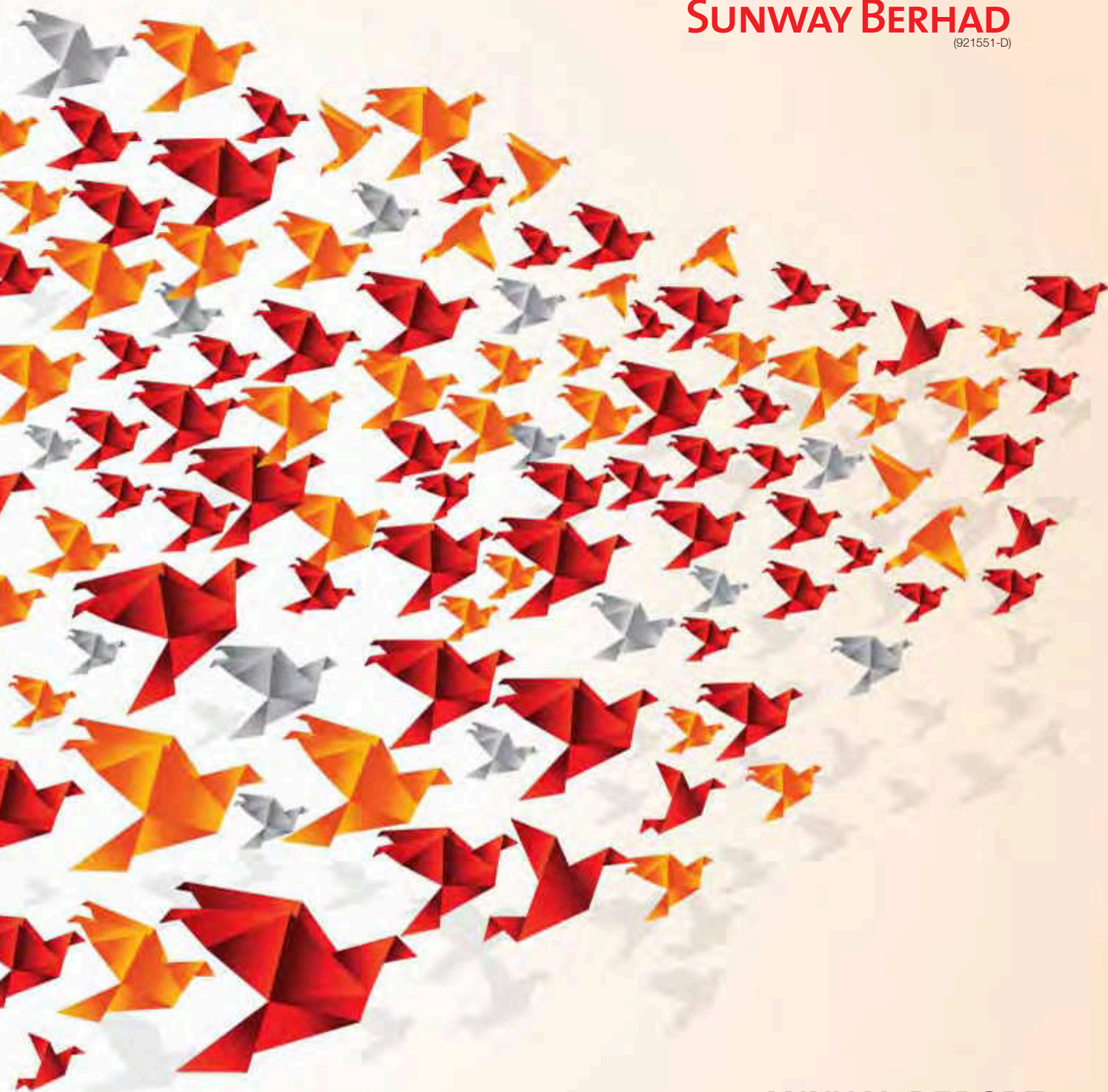


SUNWAY BERHAD

(921551-D)



2012 ANNUAL REPORT

ONE TEAM
VISION



ONE TEAM, ONE VISION

The theme for the Annual Report this year reflects what the Sunway Group is all about: coming together to achieve a common goal. The groups of animals throughout the Annual Report signify all the Group's divisions uniting as one. One team, one force, heading towards the same vision - "Becoming the leading regional property-construction group". There is collective strength in numbers and a group moving together as one showcases both power and unity.

We have chosen to depict the various animals in origami, symbolising the flexibility, precision and accuracy of the Sunway team which allows the organisation to react quickly in times of need regardless of our size and where we may operate. We are determined to pursue and achieve our vision.

One Team, One Vision, One Sunway



Financial Calendar



ANNOUNCEMENT OF QUARTERLY RESULTS

29 MAY 2012

Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2012

28 AUGUST 2012

Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2012

28 NOVEMBER 2012

Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2012

28 FEBRUARY 2013

Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2012

DIVIDEND

Interim single tier dividend of 6 sen per share for the financial year ended 31 December 2012

Announcement of the notice of entitlement and payment: **26 MARCH 2013**

Date of entitlement: **10 APRIL 2013**

Date of payment: **30 APRIL 2013**



ANNUAL REPORT & ANNUAL GENERAL MEETING

5 JUNE 2013

Date of notice of 3rd Annual General Meeting and date of issuance of Annual Report 2012

27 JUNE 2013

Date of 3rd Annual General Meeting





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.

MISSION

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.

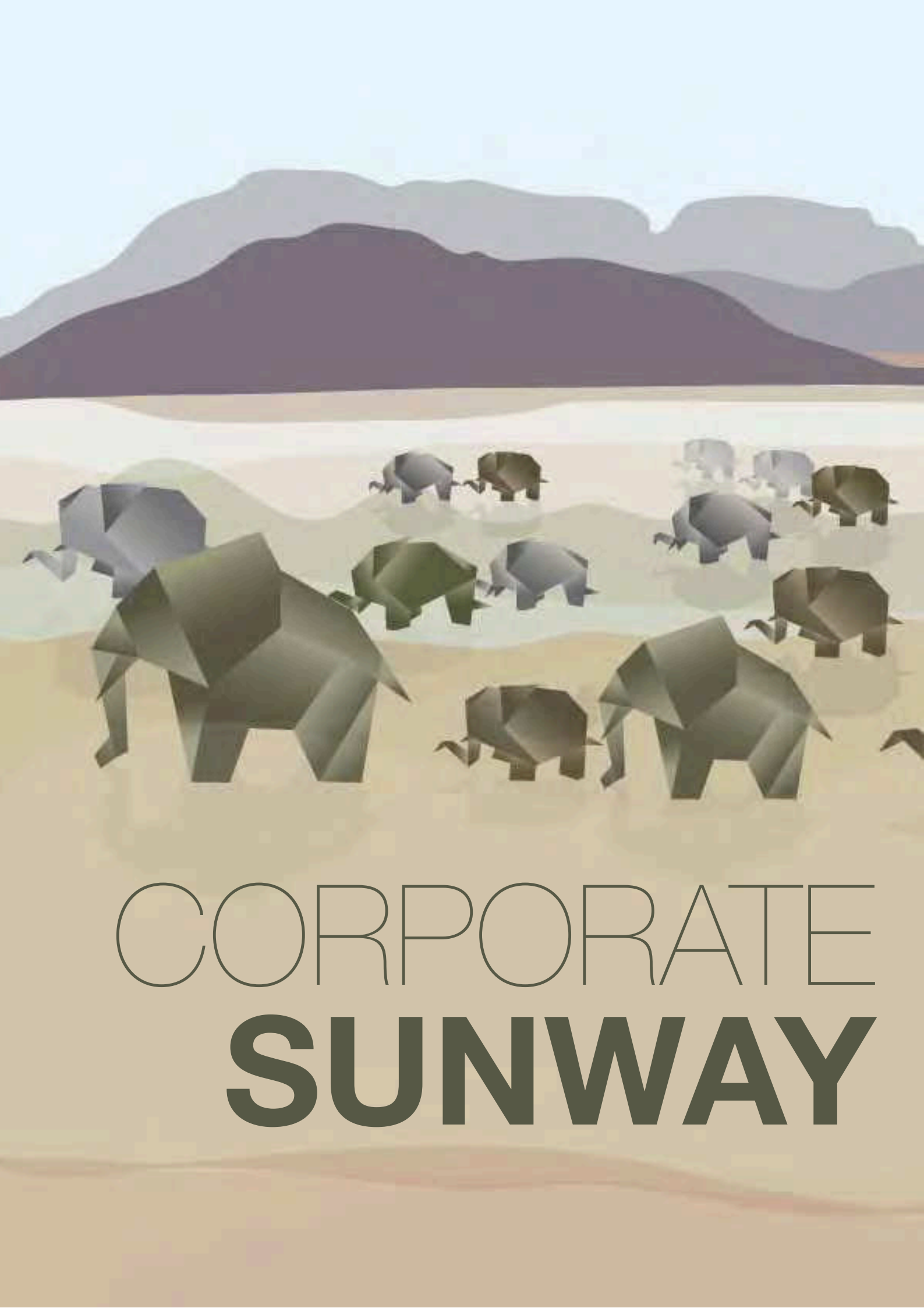
Building synergistic and sustainable relationships is the bedrock of the company’s ethos of nurturing our people and developing meaningful relationships with external parties including our business partners and customers towards achieving business objectives, while keeping the interests of our stakeholders.

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.

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CORPORATE **SUNWAY**

Strength.Loyalty.Unity.

As earth's largest land mammal, the Elephant symbolises all these positive qualities which can also be attributed to Sunway. The Elephants move forward as a herd toward one destination without looking back, personifying Sunway's own progress from strength to strength.



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Corporate Profile

Sunway Resort City aerial view





Sunway Berhad ("Sunway")

The Early Years

The foundation for Sunway was laid on 26 January 1978 when Sungei Way Holdings Sdn Bhd was first incorporated as a private limited company. Beginning its operations as a tin mining and quarrying concern, the company grew to become an investment holding company with subsidiaries in the construction, quarrying, property development, trading and manufacturing and building materials industries. Concurrent to this period of growth, the company was listed on the Main Market of Bursa Malaysia on 16 February 1984. Undergoing several name changes, the group of companies was eventually to be known as Sunway Holdings Berhad from 2007.

Meanwhile, another private limited company known as Sri Jasa Sdn Bhd was formed on 13 July 1982. The company would evolve over the years to be the property behemoth, Sunway City Berhad. Pioneering the first integrated resort city in Malaysia through Bandar Sunway, Sunway City Berhad was a real estate conglomerate with interests in property development, property investment, hospitality, leisure and healthcare. The company was listed on the Main Market of Bursa Malaysia on 8 July 1996.

The Formative Period

At the end of 2010, the Chairman of both Sunway Holdings Berhad and Sunway City Berhad, Tan Sri Dato' Seri Dr Jeffrey Cheah, announced that he was seeking to merge both these companies to create a property and construction giant which will have a stronger balance sheet and increased capacity to take on larger landmark projects. With this bold aim in mind and after close to a year of preparation, regulatory approval was finally obtained and the new Sunway Berhad was listed on the Main Market of Bursa Malaysia on 23 August 2011.



Today

As at 1 April 2013, the market capitalisation of Sunway stood at approximately RM3.8 billion (circa USD1.2 billion) and is among the top 5 largest property stocks and top 100 largest stocks in Malaysia. The company's distinctive value proposition is its unique business model which comprises the entire property value chain including landbanking, master plan development, design and construction, marketing and sales, property management and investment and possessing its own Real Estate Investment Trust ("REIT") vehicle to recycle capital for future investments.

Other than the core businesses of property and construction, the company has strategic investments in other businesses like trading and manufacturing, quarry and building materials and healthcare. They generate adjacent synergies to Sunway's core businesses and remain as important contributors to the Group's bottomline.

Synergy

Sunway has clearly benefited from the merger in 2011 which has created a platform for the property and construction divisions to generate synergies in terms of higher procurement savings, enhanced product quality, improved speed and efficiency of building and stronger financial standing. The Group intends to continue exploiting this platform to gain further synergies.

Proxy to Iskandar Malaysia

The increased capacity afforded by the merger has also allowed the Group to participate in much larger opportunities and the best example would be Sunway Iskandar. Sunway has been able to attract large, reputable partners with its new found size and financial strength and has managed to accumulate much land in Iskandar Malaysia through joint ventures with these partners. The Iskandar Malaysia region is experiencing rapid growth and is poised to grow further with the warming bilateral ties between Malaysia and Singapore. Such development augurs well for the Group's proposed township development where the aim is to create an international metropolis with all the essential components of a contemporary community within a stone's throw away.

The indisputable promise of this development, coupled with the construction arm's ability to secure contracts for construction of key developments in the region, including Legoland, Pinewood Studios and Bio-XCell, have led to Sunway being labelled as a proxy to Iskandar Malaysia's progress.

Future

With a sound business model, a stable platform for inter-division cooperation and increased resources, Sunway is well positioned to take on challenges and opportunities at the marketplace and achieve its vision of becoming the leading regional property-construction group. Simultaneously, the Group's 8,000 strong workforce located in over 12 countries worldwide will continue to strive towards ensuring that the Group delivers the greatest value to all its stakeholders.

An artist's impression of the future of Sunway Resort City





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

(Resigned with effect from 16 May 2013)

Wong Chin Mun

Lim Swe Guan

AUDIT COMMITTEE

Datuk Low Seng Kuan (Chairman)

(Resigned with effect from 16 May 2013)

Wong Chin Mun

Lim Swe Guan

NOMINATION COMMITTEE

Lim Swe Guan (Chairman)

Datuk Low Seng Kuan

(Resigned with effect from 16 May 2013)

Wong Chin Mun

REMUNERATION COMMITTEE

Wong Chin Mun (Chairman)

Datuk Low Seng Kuan

(Resigned with effect from 16 May 2013)

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

TASK FORCE COMMITTEE ON GOVERNANCE AND INTEGRITY

Datuk Low Seng Kuan (Chairman)

(Resigned with effect from 16 May 2013)

Wong Chin Mun

Sarena Cheah Yean Tih

Yee Meng Haw

Liew Wei Ling

COMPANY SECRETARIES

Tan Kim Aun (MAICSA 7002988)

Chin Lee Chin (MAICSA 7012347)

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

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

Malayan Banking Berhad

RHB Bank Berhad

Affin Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

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
- Sunway Damansara Sdn Bhd
- Sunway South Quay Sdn Bhd
- Sunway D'Mont Kiara Sdn Bhd
- Sunway SPK Homes Sdn Bhd *
- Sunway Montereiz Sdn Bhd
- Sunway Melawati Sdn Bhd
- SunwayMas Sdn Bhd
- Sunway Eastwood Sdn Bhd
- Sunway Bangi Sdn Bhd
- Sunway Rydgeway Sdn Bhd
- Sunway City (Ipoh) Sdn Bhd
- Sunway City (Penang) Sdn Bhd
- Sunway Grand Sdn Bhd
- Sunway Bintang Sdn Bhd
- Sunway City (JB) Sdn Bhd
- Sunway Iskandar Sdn Bhd *
- Sunway City Properties Sdn Bhd
- Sunway Tunas Sdn Bhd
- Sunway Bukit Gambier Sdn Bhd
- Fame Parade Sdn Bhd
- Era Primision Sdn Bhd
- Sunway Termuning Sdn Bhd
- Sunway Semenyih Sdn Bhd
- Sunway Rawang Heights Sdn Bhd
- Sunway Kanching Heights Sdn Bhd
- Sunway Permai Sdn Bhd
- Sunway Opus International Private Limited **
- Sunway MAK International Private Limited **
- Tianjin Eco-City Sunway Property Development Co. Ltd **
- Sunway Guanghao Real Estate (Jiangyin) Co. Ltd #
- 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 **
- Hoi Hup Sunway Novena Pte Ltd **
- Sunway Land Pte Ltd #
- Sunway Australia Unit Trust #
- Harmony Impulse Sdn Bhd
- 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
- Sunway Mall Parking Sdn Bhd
- Sunway IFM Sdn Bhd
- Sunway Parking Services Sdn Bhd
- Sunway Monash-U Residence Sdn Bhd
- Sunway Giza Mall Sdn Bhd
- Sunway Giza Parking Sdn Bhd
- Sunway Pinnacle Sdn Bhd
- Sunway Ambience Sdn Bhd
- Sunway Destiny Sdn Bhd
- Sunway Facility Management Sdn Bhd
- Sunway Pyramid Development Sdn Bhd
- Sunway MUSC Sdn Bhd
- Sunway Pyramid Hotel Sdn Bhd
(formerly known as Sunway Parking Management Sdn Bhd)
- Sunway Residence Sdn Bhd
- Sunway Symphony Sdn Bhd
- Sunway Century Sdn Bhd
(formerly known as Salient Century Sdn Bhd)
- Sunway Velocity Mall Sdn Bhd
- Sunway Townhouse Sdn Bhd
- Area Star Sdn Bhd
- Rich Worldclass Sdn Bhd
- Sunway Tower 1 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 Lagoon Sdn Bhd
- Sunway Lost World Water Park Sdn Bhd
(formerly known as Sunway Lagoon Water Park Sdn Bhd)
- Sunway Leisure Sdn Bhd
- Pyramid Bowl Sdn Bhd *
- Sunway Lagoon Club Berhad
- Sunway Leisure Services Sdn Bhd
- Sunway Travel Sdn Bhd
- Sunway International Vacation Club Berhad
- Sunway Healthy Lifestyle Sdn Bhd



Group Corporate Structure



HOSPITALITY

- Sunway Resort Hotel Sdn Bhd
- Sunway International Hotels & Resorts Sdn Bhd
- Sunway Hotel (Seberang Jaya) Sdn Bhd
- Sunway Hotel Hanoi Liability Limited Company With One Member #
- 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
- Allson International Hotels & Resorts (BVI) Limited #
- Allson International Hotels & Resorts Sdn Bhd
- Allson International Management Limited #

CONSTRUCTION

- Sunway Construction Sdn Bhd
- Sunway Engineering Sdn Bhd
- Sunway Machinery Sdn Bhd
- Sunway Builders Sdn Bhd
- Sunway Innopave Sdn Bhd
- Sunway Concrete Products (S) Pte Ltd #
- Sunway Geotechnics (M) 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
- SunwayTrek Australia Pty Ltd #
- PT Sunway Indoquip #

QUARRY

- Sunway Quarry Industries Sdn Bhd
- Sunway Quarry (Kuala Kangsar) Sdn Bhd
- Sunway Quarry Industries (Melaka) Sdn Bhd
- Sungei Way Ocean Joint Venture Ltd #
- Sunway Quarry Industries (Caribbean) Limited #



Group Corporate Structure



BUILDING MATERIALS

- Sunway Paving Solutions Sdn Bhd
- Sunway VCP Sdn Bhd
(formerly known as 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



INVESTMENT HOLDINGS AND OTHERS

- Sunway City Sdn Bhd
- Sunway Holdings Sdn Bhd
- Sunway Holdings (Vietnam) Sdn Bhd
- Sunway Global Limited #
- Sunway Management Sdn Bhd
- Sunway ITSSC Sdn Bhd
(formerly known as 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 *^
- 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
- Sunway FSSC Sdn Bhd
(formerly known as Suncity SSC Sdn Bhd)
- Sunway Labuan Investment Ltd
(formerly known as Sunway City Captive Insurance Ltd)
- Sunway Direct Sdn Bhd
(formerly known as Sunway Loyalty Card Sdn Bhd)

This Group Corporate Structure excludes dormant companies.

