PT 876 HS (D) 231883 PT 958 HS (D) 231965 MK Sungei Buloh Daerah Petaling Selangor Darul Ehsan	41	Land under development and held for development	-	Leasehold expiring 22.11.2100	97,593	A: Jun 1995, Nov 2003

Note: The list of properties above shows the particulars of the top 10 properties in terms of highest net book value as at the end of the financial year.



*The latest addition to Sunway's list of properties,
Sunway Monash University Residence at Bandar Sunway*



NEXUS
of fresh opportunities

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Analysis of Shareholdings

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Analysis of Warrantholdings

Directors' Interests in Shares and Warrants

As at 30 April 2012

DIRECTORS' INTERESTS IN SUNWAY

Direct Interest	Ordinary Shares of RM1.00 each	
	No.	%
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	54,363,105	4.21
Datuk Seri Razman M Hashim	792,032	0.06
Dato' Chew Chee Kin	2,402,619	0.19
Sarena Cheah Yean Tih	432,956	0.03
Wong Chin Mun	59,428	0.01
Deemed Interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO ¹	567,121,114	43.88
Sarena Cheah Yean Tih ²	620,951,237	48.04
Datuk Low Seng Kuan ³	37,170	#

Direct Interest	Warrants 2011/2016	
	No.	%
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	9,940,556	3.85
Datuk Seri Razman M Hashim	120,405	0.05
Dato' Chew Chee Kin	480,523	0.19
Sarena Cheah Yean Tih	86,590	0.03
Datuk Low Seng Kuan	7,433	#
Wong Chin Mun	11,885	0.01
Deemed Interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO ⁴	113,431,172	43.88
Sarena Cheah Yean Tih ⁵	123,265,133	47.68
Datuk Low Seng Kuan ³	7,433	#

By virtue of Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling's and Sarena Cheah Yean Tih's substantial interests in Sunway, they are deemed to have interest in the shares of all the subsidiaries to the extent Sunway has an interest.

NOTES:

- 1 Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Builder Sdn Bhd, Jef-San Enterprise Sdn Bhd, Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Sunway Holdings Sdn Bhd, Sunway City Sdn Bhd and children.
 - 2 Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Builder Sdn Bhd, Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Sunway Holdings Sdn Bhd, Sunway City Sdn Bhd, spouse and parents.
 - 3 Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through spouse and child.
 - 4 Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Jef-San Enterprise Sdn Bhd, Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Sunway Holdings Sdn Bhd, Sunway City Sdn Bhd and children.
 - 5 Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Sunway Holdings Sdn Bhd, Sunway City Sdn Bhd, spouse and parents.
- # Negligible.

**DIRECTOR'S INTERESTS IN SUNWAY'S SUBSIDIARY
SUNWAY GLOBAL LIMITED**

Ordinary Shares of HK\$1.00 each		
Direct Interest	No.	%
Dato' Chew Chee Kin	869,684	0.31
Options over Ordinary Shares of HK\$1.00 each		
Direct Interest	No.	
Dato' Chew Chee Kin	14,215,770	

Analysis of Shareholdings

As at 30 April 2012

Authorised Share Capital	-	RM10,000,000,000
Issued and Paid-up Share Capital	-	RM1,292,505,004
Class of Shares	-	Ordinary Shares of RM1.00 each
Voting Rights	-	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
Less than 100	940	6.30	30,218	0.00
100 - 1,000	3,334	22.32	2,309,263	0.18
1,001 - 10,000	8,605	57.61	28,789,064	2.23
10,001 - 100,000	1,733	11.60	47,576,282	3.68
100,001 - 64,625,249 (Less than 5% of issued shares)	322	2.16	540,583,222	41.82
64,625,250 (5%) and above	2	0.01	673,216,955	52.09
	14,936	100.00	1,292,505,004	100.00

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

Name of Shareholders	No. of Shares	%
1 Sungei Way Corporation Sdn Bhd	515,216,956	39.86
2 Cartaban Nominees (Asing) Sdn Bhd - Government of Singapore Investment Corporation Pte Ltd for Government of Singapore (C)	157,999,999	12.22
3 Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	50,361,424	3.90
4 Oh Kim Sun	48,715,387	3.77
5 Dato' Lim Say Chong	47,907,958	3.71
6 Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	30,210,674	2.34
7 Oriental Dragon Enterprises Inc.	29,938,045	2.32
8 Jef-San Enterprise Sdn Bhd	23,024,379	1.78
9 Lim Suan	21,951,814	1.70
10 Teng Yew Huat	18,119,362	1.40
11 HSBC Nominees (Asing) Sdn Bhd - Exempt AN for JP Morgan Chase Bank, National Association (Norges Bk Lend)	15,963,557	1.24
12 Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Nomura)	13,082,542	1.01
13 HSBC Nominees (Asing) Sdn Bhd - Exempt AN for JP Morgan Bank Luxembourg S.A.	12,234,072	0.95
14 Active Builder Sdn Bhd	12,000,000	0.93
15 Teng Yew Huat	9,654,848	0.75
16 Amanahraya Trustees Berhad - Public Islamic Select Treasures Fund	8,467,485	0.66
17 Citigroup Nominees (Asing) Sdn Bhd - CBNY for Dimensional Emerging Markets Value Fund	8,333,745	0.64
18 Active Equity Sdn Bhd	6,960,118	0.54
19 Citigroup Nominees (Tempatan) Sdn Bhd - Exempt AN for Eastspring Investments Berhad	6,475,165	0.50

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS (contd.)

	Name of Shareholders	No. of Shares	%
20	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (KIB)	5,721,100	0.44
21	Amanahraya Trustees Berhad - Amanah Saham Wawasan 2020	5,345,091	0.41
22	HSBC Nominees (Tempatan) Sdn Bhd - Sungei Way Corporation Sdn Bhd	4,685,713	0.36
23	CIMB Group Nominees (Tempatan) Sdn Bhd - AmTrustee Berhad for CIMB Islamic Dali Equity Theme Fund	3,919,300	0.30
24	Sungei Way Corporation Sdn Bhd	3,766,028	0.29
25	Citigroup Nominees (Tempatan) Sdn Bhd - ING Insurance Berhad (INV-IL Par)	3,302,900	0.26
26	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Singular Asia Flexible Fund	3,086,594	0.24
27	Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	2,745,527	0.21
28	Amanahraya Trustees Berhad - Public Islamic Opportunities Fund	2,676,365	0.21
29	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (F Templeton)	2,672,128	0.21
30	Tokio Marine Life Insurance Malaysia Bhd	2,657,142	0.21

SUBSTANTIAL SHAREHOLDERS

	Name of Shareholders	No. of Shares	%
1	Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO • Direct interest	54,363,105	4.21
	• Deemed interest ^a	567,121,114	43.88
2	Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng • Deemed interest ^b	621,484,219	48.08
3	Sarena Cheah Yean Tih • Direct interest	432,956	0.03
	• Deemed interest ^c	620,951,237	48.04
4	Evan Cheah Yean Shin • Direct interest	100,768	0.01
	• Deemed interest ^d	620,950,495	48.04
5	Sungei Way Corporation Sdn Bhd • Direct interest	524,593,963	40.59
	• Deemed interest ^e	8,930	*
6	Active Equity Sdn Bhd • Direct interest	6,960,118	0.54
	• Deemed interest ^f	524,602,893	40.59
7	Government of Singapore Investment Corporation Pte Ltd for Government of Singapore	157,999,999	12.22

NOTES:

- a Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Builder Sdn Bhd, Jef-San Enterprise Sdn Bhd, Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Sunway Holdings Sdn Bhd, Sunway City Sdn Bhd and children.
- b Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Jef-San Enterprise Sdn Bhd, Sungei Way Corporation Sdn Bhd, Sunway Holdings Sdn Bhd, Sunway City Sdn Bhd, spouse and children.
- c Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Builder Sdn Bhd, Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Sunway Holdings Sdn Bhd, Sunway City Sdn Bhd, spouse and parents.
- d Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Sunway Holdings Sdn Bhd, Sunway City Sdn Bhd and parents.
- e Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Sunway Holdings Sdn Bhd and Sunway City Sdn Bhd.
- f Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Sungei Way Corporation Sdn Bhd, Sunway Holdings Sdn Bhd and Sunway City Sdn Bhd.
- * Negligible.

Analysis of Warrantholdings

As at 30 April 2012

DISTRIBUTION OF WARRANTHOLDINGS

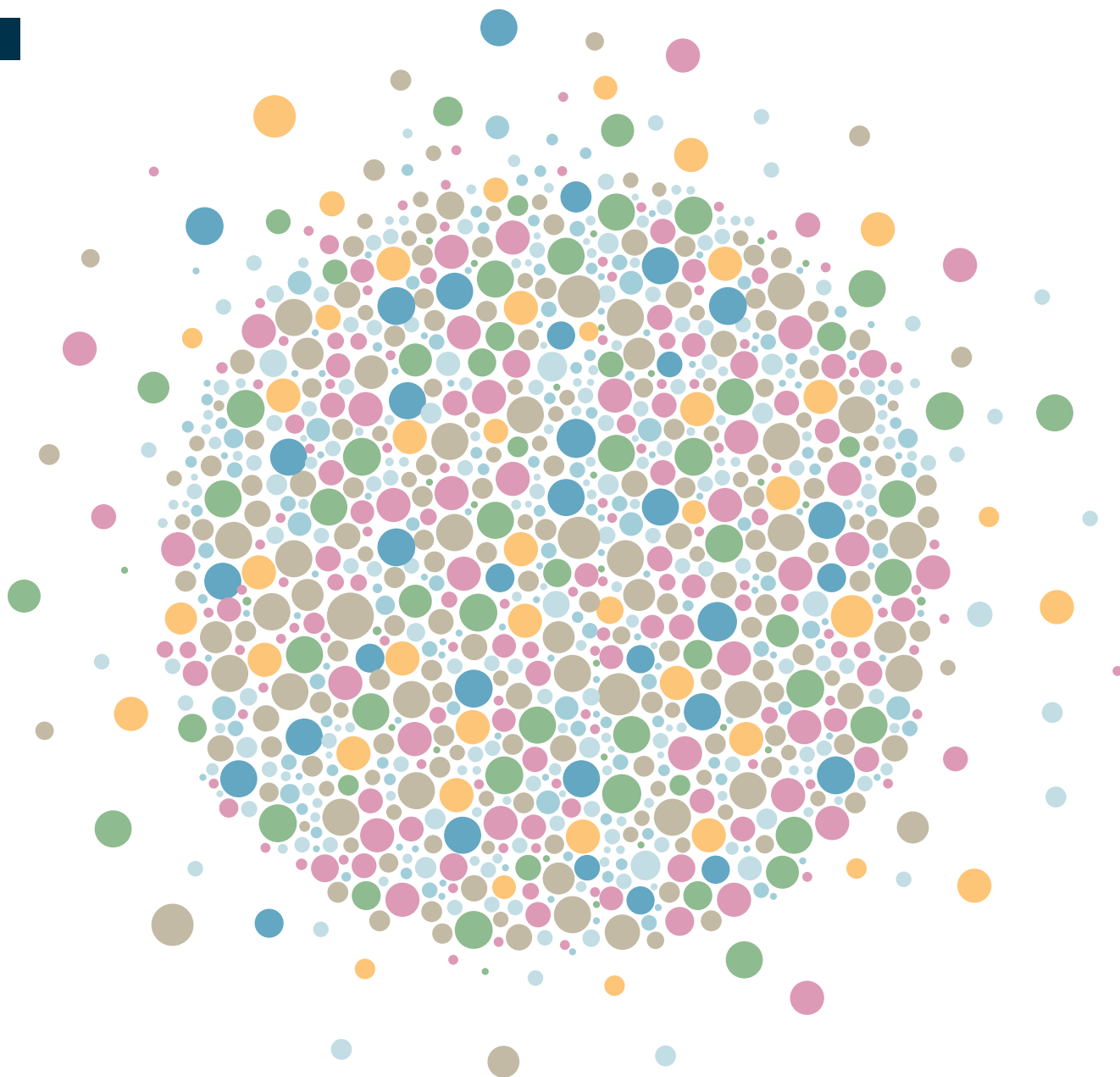
Size of Warrantholdings	No. of Warrantholders	% of Warrantholders	No. of Warrants Held	% of Warrantholdings
Less than 100	1,246	9.17	37,391	0.01
100 - 1,000	8,826	64.93	3,233,141	1.25
1,001 - 10,000	2,781	20.46	8,591,340	3.32
10,001 - 100,000	613	4.51	19,185,086	7.42
100,001 - 12,330,550 (Less than 5% of warrants in issue)	125	0.92	90,410,656	34.98
12,330,551 (5%) and above	2	0.01	137,043,386	53.02
	13,593	100.00	258,501,000	100.00

THIRTY LARGEST WARRANTHOLDERS AS PER RECORD OF DEPOSITORS

Name of Warrantholders	No. of Warrants	%
1 Sungei Way Corporation Sdn Bhd	105,443,387	40.79
2 Cartaban Nominees (Asing) Sdn Bhd - Government of Singapore Investment Corporation Pte Ltd for Government of Singapore (C)	31,599,999	12.22
3 Oh Kim Sun	9,743,077	3.77
4 Dato' Lim Say Chong	9,581,590	3.71
5 Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	9,140,224	3.54
6 Oriental Dragon Enterprises Inc.	5,882,088	2.28
7 Jef-San Enterprise Sdn Bhd	4,604,875	1.78
8 Teng Yew Huat	3,623,868	1.40
9 Teng Yew Huat	3,430,968	1.33
10 HSBC Nominees (Asing) Sdn Bhd - Exempt AN for JP Morgan Bank Luxembourg S.A.	2,982,653	1.15
11 Lim Suan	2,890,362	1.12
12 Lim Peck Hoon	1,512,987	0.59
13 Maybank Securities Nominees (Asing) Sdn Bhd - Kim Eng Securities Pte Ltd for Chumpon Chantharakulpongsa	1,500,000	0.58
14 Citigroup Nominees (Tempatan) Sdn Bhd - Exempt AN for Eastspring Investments Berhad	1,482,513	0.57
15 Active Equity Sdn Bhd	1,392,023	0.54
16 Tee See Kim	1,240,011	0.48
17 Maybank Nominees (Tempatan) Sdn Bhd - Beh Chan Pin	1,100,014	0.43
18 Amanahraya Trustees Berhad - Amanah Saham Wawasan 2020	1,069,018	0.41

THIRTY LARGEST WARRANTHOLDERS AS PER RECORD OF DEPOSITORS (contd.)

	Name of Warrantholders	No. of Warrants	%
19	HSBC Nominees (Tempatan) Sdn Bhd - Sungei Way Corporation Sdn Bhd	937,141	0.36
20	Wong Ten Yong	931,500	0.36
21	Lee Chee Wai	883,178	0.34
22	Ngan Teng Han	829,548	0.32
23	Cartaban Nominees (Asing) Sdn Bhd - BBH (Lux) SCA for Fidelity Funds Malaysia	816,830	0.32
24	Sungei Way Corporation Sdn Bhd	753,204	0.29
25	Amanahraya Trustees Berhad - Sekim Amanah Saham Nasional	742,857	0.29
26	Maybank Securities Nominees (Tempatan) Sdn Bhd - Woo Voon Hou	704,000	0.27
27	Maybank Securities Nominees (Tempatan) Sdn Bhd - Tan Lam An (Margin)	700,000	0.27
28	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Singular Asia Flexible Fund	617,318	0.24
29	Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	549,104	0.21
30	RHB Capital Nominees (Tempatan) Sdn Bhd - Gan Wan Koon	534,400	0.21



Passion unites us and as one,
we are dedicated
to lead with passion.