Overseas company

^ Publiclisted company

* Associated company / Jointly controlled entity



Sunway in the News



RM12b Sunway resort city in Johor

MEILA LAMMICH Project in Melin is the replica of development in Bandar Sunway, Singapore

SUNWAY Berhad's award-winning Sunway Integrated Resort City (SIRC) in Bandar Sunway, Selangor, will be replicated in Johor Bahru, where a RM12-billion development is under way. The managing director of Sunway Property Development Division, Dr. Chuan Ling, said the project is a high-profile landmark for Sunway's expansion into the region.

Dr. Ling said SIRC is an integrated city that will offer a wide range of amenities, from a five-star hotel to a shopping mall, a school, a hospital, and a sports complex. He said the project is a replica of the Sunway Integrated Resort City in Bandar Sunway, which is a self-contained community with everything a resident needs.

Dr. Ling said the project is a high-profile landmark for Sunway's expansion into the region. He said the project is a replica of the Sunway Integrated Resort City in Bandar Sunway, which is a self-contained community with everything a resident needs.

Expansion and refurbishment needed to keep up

Sunway's NeuPave helps reduce construction costs

SUNWAY Berhad's NeuPave technology is helping to reduce construction costs for its infrastructure projects. The company's NeuPave technology is a self-healing asphalt that can repair itself after being damaged by heavy traffic. This technology is being used in various projects, including the Sunway LRT and the Sunway Skyway.

Dr. Chuan Ling, Managing Director of Sunway Property Development Division, said the NeuPave technology is a significant breakthrough in the construction industry. He said the technology is being used in various projects, including the Sunway LRT and the Sunway Skyway.

Sunway among top gainers after securing RM1.17 bln contract

SUNWAY Berhad is among the top gainers after securing a RM1.17 billion contract for the Sunway Skyway project. The project is a new expressway that will connect Sunway City to the airport. The project is expected to be completed by 2015.

Dr. Chuan Ling, Managing Director of Sunway Property Development Division, said the project is a significant milestone for Sunway. He said the project is expected to be completed by 2015.

現代化技術 結合 智慧 交通

首相推介巴士捷運系統

The Prime Minister has endorsed the Sunway Bus Rapid Transit (BRT) system. The BRT system is a new public transport system that combines the speed of a train with the flexibility of a bus. The system is being used in various projects, including the Sunway LRT and the Sunway Skyway.

Dr. Chuan Ling, Managing Director of Sunway Property Development Division, said the BRT system is a significant milestone for Sunway. He said the system is being used in various projects, including the Sunway LRT and the Sunway Skyway.

明年 計劃 擴充 巴士 捷運 系統

Sunway is planning to expand its BRT system in the coming year. The company is currently in the process of securing contracts for the expansion. The expansion is expected to be completed by 2015.

Dr. Chuan Ling, Managing Director of Sunway Property Development Division, said the expansion is a significant milestone for Sunway. He said the expansion is expected to be completed by 2015.

Christmas parade at Sunway

Sunway held a Christmas parade in its shopping mall. The parade featured various performances, including dance, music, and acrobatics. The event was a great success and was enjoyed by many people.

Dr. Chuan Ling, Managing Director of Sunway Property Development Division, said the event was a significant milestone for Sunway. He said the event was enjoyed by many people.

Christmas parade at Sunway

Sunway held a Christmas parade in its shopping mall. The parade featured various performances, including dance, music, and acrobatics. The event was a great success and was enjoyed by many people.

Dr. Chuan Ling, Managing Director of Sunway Property Development Division, said the event was a significant milestone for Sunway. He said the event was enjoyed by many people.

Sunway lebar sayap di Iskandar Malaysia

A firm favourite

Sunway is expanding its operations in Iskandar Malaysia. The company is currently in the process of securing contracts for the expansion. The expansion is expected to be completed by 2015.

Dr. Chuan Ling, Managing Director of Sunway Property Development Division, said the expansion is a significant milestone for Sunway. He said the expansion is expected to be completed by 2015.

Diwali Rangoli at Sunway Resort City

Sunway held a Diwali Rangoli competition in its shopping mall. The competition featured various performances, including dance, music, and acrobatics. The event was a great success and was enjoyed by many people.

Dr. Chuan Ling, Managing Director of Sunway Property Development Division, said the event was a significant milestone for Sunway. He said the event was enjoyed by many people.

Rising above the crowd to beat traffic jams

Sunway elevated its bus route to become a reality by 2015. The elevated bus route is a new public transport system that combines the speed of a train with the flexibility of a bus. The system is being used in various projects, including the Sunway LRT and the Sunway Skyway.

Dr. Chuan Ling, Managing Director of Sunway Property Development Division, said the elevated bus route is a significant milestone for Sunway. He said the system is being used in various projects, including the Sunway LRT and the Sunway Skyway.

Sunway, IIB to develop RM12b mixed project in Iskandar

Sunway and IIB are developing a RM12 billion mixed project in Iskandar Malaysia. The project is a new public transport system that combines the speed of a train with the flexibility of a bus. The system is being used in various projects, including the Sunway LRT and the Sunway Skyway.

Dr. Chuan Ling, Managing Director of Sunway Property Development Division, said the project is a significant milestone for Sunway. He said the system is being used in various projects, including the Sunway LRT and the Sunway Skyway.

年杪 50 配 確保 MRT 首期 2016 运作

Sunway is ensuring that the MRT system is ready for operation by 2016. The company is currently in the process of securing contracts for the expansion. The expansion is expected to be completed by 2015.

Dr. Chuan Ling, Managing Director of Sunway Property Development Division, said the expansion is a significant milestone for Sunway. He said the expansion is expected to be completed by 2015.

Health screenings on wheels

Sunway is providing health screenings on its buses. The company is currently in the process of securing contracts for the expansion. The expansion is expected to be completed by 2015.

Dr. Chuan Ling, Managing Director of Sunway Property Development Division, said the expansion is a significant milestone for Sunway. He said the expansion is expected to be completed by 2015.

Sunway, IIB to develop RM12b mixed project in Iskandar

Sunway and IIB are developing a RM12 billion mixed project in Iskandar Malaysia. The project is a new public transport system that combines the speed of a train with the flexibility of a bus. The system is being used in various projects, including the Sunway LRT and the Sunway Skyway.

Dr. Chuan Ling, Managing Director of Sunway Property Development Division, said the project is a significant milestone for Sunway. He said the system is being used in various projects, including the Sunway LRT and the Sunway Skyway.



Sunway Velocity bakal jadi tarikan terbaharu di ibu kota

BERASA LUMPUR—Pembangunan Sunway Velocity yang bakal menjadi tarikan terbaharu di ibu kota, Sunway Berhad mengumumkan projek ini akan siap menjelang akhir 2012. Projek ini akan menjadi tarikan terbaharu di ibu kota, Sunway Berhad mengumumkan projek ini akan siap menjelang akhir 2012.



Sunway expands portfolio

It plans to acquire several assets over the next three years



Sunway Berhad executive

Teachers for a day

Corporate figures visited classes at two secondary schools



Easy access via MRT

High-speed project by Sunway Berhad to connect to MRT station



Making a splash soon

Sunway Berhad's new pool is set to be the best in the city



Sunway on track for RM1.3bil sales

Group has a good track record in the property sector



Sunway buys land in Iskandar for RM12b project

Sunway Berhad's latest acquisition of 300 acres in Iskandar



MRT Corp awards work packages to TRC, Sunway

Work on the new MRT line



双威集团1.3亿提升交通系统

双威集团计划投资1.3亿提升交通系统



Sunway's conviction pays off

Sunway Berhad's conviction in the property sector



War against diabetes

Medical centre launches five-year campaign to combat



BRT-Sunway Line best solution to traffic congestion

Best solution to traffic congestion



Sunway Integrated Resort City gets a boost with new bus line

Sunway Integrated Resort City gets a boost with new bus line



Sunway's 4Q net profit up 55% to RM219m

Sunway Berhad's 4Q net profit up 55% to RM219m



Sunway Berhad's 4Q net profit up 55% to RM219m





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

Dear Valued Shareholders,

On behalf of the Board, it gives me great pleasure to present Sunway's Annual Report for the Financial Year Ended 31 December 2012 ("FYE 2012"), the first full financial year following the completion of the merger between Sunway Holdings Berhad and Sunway City Berhad in August 2011. In a short span of less than 18 months since the merger, Sunway has transformed itself in so many ways, firmly setting itself on course to fulfill its vision of "Becoming the Leading Regional Property-Construction Group".



Chairman's Statement

MARKET OVERVIEW

The past year was characterized by the slow recovery in global economy where the European sovereign debt crisis remained a concern amidst the lack of a concerted resolution. In the US, growth remained slow while in Asia, growth of the world's second largest economy, China, began to show signs of moderation in the second half of 2012.

Domestically, we were not insulated from the adverse conditions abroad but increased domestic demand, higher public and private investments and initiatives by the Government of Malaysia under the various Economic Transformation Programmes, the 10th Malaysia Plan and Budget 2013 ensured Malaysia continued to grow by a respectable 5.6% for 2012. A major contributor to the strong economic growth was the Construction sector which expanded 18.5% from the previous year driven by the various large scale infrastructure projects initiated by the Government.

The Property industry, on the other hand, faced a more challenging year with the introduction of responsible lending guidelines by Bank Negara Malaysia which further tightened the availability of credit to property buyers in Malaysia. Similar cooling measures were imposed on the property industry in Singapore and China, as capital flight to safe assets caused a sharp appreciation in property prices especially in Asia resulting in the need for intervention by governments.

FINANCIAL HIGHLIGHTS

Nonetheless, despite the volatilities and challenges faced, Sunway achieved another financial milestone in financial year 2012 ("FY2012"), achieving profit after tax and minority interest ("PATMI") of RM 530.6 million on the back of revenue of RM 3.8 billion. This represents growth of 36.9% and 4.3% respectively from FY2011. Profits for the year were bolstered by the disposal of Sunway Medical Centre ("SMC") which netted the group additional profit of RM75.4 million. Without the gain on disposal of SMC as well as other one off gains, core profits had increased by a respectable 7.2% from RM327.1 mil to RM350.7 mil respectively, demonstrating the continued growth of Sunway as a leading property-construction giant in Malaysia.

In line with our strong financial performance, the Board of Sunway has recommended an interim dividend of 6 sen for FY2012 which was paid on 30 April 2013. This is consistent with the dividend policy that had been announced last year whereby the Group commits a minimum of 20% of its core PATMI to be declared as dividends annually to reward its shareholders.

Keeping abreast with economic developments with CIMB Group CEO, Dato' Sri Nazir Razak at Sunway Managers Conference 2012





Chairman's Statement

SECURING OUR NEXT CATALYST FOR GROWTH IN ISKANDAR MALAYSIA

In 2012, we completed the acquisition of the 691 acres of land in Medini Zone F through our joint venture with a subsidiary of Khazanah Nasional Berhad. However, with the Group's confidence in the prospects of the Iskandar region, Sunway teamed up with another illustrious partner, Iskandar Investment Berhad ("IIB"), to acquire an additional 1,079 acres of land in Pendas, immediately adjacent to our existing parcel in Medini.

The entire Medini Zone F and Pendas development, to be known as Sunway Iskandar, will encompass 1,770 acres and is estimated to have a GDV in excess of RM30.0 billion. Our optimism in Sunway Iskandar stems from three main reasons. Firstly, Sunway Iskandar is strategically located with its close proximity to Singapore. Once the southern link of the Coastal Highway is completed, Sunway Iskandar will be just a 5 minute drive from the Second Link.

Secondly, we are elated by the opportunity to acquire such a large landbank which allows us to replicate our expertise in integrated developments on a larger scale and emulate the achievements of our signature development, Sunway Resort City. Thirdly, we are impressed by the natural terrain and land profile of Sunway Iskandar. Fronting the Straits of Johor on one side, bordering natural forests on another and with a seven kilometers Sungai Pendas running through the township, there are infinite possibilities in creating a well-spaced, low density and eco-friendly metropolis which will attract not just Malaysians and Singaporeans but interest from nationalities around the world.

NATION'S FIRST EVER ELEVATED BUS RAPID TRANSIT AT SUNWAY RESORT CITY

In what could be a revolutionary development for the public transportation system in Malaysia, Sunway has collaborated with Syarikat Prasarana Nasional Berhad to construct and develop the first elevated and dedicated Bus Rapid Transit ("BRT") line in Malaysia. The collaboration, which will be in the form of a Public Private Partnership, was unveiled by the Prime Minister in June 2012.

As we continue to invest in and expand our offerings in Sunway Resort City, the addition of the BRT-Sunway Line is timely and strategic and will be a game changer in terms of drawing new population and crowds to Sunway Resort City especially with our promise of "Absolute Accessibility, Seamless Connectivity". The elevated BRT – Sunway Line, with a total length of approximately 5.4 km, will run from the Setia Jaya KTM station to the to-be-built Kelana Jaya LRT extension line station at USJ 6. The line is expected to have seven halts in total of which three halts are within Sunway Resort City and one of them will be an integrated halt with park and ride facilities. Meanwhile, on both ends of the BRT, halts will be integrated seamlessly to the Setia Jaya KTM station and the USJ 6 LRT station for the convenience of passengers.

The management teams of Sunway and IIB at the signing of the joint venture agreement for the development of the Pendas land





We envisage the BRT - Sunway Line to enhance the value of properties in Sunway Resort City and its surroundings, as it becomes easier for residents to travel within Klang Valley with this connection to the rapidly expanding rail network. Similarly, we anticipate greater arrivals to our mall, theme park and higher student enrolment as people find it much easier to reach Sunway Resort City.

STELLAR YEAR FOR CONSTRUCTION

As highlighted earlier, the construction industry was resurgent in 2012 after a relatively modest period of growth. Our Construction division capitalized on the resurgence and bagged one of the Klang Valley Mass Rapid Transit packages awarded by MRT Corporation. Entrusted with construction of Package V4 from Section 17, Petaling Jaya to Semantan, which is the largest non-tunneling works package, the RM1.17 billion contract boosted our total outstanding order book as at May 2012 to approximately RM4.0 billion, the Group's highest ever. The large order book reflects Sunway Construction's rising profile as a top building and infrastructure contractor in the country.

We are also pleased with our completion of the construction of the Legoland project in Medini Iskandar. A fast track project that was completed on time, our efficiency there has enhanced our reputation in the Iskandar region and we are now invited to participate in the tenders for a number of other projects in the area.

UNLOCKING VALUE BY MONETIZING ASSETS

With the Healthcare division reporting a remarkable turnaround in recent years, the Group was able to crystallize the value of the Sunway Medical Centre buildings. The disposal of the asset to Sunway Real Estate Investment Trust ("Sunway REIT") netted RM310.0 million but more importantly, it was strategic as it was a win-win transaction for both Sunway and Sunway REIT. For the REIT, the acquisition helped to diversify their income into the resilient healthcare segment. For Sunway, the disposal allowed us to realize cash for new investments that can generate better returns and pare down borrowings.