ANNUAL GENERAL MEETING

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Notice of 2nd Annual
General Meeting

Proxy Form

Notice of 2nd Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 2nd Annual General Meeting of SUNWAY BERHAD (921551-D) will be held at Lagoon 2, Level 15, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan on Thursday, 28 June 2012 at 3.30 p.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2011 together with the Directors' and Auditors' Reports thereon. (Ordinary Resolution 1)
2. To approve the payment of Directors' fees amounting to RM162,741 for the financial year ended 31 December 2011. (Ordinary Resolution 2)
3. To re-elect the following Directors:-
 - 3.1 Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling retires by rotation pursuant to Article 107 of the Company's Articles of Association and being eligible, offers himself for re-election. (Ordinary Resolution 3)
 - 3.2 Lim Swe Guan retires by rotation pursuant to Article 107 of the Company's Articles of Association and being eligible, offers himself for re-election. (Ordinary Resolution 4)
4. To consider and if thought fit, to pass the following resolution in accordance with Section 129 of the Companies Act, 1965:-

 "THAT pursuant to Section 129 of the Companies Act, 1965, Datuk Seri Razman M Hashim who is over the age of 70 years, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company." (Ordinary Resolution 5)
5. To re-appoint Messrs Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. (Ordinary Resolution 6)

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Resolutions:-

6. ORDINARY RESOLUTION:

Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965

"THAT subject always to the Companies Act, 1965, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company's Articles of Association and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued share capital of the Company for the time being and THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

(Ordinary Resolution 7)

7. **ORDINARY RESOLUTION:**

Proposed Shareholders' Ratification and Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

"THAT all the recurrent related party transactions entered into by the Company and/or its subsidiaries from 23 August 2011, being the date of listing of the Company until the date of this 2nd Annual General Meeting ("AGM") as set out in Section 2D of the Circular to Shareholders dated 6 June 2012 which were necessary for the day-to-day operations and carried out in the ordinary course of business on terms not more favourable to the related parties than those generally available to the public and were not detrimental to the minority shareholders of the Company, be and are hereby approved and ratified.

THAT approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions from time to time, which are necessary for the day-to-day operations as set out in Section 2D of the Circular to Shareholders dated 6 June 2012 which are of a revenue or trading nature and carried out in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company, subject to the compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Companies Act, 1965 ("the Act"), the Company's Memorandum and Articles of Association and all other applicable laws, guidelines, rules and regulations.

THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company at which time the mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

(Ordinary Resolution 8)

Notice of 2nd Annual General Meeting

8. ORDINARY RESOLUTION:

Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature involving the interest of the Government of Singapore Investment Corporation Pte Ltd Group

"THAT approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions from time to time with the Government of Singapore Investment Corporation Pte Ltd Group, which are necessary for the day-to-day operations as set out in Section 2D of the Circular to Shareholders dated 6 June 2012 which are of a revenue or trading nature and carried out in the ordinary course of business and are on terms not more favourable to the Government of Singapore Investment Corporation Pte Ltd Group than those generally available to the public and are not detrimental to the minority shareholders of the Company, subject to the compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Companies Act, 1965 ("the Act"), the Company's Memorandum and Articles of Association and all other applicable laws, guidelines, rules and regulations.

THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

(Ordinary Resolution 9)

9. ORDINARY RESOLUTION:

Proposed Authority for the Purchase of Own Shares by the Company

"THAT subject to the Companies Act, 1965 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, the Company be and is hereby authorised to purchase such amount of ordinary shares of RM1.00 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company PROVIDED THAT:-

- (a) the aggregate number of ordinary shares of RM1.00 each in the Company ("Sunway Shares") which may be purchased and/or held by the Company shall not exceed 10% of the issued and paid-up share capital of the Company at any point of time, subject to a restriction that the issued and paid-up share capital of the Company does not fall below the applicable minimum share capital requirements of the Main Market Listing Requirements of Bursa Securities;

- (b) the maximum funds to be allocated by the Company for the purpose of purchasing the Sunway Shares shall not exceed the Company's audited retained profits and/or share premium account at any point of time;
- (c) the authority conferred by this resolution will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:-
 - (i) the conclusion of the next Annual General Meeting ("AGM") at which time it shall lapse unless by Ordinary Resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
 - (iii) revoked or varied by Ordinary Resolution passed by the shareholders of the Company in a general meeting,
 whichever occurs first; and
- (d) upon completion of the purchase(s) of the Sunway Shares by the Company, the Directors of the Company be and are hereby authorised to cancel the Sunway Shares so purchased or to retain the Sunway Shares so purchased as treasury shares (of which may be distributed as dividends to shareholders and/or resold on Bursa Securities and/or subsequently cancelled), or to retain part of the Sunway Shares so purchased as treasury shares and cancel the remainder and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the Main Market Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the purchase(s) of the Sunway Shares with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company."

(Ordinary Resolution 10)

10. SPECIAL RESOLUTION:

Proposed Amendments to the Company's Articles of Association

"THAT the proposed amendments, modifications, additions and deletions to the Company's Articles of Association as set out below be and are hereby approved:-

ARTICLE NO.	EXISTING PROVISIONS	PROPOSED AMENDMENTS
Article 2	Definition <u>WORDS</u> Authorised Nominee <u>MEANINGS</u> A person who is an authorised nominee as defined under the Rules.	Definition <u>WORDS</u> Deleted <u>MEANINGS</u> Deleted

Notice of 2nd Annual General Meeting

ARTICLE NO.	EXISTING PROVISIONS	PROPOSED AMENDMENTS
Article 83	<p>Right to appoint proxy</p> <p>Subject to Article 67, a Member shall be entitled to be present and to vote on any question either personally or by proxy, at any general meeting, on a show of hands or upon a poll and to be reckoned in a quorum in respect of any fully paid-up shares and of any shares upon which calls due and payable to the Company shall have been paid. No Member shall be entitled to vote or be recognised in a quorum in respect of any shares upon which any call or other sum so due and payable shall be unpaid. A proxy may but need not be a Member and if not a Member need not be a qualified legal practitioner, an approved company auditor or a person approved by the Registrar of Companies.</p>	<p>Appointment of proxy and qualification and rights of proxy</p> <p>(1) Subject to Article 67, a Member shall be entitled to be present and to vote on any question either personally or by proxy, at any general meeting, on a show of hands or upon a poll and to be reckoned in a quorum in respect of any fully paid-up shares and of any shares upon which calls due and payable to the Company shall have been paid. No Member shall be entitled to vote or be recognised in a quorum in respect of any shares upon which any call or other sum so due and payable shall be unpaid.</p> <p>(2) A Member who is entitled to attend and vote at a general meeting of the Company, or at a meeting of any class of Members, may appoint not more than two (2) proxies to attend and vote instead of the Member at the meeting.</p> <p>(3) A proxy need not be a Member. There shall be no restriction as to the qualification of the proxy and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.</p> <p>(4) A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.</p> <p>(5) If a Member has appointed a proxy to attend a meeting and subsequently he attends such meeting in person, the appointment of such proxy shall be null and void, and his proxy shall not be entitled to attend the said meeting.</p>

ARTICLE NO.	EXISTING PROVISIONS	PROPOSED AMENDMENTS
Article 84	<p>Authorised Nominee</p> <p>Where a Member is an Authorised Nominee, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.</p>	<p>Authorised nominee and exempt authorised nominee</p> <p>(1) Where a Member is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.</p> <p>(2) Where a Member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.</p> <p>An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act, which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.</p> <p>(3) Where a Member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.</p> <p>(4) An exempt authorised nominee which intends to appoint multiple proxies, must submit separate instruments of proxy.</p>

Notice of 2nd Annual General Meeting

ARTICLE NO.	EXISTING PROVISIONS	PROPOSED AMENDMENTS
Article 76	<p>Poll to be taken as Chairman shall direct</p> <p>If a poll is duly demanded in the manner aforesaid, it shall be taken at such time and place and in such manner as the chairman shall direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.</p>	<p>Poll to be taken as Chairman shall direct</p> <p>If a poll is duly demanded in the manner aforesaid, it shall be taken at such time and place and in such manner as the chairman shall direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The poll may be carried out either by using polling forms or by way of electronic polling at the discretion of the Chairman. The electronic polling shall be carried out in such manner that the Board of Directors has approved prior to the general meeting, where such procedures will ensure the integrity of the vote. Any vote cast by way of electronic polling shall be deemed to constitute a vote by the Members (or their proxies) for all purposes of these Articles.</p>

THAT the Directors and Secretary be and are hereby authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the proposed amendments of the Company's Articles of Association."

(Special Resolution 1)

By Order of the Board

TAN KIM AUN (MAICSA 7002988)
LEE SUAN CHOO (MAICSA 7017562)
 Company Secretaries

Petaling Jaya
 6 June 2012

NOTES:

1. A member of the Company who is entitled to attend and vote at a general meeting of the Company, or at a meeting of any class of members, may appoint not more than 2 proxies to attend and vote instead of the member at the meeting.
2. A proxy need not be a member. There shall be no restriction as to the qualification of the proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
3. If a member has appointed a proxy to attend a meeting and subsequently he attends such meeting in person, the appointment of such proxy shall be null and void, and his proxy shall not be entitled to attend the said meeting.
4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. Where a member or the authorised nominee appoints 2 proxies, or where an exempt authorised nominee appoints 2 or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
7. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if such appointer is a corporation, either under its common seal or the hand of its officer or attorney duly authorised.

8. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof, either by hand, post, electronic mail or fax to (603) 5639 9507. In the case where the member is a corporation and the proxy form is delivered by fax or electronic mail, the original proxy form shall also be deposited at the Registered Office, either by hand or post not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
9. In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 June 2012, shall be entitled to attend, speak and vote at the general meeting.

EXPLANATORY NOTES ON SPECIAL BUSINESS:

1. Ordinary Resolution 7 - Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965

The Company is always on the look out for investment opportunities to enhance the earnings potential of the Company. If any investment opportunities involve the issue of new shares, the Directors, under present circumstances, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the issued capital.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be empowered to issue new shares in the Company, up to an amount not exceeding in total 10% of the issued share capital of the Company at any time, for such purpose. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

This is a new mandate which will provide flexibility to the Company for any potential fund raising activities, including but not limited to placement of shares, for purpose of funding future investments, working capital and/or any acquisition.

2. Ordinary Resolutions 8 and 9 - Proposed Shareholders' Ratification and Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The details on the proposed shareholders' ratification and shareholders' mandate for recurrent related party transactions of a revenue or trading nature are set out in the Circular to Shareholders dated 6 June 2012.

3. Ordinary Resolution 10 - Proposed Authority for the Purchase of Own Shares by the Company

The details on the proposed authority for the purchase of own shares by the Company are set out in the Circular to Shareholders dated 6 June 2012.

4. Special Resolution 1 - Proposed Amendments to the Company's Articles of Association

The proposed Special Resolution 1 is to render the Company's Articles of Association consistent with the recent amendments made to Chapter 7 (Articles of Association) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, as well as to enhance administrative efficiency.

PROXY FORM

2nd Annual General Meeting



SUNWAY BERHAD (921551-D)
(Incorporated in Malaysia)
Registered Office:
Level 16, Menara Sunway, Jalan Lagoon Timur
Bandar Sunway, 46150 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : (603) 5639 8889 / 5639 8848
Fax: (603) 5639 9507

Number of share(s) held	
CDS Account No.	

*I/We (Full Name) *NRIC No./Passport No./Company No.

Tel./Mobile No of

being a member of SUNWAY BERHAD and entitled to vote hereby appoint:-

1ST PROXY 'A'

Full Name	Tel./Mobile No.	Proportion of shareholdings represented	
Address	NRIC No./Passport No.	No. of Shares	%

and/or failing *him/her,

2ND PROXY 'B'

Full Name	Tel./Mobile No.	Proportion of shareholdings represented	
Address	NRIC No./Passport No.	No. of Shares	%

100%

or failing *him/her, the Chairman of the Meeting as *my/our proxy to attend and vote for *me/us on *my/our behalf at the 2nd Annual General Meeting of the Company to be held at Lagoon 2, Level 15, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan on Thursday, 28 June 2012 at 3.30 p.m. and at any adjournment thereof.

In the case of a vote taken by a show of hands, *1st Proxy 'A' / *2nd Proxy 'B' (one only) shall vote on *my/our behalf.

* Strike out whichever not applicable

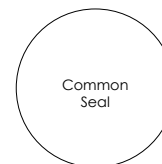
My/our proxy/proxies shall vote as follows:-

Please indicate with an "X" in the space below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting on the resolutions at his/their discretion.

NO.	ORDINARY RESOLUTIONS	1 ST PROXY 'A'		2 ND PROXY 'B'	
		FOR	AGAINST	FOR	AGAINST
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2011 together with the Directors' and Auditors' Reports thereon				
2.	To approve the payment of Directors' fees				
3.	To re-elect Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling as Director				
4.	To re-elect Lim Swe Guan as Director				
5.	To approve the re-appointment of Datuk Seri Razman M Hashim as Director				
6.	To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration				
7.	To authorise the issue of shares pursuant to Section 132D of the Companies Act, 1965				
8.	To approve the Proposed Shareholders' Ratification and Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature				
9.	To approve the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature involving the interest of the Government of Singapore Investment Corporation Pte Ltd Group				
10.	To authorise the purchase of own shares by the Company				
	SPECIAL RESOLUTION				
1.	To approve the Proposed Amendments to the Company's Articles of Association				

Dated this day of 2012

Signature of Member



NOTES:

- A member of the Company who is entitled to attend and vote at a general meeting of the Company, or at a meeting of any class of members, may appoint not more than 2 proxies to attend and vote instead of the member at the meeting.
- A proxy need not be a member. There shall be no restriction as to the qualification of the proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- If a member has appointed a proxy to attend a meeting and subsequently he attends such meeting in person, the appointment of such proxy shall be null and void, and his proxy shall not be entitled to attend the said meeting.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- Where a member or the authorised nominee appoints 2 proxies, or where an exempt authorised nominee appoints 2 or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if such appointer is a corporation, either under its common seal or the hand of its officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof, either by hand, post, electronic mail or fax to (603) 5639 9507. In the case where the member is a corporation and the proxy form is delivered by fax or electronic mail, the original proxy form shall also be deposited at the Registered Office, either by hand or post not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 June 2012, shall be entitled to attend, speak and vote at the general meeting.

PLEASE FOLD HERE

STAMP

THE COMPANY SECRETARY
SUNWAY BERHAD (921551-D)
LEVEL 16, MENARA SUNWAY
JALAN LAGOON TIMUR
BANDAR SUNWAY
46150 PETALING JAYA
SELANGOR DARUL EHSAN
MALAYSIA

PLEASE FOLD HERE

CORPORATE DIRECTORY

HEAD OFFICE

MENARA SUNWAY

Jalan Lagoon Timur, Bandar Sunway,
46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia

INVESTMENT HOLDING

SUNWAY BERHAD*

(921551-D)

SUNWAY CITY SDN BHD*

(87544-X)

SUNWAY HOLDINGS SDN BHD*

(37465-A)

Head Office:

Level 16, Tel: (603) 5639 8888 Fax: (603) 5639 9507

INTEGRATED PROPERTIES DIVISION

PROPERTY DEVELOPMENT & INVESTMENT

SUNWAY INTEGRATED PROPERTIES SDN BHD*

(112537-P)

Head Office:

Level 1-3 & 5, Menara Sunway, Jalan Lagoon Timur,
Bandar Sunway, 46150 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
Tel: (603) 5639 8888 Fax: (603) 5639 9992
Website: www.sunwayproperty.com

SUNWAY VELOCITY

Sales Gallery:

Batu ¼, Jalan Cheras, 55100 Kuala Lumpur, Malaysia
Tel: (603) 9205 5500 Email: sunwayvelocity@sunway.com.my

SUNWAY SOUTH QUAY SDN BHD*

(636596-T)

Sales Gallery and Show House:

Jalan Tasik Selatan, Sunway South Quay,
Bandar Sunway, 46150 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
Tel: (603) 5638 1000 Fax: (603) 5638 5000
Email: southquay@sunway.com.my
Website: www.sunwayproperty.com

SUNWAY D'MONT KIARA SDN BHD*

(559638-V)

Property Management Office:

Sunway Kiara Hills, Jalan 32/70A, Taman Sri Hartamas,
50480 Kuala Lumpur, Malaysia
Tel: (603) 6203 6569 Fax: (603) 6203 6569

SUNWAY VIVALDI

Sales Office:

Jalan 19/70A, Taman Sri Hartamas,
50480 Kuala Lumpur, Malaysia
Tel: (603) 6203 0888 Email: vivaldi@sunway.com.my
Website: www.sunwayvivaldi.com

SUNWAY DAMANSARA SDN BHD*

(179182-V)

Sales Office:

No. 2, Jalan PUJ 5/1A, Dataran Sunway, Kota Damansara,
47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Tel: (603) 6141 6888 Fax: (603) 6141 6262
Email: damansara@sunway.com.my

SUNWAY SEMENYIH SDN BHD

(395056-T)

Sunway Semenyih Resort Club, Jalan Sunway 2,
Bandar Sunway Semenyih, 43500 Semenyih,
Selangor Darul Ehsan, Malaysia
Tel: (603) 8723 3131 Fax: (603) 8723 3030
Email: semenyih@sunway.com.my

SUNWAY MONTEREZ SDN BHD*

(531944-H)

SUNWAY ALAM SURIA

Sales Office and Show House:

No. 3, Jalan Pulau Angsa U10/1H,
Sunway Alam Suria, Seksyen U10, 40170 Shah Alam,
Selangor Darul Ehsan, Malaysia
Tel: (603) 7845 5637 Fax: (603) 7845 4637
Email: kayangan@sunway.com, suria@sunway.com.my

SUNWAY MELAWATI SDN BHD*

(606358-V)

Sales Gallery:

57-1 (1st Floor), Jalan Melati Utama 4, Taman Melati Utama,
Setapak, 53200 Kuala Lumpur, Malaysia
Tel: (603) 4108 8822 Fax: (603) 4108 8829
Email: enquiry@sunway.com.my

SUNWAY SPK HOMES SDN BHD*

(583958-P)

The Property Gallery, Lobby Level, Menara Sunway,
Jalan Lagoon Timur, Bandar Sunway,
46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
Tel: (603) 5639 9000 Fax: (603) 5639 9955
Email: spkhomes@sunway.com.my

SUNWAY CITY (IPOH) SDN BHD

(219749-W)

PELUANG KLASIK (M) SDN BHD

(354479-V)

KELUA SUNWAY RESORT SDN BHD

(359940-X)

No. 52, Jalan SCI 1/3, Dataran Sunway,
Sunway City Ipoh,
31150 Ipoh, Perak Darul Ridzuan, Malaysia
Tel: (605) 548 6668 (Sales), (605) 548 1998 (Project)
Fax: (605) 548 6868
Email: suncityipoh@sunway.com.my

SUNWAY TUNAS SDN BHD

(334419-X)

SUNWAY GRAND SDN BHD

(66715-X)

SUNWAY BUKIT GAMBIEER SDN BHD

(616416-W)

SUNWAY CITY (PENANG) SDN BHD

(1411336-U)

SUNWAY BINTANG SDN BHD

(238575-M)

Sales Office:

No. 1, Persiaran Mahsuri 1/3, Sunway Tunas,

11900 Bayan Lepas, Penang, Malaysia

Tel: (604) 643 9898 Fax: (604) 644 1313

Email: suncitypenang@sunway.com.my

SHAHAWAN (M) SDN BHD*

(454336-K)

Level 16, Tel: (603) 5639 8889 Fax: (603) 5639 9507

SUNWAYMAS SDN BHD*

(130027-K)

Head Office:

Level 5, Menara Sunway, Jalan Lagoon Timur,
Bandar Sunway, 46150 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
Tel: (603) 5639 8289 Fax: (603) 5639 9552
Email: sunwaymaseng@sunway.com.my,
sunwaymaseng@sunway.com.my

Website: www.sunwayproperty.com

SUNWAY BANGI SDN BHD*

(215920-W)

Sales Gallery:

A-3A/G, Paragon Point, Jalan Medan PB5 Sek 9, Pusat Bandar,
43650 Bandar Baru Bangi, Selangor Darul Ehsan, Malaysia
Tel: (603) 8925 3998 Fax: (603) 8925 7998
Hotline: 1800-222-988

SUNWAY RYDGEWAY SDN BHD

(771561-H)

Sales Gallery:

Off Jalan K 5, Taman Melawati, 53100 Kuala Lumpur, Malaysia
Tel: (603) 4147 5722 Hotline: 1800-222-988

SUNWAY EASTWOOD SDN BHD

(795327-T)

(Formerly known as Analisa Kekal Sdn Bhd)

Sales Gallery:

No. 39, Jalan BPP 8/1, Pusat Bandar Putra Permai,
43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia
Hotline: 1800-222-988

SUNWAY PJ51A SDN BHD

(120048-A)

SUNWAY TERMUNING SDN BHD*

(649129-D)

SUNWAY RAWANG HEIGHTS SDN BHD*

(157051-K)

SUNWAY KANCHING HEIGHTS SDN BHD*

(76395-P)

PEMBANGUNAN RISJAYA SDN BHD*

(258922-A)

MUJIRMAS SDN BHD*

(206849-D)

EAGLEFIELD SDN BHD*

(187153-V)

Level 5, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway,
46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Tel: (603) 5639 8289 Fax: (603) 5639 9552

CHINA:

SUNWAY GUANGHAO REAL ESTATE (JIANGYIN) CO. LTD

No. 359, Xiangjiang Road, Jiangyin, Jiangsu, China
Tel: (865) 10 8610 3333 (Sales Gallery)
(865) 10 8688 0873 (Office)

TIANJIN ECO-CITY SUNWAY PROPERTY

DEVELOPMENT CO., LTD (5661336-Z)

Room 212, Block 7B, West Area, Jingrongjie,
Xincheng West Road, TEDA, Tianjin, 300457 China
Tel: (+86-22) 5985 1699 Fax: (+86-22) 5985 1698

SUNWAY REAL ESTATE (CHINA) LTD

(1244034-O)

Unit 1601, 16/F, Malaysia Building,
50 Gloucester Road, Wanchai, Hong Kong
Tel: (852) 2384 9322 Fax: (852) 2771 0143

INDIA:

SUNWAY CITY INDIA PVT LTD

(U70102KA2006FTCD41314)

Survey Nos. 162p & 164, Ameenpur Village & Post,
Off Miyapur - Bachupally Road, Patancheru Mandal,
Medak District, Pin - 502 032, Hyderabad,
Andhra Pradesh, India.

Tel: (+91) 40 2303 8000 to 2303 8023 (24 Lines)

Fax: (+91) 40 2303 8008 / 8009

SUNWAY OPUS INTERNATIONAL PVT LTD

(U70102AP2007PTC055084)

Sunway Opus Grand, Survey Nos. 162p & 164,
Ameenpur Village & Post, Off Miyapur - Bachupally Road,
Patancheru Mandal, Medak District, India.

Tel: (+91) 40 2303 8888 &

(+91) 40 2303 8000 to 2303 8023 (24 Lines)

Fax: (+91) 40 2303 8008 / 8009

Sales & Marketing

Tel: (+91) 40 2303 8888 & (+91) 40 2303 8000 to
2303 8023 (24 Lines) Fax: (+91) 40 2303 8008
Email: sunwayopusgrand@sunway.com.my
Website: www.sunwayopus.com

Project / Admin

Tel: (+91) 40 2303 8888 & (+91) 40 2303 8000 to 8023 (24 Lines)
Fax: (+91) 40 2303 8009
Email: sunwayopusgrand@sunway.com.my
Website: www.sunwayopus.com

SUNWAY MAK INTERNATIONAL PVT LTD

(U45209AP2007PTC056739)

Survey Nos. 162p & 164, Ameenpur Village & Post
Off Miyapur - Bachupally Road
Patancheru Mandal, Medak District, Pin - 502 032
Hyderabad, Andhra Pradesh, India.