LEADING IN CORPORATE GOVERNANCE AND CORPORATE RESPONSIBILITY

While we work on delivering value to shareholders, the Group is simultaneously enhancing transparency, accountability and integrity of the organization by strengthening internal controls and governance structures. As testament to our continued focus on transparency and accountability, the Group took home three awards at the National Annual Corporate Report Awards (NACRA) 2012 ceremony including the Industry Excellence Award in the Properties & Hotels category for the sixth consecutive year and our first ever Silver Award for Corporate Social Responsibility. Meanwhile, our associate, Sunway REIT clinched its first Industry Excellence Award in the new category of REITs & Closed-End Funds.

Tan Sri Jeffrey Cheah and the Prime Minister at the unveiling of the BRT - Sunway Line





Chairman's Statement

In addition, Sunway's Sustainability Report was internationally acclaimed, garnering an A+ rating, the highest possible rating, from the Global Reporting Initiative ("GRI") body. The GRI is a leading authority in the field of non-financial reporting and is a non-profit organisation that promotes economic sustainability. Whilst we are pleased with the award, it is more significant that our efforts in corporate social responsibility in the three focused pillars of education, healthcare and community are now communicated to the public so that there can be greater awareness for the causes we had helped in the past.

The Group is also honoured that Sunway Resort City has been recognised as Malaysia's first green township, as certified by Green Building Index ("GBI"). Needing to be at least 15% green to be certified as a green township, Sunway Resort City exceeded that requirement by more than double as we were found to be more than 30% green based on the extensive list of criteria developed by GBI. As we continue to build more properties around the region, we will look forward to applying the same standard of sustainable features to ensure the sustainability and well-being of all the developments we attach our name to.

RECOGNITION FOR EXCELLENCE

In 2012, the Group received more than 30 awards recognizing its leadership position in a multitude of industries and areas of expertise. We would like to thank all our customers, employees, suppliers, regulatory bodies, awarding bodies and other stakeholders for their recognition of our commitment to excellence and Sunway pledges to maintain our award winning standards, if not improve it.

But just to highlight a few achievements, we are proud to note that we have been a top property developer in Malaysia for a decade, successfully maintaining our position in The Edge Top Property Developers Awards for the tenth time in 2012. Last year we improved further on our ranking and are currently ranked as the second best developer in the country.

Another substantial achievement was by the Banjaran Hotspots Retreat which garnered the FIABCI Prix d' Excellence Award in the Best Resort Development category at the ceremony in Russia, amidst an international field of competitors. This was the second consecutive year a Sunway property has been honored at the event and the third time the Group has received the prestigious award. We feel these awards are significant as they prove our developments are of world class standards.

Sunway understands the importance of good corporate governance and fulfilling its CSR obligations in interactions with stakeholders





We are also delighted that the "Sunway" brand is gaining greater equity and has been going up the ranks as Malaysia's Most Valuable Brand. Currently ranked 20th, we are optimistic that Sunway's brand promise of "Providing a better future for the communities in which we build, serve and live within" will fuel further growth in the value and perception of the Sunway branding.

OUTLOOK AND PROSPECTS

The Malaysian economy, in which Sunway largely operates, is expected to remain largely stable and supportive of growth despite uncertain external economic conditions. Bank Negara Malaysia, in its 2012 Annual Report, has revised its real GDP growth forecast to 5%-6% for 2013 indicating increasing optimism of the prospects of the economy.

With this in mind, the Group has recently announced a rights issue of ordinary shares at RM1.70 per rights share for every three existing Sunway shares held. Besides strengthening the balance sheet, it provides the Group with resources to take on any opportunities that may arise and ensure the Group's expansion plans including the development of its valuable investment properties will not be disrupted in any eventuality.

We believe that this latest development, coupled with the achievements we have made last year, in terms of addition to the Group's order book, land bank and unbilled property sales, provide immediate and long term visibility to the Group's future performance and financial strength.

ACKNOWLEDGEMENT

With that, I would like to thank all our employees, business partners, suppliers, customers, regulators and government bodies, and all other stakeholders whose support and cooperation has been integral to our achievements in the year just passed. We look forward to our continued relationship as we drive each other to greater heights.

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

Sunway has been ranked amongst the Top 10 property developers in Malaysia for a decade





Calendar of Significant Events



DISPOSAL OF SUNWAY MEDICAL CENTRE ("SMC") 31 December 2012

Sunway Medical Centre Bhd completed the disposal of the SMC building to Sunway REIT for RM310 million. SMC is a seven-storey purpose-built hospital with gross floor area of more than 760,000 sq ft, 342 beds, 12 operating theatres, 100 consultation suites, and a convention centre with capacity for 500 people.

A master lease agreement was also signed between the parties for 10 years to allow Sunway Medical to continue running its hospital operations from the same premises.



CELEBRATING WITH SUNWAY'S CHRISTMAS PARADE 15 December 2012

Sunway brought the joy of the festive season to the streets with a spectacular two hour Christmas parade. Under the twinkle of Sunway Resort City's colourful showlights and witnessed by thousands of eager spectators, including hotel guests and shoppers, Sunway's beloved mascots Leo and Leona, Captain Quack and Lady Quack, the cast of Sunway Lagoon's "Beauty and the Beast, The Musical", Santa Claus, Santarinas, elves, stilt walkers, jugglers, balloon men, buskers, fire-eaters, and the finalists of Miss Tourism International 2012, all marched cheerfully from Sunway Resort Hotel & Spa to Sunway Lagoon's main entrance.



SUNWAY WINS THOMSON ROAD / IRRAWADDY ROAD LAND TENDER 7 December 2012

The Urban Redevelopment Authority of Singapore awarded the tender for a land parcel at Thomson Road / Irrawaddy Road to a consortium consisting of Sunway Developments Pte Ltd (a subsidiary of Sunway), Hoi Hup Realty Pte Ltd and Hoi Hup J.V. Development Pte Ltd, which emerged as the highest bidder for the land with a bid of SGD492.5 million. The land, which has a 99-year lease term, spans 1.65 acres with a plot ratio of 4.2.

The land parcel, conveniently located next to the Novena MRT station and within an established medical hub, is just a short distance from Orchard Road. Future development on the land will consist of medical suites, retail units and a hotel, expected to be launched in the third quarter of 2013.



SUNWAY EXPANDS LANDBANK IN ISKANDAR

4 December 2012

Sunway continued to increase its foothold in high-growth Iskandar Malaysia with the acquisition of two parcels of freehold land (Pendas North and Western Pendas South) totalling 779 acres adjacent to the existing Zone F, Medini land parcel measuring 691 acres, which was acquired about a year ago. The two parcels of land were acquired through a joint venture company with Iskandar Asset Sdn Bhd, a wholly-owned subsidiary of Iskandar Investment Berhad ("IIB"), for a consideration of up to RM412.7 million.



BEAUTY AND THE BEAST – THE MUSICAL

1 December 2012

As part of Sunway Lagoon's 20th anniversary, it continued to offer its guests memorable experiences by staging Beauty and the Beast – The Musical. The musical, which was held at the Amphitheatre @ Sunway Lagoon for a month from December 1, featured live musicians and both foreign and local play talents.

Beauty and the Beast – The Musical still tells an evergreen tale of true love and how it prevailed against all odds but features interesting developments intertwined with current events and modern pop culture.



SUNWAY LAGOON INTRODUCES WORLD'S FIRST WATERPLEXX 5D

3 November 2012

Visitors to Sunway Lagoon are now able to enjoy a water-based, multi-sensory experience at the park's new attraction, the Waterplexx 5D. Visitors are given 3D glasses to enjoy a 10-minute animated video which engages the rider's senses of sight, sound and touch. Each ride promises its 36 riders a realistic yet action-packed journey.





Calendar of Significant Events



SUNWAY MANAGERS CONFERENCE 18 October 2012

Sunway held its annual Managers Conference at Sunway Pyramid Convention Centre, accommodating close to 2,000 managers in the one-day conference. Distinguished guest speakers for the event were Dato' Sri Nazir Razak, Group Managing Director and Chief Executive Officer of CIMB Group, and Mr. Gregory Burns, Paralympic World-Record Breaking Swimmer who shared their insights on corporate strategies, business management and self motivation. In addition to the invited guest speakers, the eagerly awaited winners for "Passion Idol", "Innovation Challenge" and "Most Passionate Business Unit", which were contests conducted as part of the Group's "Leading with Passion" campaign, were also announced.



SUNWAY RESORT CITY LIGHTS UP FOR RAYA 27 July 2012

With the theme C'haya Raya Eid Mubarak, Sunway Resort City (SRC) launched its famed showlights, fashioned to form interlacing delicate arabesque motifs and striking six petal des , with a host of international guests and invitees from the embassies and consulates representing the global communities around the world.

En Rashidi bin Hasbullah, Deputy Secretary General, Ministry of Tourism, along with Datuk Razman Hashim, Deputy Chairman of Sunway officiated the streetlights at Sunway Resort City. Witnessing the event were Ambassadors of Afghanistan and Republic of Croatia, representatives from Morocco Embassy and Singapore High Commission, Puan Sri Datin Seri (Dr) Susan Cheah as well as Afghanistan refugee children who were the special guests.



SUNWAY AND NKF LAUNCH 2ND MOBILE HEALTH SCREENING UNIT 11 July 2012

Sunway and the National Kidney Foundation ("NKF") launched the second National Kidney Foundation LifeCheck Mobile Health Screening Unit ("NKF LifeCheck"). The NKF LifeCheck is a customised 40-seater bus that provides a mobile platform for basic health screenings and focuses on early detection and prevention of kidney-related diseases.

The first NKF LifeCheck that was launched back in January 2008 was very successful in reaching out to the public, especially within the rural areas throughout Malaysia. To date, the NKF LifeCheck has successfully reached out to close to 150,000 people nationwide.



LAUNCH OF NEUPAVE 29 June 2012

Sunway Paving Solutions launched "NeuPave," a new paving solution for the construction industry that utilizes the latest concrete technology.

The NeuPave pavers, manufactured with the environment in mind, are designed to be porous, and therefore, water-permeable, allowing water to seep through the material to the soil underneath. By having these unique features, the NeuPave pavers counter the drawbacks of traditional pavers which are not water-permeable and allow water to run off their hard surfaces. They reduce the likelihood of floods and erosions caused by flooding, as well as reinforce and stabilise the soil. Sunway is the first to manufacture this product in Malaysia.



PM INAUGURATES BRT PROJECT IN BANDAR SUNWAY 9 June 2012

Prime Minister Dato' Sri Mohd Najib Tun Abdul Razak unveiled Syarikat Prasarana Negara Berhad's ("Prasarana") venture with Sunway which will see Malaysia embarking upon its maiden Bus Rapid Transit ("BRT") project, to be carried out under a Public-Private Partnership (PPP) initiative.

Sunway will be working closely with Prasarana for the proposed project which has been identified as the best solution to address the traffic congestion problem of Bandar Sunway and Subang areas. The project entails the construction of a dedicated, elevated 5.5 km bus lane with seven halts strategically located between the Setia Jaya KTM station and the upcoming LRT Station at USJ 6 near The Summit shopping centre. Upon completion of the project, an estimated combined population of 500,000 people will be able to reap great benefits from improved traffic flows.



LONDON THE SUMMER MUSICAL 1 June 2012

In conjunction with midterm school holidays, Sunway Lagoon presented London, the Summer Musical. The production which played at the Amphitheatre @ Sunway Lagoon for a month was set against the backdrop of central London. Featuring chart topping hits from the 70's, 80's, 90's and 2000's, London the Summer Musical told the story of three American air hostesses who reignited their love for singing in the hustle and bustle of London. In the midst of their whirlwind musical journey, they find romance, love and discover who they really are as they crossed paths with three British lads.





Calendar of Significant Events



SUNWAY CONSTRUCTION TO BUILD MRT 9 May 2012

Sunway Construction was appointed by MRT Corporation for the construction of package V4 of the MRT viaduct for the Sungai Buloh-Kajang Line for a contract sum of RM1.17 billion. Package V4 comprises a stretch of 6.6 km from Section 17, Petaling Jaya to Semantan. Out of the eight viaduct work packages awarded by MRT Corporation, package V4 is the largest in terms of contract sum. Upon completion of the first phase by December 2016, the MRT is expected to serve a catchment population of 1.2 million people.



TAN SRI JEFFREY CHEAH TEACHES MATHEMATICS IN SUPPORT OF TEACH FOR MALAYSIA WEEK 19 April 2012

Teach for Malaysia Week is an annual event organised by Teach for Malaysia ("TFM"), in conjunction with its Teach for All partners. The week consists primarily of teaching sessions, whereby top civil servants, public figures and corporate leaders teach alongside a TFM Fellow at a pre-identified high-need school.

On this particular occasion, students from a Form 4 class at SMK Puchong were enthused to have Tan Sri Dato' Seri Dr. Jeffrey Cheah take over one of their classes which was starkly different to the Mathematics class they are used to. Tan Sri, who is a trained accountant, had a clear and simple goal as he commenced the session – to inspire students to pursue education with drive as it is his personal belief that education forms the foundation to achieving a brighter future.



SUNWAY PLANTS TOWN GREEN WITH SELANGOR MB 10 April 2012

In line with Sunway's commitment in promoting a sustainable green environment for future generations, Tan Sri Dato' Seri Dr. Jeffrey Cheah joined Tan Sri Dato' Seri Abdul Khalid Bin Ibrahim, Menteri Besar of Selangor in planting trees in front of Sunway Giza Mall, as part of the official launch of Zon Bersih Dataran Sunway. Also present at the launch were Dato' Haji Mohamad Roslan bin Sakiman, Mayor of MBPJ, Tuan Ronnie Liu, Selangor State Executive Councillor, Tan Sri Ramon Navaratnam, officials from the State of Selangor, Majlis Bandaraya Petaling Jaya (MBPJ) and Sunway.

Dataran Sunway was chosen as Zon Bersih 2012 by MBPJ. Zon Bersih is a clean initiative by the Selangor state government to make the state one of the cleanest in the country.



SELANGOR CHIEF OF POLICE LAUNCHES SELANGOR MCPF CHINESE NEW YEAR 'SAFE REUNION' CAMPAIGN 13 January 2012

Selangor Chief of Police, Dato' Hj Tun Hisan bin Dato' Hj Tun Hamzah, Vice Chairman 1, Malaysia Crime Prevention Foundation ("MCPF") Malaysia, Tan Sri Lee Lam Thye and Selangor MCPF Advisor, Tan Sri Dato' Dr Ramon V. Navaratnam launched the Chinese New Year 'Safe Reunion' Campaign at Sunway Pyramid.

The event was organized by Selangor MCPF in conjunction with the festive season. The Officer-in-Charge of Police District ("OCPD") Petaling Jaya, Subang Jaya, Serdang, Shah Alam, Gombak, Ampang, Kajang, Klang Utara and Klang Selatan were present to receive the "Leaving Home Forms" which were furnished to the public to assist the police to more efficiently patrol residential areas during the festive season.





Awards and Accolades



Malaysia Book Of Records 2012
15 December 2012
By Malaysia Book Of Records

Sunway Lagoon's Waterplexx 5D Listed In Malaysia Book Of Records 2012

Sunway Lagoon's latest attraction, the Waterplexx 5D, entered the Malaysia Book of Records 2012 as the first five dimensional water based attraction in Malaysia, listed under the building and structure category. The recognition was presented to Sunway Lagoon by the Malaysia Book of Records founder, Datuk Danny Ooi.



South East Asia Property Awards 2012
21 November 2012
By Ensign Media

Sunway Is "Best Developer" At The South East Asia Property Awards 2012

Sunway won "Best Developer – Malaysia" at the South East Asia Property Awards 2012 held in Singapore. Sunway received a "Highly Commended" mention for the same category in 2011.

In its second year, the South East Asia Property Awards 2012 celebrates the best of the best in the region's luxury residential property sector.



Malaysia's 100 Leading Graduate Employers
22 November 2012
By GTI Media

Sunway Among Malaysia's Top 20 Leading Graduate Employers

Sunway is proud to be ranked 16th amongst Malaysia's 100 Leading Graduate Employers ("M100"), putting it amongst the country's top 20 graduate recruiters. The ranking is a great leap forward from its 2011 placement of 36th. The annual M100 survey explores the opinions of university students and fresh graduates regarding career opportunities and their perception of employers in Malaysia.



**Malaysian Retailer-Chains Association (MRCA) Most Supportive Shopping Mall Award
16 November 2012
By Malaysian Retailer-Chains Association**

Sunway Pyramid Clinches the Malaysian Retailer-Chains Association (MRCA) Most Supportive Shopping Mall Award

Sunway Pyramid clinched the Malaysian Retailer-Chains Association (MRCA) Most Supportive Shopping Mall Award for the fourth consecutive time, which is evidence that Malaysia's premier thematic shopping mall is committed to supporting and developing the Malaysian retail industry, creating a diverse tenant mix and maintaining a good and healthy relationship between the shopping mall management and tenants.



**Malaysia's Most Valuable Brand
22 October 2012
By Association of Accredited Advertising Agents Malaysia (4As)**

Sunway is Malaysia's Most Valuable Brand 2012

Sunway was ranked 20th in Malaysia's Most Valuable Brands ("MMVB") 2012. 2012 was the third year Sunway was listed in the MMVB Top 30 Most Valuable Brands in Malaysia. In 2009, Sunway ranked 29th and in 2008, Sunway ranked 30th, demonstrating the continuous growth in the value of the Sunway brand.

MMVB promotes the role of brands as an engine of economic growth and national wealth generation through the corporate sector. It measures the financial value of brands originating from Malaysia, which are owned by public listed companies.

**National Annual Corporate Report Awards (NACRA) 2012
2 November 2012
By Bursa Malaysia Bhd, Malaysia Institute of Accountants and the Malaysia Institute of Certified Public Accountants**

Sunway Wins Three NACRA Awards

Sunway Berhad was awarded the "Industry Excellence Award" in the Properties & Hotels Category, and the "Silver Award" in the Corporate Social Responsibility Category. This is the sixth consecutive year that Sunway had retained the Industry Excellence Award while it's the first time the Group won the Silver Award in the Corporate Social Responsibility category riding on the back of its first ever Sustainability Report.

In addition, Sunway REIT had also bagged the "Industry Excellence Award" in the Real Estate Investment Trusts & Closed-End Funds Category. The NACRA Awards aim to promote excellence in corporate reporting as well as greater transparency and accountability by organisations in their financial reporting.





Awards and Accolades



The Edge Malaysia Top Property Developers Awards 2012
18 October 2012
By The Edge Malaysia

Sunway Up The Ranks at The Edge Malaysia Property Excellence Awards 2012

Sunway emerged second at The Edge's Top Property Developers Award 2012, nudging up a spot from third place last year. The 2012 edition marks the award's tenth year anniversary with Sunway being a fixture in the top ten of the Top Property Developers Awards for all ten consecutive years. The prestigious award ranks Malaysia's best property players, from the consumer's perspective, for their quantitative and qualitative attributes.



Malaysia Greentech Awards
15 October 2012
By Ministry of Energy, Green Technology and Water Malaysia and Malaysian Green Technology Corporation

Sunway Wins Malaysia Greentech Awards

Sunway received the Gold Award for the Developer Category – Commercial Sector in Malaysia Greentech Awards. This award highlights the exemplary establishments that emphasize on aspects of renewable energy, research and development, sustainability, communications and innovations which are vital in the transformation of the future of green technology.



Quality Assessment System in Construction (QLASSIC)
2 August 2012
By Construction Industry Development Board Malaysia

Sunway Construction Achieves High Score in Quality Assessment System in Construction (QLASSIC) for Impiana KLCC Hotel Project

The Impiana KLCC Hotel extension which was built by Sunway Construction has achieved a score of 85% in the Quality Assessment System in Construction (QLASSIC), with the score being among the top 3 highest scores to date for all categories of Malaysian construction projects.

QLASSIC is an independent and objective method to measure and evaluate the workmanship quality of construction works based on the relevant approved standards. A high QLASSIC score means that a building has good quality workmanship and construction. The scope of the assessment includes architectural works, external works and basic M&E fittings.

**Green Building Index
29 June 2012
By Pertubuhan Akitek Malaysia
(PAM) and the Association of
Consulting Engineers Malaysia
(ACEM)**

*Sunway Resort City is Malaysia's
first township to be accredited by
the Green Building Index*

Sunway Resort City was accorded the Silver Award by the Green Building Index certification, officially becoming Malaysia's first green township development. The minimum requirement to be recognised as a sustainable township was to have at least 15% of the township be green. The entire development of Sunway Resort City is approximately 30% green, double the minimum requirement.



**FIABCI Prix d'Excellence Awards
2012
15 May 2012
By International Real Estate
Federation (FIABCI)**

*The Banjaran Hot Springs Retreat
Bestowed with Prestigious FIABCI
Prix d'Excellence 2012*

The Banjaran Hot Springs Retreat has emerged winner of the Resort Development Category in the international FIABCI Prix d'Excellence Awards 2012 held in Russia. This follows the resort's win in the same category at the FIABCI Malaysia Property Awards in 2011. It is the second consecutive year that a Sunway property has been bestowed the highly acclaimed honour, after Sunway Pyramid shopping mall triumphed in the Retail Development Category at FIABCI Prix d'Excellence 2011 demonstrating Sunway's capabilities across a variety of developments.

**BCI Asia Awards 2012
24 May 2012
By BCI Asia Construction
Information**

*Sunway is Top 10 Property
Developer at BCI Asia Awards 2012*

Sunway Integrated Properties arm was recognized as one of Malaysia's Top 10 property developers for the second consecutive year at the BCI Asia Awards 2012. The BCI Asia Top 10 Awards recognises ten property developers and architecture firms that had the greatest impact on the built environment in Southeast Asia, namely in Hong Kong, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.





Awards and Accolades



Asia Pacific Hotel Awards 2012 27 April 2012 By International Hotel Awards

*The Banjaran Hotsprings Retreat
Wins Best Sustainable Hotel for
Malaysia*

The Banjaran Hotsprings Retreat recently added another feather to its cap when it received awards for Best Sustainable Hotel for Malaysia and Best Sustainable Hotel for Asia-Pacific at the International Hotel Awards Asia Pacific 2012-2013. The award recognises The Banjaran's sustainable practices. Concern for the carbon footprint has prompted eco-friendly and green practices being incorporated throughout the retreat. The layout plan melds into the natural topography, while its sustainable practices include energy and water conservation, proper waste management and chemical reduction.



Malaysia's Most Favourite Mall 1 March 2012 By Tourism Malaysia

*Sunway Pyramid is Malaysia's Most
Favourite Shopping Mall*

Sunway Pyramid emerged as Malaysia's Most Favourite Shopping Mall after winning more than half of the total votes submitted during an online poll run by Tourism Malaysia last year. Sunway Pyramid was a clear favourite, although more than 300 shopping malls were polled.



Global Reporting Initiative (GRI) A+ Rating 16 April 2012 By Global Reporting Initiative (GRI)

*Sunway Berhad Awarded A+ by Global
Reporting Initiative*

Sunway's first ever Sustainability Report, which covers the company's responsibilities to stakeholders and its ongoing commitment to transparency and accountability, was awarded an A+ rating by Global Reporting Initiative (GRI), representing the highest standard of application level and its full compliance with the stringent indicators.



**TripAdvisor Travelers' Choice
Awards 2012
23 February 2012
By TripAdvisor**

*Sunway Resort Hotel & Spa Wins
2012 TripAdvisor Travellers' Choice
Hotel Awards*

Sunway Resort Hotel & Spa was listed as one of the Top 25 Luxury Hotels in Malaysia at the TripAdvisor Travelers' Choice Awards 2012. The Hotel, a true home-grown resort hotel, was ranked 16th beating other renowned international hotel chains.



**Brand Laureate SME's Chapter
Awards 2011
12 January 2012
By Asia Pacific Brands Foundation
(APBF)**

*Sunway Lagoon named The Brand
Laureate Most Creative Brand*

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 organised various Broadway-like musicals to much delight of its patrons.

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An illustration of five stylized grey wolves in a desert landscape. The wolves are depicted in various poses, some looking towards the left and others towards the right. They are standing on a light-colored, sandy ground with some small, dark, spiky plants scattered around. In the background, there are rolling hills and mountains in shades of light brown and beige. The overall style is minimalist and modern.

PERFORMANCE REVIEW



Intelligent.Communicative. Loyal.Compassionate.

The Wolf is highly regarded in Asian folklore. By using body movements, eye contact and many complex vocal expressions, the Wolf makes his point understood clearly and accurately – all the qualities required of a sound and strong performance.



Dato' Chew Chee Kin
President

The Group's performance in 2012 was commendable despite a challenging operating environment due to volatility in the global economy. We achieved revenue of RM3.8 billion, an increase of 4.3% from 2011 and profit after tax and minority interest ("PATMI") of RM530.6 million, an increase of 36.9% from 2011. Core PATMI, which excludes non-core items, was RM 350.7 million. In addition, we made substantial advancements operationally and built greater market recognition for our products and services.



President's Review

INTEGRATED PROPERTIES

Property Development



Property sales remained strong at RM1.8 billion (2011: RM2.1 billion) despite softer market conditions in our key markets as a result of recent regulatory measures. In Malaysia, Bank Negara introduced new lending guidelines at the end of 2011, and in Singapore, additional property-market cooling measures were implemented in early 2012.

Projects in Malaysia recorded sales of RM1.2 billion (2011: RM1.1 billion), driven mainly by sales of new launches within our integrated developments in Sunway South Quay and Sunway Velocity. Key launches this year included Sunway Geo (GDV: RM310 million), the first commercial launch in Sunway South Quay, and Velocity Designer Suites (GDV: RM258 million), comprising stratified, boutique offices. The launches achieved strong sales, with 70% of the units at Velocity Designer Offices taken up shortly after launch.

Our property joint ventures in Singapore continued to deliver strong results, contributing approximately RM571.0 million in sales for 2012. The sole launch for the year, Sea Esta at Pasir Ris, has been fully sold. All our property projects in Singapore are now more than 98% sold.

In landbanking, we had two notable acquisitions. First, we partnered Iskandar Investment Berhad to acquire 1,079 acres of freehold land in Iskandar, Malaysia, reflecting the Group's confidence in the prospects of the region. This acquisition boosts our landbank in Johor to 1,858 acres, and the Group is now among the largest publicly-listed land owners in Johor. The new landbank, which encompasses the land within the vicinity of Sungai Pendas, is located beside our Medini landbank. The master plan for the two combined landbanks is nearing completion and we are targeting the first launch in Sunway Iskandar by the end of 2013.

The other important landbank acquired by the Group was in Novena, Singapore, through our joint venture with Hoi-Hup. The landbank is strategically located next to the Novena MRT station and internationally renowned medical institutions, and will be developed into a mixed development comprising medical suites, a 260-room hotel and retail lots. This will be Sunway's first venture into commercial development in Singapore with our joint venture partner, following our successful residential development projects.

Property Investment and Real Estate Investment Trust ("REIT")



Sunway's investment in Sunway REIT continued to generate stable, recurring income for the Group. In 2012, the REIT declared a distribution per unit ("DPU") of 8.0 sen, an increase of approximately 11.3% over the previous year, largely driven by the strong performance of the retail properties within the REIT.

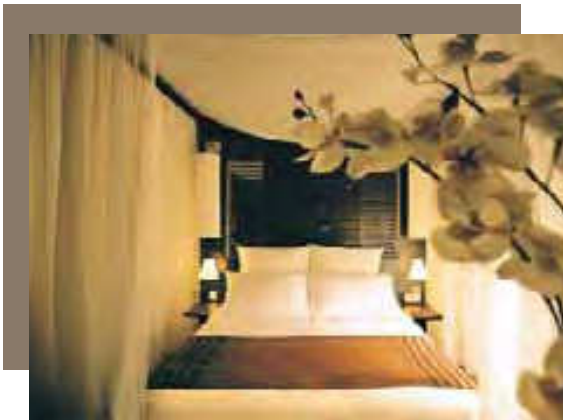
In December 2012, Sunway REIT completed the acquisition of the Sunway Medical Center for a total consideration of RM310.0 million. The property will be leased back to Sunway Medical Center Berhad. The acquisition is expected to further enhance Sunway REIT's net property income ("NPI") and diversify the REIT's income base.

Meanwhile, other properties managed directly by our property investment division including Sunway Giza, the university campuses in Bandar Sunway and their student accommodation maintained their stable performance and continued to contribute positively to the Group.



President's Review

Leisure and Hospitality



Our two theme parks, Sunway Lagoon and Lost World of Tambun, attracted a total of 1.7 million visitors in 2012, up from 1.6 million in the previous year. Sunway Lagoon marked its 20th anniversary in 2012 with the addition of 2 new attractions. We added Malaysia's first 5D Waterplexx, a 3D cinema which combines seat motion and water projections to provide a wholesome movie experience to the viewers. The other new attraction is the Vuvuzela, the world's largest vortex water ride, which will stand at over 11 storeys high. Besides the new attractions, Sunway Lagoon continued to promote Malaysia's performing arts scene with the running of "London- The Summer Musical" in June and "Beauty and the Beast" in December 2012. Both shows were well-received, and attracted a total audience of over 50,000.

One of our resorts, The Banjaran Hotsprings and Retreat is the premier luxury wellness destination in Malaysia, and has won numerous awards for its unique natural attractions and its outstanding level of hospitality. In 2012, we were honoured to be named the Best Resort Development at the internationally acclaimed FIABCI Prix d'Excellence Awards.

CONSTRUCTION



Our total order book replenishment for 2012 was RM1.9 billion (2011: RM1.6 billion), largely contributed by a construction package for the Klang Valley Mass Rapid Transit ("KVMRT") project. We secured the RM1.17 billion V4 package for the construction of the MRT viaduct guideway from Section 17, Petaling Jaya to Semantan, which is the largest KVMRT construction package other than for tunnelling works. As at 31 December 2012, the Group's outstanding construction order book was RM3.2 billion.

During the year, key projects that achieved substantial completion were a 3-star hotel and office block in Putrajaya (Package PZ10), the upgrading of the Sultan Azlan Shah airport in Ipoh and the Gas District Cooling ("GDC") plant in Putrajaya. We were particularly proud of the timely completion and delivery of the RM258.0 million Legoland project in Johor, an 18 month fast track job, which has enabled the theme park operator to open its doors to the public as scheduled and has since become a major tourist attraction in Iskandar. The construction industry is expected to remain buoyant in 2013. Given our technical capabilities and strong track record, the construction team is well-positioned to secure more new contracts.



SYNERGIES BETWEEN INTEGRATED PROPERTIES AND CONSTRUCTION

Our Integrated Properties and Construction Divisions continued key initiatives to achieve synergies and cost savings across the divisions. Following the establishment of the property-construction committee last year which marked the start of collaboration between the two divisions, we further enhanced the management structure by the appointment of Dato' Tan Kia Loke to lead both the divisions and Sarena Cheah as his deputy. With a common leadership structure in place, inter-division collaboration will become a way of life for the Sunway Group.

In addition, the property-construction committee has established several centres of excellence ("COE") which will provide specialised expertise to support the two divisions. This will enable the Group to better derive synergies and develop expert capabilities while enabling the two divisions to continue to drive their own respective business strategies.

STRATEGIC INVESTMENTS



Trading and Manufacturing

Despite the uncertain economic environment particularly in China and Indonesia, the Trading and Manufacturing division delivered satisfactory performance. Our revenue continued expanding to RM558.7 million from RM553.2 million previously, however profits before tax declined slightly to RM41.6 million from RM46.3 million in the previous year.

The division increased its network reach in China and Indonesia during the year by adding new distribution points in the cities of Xi'an and Shenyang in China, and Medan in Indonesia, respectively. In Thailand, our branch in Saraburi was enlarged as we aim to penetrate the mining and quarry industries.

Quarry and Building Materials



Our quarry business was fuelled by strong demand for aggregates, which increased steadily in the second half of 2012 as the execution of the KVMRT and LRT projects gained momentum.

In our building materials business, our investment in research and development has started to yield results with the launch of our new product range, NeuPave, in June 2012. NeuPave has high water permeability and is Green Building Index ("GBI") certified.

In China, our spun pile operations continued to build upon the progress made in 2011 and recorded a maiden profit in 2012. We are optimistic of the prospects of the spun pile business as we continue to expand our export sales and improve our productivity.

In line with the Group's strategy to divest weaker-performing units, we divested our quarry in Hanoi, Vietnam and our paver plant in Dongguan, China during the year.



President's Review

Healthcare



Sunway Medical Center ("SMC") achieved RM10.7 million in profit before tax, up significantly from RM1.3 million the previous year. With the continued progress in SMC's turnaround, we have been able to restructure SMC into a hospital operator and divest its hospital building to raise funds for future expansion. We completed the sale of the hospital building to Sunway REIT at the end of the financial year.

As healthcare is one of the core pillars of Sunway's corporate responsibility initiatives, SMC has committed to having more events to promote a healthy lifestyle and raise awareness of certain illnesses. In 2012, our healthcare division organised campaigns including "Let's Take 5!" in conjunction with the World Diabetes Day 2012 to raise awareness and address the high incidence of the disease in Malaysia, and the "Sunweigh Challenge" to encourage a healthier lifestyle among our employees and communities

Outlook and Prospects

The prospects for the global economy in 2013 are expected to be more favourable than in 2012, and the likelihood of an extreme event affecting international financial markets has diminished. However, there remain risks for global financial instability and the economic environment is likely to remain challenging.

Closer to home, the ASEAN region continues to show signs of resilience, registering strong growth rates driven by buoyant domestic demand. In Malaysia, the GDP expanded 6.4% year-on-year in the final quarter of 2012, the highest growth in the past two and a half years. Consumer spending continues to be underscored by favorable employment conditions and income growth. Private and public investment are expected to be driven by capital spending in key subsectors of transportation, real estate and utilities, and ongoing implementation of projects under the Economic Transformation Programmes and various development corridors such as Iskandar Malaysia.

In 2013, we will continue to seek focused growth, drive product and service innovation, competitively differentiate ourselves in the market; while continuously monitoring and seeking ways to improve costs, ensuring that the Group remains productive and lean while capitalizing on key opportunities.