Tel: (+91) 40 2303 8888 &

(+91) 40 2303 8000 to 2303 8023 (24 Lines)

Fax: (+91) 40 2303 8008 / 8009

AUSTRALIA:

SUNWAY AUSTRALIA UNIT TRUST

HARTFORD LANE PTY LTD (077261048)

Wallgrove Road, Eastern Creek NSW 2766, Australia
Tel: (6102) 9830 9100 Fax: (6102) 9675 2002

SINGAPORE:

SUNWAY DEVELOPMENTS PTE LTD

(200408542H)

4, Tampines Industrial Street 62, Singapore 528817

Tel: (02) 6582 8089 Fax: (02) 6581 0482

PROPERTY MANAGEMENT & INVESTMENT

SUNWAY REIT MANAGEMENT SDN BHD

(806330-X)

(Manager for Sunway REIT)

Level 4, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway,
46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Tel: (603) 5639 8888 Fax: (603) 5639 8001
Website: www.sunwayreit.com

SUNWAY PYRAMID MALL

SUNWAY PUTRA MALL

Centre Management Office

Level CP6, Blue Atrium, Sunway Pyramid Shopping Mall,

No. 3 Jalan PJS 11/15, Bandar Sunway,

46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia

Tel: (603) 7494 3000 Fax: (603) 7492 6333

Website: www.sunwaypyramid.com

SUNWAY CARNIVAL MALL

Centre Management Office, LG-68, Sunway Carnival Mall, 3068,

Jalan Todak, Pusat Bandar Seberang Jaya,

13700 Seberang Jaya, Penang, Malaysia

Tel: (604) 397 9888 Fax: (604) 397 9883

Website: www.sunwaycarnival.com

SUNCITY (IPOH) HYPERMARKET

No. 2, Jalan SCI 2/2, Dataran Sunway Ipoh,

31150 Ipoh, Perak Darul Ridzuan, Malaysia

MENARA SUNWAY

SUNWAY PUTRA TOWER

Management Office, Unit 4.5 Level 4, Menara Sunway Annexe,
Jalan Lagoon Timur, Bandar Sunway, 46150 Petaling Jaya,
Selangor Darul Ehsan, Malaysia

Tel: (603) 5639 8888 Fax: (603) 5639 9595

SUNWAY TOWER

Management Office

Ground Floor, Sunway Tower, 86, Jin Ampang,

50450 Kuala Lumpur, Malaysia

Tel: (603) 2032 4100 Fax: (603) 2070 4093

SUNWAY LEISURE SDN BHD

(884286-A)

SUNWAY PARKING MANAGEMENT SDN BHD

(454048-M)

SUNWAY FACILITY MANAGEMENT SDN BHD

(443028-K)

SUNWAY SHOPPING CENTRE MANAGEMENT PRIVATE LIMITED

(11049170)

Level CP6, Blue Atrium, Sunway Pyramid Shopping Mall,

No. 3 Jalan PJS 11/15, Bandar Sunway,

46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia

Tel: (603) 7494 3000 Fax: (603) 7492 6333

SUNWAY DESTINY SDN BHD*

(443511-H)

SUNWAY MALL PARKING SDN BHD*

(318333-T)

(Formerly known as MSW Parking Sdn Bhd)

SUNWAY IFM SDN BHD*

(130231-P)

SUNWAY MUSC SDN BHD*

(545957-T)

(Formerly known as Sunway Platinum Success Sdn Bhd)

SUNWAY TOWER 1 SDN BHD*

(545935-D)

SUNWAY RESIDENCE SDN BHD *

(538641-W)

Unit 4-5, Level 4 East Lobby, Menara Sunway Annexe,

Jalan Lagoon Timur, Bandar Sunway,

46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia

Tel: (603) 5639 8888 Fax: (603) 5639 9595

LEISURE

SUNWAY LAGOON SDN BHD

(211311-A)

SUNWAY LAGOON

3 Jalan PJS 11/11, Bandar Sunway,

46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia

Tel: (603) 5639 0000 Fax: (603) 5639 0050

Email: ask_lagoon@sunway.com.my

Website: www.sunwaylagoon.com

SUNWAY LAGOON WATER PARK SDN BHD

(240342-P)

LOST WORLD OF TAMBUK

No. 1, Persiaran Lagan Sunway 1,

Sunway City Ipoh, 31150 Ipoh,

Perak Darul Ridzuan, Malaysia

Tel: (605) 542 8888 Fax: (605) 542 8899

Email: lostworldoftambun@sunway.com.my

Website: www.sunwaylostworldoftambun.com

SUNWAY LAGOON CLUB BERHAD

(185477-W)

No. 3, Jalan Lagoon Timur, Bandar Sunway,

46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia

Tel: (603) 5639 8600 Fax: (603) 5639 9588 / 9589 (Accounts Dept)

Website: www.sunway.com.my/club

SUNWAY PUTRA HOTEL SDN BHD (938275-1)
(Formerly known as Wisdom Achievers Sdn Bhd)
Level 4, Menara Sunway, Jalan Lagoon Timur,
Bandar Sunway, 46150 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
Tel: (603) 5639 8888 Fax: (603) 5639 8001
Website: www.sunwayreit.com

SUNWAY HOTEL (PENANG) SDN BHD (130380-T)
33, New Lane (Off Macalister Road),
Georgetown, 10400 Penang, Malaysia
Tel: (604) 229 9988 Fax: (604) 228 8899
Email: enquiryshg@sunwayhotels.com
Website: www.sunwayhotels.com

SUNWAY HOTEL (SEBERANG JAYA) SDN BHD (238606-A)
11, Lebuh Tenggara Dua, Pusat Bandar Seberang Jaya,
13700 Prai, Butterworth, Malaysia
Tel: (604) 370 7788 Fax: (604) 370 0555
Email: enquiryshjs@sunwayhotels.com
Website: www.sunwayhotels.com

SUNWAY HOTEL PHNOM PENH LTD (239/94E)
1, Street 92, Sangkat Wat Phnom, P.O. Box 633,
Phnom Penh 12202, Kingdom of Cambodia
Tel: (855) 23 430 333 Fax: (855) 23 430 339
Email: enquiryshpp@sunwayhotels.com
Website: www.sunwayhotels.com

SUNWAY HOTEL HANOI LIABILITY LIMITED COMPANY WITH ONE MEMBER
19, Pham Dinh Ho Street, Hai Ba Trung District,
Hanoi, Vietnam
Tel: (844) 3 971 3888 Fax: (844) 3 971 3555
Email: enquiryshh@sunwayhotels.com
Website: www.sunwayhotels.com

THE BANJARAN HOTSPRINGS RETREAT
No. 1, Persiaran Lagoon Sunway 3, Sunway City Ipoh,
51150 Ipoh, Perak Darul Ridzuan, Malaysia
Tel: (605) 210 7777 Fax: (605) 210 7778
Email: info.kl@thebanjaran.com
Website: www.thebanjaran.com

SUNWAY LOST WORLD HOTEL SDN BHD (862578-V)
LOST WORLD HOTEL
No. 2, Persiaran Lagoon Sunway 1, Sunway City Ipoh,
51150 Ipoh, Perak Darul Ridzuan, Malaysia
Tel: (605) 540 8888 Fax: (605) 540 8899
Email: lostworldhotel@sunway.com.my
Website: www.sunwaylostworldoftambun.com.my

CONSTRUCTION DIVISION

TURNKEY, DESIGN & BUILD, CIVIL ENGINEERING AND BUILDING CONSTRUCTION

SUNWAY CONSTRUCTION SDN BHD* (27175-V)
SUNWAY BUILDERS SDN BHD* (285205-T)
SUNWAY INNOPAVE SDN BHD* (390417-A)
Level 8, Tel: (603) 5639 9333 Fax: (603) 5639 9601
Website: sunway.com.my/suncon

UNITED ARAB EMIRATES:
SUNWAY BUILDERS SDN BHD – Abu Dhabi Branch (1005599)
P.O. Box 127421, Abu Dhabi, UAE

SUNWAY INNOPAVE SDN BHD – Abu Dhabi Branch (1005596)
P.O. Box 127806, Abu Dhabi, UAE

INDIA:
SUNWAY CONSTRUCTION INDIA PVT. LTD. (U45203KA2001P2TC9947)
C-4/53 Ground Floor, Safdarjung Development Area,
Hauz Khas, New Delhi 110016, India
Tel: (0091) 11 4607 2732 Fax: (0091) 11 4607 2733
Email: info@sunwayindia.com

SINGAPORE:
SUNWAY CONSTRUCTION SDN BHD – Singapore Branch (T10FC0138K)
No. 4, Tampines Industrial Street 62, Singapore 528817
Tel: (02) 6582 8089 Fax: (02) 6581 0482
Email: construction@sunway.com.sg