Dato' Chew Chee Kin
President



Financial Highlights

	Financial Year Ended			Quarter Ended			
	2012 RM'000	2011 RM'000 Restated	2010 RM'000 Restated	31 Mar 2012 RM'000	30 Jun 2012 RM'000	30 Sep 2012 RM'000	31 Dec 2012 RM'000
OPERATING RESULTS							
Revenue	3,849,215	3,691,712	3,102,129	814,765	996,089	866,979	1,198,937
Profit before tax	722,942	498,533	715,949	84,899	193,147	142,413	316,278
Income tax	(125,382)	(69,560)	293,673	(18,501)	(30,334)	(32,399)	(55,804)
Profit net of tax	597,560	428,973	1,009,622	66,398	162,813	110,014	260,474
Non-controlling interests	66,935	41,418	309,187	1,951	8,478	15,741	41,184
Profit attributable to owners of the parent	530,625	387,555	700,435	64,447	154,335	94,273	219,290
KEY BALANCE SHEET DATA							
Property, plant and equipment	804,698	960,567	928,268	982,336	946,014	957,413	806,911
Biological assets	613	416	461	471	526	529	613
Investment properties	1,242,519	888,896	726,146	925,979	1,007,105	1,046,148	1,150,348
Rock reserves	7,444	8,379	9,314	8,146	7,912	7,678	7,445
Land held for property development	598,912	1,017,292	533,187	993,616	795,207	847,681	1,042,306
Investments in associates and jointly controlled entities	1,540,213	1,281,199	1,241,817	1,399,089	1,499,518	1,621,535	1,553,154
Goodwill	318,077	326,497	329,230	326,497	326,491	326,491	318,717
Deferred tax assets	33,718	33,308	40,194	33,081	39,742	34,153	31,807
Trade receivables	3,899	7,013	9,935	441	347	636	3,898
Derivatives	2,058	33,600	-	10,455	46,077	12,742	13,544
Other investments	1,802	1,849	12,647	1,798	1,810	1,761	1,802
Current assets	4,429,521	3,284,612	3,149,317	3,218,670	3,715,909	3,696,686	3,814,344
Total assets	8,983,474	7,843,628	6,980,516	7,900,579	8,386,658	8,553,453	8,744,889
Current liabilities	3,576,217	2,010,819	1,962,087	2,388,232	2,592,901	2,651,223	2,418,816
Long term borrowings	983,279	1,933,682	903,993	1,904,757	2,054,288	2,001,919	1,964,180
Other long term liabilities	412,437	498,097	140,709	152,378	138,598	225,581	443,812
Deferred tax liabilities	53,246	56,556	73,334	48,372	46,633	51,407	49,436
Derivatives	792	182	1,754	304	329	509	204
Total liabilities	5,025,971	4,499,336	3,081,877	4,494,043	4,832,749	4,930,639	4,876,448
Total equity	3,957,503	3,344,292	3,898,639	3,406,536	3,553,909	3,622,814	3,868,441
Non-controlling interests	380,862	327,349	380,700	324,443	315,792	306,133	310,043
Shareholders' equity	3,576,641	3,016,943	3,517,939	3,082,093	3,238,117	3,316,681	3,558,398
FINANCIAL RATIOS							
Profit before tax to revenue (%)	18.78%	13.50%	23.08%	10.42%	19.39%	16.43%	26.38%
Basic earnings per share (sen)	41.05	29.98	54.19 ¹	4.99	11.94	7.29	16.97
Diluted earnings per share (sen)	41.05	29.98	54.19 ¹	4.99	11.94	7.29	16.97
Closing share price as at end of period (RM)	2.38	2.55	N/A	2.63	2.30	2.30	2.38
Price-earnings ratio (times)	5.80	8.50	N/A	N/A	N/A	N/A	N/A
Return on capital employed (ROCE) (%)	12.63%	10.47%	16.04%	N/A	N/A	N/A	N/A
Return on equity (ROE) (%)	14.84%	12.85%	19.91%	N/A	N/A	N/A	N/A
Net gearing ratio (times)	0.45	0.49	0.15	0.51	0.54	0.57	0.45
Net tangible assets per share (sen)	251.54	207.51	245.99 ¹	212.57	224.66	230.75	250.08
Net assets per share (sen)	276.72	233.42	272.18 ¹	238.46	250.53	256.61	275.31
Share capital ('000)	1,292,505	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 Bhd as at its listing date on 23 August 2011.



Chong Chang Choong
Chief Financial Officer

Sunway has a dividend policy of declaring at least 20% of core net profits as dividends. Accordingly, the Board is pleased to declare its maiden dividend of 6 sen per ordinary share representing 22% of core net profits for Financial Year 2012.



Chief Financial Officer's Review

Key Financial Highlights for Financial Year Ended 31 December 2012 ("FY 2012")

- Core PBT increased 18%
- Core PATMI increased by 7%
- Core PATMI Margin sustained at 9%
- Maiden dividend of 6 sen per share

Group Financial Review

RM'million	FYE2012	FYE2011
Revenue	3,849.2	3,691.7
Profit before tax ("PBT")	722.9	498.5
*Core PBT	524.5	445.7
Profit attributable to owners of the parent ("PATMI")	530.6	387.6
*Core PATMI	350.7	327.1
PBT Margin	19%	14%
*Core PBT Margin	14%	12%
PATMI Margin	14%	10%
*Core PATMI Margin	9%	9%
Basic Earnings Per Share	41.05	29.98
Basic Core Earnings Per Share	27.13	25.31

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

The Group recorded revenue of RM3.8 billion and profit before tax of RM722.9 million as compared to the revenue of RM3.7 billion and profit before tax of RM498.5 million in the prior year. The major revenue contributors came from property development, property investment, construction and the trading and manufacturing segments.

Profit before tax for FY 2012 rose approximately 45% to RM722.9 million. This was mainly due to the one-off gains of RM198.5 million, being RM97.8 million gain from the disposal of a property investment asset and RM100.7 million fair value gains from associates and investment properties. Excluding the one-off gains, the core PBT of RM524.5 million was 18% higher compared to the prior year. The various segmental reviews which follow will provide a more detailed analysis.

INTEGRATED PROPERTIES

Property Development

The property development segment reported revenue of RM910.2 million and core profit before tax of RM308.0 million for the financial year ended 31 December 2012 (2011: RM915.8 million and RM222.6 million). Despite the lower revenue, core profit before tax increased by approximately 38% due to stronger profit recognition from property projects in Malaysia and higher profit contribution from the property development in Singapore which enjoyed strong performance.

Property Investment

This reporting segment includes property investment assets, contributions from Sunway REIT and the leisure and hospitality units. The reported revenue of this segment was RM585.2 million and core profit before tax was RM126.1 million for the financial year ended 31 December 2012 (2011: RM517.6 million and RM149.4 million). The higher revenue was mainly contributed by the property investment assets and Sunway Putra Hotel which was acquired late in 2011. However, profit before tax in FY 2012 was lower by 16% due to higher interest cost incurred and provisions of doubtful debts.



Chief Financial Officer's Review

CONSTRUCTION

The construction segment registered revenue of RM1.3 billion and core profit before tax of RM65.4 million for the financial year ended 31 December 2012 (2011: RM1.2 billion and RM61.4 million). Progress billing from ongoing local construction projects was higher in the current year, but the increase was partly offset by lower overseas construction billings and higher elimination of intra-group construction revenue due to timing difference. As a result, the current profit before tax only increased marginally as compared to the previous period.

The construction arm managed to secure RM1.9 billion of new contracts in 2012 which helped to boost the outstanding order book to approximately RM3.2 billion as at 31 December 2012.

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 continue to contribute positively to the Group's profitability.

Trading and Manufacturing

The trading and manufacturing segment reported revenue of RM558.7 million and core profit before tax of RM41.6 million (2011: RM553.2 million and RM46.3 million).

Group Capital Structure

RM'million	FYE2012	FYE2011
Shareholders' Fund	3,576.6	3,016.9
Gross Borrowings	2,756.4	2,253.7
Cash	1,158.9	776.7
Net Borrowings	1,597.5	1,477.0
Gross Gearing ratio	0.8	0.7
Net Gearing ratio	0.4	0.5
Net Assets Per Share (RM)	2.76	2.33

The shareholders' funds of the Group improved by 19% to RM3.6 billion as at 31 December 2012. The improvement was mainly due to the high retention of the current profit and the fair value gains from associates and investment properties.

The current year's net gearing ratio is lowered to 0.4 times of shareholders' funds even though the gross borrowings have increased to RM2.76 billion. The healthy cash balance was boosted by the sales proceeds of RM310 million received from the sale of the hospital building which belonged to the healthcare arm.

This segment continued to deliver steady performance but its overall profitability was partly dampened by weaker performance from some of its overseas operations particularly in China and Indonesia which experienced a slowdown due to the softer economic environment.

Quarry and Building Materials

The quarry arm reported revenue of RM196.9 million and core profit before tax of RM12.2 million for the financial year ended 31 December 2012 (2011: RM184.5 million and RM7.9 million). The strong improvement in profitability was mainly due to better selling prices and lower operating costs due to better cost management.

The building materials segment recorded a revenue of RM133.2 million and loss before tax of RM8.8 million for the financial year ended 31 December 2012 (2011: RM127.2 million and loss RM2.7 million). The loss was due to the RM14 million impairment provisions incurred by Sunway Global in China.

Healthcare

The healthcare segment recorded revenue of RM163.9 million and core profit before tax of RM10.7 million during the year (2011: RM161.1 million and RM1.3 million). During the financial year, the hospital building was disposed and recorded a capital gain of RM97.8 million, which was excluded from the core profit before tax amount. The strong increase in profitability was due to sustained improvements in operational efficiency and lower operating overheads.

In conclusion, the Group's overall financial performance for 2012 was satisfactory. Barring any unforeseen circumstances, the Group is expected to continue to perform satisfactorily in 2013.

Chong Chang Choong
Chief Financial Officer

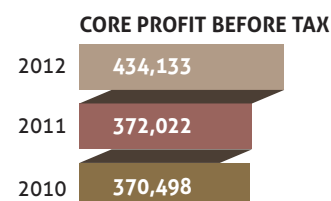
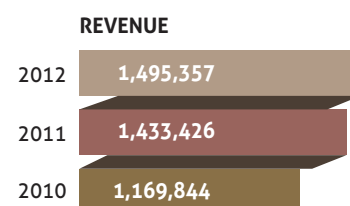
Segmental Performance



INTEGRATED PROPERTIES

REVENUE
RM'000
1,495,357

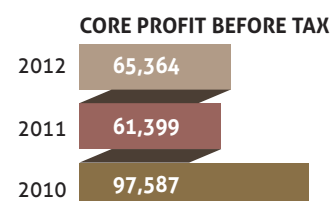
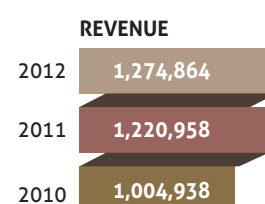
CORE PROFIT BEFORE TAX
RM'000
434,133



CONSTRUCTION

REVENUE
RM'000
1,274,864

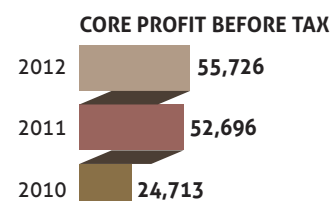
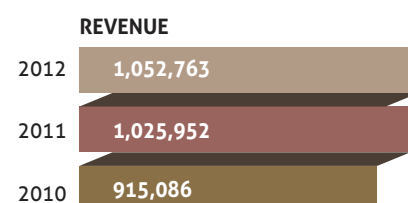
CORE PROFIT BEFORE TAX
RM'000
65,364



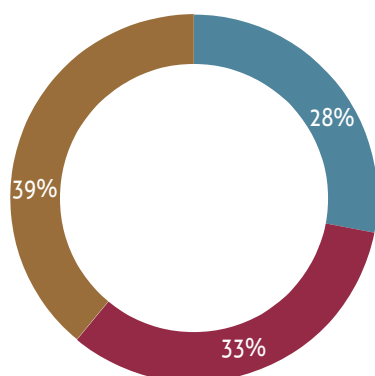
STRATEGIC INVESTMENTS

REVENUE
RM'000
1,052,763

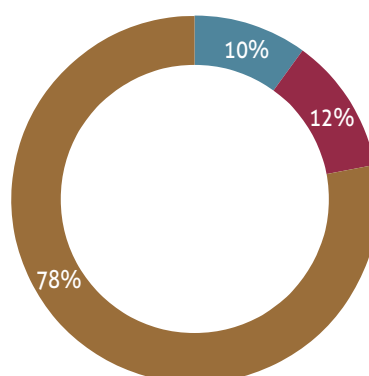
CORE PROFIT BEFORE TAX
RM'000
55,726



REVENUE 2012



CORE PROFIT BEFORE TAX 2012



Integrated Properties

Construction

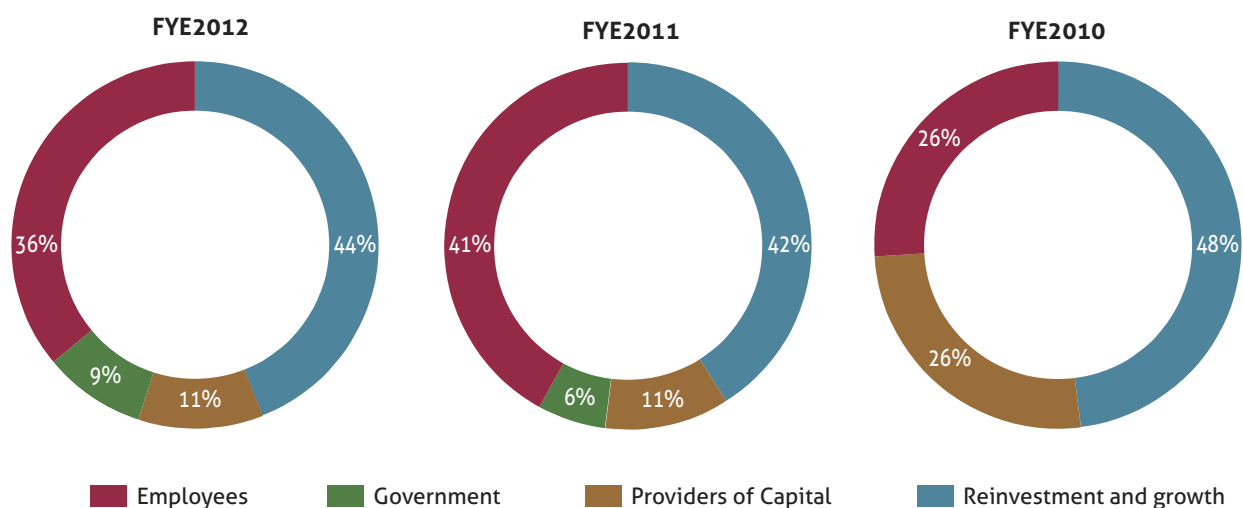
Strategic Investments



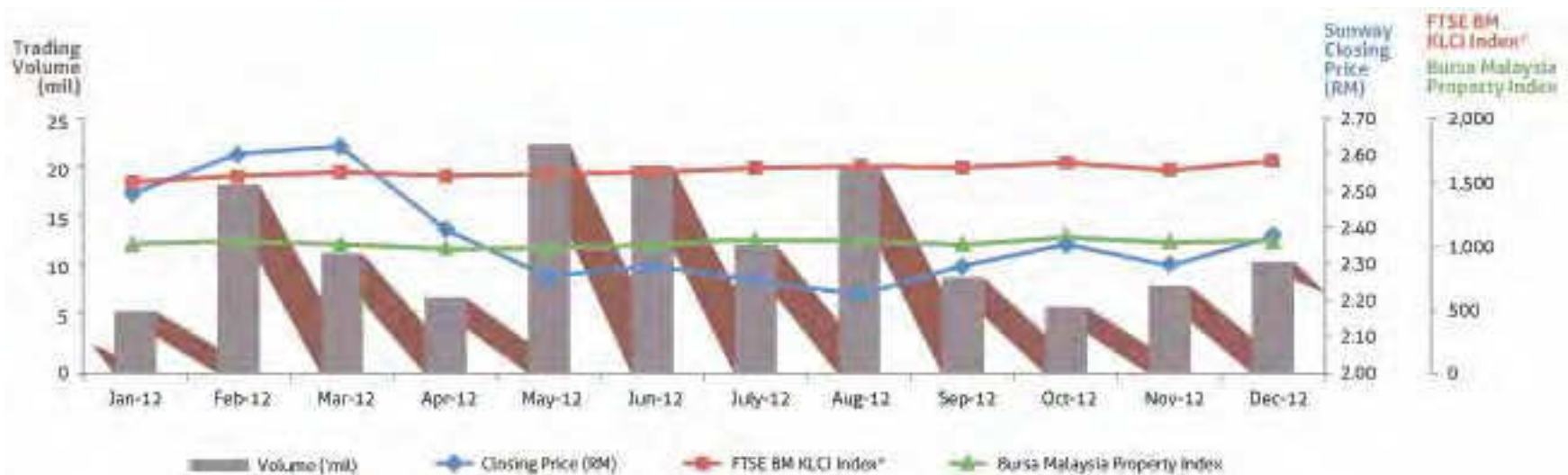
Value Added Statement

	FYE2012 RM'000	FYE2011 RM'000	FYE2010 RM'000
Value Added			
Total revenue	3,849,215	3,691,712	3,102,129
Purchases of goods and services	(2,709,509)	(2,792,539)	(2,040,989)
Value Added by the Group	1,139,706	899,173	1,061,140
Share of profits of associates	152,307	99,689	73,152
Share of profits of jointly controlled entities	143,987	85,949	126,180
Net gain on revaluation of investment properties	23,757	50,273	61,527
Total Value Added	1,459,757	1,135,084	1,321,999
Reconciliation:			
Profit for the year	530,625	387,555	700,435
Add: Depreciation and amortisation	104,583	93,680	79,255
Finance costs	99,557	80,943	101,131
Staff costs	532,675	461,928	425,664
Taxation	125,382	69,560	(293,673)
Minority interests	66,935	41,418	309,187
Total Value Added	1,459,757	1,135,084	1,321,999
Value Distributed			
Employees			
Salaries and other staff costs	532,675	461,928	425,664
Government			
Corporate taxation	125,382	69,560	(293,673)
Providers of capital			
Finance costs	99,557	80,943	101,131
Minority interests	66,935	41,418	309,187
Reinvestment and growth			
Depreciation and amortisation	104,583	93,680	79,255
Income retained by the Group	530,625	387,555	700,435
Total Distributed	1,459,757	1,135,084	1,321,999

Value Distributed



Share Performance



	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Sunway Closing Price (RM)	2.50	2.61	2.63	2.40	2.27	2.30	2.26	2.22	2.30	2.36	2.30	2.38
Monthly Trading Volume (mil)	5.11	18.12	11.07	6.55	22.35	20.13	11.96	19.92	8.60	5.57	7.71	10.21
FTSE Bursa Malaysia KLCI Index*	1,521.29	1,569.65	1,596.33	1,570.61	1,580.67	1,599.15	1,631.60	1,646.11	1,633.66	1,673.07	1,610.83	1,688.95
Bursa Malaysia Property Index	1,029.83	1,052.71	1,027.44	987.42	997.92	1,020.90	1,057.97	1,054.06	1,023.42	1,078.69	1,042.12	1,053.71

* Financial Times Stock Exchange Bursa Malaysia Kuala Lumpur Composite Index



EXEMPLARY **LEADERSHIP**



Respected. Well Mannered. Focused. Confident.