MECHANICAL & ELECTRICAL ENGINEERING
SUNWAY ENGINEERING SDN BHD* (341887-W)
Level 9, Tel: (603) 5639 9999 Fax: (603) 5639 9531
Website: www.sunway.com.my/engineering

UNITED ARAB EMIRATES:
SUNWAY ENGINEERING SDN BHD – Abu Dhabi Branch (1140600)
P.O. Box 131139, Abu Dhabi, UAE

MACHINERY / EQUIPMENT RENTAL
SUNWAY MACHINERY SDN BHD (389253-P)
Lot 656, Jalan Subang 1, Off Persiaran Subang,
47600 Subang Jaya, Petaling Jaya,
Selangor Darul Ehsan, Malaysia
Tel: (603) 5633 6499 Fax: (603) 5631 2387

GEOTECHNICAL ENGINEERING
SUNWAY GEOTECHNICS (M) SDN BHD* (414014-W)
Level 8, Tel: (603) 5639 9333 Fax: (603) 5639 9533

Factory:
Lot 2396, Seksyen 5
Mukim Batang Kali, Daerah Hulu Selangor,
Selangor Darul Ehsan, Malaysia
Tel: (603) 6057 1302 Fax: (603) 6057 1303

INDONESIA:
PT SUNWAY YASA PMI PILE
Jl. Taman Lebak Bulus II, No. 16, Lebak Bulus,
Jakarta Selatan 12440, Indonesia
Tel: (62-21) 7658280, 7512102, 7512145
Fax: (62-21) 7512113

PT. SUNWAY CONSTRUCTION ENGINEERING
Jl. Kosambi Timur, No. 47, Kompleks Pergudangan Sentra Kosambi,
Blok H1, No. A, Dadap, Tangerang, Indonesia
Tel: (62 21) 5595 5445 Fax: (62 21) 5595 5447
Site Office: Pelabuhan Ratu at Jalan PLTU,
Kampung Benteng, Jayanti
Pelabuhan Ratu, Sukabumi, Jawa Barat.
Tel: (62 26) 6433 887 Fax: (62 26) 6435 060

SINGAPORE:
SUNWAY GEOTECHNICS (S) PTE LTD (200920733Z)
No. 4, Tampines Industrial Street 62, Singapore 528817
Tel: (02) 6582 8089 Fax: (02) 6581 0482
Email: geotech@sunway.com.sg

PRECAST PRODUCTS AND INDUSTRIALIZED SYSTEMS
SUNWAY PRECAST INDUSTRIES SDN BHD* (231775-X)
Level 8, Tel: (603) 5639 9333 Fax: (603) 5639 9529

Factory:
Lot 2396, Mukim Batang Kali,
Ulu Selangor, 44300 Batang Kali,
Selangor Darul Ehsan, Malaysia

SINGAPORE:
SUNWAY CONCRETE PRODUCTS (S) PTE LTD (199409213Z)
4, Tampines Industrial Street 62, Singapore 528817
Tel: (02) 6582 8089 Fax: (02) 6581 0482
Email: precast@sunway.com.sg

TRADING AND MANUFACTURING DIVISION
MALAYSIA OFFICES & BRANCHES
SUNWAY MARKETING SDN BHD* (110342-X)
SUNWAY HOSE CENTRE SDN BHD* (350617-H)
BUILDTREND B.S.G (M) SDN BHD* (68350-H)

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Bandar Sunway, 46150 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
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Website: www.sunway.com.my/sunwaymarketing

Warehouse:
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Bandar Sunway, 46150 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
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Fax: (603) 5637 8046

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Ipoh Garden South, 31400 Ipoh
Perak Darul Ridzuan, Malaysia
Tel: (605) 547 6597 Fax: (605) 547 6596

Johor Bahru
PLO 6, Jalan Lapangan Terbang,
Fasa 1, Kawasan Perindustrian Senai,
81400 Senai, Johor Darul Takzim,
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Tel: (607) 598 5633 Fax: (607) 598 2318

Penang
6F-1, Jalan Tun Dr. Awang,
11900 Bayan Lepas, Penang, Malaysia
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Kuantan
B248, 1st Floor,
Jalan Air Putih, 25300 Kuantan,
Pahang Darul Makmur, Malaysia

Melaka
No. 7, Jalan Abadi 2, Taman Malim Jaya,
75250 Melaka, Malaysia
Tel: (606) 336 6862 Fax: (606) 337 2862

SUNWAY ARCHITECTURAL PRODUCTS SDN BHD* (146551-W)
Head Office:
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SUNWAY HYDRAULIC INDUSTRIES SDN BHD (103260-H)
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Bandar Sunway, 46150 Petaling Jaya,
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Email: sunflex@sunway.com.my
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SUNWAY MARKETING (EAST MALAYSIA)
SDN BHD (353248-U)
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Bintulu
S/Lot 15, Lot 294, Sibiyu Industrial Estate,
Jalan Bintulu-Tatau, 97000 Bintulu,
Sarawak, Malaysia
Tel: (6086) 313 778 / 313 779 Fax: (6086) 313 772

Sibu
No. 1B & 3A, Lorong 37,
Jalan Ding Uk Kong,
96000 Sibu, Sarawak, Malaysia.
Tel: 6084 216 955/214 552/213 378
Fax: 6084 219 950

Miri
Lot 1993, Jalan Piasau Utara 4,
SEDC Industrial Estate, 98000 Miri, Sarawak
Tel: (6085) 656 354 / 656 292 / 659 197
Fax: (6085) 656 431

Tawau
Lot 4, Building No. 7774,
Mile 3.5, Jalan Sungai Tajong,
91000 Tawau, Sabah, Malaysia
Tel: (6089) 715070 / 712070 Fax: (6089) 715 881

Kuching
Lot 496 S/L 5 Muara Tuang Batu 8 93250 Kuching,
Sarawak, Malaysia.
Tel: (6082) 381 673 Fax: (6082) 381 715

Lahad Datu
MDL2 7089, Lot No. 123, Ground Floor, Phase 3,
Taman Sri Perdana, Jalan Silan,
91000 Lahad, Datu Sabah, Malaysia
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Sandakan
Lot 2, Labuk Road Mile 9, 90000 Sandakan, Sabah
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SUNWAY ENTERPRISE (1988) SDN BHD (62711-M)
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Selangor Darul Ehsan, Malaysia
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Kota Kinabalu
DBKK No.1 (Lot 5), Lorong Perindustrian Teknologi,
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Kuching
Lot 725, SL 5, Bay Industrial Park,
Jalan Batu Kilang, 93250 Kuching, Sarawak
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Branch:
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PT SUNWAY TREK MASINDO – Banjarmasin Branch
Komplek Pergudangan Kalimantan Kencana
21 A.Yani KM 20.8 Arah Pellaibari
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Komplek Pergudangan Sukararni
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Tel: (62) 711787871

PT SUNWAY FLOWTECH
Complex Union Industrial Park Block A No.1 (Gate #3),
Batu Ampar, Batam - Kepulauan Riau - Indonesia
Tel: (62) 778 413 989 Fax: (62) 778 413 787
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(US1909AP2010FTC069882)

Registered address:
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Website: www.sunflex.com.sg

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SUNWAY INTERNATIONAL TRADING (TIANJIN) PTE LTD
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Shanghai, Zip: 201318, China
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SUNWAY XIN LONG (ANHUI) HYDRAULIC CO. LTD
No. 1, Xu Zhen Industrial Area, Wuhu, Anhui,
China Zip: 241306
Tel: (0086) 553 627 7999 / 553 627 7066 Fax: (0086) 553 627 9666
Website: www.xlzh.com/

SUNWAY DAECHANG FORGING (ANHUI) CO. LTD
No. 1, Xu Zhen Industrial Area, Wuhu, Anhui, China Zip: 241306
Tel: (0086) 553 627 1155 Fax: (0086) 553 627 1100
Website: www.swdcf.com.cn

AUSTRALIA:
TOTALRUBBER LTD (ABN 11 103 212 353)
Tel: 1300 720 655 Fax: 1300 720 677
Website: www.totalrubber.com.au