With its strong survival instinct, the Penguin represents a united front with unique and excellent parenting of their young. Gathering in groups, they walk upright forming lines that denote order and purpose. Its striking black and white “attire” suggests formality and the appearance of leadership qualities that denote an air of confidence.

56 Profile of
Board of Directors

62 Profile of
Senior Management





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



Profile of Board of Directors

Tan Sri Jeffrey Cheah, aged 68, is the Founder and Executive Chairman of Sunway Group. A business graduate of Victoria University in Melbourne, and Fellow of CPA Australia, he began his career as an accountant at a motor assembly plant in Malaysia.

Tan Sri Jeffrey Cheah started the Sunway Group with a vision and took a desolate abandoned tin mine as an opportunity to create something of value to the community and also as a template in the rehabilitation of an abandoned derelict site.

In 1990, he started to build a theme park at the mine using water in the mining pool as a feature and built around it, over a 30 year span, a complete green eco property development comprising universities and schools, hospital, residential properties, hotels, service apartments, a shopping mall and now to complete the picture, 5-star offices.

Along with it, he designed a network of roads, access highways and landscaping walkways culminating in an elevated Bus Rapid Transit System connecting Bandar Sunway to a LRT and a train station.

For his efforts in nation building and bringing Malaysians up-market urban lifestyles and in introducing world class universities to Malaysia, 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. The Jeffrey Cheah Foundation is one of the biggest private social enterprise in Malaysia and to-date, RM102 million worth of scholarship have been awarded to more than 13,000 students.

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

**DATO' CHEW CHEE KIN**

President, Non-Independent Executive Director
Malaysian

Datuk Seri Razman, aged 74, 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, ASLI Foundation, Jeffrey Cheah Foundation, SILK Holdings Berhad, Multi-Purpose Holdings Berhad, Berjaya Land Berhad, MAA Group Berhad, MAA Takaful Berhad and Mycron Steel Berhad. He is the Alternate Trustee to Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling in Perdana Leadership Foundation.

Dato' Chew, aged 68, 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 directorships in other public companies are ASLI Foundation and Gopeng Berhad.


SARENA CHEAH YEAP TI H

Non-Independent Executive Director
Malaysian

Ms Sarena Cheah, aged 39, 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. 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. Thereafter, she assumed the position as the Executive Director of Strategy & Corporate Development in August 2011. Effective 1 May 2013, she was appointed as Managing Director of Strategy & Corporate Development as well as Joint Managing Director of Property Development Division, Malaysia/Singapore.

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 and Task Force Committee on Governance and Integrity. She is also a Board Member of Sunway REIT Management Sdn Bhd, the Manager of Sunway Real Estate Investment Trust.

Her directorships in other public companies are SunReit Capital Berhad, SunReit Unrated Bond Berhad, 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
(Resigned with effect from 16 May 2013)

Datuk Low, aged 67, 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. 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 and Task Force Committee on Governance and Integrity 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

**LIM SWE GUAN**

Independent Non-Executive Director
Singaporean

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 both the Business Ethics and Building Committees.

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 Committee, Nomination Committee and Task Force Committee on Governance and Integrity.

His directorship in other public company is Kind Holdings Berhad.

Mr Lim, aged 59, 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.

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 2012 is disclosed in the Corporate Governance Statement.

Profile of Senior Management

**CHONG CHANG CHOONG**

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

**LARRY YAP CHIN LEONG**

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

Corporate Services

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 Accountants in England and Wales and he has more than 20 years of experience in banking, stockbroking, corporate finance and portfolio fund management.

Corporate Services

Mr Larry Yap joined Sunway Group in 1982 and has held various management positions within and outside of the Human Resources function. He started his career in the Corporate Planning division and has gathered his multi industry experiences in the Sunway Group by heading the concrete, quarrying and piling businesses before starting the Finance & Information Technology (IT) Shared Services Centre. He has headed Group Human Resources since 2001 which together with IT form his current portfolio.

Under his leadership, Sunway Group has received HR awards and recognition, which amongst others, include 6th placing in the Asia Pacific Region Top Companies for Leaders 2007 global survey (conducted by Hewitt Associates in collaboration with Fortune magazine and the RBL Group) and 16th place in Malaysia's 100 Leading Graduate Employers 2012.

Mr Larry Yap has previously 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.


KUMAR THARMALINGAM

Executive Director – Chairman's Office
Bachelor of Science (Real Estate),
London School of Economics,
University of London


DATO' TAN KIA LOKE

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

Corporate Services

Mr Kumar Tharmalingam began his career in 1973 as a Property Consultant. His early career highlight was being an advisor to Malayan Banking Berhad, United Malayan Banking Corporation Berhad and United Asian Bank Berhad on real estate matters. In 1980, he joined Debenham, Tewson and Chinnocks later known as DTZ as Managing Director. In 1986, he established the First Malaysian Property Trust (FMPT), a joint venture between Bank of Commerce (M) Berhad (now known as CIMB Bank Berhad) and AUST-WIDE Trust, an Australian Property Trust Company.

In 1989, Mr Kumar Tharmalingam joined MBF Finance Berhad to establish the MBF Unit Trust. In 1992, he joined as the Executive Director of Taiping Consolidated Berhad (TCB) which constructed the J.W. Marriott Hotel and Starhill Shopping Centre and subsequently, the Sentul Raya township, a joint venture between TCB and KTM Berhad. From 2010 to 2012, he was the Chief Executive Officer of Malaysia Property Incorporated (MPI) to pursue investment opportunities for Malaysian real estate companies in the Asia Pacific region both for Foreign-Direct-Investment as well as joint ventures. As Executive Director to the Chairman's Office, he brings with him 35 years of best business practices and regional real estate knowledge in the property industry. He has served on the Boards of Aseana Properties Limited, Sime Darby Property Berhad and International Real Estate Federation (FIABCI) in Paris. He was also the President of FIABCI Prix D'Excellence Awards based in Paris for 10 years and President of FIABCI Malaysian Chapter.

Property & Construction

Dato' Tan is a registered professional civil engineer with the Board of Engineers, Malaysia, a Fellow of Institute of Engineers, Malaysia, a member of the Chartered Institution of Highway & Transportation, United Kingdom 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 32 years' experience in the construction industry and he joined Sunway Construction Sdn Bhd in 1981. Effective 1 January 2013, he was appointed as Senior Managing Director - Property & Construction divisions.

Dato' Tan is currently a Board Member of Malaysia Property Incorporated, a government company incorporated to promote the marketing of Malaysian properties overseas.

Profile of Senior Management

**DATO' NGEOW VOON YEAP**

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

**ONG PANG YEN**

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

Property Investment

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.

Property Development

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, Australia, India and China. 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. Thereafter, he assumed his current position as Managing Director – Property Development, International in April 2012. Effective 1 May 2013, he was also appointed as Joint Managing Director of Property Development division, Malaysia/Singapore.

**KWAN FOH KWAI**

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

**EVAN CHEAH YEAP SHIN**

Executive Director, President's Office
Chief Executive Officer - China
Bachelors Degree in Commerce and
Bachelors Degree in Business Systems,
Monash University

Construction

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 Immediate Past President of Master Builders Association of Malaysia for 2012 to 2014. He is also a Member of The Institutions of Engineers, Malaysia. He has over 36 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 a Board Member of International Federation of Asian & Western Pacific Contractors' Association (IFAWPCA). Mr Kwan is also the Chairman of the Board of Governors of SMJK Yuk Choy, Ipoh, Perak.

Strategic Investments & China Operations

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.

On 1 May 2013, Mr Evan Cheah has undertaken an additional role as the Executive Director, President's Office, to assist the President in overseeing 3 business divisions i.e. Trading & Manufacturing, Building Materials and Quarry divisions.

In the past, 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.

Profile of Senior Management

**WONG FOOK CHAI**

Chief Executive Officer
Bachelor of Engineering (Honours),
University of Malaya

**TEH QUEN CHANG**

Chief Executive Officer
Bachelor of Science in Agribusiness,
University Pertanian Malaysia;
Masters in Business Administration,
University of Bath, United Kingdom

Trading & Manufacturing

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 the position of Executive Director in 2004. Effective 1 May 2013, he was designated as Chief Executive Officer.

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.

Quarry

Mr Teh 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 RM200 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. Effective 1 May 2013, he was designated as Chief Executive Officer of Quarry division. He is also currently the President of Malaysia Quarries Association.

**DANNY NG BOON LIANG**

Chief Executive Officer
Bachelor of Economics (Business Administration),
University of Malaya

**LEE WENG KENG**

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

Building Materials

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, vitrified clay pipes and jacking pipes for Malaysia. He was designated as Chief Executive Officer with effect from 1 May 2013.

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

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.



SEGMENTAL **REVIEW**

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90 Construction

94 Strategic Investments

Strong.Courageous.Powerful.

Wildebeest move in massive herds ensuring safety in numbers. Represents an understanding of the power of the group in defense as well as the ability to move towards new opportunities. The Wildebeest's versatility and ability to live with the masses and move with the seasons is used to symbolise similar corporate qualities.



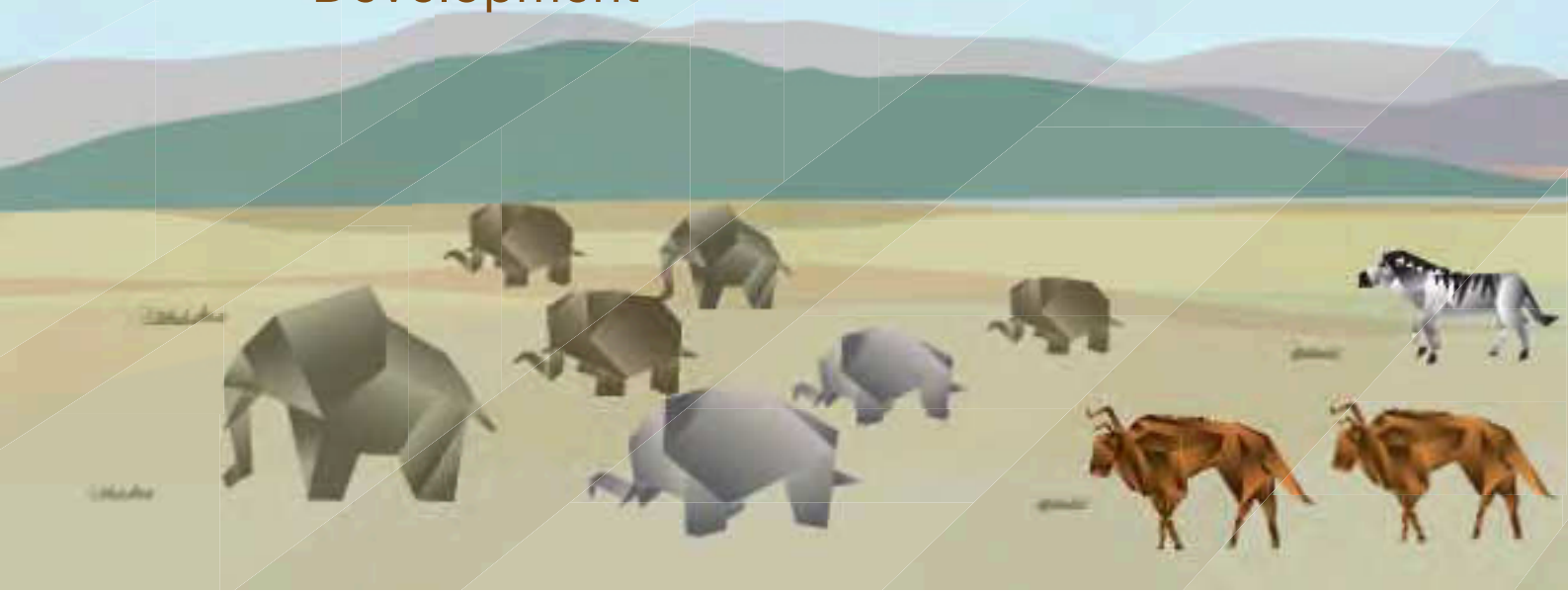
INTEGRATED **PROPERTIES**



Property
Investment
& REIT



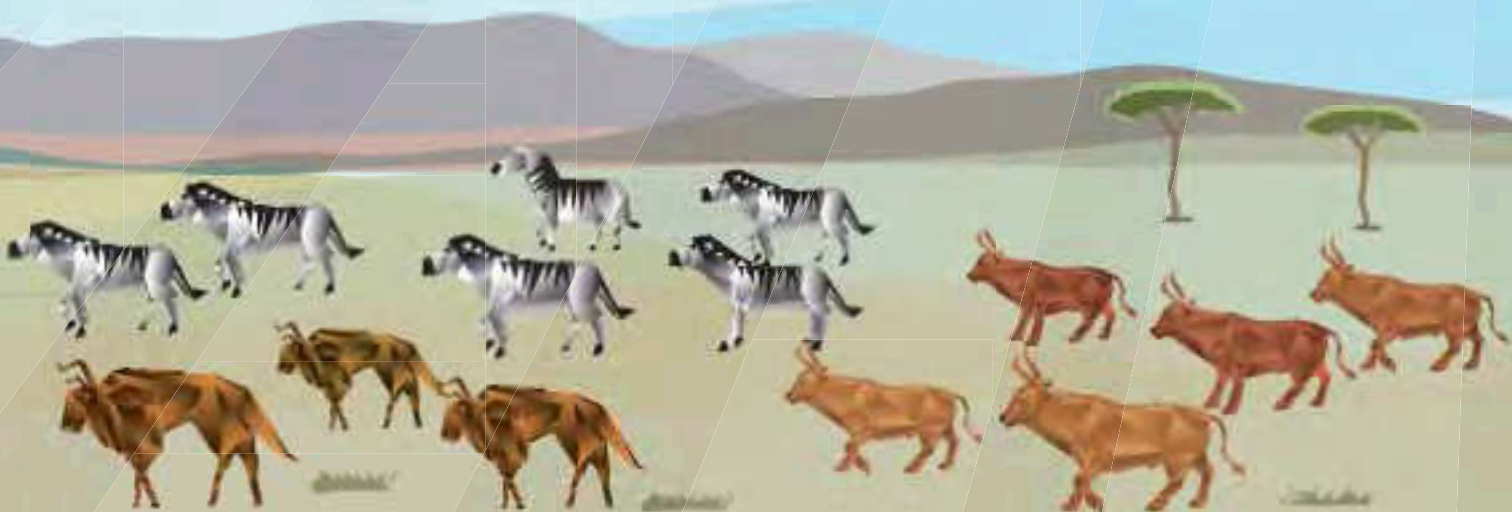
Property
Development



Leisure



Hospitality

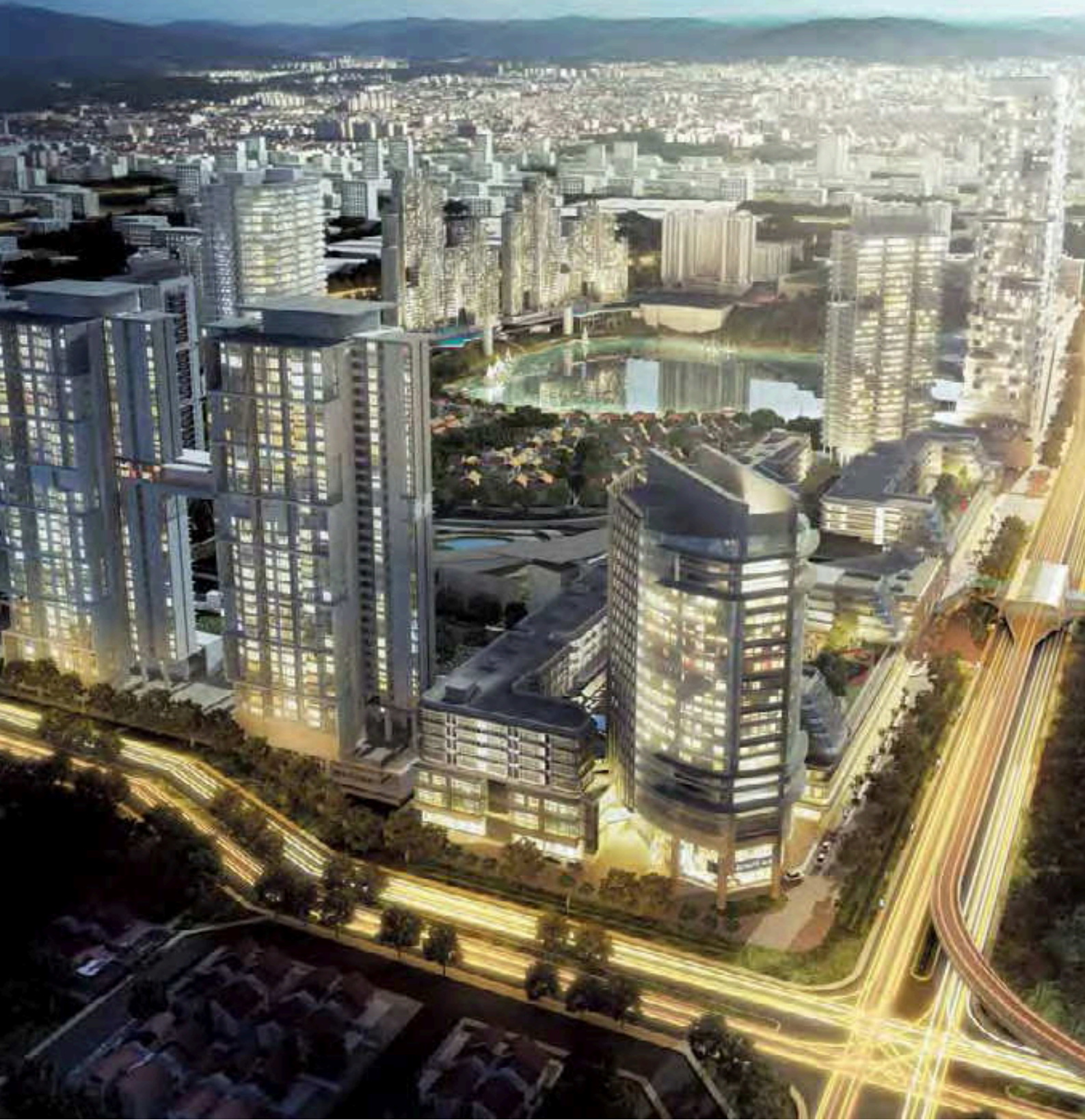


Launches
RM1.3 billion

Sales
RM1.8 billion

Unbilled Sales
RM2.5 billion

Land Bank
3,861 acres





Property Development

Nudging up another spot on the rankings of The Edge Malaysia Top 10 Property Developers Award, Sunway's Property Development division is demonstrating that it continues to seek to surpass itself and its competitors in coming up with breakthrough products in terms of design, quality and innovation to maintain its position amongst the elite property developers in Malaysia.

Established in 1982, the Property Development division has since delivered more than 20,000 properties to delighted home buyers and property investors. Pioneering integrated property development in Malaysia, Sunway introduced the concept of "Resort Living within a City" via its signature development, Sunway Resort City, the only integrated development in Malaysia with seven components, namely, shopping mall, hotel, theme park, education campuses, hospital, office towers and residences.

The Group's aptitude in integrated developments is further evidenced by the success of Sunway Damansara, Sunway South Quay, Sunway City Ipoh and Sunway Velocity. In 2013, the Group will also likely witness its maiden launches in Johor and Tianjin, China.

However, Sunway's capabilities extend beyond just integrated developments. Its exclusive residential offerings including the statuesque Kiara Hills bungalows, luxury high rise condominiums Sunway Palazzo and Sunway Vivaldi, and green residential enclaves in Sunway SPK Damansara, Sunway Montana and Sunway Eastwood, have all been lauded for their benchmark setting standards.

Looking ahead, the division will focus efforts on developing its existing landbank of approximately 3,861 acres (including the Pendas land acquired in December 2012 and January 2013), realising the estimated GDV of approximately RM54 billion and in the process stamping its mark as a leading community master developer.

KEY MILESTONES

RM1.8 billion Property Sales, RM1.3 billion New Launches

Despite market cooling measures introduced by the governments of Malaysia and Singapore, the Property Development division managed to sustain high sales of RM1.8 billion in FY2012. Sales were driven by our new launches as detailed below and on-going sales of our launched or completed projects in previous years.

Klang Valley – Integrated Developments

Sunway Geo in Sunway South Quay

Located in the vicinity of the thriving Sunway Resort City, previous launches in Sunway South Quay had all been residential developments. However, in order to provide greater convenience to the residents, a commercial precinct known as Sunway Geo was launched last year to provide the first retail and office space in Sunway South Quay. Comprising 31 units of retail shops and 228 units of office suites, Sunway Geo has a total Gross Development Value ("GDV") of approximately RM310 million.

The layout of the retail shops in Sunway Geo is further enhanced from the already popular Sunway Giza commercial centre. Besides featuring a covered central boulevard, retail units on all levels will be serviced by a common corridor with escalators connecting each level, increasing footfalls on the higher floors compared with traditional shop units. The shops will also have excellent frontage at the intersection of Jalan Lagoon Timur and Jalan Lagoon Selatan and facing landmarks like Sunway Medical Center and Sunway University.

The office suites start from sizes as small as 462 square feet and are designed for small to medium sized enterprises. The flexible, modular layout allows the combination of offices as and when the size of the company grows and more office space is required. Being a modern office building, it also features a roof garden which provides an avenue for relaxation and exercise after a long day in the office promoting work-life balance and consistent with Sunway's LOHAS philosophy.

Moving forward, Sunway Geo is expected to enjoy even greater accessibility with the completion of the Bus Rapid Transit which will have a halt right in front of Sunway Geo.

Designer Offices in Sunway Velocity

Following the successful launches of Sunway Velocity in 2011, the second commercial building of Sunway Velocity comprising retail lots and designer offices was launched in 2012. Known as the Designer Office Suites, the building boasts unique features like a double volume garden every 2 floors, corner duplex units and a sky deck with facilities like an infinity swimming pool, gym, sky garden, lounge, function room and meeting room. For the convenience of the tenants in the building, the units will be high speed broadband infra ready, have attached washrooms to individual units and secured by a 2 tier security system.

The development, which has a total GDV of approximately RM258 million, also features a retail podium consisting of 12 exclusive units on the ground and first floor. The Designer Office Suites have been well received by the public and is 80% sold to date.



Property Development

The main drawing point is clearly its accessibility with the site located just 3.8 km from the Kuala Lumpur City Centre and sandwiched by 2 MRT stations and 2 LRT stations. There will be a dedicated, covered walkway from Sunway Velocity to the Cochrane MRT station which is just 100 meters away. The office suites will also benefit from the convenience of having a shopping mall with a net lettable area of approximately 1 million square feet right at its doorstep.

Klang Valley – Boutique Landed Developments

Garden Homes at Sunway Montana

The second phase of Sunway Montana comprises 3 and 4 storey freehold townhouses (GDV: RM280 million) in a gated residential development with patrolling services located in a green enclave north-east of Kuala Lumpur City Centre. Designed for grandeur, the townhouses are double volume and are 32 feet wide, providing homeowners the luxury of space within its contemporary architecture. Each unit is designed according to the contour of the undulating terrain, and planned in order to capitalize on the green views of the KL cityscape. Each home is equipped with environmental and energy conservation features to redefine the standards of quality urban living. Other hallmark features of Sunway Montana include its 14 acre private forest park which allows premium healthy living amidst a green lung.

Park Residences at Sunway Eastwood

With a breakthrough design for a modern landed home, Park Residences at Sunway Eastwood (GDV: RM80 million) has taken the Puchong South market by storm. Featuring a unique community garden deck which connects all the residences on the first floor, this development encourages communal living and interaction by providing an elevated deck that is free from traffic for kids to play and residents to stroll around. Living rooms of each unit faces a private lawn which is also located on the garden deck which allows parents to keep a watchful eye on kids who like the outdoors. One level below, the garden deck's shade provides every home with fully covered car park bays.

Casa Suria at Sunway Alam Suria

The final phase of the 40.4 hectares Sunway Alam Suria development, Casa Suria (GDV: RM130 million), comprises 144 units of double storey cluster homes. The unique design of the cluster homes make them look like semi-detached houses from the outside and every unit will enjoy greater privacy being a corner unit. Casa Suria has one of the best location within the township with many units having a forest view or overseeing a man-made lake adjacent to the houses. Ten special units will also have a courtyard in the middle of the ground floor where occupants can enjoy their breakfast or afternoon tea in their private little courtyard opening out to the brilliant Malaysian sunshine.

Sunway Rymba Hills at Sunway Damansara





Penang - Commercial Development

Sunway Wellesley

Poised to be a new landmark in the Northern Region, Sunway Wellesley launched its first phase comprising 31 units of 3-storey shop offices (GDV : RM40 million) in August 2012 to rousing public response. Within two weeks from launch, the units were 80% taken up reflecting the strength of the Sunway brand in commercial properties. All shops have dual frontage with the rear opening out to an internal courtyard suitable for al fresco activities. Following the success, there will be further launches in Sunway Wellesley in 2013 as Sunway establishes another thriving commercial hub on mainland Penang.

Singapore – High Rise Housing

Sunway's developments in Singapore are conducted through a joint venture with its majority partner, Hoi Hup Realty Pte Ltd ("Hoi Hup"), with Sunway having a 30% effective interest in all the projects.

Sea Esta

Sunway's single launch in Singapore during the year, the Sea Esta (GDV: SGD359 million) was a runaway success, selling out every unit of the condominium within 6 months from its launch in June 2012. A seafront condominium located in the Pasir Ris town, Sea Esta consists of 6 blocks of 12 and 13 storey condominiums housing a total of 376 units. Most residents will get to enjoy a panoramic sea view with the idyllic Pasir Ris Park a mere 5 minutes away. The development is also located close to the Pasir Ris MRT Station and Bus Interchange and has excellent accessibility to major expressways like the Tampines Expressway, Pan Island Expressway and East Coast Parkway.

Regional Developments

China – High Rise Housing

There were no new launches in China in 2012 but our maiden project in Jiangyin, Yi Fang Cheng, was successfully completed and handed over to buyers in 2 batches. The project had helped establish Sunway's reputation as a credible developer who can deliver quality housing in China and places the Group in good stead as the division prepares to unveil its inaugural launch in Tianjin.

As the Group waits for the property market in China to stabilise following tightening measures by the Chinese government last year, the project team in Tianjin had been working hard to ensure that all approvals for development and building plans for the first phase of our project in Tianjin is obtained. Simultaneously, the sales gallery cum admin office and a show unit was completed. With these preparations in place, the division is confident of launching the first phase of our Tianjin project when the China property market recovers sufficiently.

Australia – Industrial Development

Sunway's joint venture industrial development with Australand in Eastern Creek, Australia, yielded further sales in 2012 when it sold a parcel of industrial land to a food processing company and 4 warehouses to a logistics company. To date, we have achieved approximately 60% of the planned GDV for the Eastern Creek development.

Artist's impression of Sunway Eastwood





Property Development

Delivered 3,000 Properties, RM2.5 Billion More to Come

Reflecting the strong sales of the previous years, project completions rose sharply during the year with over 3,000 units of residences and commercial properties successfully completed and delivered to buyers. In Klang Valley, projects completed include 180 units of 3 Harmoni townhouses in Sunway SPK Damansara, 144 units of cluster homes in Sunway Alam Suria and 70 units of semi-detached and zero lot bungalows in Sunway Rydgement.

In Penang, Sunway delivered 85 units of terrace houses in Sunway Aspera, 98 units of semi-detached and terrace houses in Sunway Merica and 49 units of shop offices in Sunway Perdana.

The maiden project in China, Yi Fang Cheng in Jiangyin had also fully delivered vacant possession to the buyers in November 2012 with over 1,170 units of condominiums completed. Meanwhile, in Singapore, the second Design Build Sell Scheme ("DBSS") project, The Peak@Toa Payoh, was successfully completed and all 1,200 units were handed over to the buyers.

Notwithstanding the completion of the multiple projects, strong sales of RM1.8 billion in 2012 ensured our unbilled sales was not diminished and in fact rose to RM2.5 billion as at December 2012. The unbilled sales comprise mostly of our projects in Malaysia and Singapore in the ratio of 60% and 40% respectively. The high unbilled sales provide visibility to the sustainability of the division's profitability and augur well for the financial performance of the division in the coming 2 years.

Land Acquisition for the Next Phase of Growth

Sunway Iskandar – Mega Township in the Making

Continuing where it left off in 2011, the division continued to accumulate land in Iskandar Malaysia in 2012. In December 2012, the property division established a joint venture with Iskandar Assets Sdn Bhd ("IASB"), a wholly-owned subsidiary of Iskandar Investment Berhad ("IIB"), to purchase two parcels of freehold land measuring 779 acres for a total consideration of up to RM412.7 million in Pendas, Johor. This was followed in quick succession by a final purchase of another 300 acres parcel for a purchase consideration of up to RM183.9 million in January 2013.

These recent land parcels acquired are located immediately adjacent to the division's existing land in Medini Iskandar and are strategically positioned to enhance the overall Sunway Iskandar development which will now cover an area of over 1,770 acres, a sizeable township development.

Sandwiching the Pendas River, the newly acquired land parcels will enjoy river and sea frontage with a luxury of greeneries and will be just 10 minutes from the Second Link to Singapore once the southern link to the Coastal Highway is constructed. The RM30 billion GDV Sunway Iskandar development will hope to leverage on these geographic advantages to develop an international metropolis which incorporates substantial green and natural features which can live up to the LOHAS philosophy.

Another significance of the acquisitions is that in a short span of time, Sunway has propelled itself to become one of the largest developers in Iskandar Malaysia in terms of both land bank size and potential GDV.

Proposed masterplan for the development in Sunway Iskandar





This will act as a clear differentiator in the market place as property buyers will know that their property will be part of an integrated development where amenities like retail malls and commercial space will be developed apart from components like theme parks, hospitals, hotels and education institutions which will also be set up.

Novena – First Integrated Development in Singapore

In a separate development in Singapore, the division had, through a joint venture with Hoi Hup, acquired a land for commercial development in Novena through open tender for a consideration of SGD492.5 million.

It will be Sunway's first integrated commercial development in Singapore incorporating a retail podium, a boutique hotel and an office tower which will be marketed amongst others, to medical practitioners as medical suites. This latter market is unique to the Novena site due to its proximity to 5 renowned medical institutions including the Mount Elizabeth Novena Hospital, Novena Medical Center, Tan Tock Seng Hospital, National Skin Center and National Neuroscience Institute. In addition, the site is located adjacent to the Novena MRT station which is just two stops away from Orchard Road, and has access to nearby amenities like shopping malls which should augur well for its hotel and retail components.





Property Development

FUTURE PLANS

The division had been selective in launching projects in 2012 due to the volatility in market conditions. As a result of the stringent monitoring, most of the new launches in 2012 have been well received. The division will likely continue with this practice in 2013, paying heed to what property buyers are looking for to ensure good take up rates amidst the uncertainty in the general market.

Developments in the pipeline currently include Phase 2 of Sunway Geo which will seek to emulate the success of its predecessor last year and will comprise similar shop offices. Neighbouring Sunway Geo, two residential towers comprising mid-sized condominiums will also be launched in Sunway South Quay.

Outside the Klang Valley, the division will launch Sunway Lenang Heights, its maiden development in Johor. The first phase of Sunway Lenang Heights will comprise of semi-detached houses and bungalows and is estimated to be launched by middle 2013. Located near the well-established and matured Taman Molek, the project is targeted at upgraders living in the vicinity. Meanwhile, in Penang, the division will also be looking to continue with Phase 2 of Sunway Wellesley commercial units.

In Singapore, 2013 should witness the launch of the Novena integrated development and its first landed properties comprising 15 units of landed residences. With a total GDV of approximately SGD910 million, the project will be Sunway's single largest development in Singapore and will be completed in less than 5 years.