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TOTALRUBBER WESTERN AUSTRALIA
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TOTALRUBBER BRISBANE
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Queensland 4110, Australia
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Email: brisbane@totalrubber.com.au

TOTALRUBBER SOUTH AUSTRALIA
Unit 3, 40 Birrallee Road, Regency Park,
SA 5010, Australia
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Email: adelaide@totalrubber.com.au

**TOTAL RUBBER SERVICES FRANCHISING
PTY LTD** (ABN 31 007 254 248)

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TOTALRUBBER BURNIE
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PACIFIC FLOW TECHNOLOGY PTY LTD
(ABN 33 099 928 480)
9 Elsum Avenue, Bayswater, VIC 3153, Australia
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Website: www.pacflootech.com.au

BUILDING MATERIALS DIVISION
SUNWAY KERAMO SDN BHD (205881-A)
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42100 Klang, Selangor Darul Ehsan, Malaysia
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SUNWAY PAVING SOLUTIONS SDN BHD* (77490-W)
#3.2, Level 3, Menara Sunway,
Jalan Lagoon Timur, Bandar Sunway,
46150 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
Website: www.sunwaypavingsolutions.com

KL Sales Office Tel: (603) 5639 8282 (General Line)
Fax: (603) 5639 9600 (Sales)

Penang Sales Office Tel: (604) 593 8697/8
Fax: (604) 593 8695

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Factory: Batang Kali Lot No. 10071, Mukim Batang Kali,
44300 Daerah Ulu Selangor,
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Nibong Tebal Lot 2788 & 2796, Lorong Industri 3
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Penang, Malaysia
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Senai PLO 6, Jalan Lapangan Terbang,
Fasa 1, Kawasan Perindustrian Senai,
81400 Senai, Johor Darul Takzim, Malaysia
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SUNWAY PIPEPLUS TECHNOLOGY SDN BHD* (411837-T)
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Bandar Sunway, 46150 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
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Tel: (8621) 6822 1118 Fax: (8621) 6822 1113

SUNWAY BUILDING MATERIALS (DONGGUAN) CO. LTD
Chajiao Industrial Park, Yuanzhou District,
Zhongtang Town, Dongguan City,
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SUNWAY SPUN PILE (ZHUHAI) CO. LTD
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Industrial Park, DouMen District, Zuhai City,
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QUARRYING DIVISION
SUNWAY QUARRY INDUSTRIES SDN BHD (110401-A)
SUNWAY QUARRY (KUALA KANGSAR) SDN BHD (221592-V)
SUNWAY QUARRY INDUSTRIES (MELAKA) SDN BHD (4271-D)
SUNWAY QUARRY INDUSTRIES (TAIPING) SDN BHD (621882-A)
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Rawang PT 11894, 12139, 12054
Mukim Rawang
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Cheras Kompartmen 11
Hutan Simpan Sungai Lalang
And Hutan Simpan Hulu Langat
Mukim Ulu Langat, District of Ulu Langat
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Seberang Prai Tengah, Malaysia
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Melaka 19th Mile, Lesong Batu
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Paka Lot 2511, Mukim Kuala Paka
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34600 Kamunting
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**SUNWAY HATAY CONSTRUCTION &
BUILDING MATERIALS JV CO. LTD.**
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SUNMED CLINIC @ SUNWAY PYRAMID
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SUNWAY CREDIT SDN BHD* (80767-A)
SUNWAY LEASING SDN BHD* (35433-X)
SWL NOMINEES (TEMPATAN) SDN BHD* (388808-U)
SUNWAY RISK MANAGEMENT SDN BHD* (130211-V)
SUNWAY CAPTIVE INSURANCE LTD* (1107119)
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**SECRETARIAL, SHARE REGISTRATION &
MANAGEMENT SERVICES**
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SHARED SERVICES CENTRE
SUNWAY SHARED SERVICES CENTRE SDN BHD* (603026-A)
SUNWAY BPO SDN BHD* (559531-P)
SUNWAY INTEGRATED OUTSOURCING SDN BHD* (414012-T)
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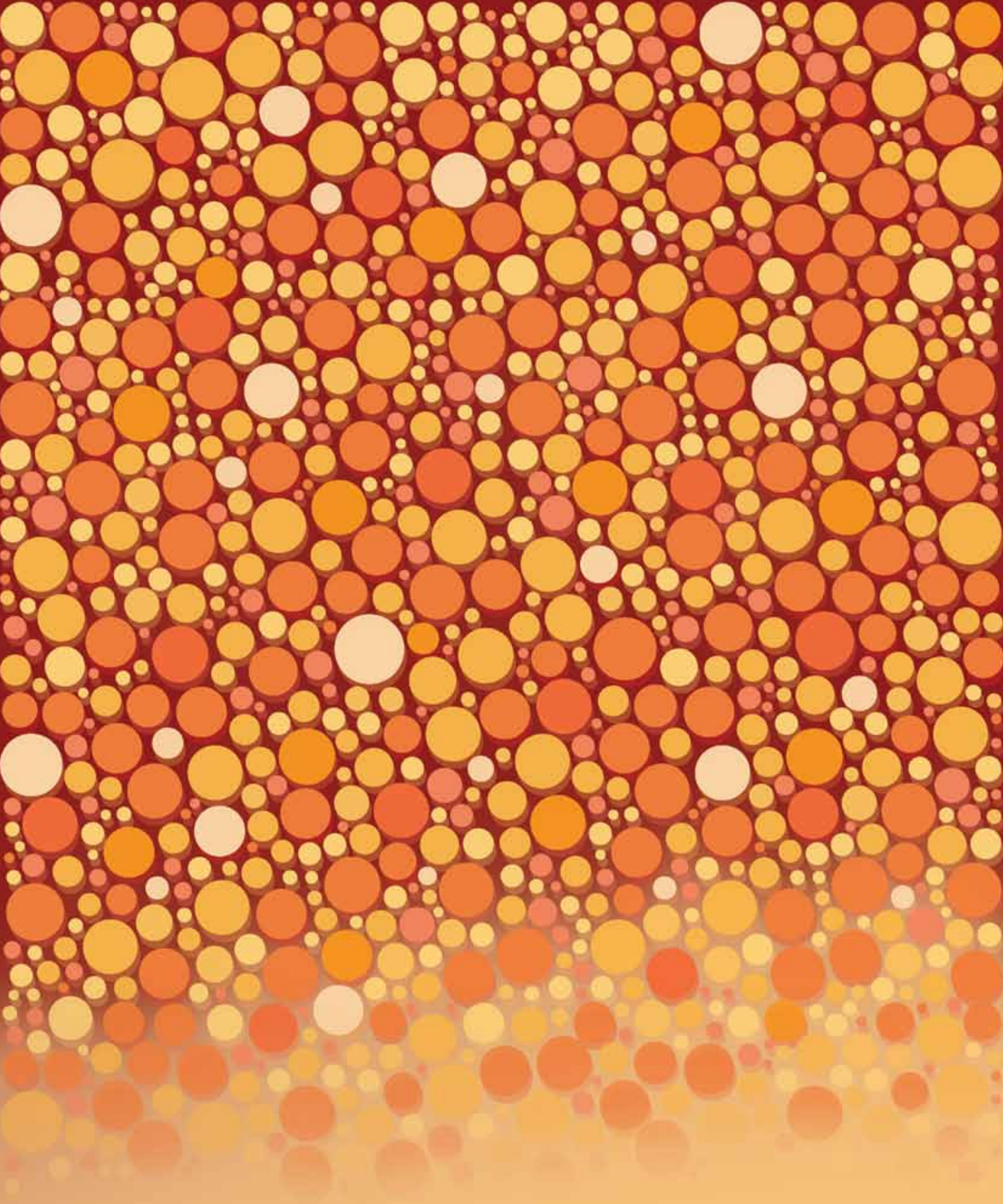
IT SSC Level 4.1 & Level 4.3
Tel: (603) 5639 8822
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OTHERS
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**COMPANIES MARKED WITH ASTERISK (*) ARE LOCATED AT
MENARA SUNWAY**

Sunway Group Website: www.sunway.com.my



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