Meanwhile, masterplanning for the eagerly awaited Sunway Iskandar is now close to completion and will be submitted for authorities' approval in coming months. The division looks forward to the launch of the first phase as soon as approval is obtained, tentatively targeted to be end 2013 or early 2014. Kicking off the development will be a mixed use development comprising amongst others service apartments, office units and retail shops. The development will be self-sustaining given the relatively new surroundings and aims to provide the amenities necessary for the future phases of Sunway Iskandar. The entire Sunway Iskandar development is estimated to take up to 15 years to complete.





Assets Under Management
RM5.7 billion

Total Nett Lettable Area
5.9 million sq.ft.





Property Investment & REIT

Sunway's Property Investment and REIT division owns and manages a portfolio of high quality property assets, held either directly by subsidiaries of Sunway or through 34.4% owned Sunway Real Estate Investment Trust ("Sunway REIT"). Divided into the 2 main categories of Retail Assets and Commercial Assets, the total value of investment properties under Sunway's management are in excess of RM5.7 billion. The majority of these assets are located within integrated townships developed by Sunway and leverages upon each other to enhance their attractiveness to tenants and patrons.

Retail Assets

Managing the Sunway Pyramid, Sunway Giza, Sunway Putra Mall and Sunway Carnival shopping malls, Sunway is a leading mall operator in the country with close to 3 million square feet of nett lettable retail space. Each of the malls possesses unique attractions with Sunway Pyramid being a leading regional mall in the Klang Valley due to the diversity of its tenants, varied offerings as well as themed architecture and shopping precincts which creates an enjoyable shopping experience for its patrons. Sunway Giza, meanwhile, operates in a niche market catering to food and beverage connoisseurs and lifestyle shoppers in an affluent neighbourhood.

Closer to the city centre, Sunway Putra Mall is a well-established shopping destination, being among the first few large scale shopping malls in Kuala Lumpur, and has a strategic location with its excellent accessibility via LRT and KTM trains at its doorstep. Currently closed for a major renovation, it is expected to regain its popularity after the completion of the major renovation in late 2014. Up north, Sunway Carnival is the leading mall on mainland Penang and serves the needs of the population in the northern region of Peninsular Malaysia.

Over the years, the division's malls have selected a significant number of Malaysian bred retailers as tenants for the available retail space, playing a crucial role in supporting and developing the Malaysian retail industry. Such efforts have not gone unnoticed with Sunway Pyramid winning the Malaysian Retailer Chains Association Most Supportive Mall Award four consecutive times since 2009.

Commercial Assets

Sunway operates a diverse range of commercial assets which ranges from office buildings like Menara Sunway, Sunway Putra Tower, Sunway Tower and Wisma SunwayMas to education campuses like Monash University Sunway Campus and Sunway University to student accommodation like Monash University Residences and Sun-U Residences. These commercial assets continue to attract high tenancy due to their strategic location, purpose built buildings and good maintenance which has resulted in an overall average occupancy rate of above 90%.

REIT

Besides being the Manager of Sunway REIT, Sunway also owns 34.4% of the largest listed REIT in Malaysia by assets under management ("AUM"). Listed since 2011, Sunway REIT has been delivering consistent dividends to its unitholders and has seen its unit price appreciate by more than 60% since its initial public offering ("IPO"). In turn, its AUM has grown from RM3.7 billion during its IPO to approximately RM5.0 billion as at 31 December 2012. For the calendar year 2012, dividends totalling 8.0 sen per REIT unit was declared which is approximately 13% higher than the previous year (2011: 7.1 sen).

Christmas showlights at Sunway Pyramid





Property Investment & REIT

KEY MILESTONES

Drawing The Crowd

To enhance the popularity of its retail assets, Sunway's shopping malls stepped up efforts to bring in new tenants comprising established, high street brands as well as new stores with innovative offerings to add further diversity to the tenant mix. Efforts to this end have led to the arrival of popular brands like Zara, Uniqlo, DKNY Jeans and Gap to Sunway Pyramid. Some of these outlets were clearly eagerly awaited as long lines formed outside Uniqlo on its opening weekend and Zara's Concept Store outlet, only the third of its kind in Southeast Asia, drew rave reviews from fashion magazines for its wider range of clothing compared to Zara's other outlets.

Existing tenants were also encouraged to revamp their stores and introduce new attractions. Taking on the challenge, Sunway Pyramid's mini anchor, TGV Cinemas, underwent a major refurbishment and on completion, launched their first ever 3D IMAX cinema in Malaysia. Featuring a 57 feet wide screen, the IMAX hall possesses 2D and 3D projection capabilities and has a seating capacity for 292 cinema goers. Apart from the IMAX hall, TGV Cinemas had also introduced other halls with new concepts such as the premium TGV Club and TGV Beanieplex, the first beanbag seating cinema in Malaysia for a more casual movie experience.

Meanwhile, in conjunction with major happenings and festivities, the malls have organised special events and elaborate decorations to commemorate the occasion and draw higher patronage. In 2012, this included events for the Earth Hour Countdown, UEFA Euro 2012, 1Malaysia Year End Sale, Arthurs Day 2012 and celebrations for Chinese New Year, Hari Raya, Diwali and Christmas.

Asset Enhancement Initiatives ("AEI")

To enhance and increase returns from the division's assets, a number of AEI were undertaken during the year. Firstly, to generate additional revenue by creating new lettable area, the podium levels of Menara Sunway were extended, adding over 14,000 square feet of nett lettable area which were fully taken up immediately upon completion. The extension costs approximately RM4.1 million and was completed in October 2012.

Over at Sunway Pyramid, there was another initiative to retrofit 8 units of chillers with higher energy efficient equipment to reduce energy consumption. Besides being consistent with the Group's philosophy of developing green and sustainable townships, the project is estimated to generate energy savings of approximately RM3.0 million per annum from an investment of approximately RM18.5 million.

Wisma SunwayMas had also undertaken an exercise to upgrade and modernise its common areas and façade with the project completed in July 2012.

Strategic Acquisition

Sunway REIT completed the acquisition of the Sunway Medical Centre ("SMC") in FY2012 from the Group's healthcare division. With an initial yield of close to 6.1%, it was a yield enhancing acquisition to Sunway REIT and added further stability to its income portfolio as the property was leased back to the healthcare division for an initial period of 10 years, extending the REIT's weighted average lease expiry to 2.6 years and providing even better long term visibility of the REIT's income.

The AEI completed for Menara Sunway





The acquisition had been strategic as it serves to diversify the REIT's interest into the healthcare industry, which is a relatively resilient one and where the risks of uncertainty and rental volatility associated with most other commercial properties is much reduced. Following the completion of the acquisition, the REIT's asset size grew from RM4.63 billion in June 2012 to RM4.96 billion in December 2012, allowing Sunway REIT to maintain its position as the largest listed REIT in Malaysia by assets under management in 2012 despite the listing of new REITs in the year.

FUTURE PLANS

In the pipeline for this division are the four new investment properties currently under construction comprising The Pinnacle office tower, Sunway Pyramid Phase 3, Sunway University new academic block and Sunway Velocity shopping mall.

Amongst the new properties to be constructed, The Pinnacle is expected to be the first to complete by end 2013. The Grade A office tower has been granted MSC status and will have total nett lettable area of 580,000 square feet over 25 storeys. With its modern façade and IT-enabled infrastructure, the division is targeting to lease it to professional firms, multinationals and large corporations. The completion of this office will generate synergies to the other properties in Bandar Sunway and in particular Sunway Pyramid shopping mall as it is expected to generate higher footfalls in terms of lunch crowd and after office-hours entertainment. The other properties are estimated to be completed at various times during 2015 to 2016.

Meanwhile, Sunway REIT is committed to continue to grow its AUM to more than RM7 billion over the next two to four years through further acquisitions. Sunway REIT has also planned for a series of capital expenditure to undertake AELs for the next two years.

Amongst the AELs expected is the much awaited refurbishment of Sunway Putra Mall which will commence in May 2013 after the last of the existing tenants move out by end-April 2013. The refurbishment is expected to be completed within 22 months with an estimated cost in the region of RM300 million. Sunway REIT has also decided to accelerate the refurbishment for Sunway Putra Place where the refurbishment of the hotel and office will commence on a progressive basis concurrent with the refurbishment of Sunway Putra Mall. The REIT Manager is in the stage of planning for the costing and scope of works for the hotel and office. The decision to accelerate the refurbishment of the hotel and office alongside the mall is to be consistent with the overall strategy of rebranding and repositioning the asset in a holistic manner. To achieve optimised business synergies between the hotel, retail mall and office, the clientele base should be complementary.

Upon completion of the refurbishment in early 2015, Sunway Putra Place is expected to be a landmark 3-in-1 mixed-use asset in Kuala Lumpur adding vibrancy to the Kuala Lumpur shopping scene and revitalising the surrounding area into a shopping destination for local shoppers and tourists.

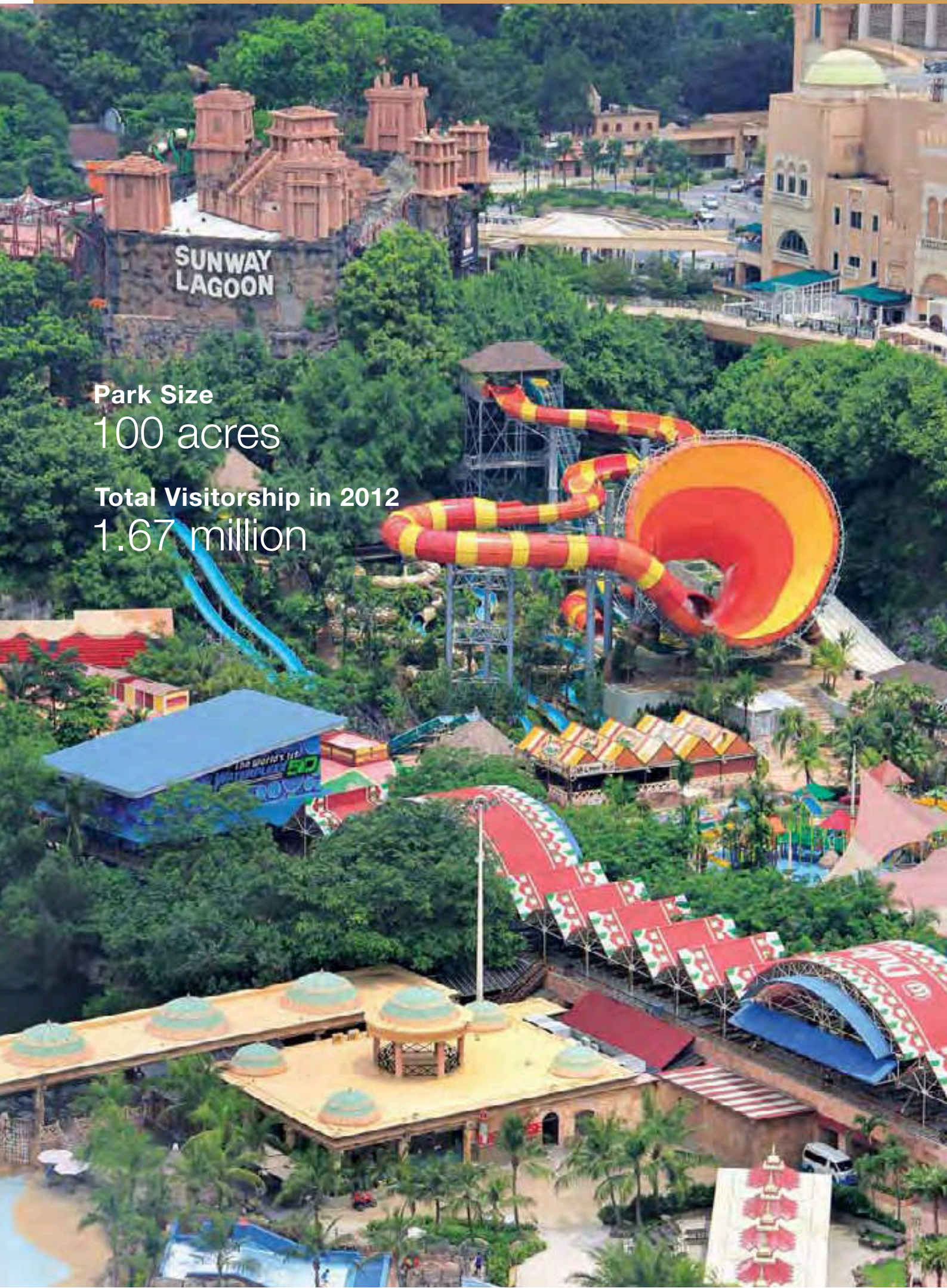
Artist's impression of Sunway Pyramid Phase 3



**SUNWAY
LAGOON**

Park Size
100 acres

Total Visitorship in 2012
1.67 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, awarded Asia's Best Attraction by the International Association of Amusement Parks and Attractions ("IAAPA"), has more than 80 attractions spanning five different theme parks in one amazing destination. Its signature parks comprising the Water Park, Amusement Park, Wildlife Park, Extreme Park and Scream Park offers visitors a variety of experiences ranging from just cooling down under the tropical sun, to adrenaline pumping rides, to getting up close and cuddly with cute animals. Sunway Lagoon is also home to the region's hottest events and concerts and has hosted some of the world's most popular artistes including Katy Perry, Justin Bieber, Pitbull, Wonder Girls and many more.

On the other hand, Lost World of Tambun is a hidden sanctuary amongst the lush greenery of Tambun, Ipoh surrounded by majestic limestone cliffs and a vibrant jungle. Much like a new world of adventure waiting to be explored, it provides visitors with a unique atmosphere of a lost city. This lost world of adventure comprises the Water Park, Amusement Park, Lost World Hotsprings & Spa, Tiger Valley, Lost World Petting Zoo, Tin Valley and Team Building Park.

KEY MILESTONES

20 Fun Years and Counting

Sunway Lagoon celebrated its 20th anniversary with a bang by kick-starting their "20 Fun Years" campaign with a special promotion called "Big 20". The offer provides the opportunity for the first 1,000 Malaysians to purchase tickets on the 20th of every month at a special entry rate of RM20. Initially scheduled to run from October 2012 till March 2013, the promotion has been extended until October 2013 due to its immense popularity and overwhelming responses from theme park goers. To not disappoint any visitors to its park, Sunway Lagoon has also decided to be open 365 days a year from 10am to 6pm, providing all year round fun to its visitors.

Through promotional initiatives such as this and more, Sunway's theme parks visitorship has steadily grown over the years with the number of visitors reaching 1.67 million in 2012, 7% higher than total visitors for the same period in 2011.

Junior Rangers at the Lost World of Tambun





Leisure

The First, The Highest, The Best Attractions

Sunway Lagoon's latest world class attraction is the Waterplexx 5D, a water-based attraction that engages the rider's senses of sight, sound and touch and opened its doors to the public in November 2012. The attraction has entered the Malaysia Book of Records 2012 as the first ever water-based 5D theatre in Malaysia. Costing RM3.4 million, the attraction has a capacity for 36 people per ride and would bring riders through an animated action journey, experiencing everything from gusts of wind to a powerful gale.

Subsequent to the addition of "Horrorwood Studios" in Sunway Lagoon's Scream Park in 2011, "Horrorwood Studios 2 – The Zombie Apocalypse" was launched in 2012, an enhanced attraction that boasts 'three floors of fear' and includes the experience of a zombies encounter through this live walk-through scare attraction.

Theatrical productions continued to draw additional crowd to Sunway Lagoon with London, The Summer Musical premiering in Sunway Lagoon Amphitheatre in June 2012 and Beauty & The Beast, The Musical in December 2012. With a production budget of RM4.5 Million, Beauty & The Beast was the first musical at Sunway Lagoon to feature live musicians.

The Place to be Together

The Surf Beach at Sunway Lagoon has grown to be one of the favourite venues for concerts and events in the Klang Valley. In 2012, it hosted concerts for international artistes like Jessie J, LMFAO, Avenged Sevenfold, The Wanted and many more. It was also the venue for MTV World Stage: Live In Malaysia, Tiger Asian Music Festival, Shout Awards as well as numerous family days for corporates and organisations.

Since the launch of the Team Building Park in 2011, Lost World of Tambun has also increasingly become the venue of choice for corporates and organisations for their team building programmes. Specially structured team building activities amidst the lush natural surroundings serves to create a relaxed environment for participants to build team spirit and cooperation and provides participants the opportunity to appreciate the theme park's unique limestone environment.

Sunway Lagoon has hosted numerous events including the MTV World Stage at its iconic Surf Beach



FUTURE PLANS

Sunway Lagoon is in the final stage of preparation to unveil the world's largest water ride with colorful LED light display named the Vuvuzela. From a launch tower eleven stories (30 meters) high, the ride takes up to six riders at a time through a thrilling series of twists and turns before plummeting them through the core of a 22-meter (72 feet) wide funnel. Vuvuzela is expected to open to public in the first quarter of 2013. Next up will be the introduction of over 8 acres of a unique water park, featuring the latest water rides and attractions, for which planning is currently underway.

In conjunction with 2013 Valentine's Day celebration, Sunway Lagoon will be launching its new wedding packages which include four extensive wedding packages on its very own Surf Beach. Whether it is a traditional Malay wedding setting, a vibrant Indian extravaganza, a Chinese wedding steep in culture or even a relaxed Western-style setting, the team at Sunway Lagoon is able to cater to the couples' needs to ensure that every concern of the once-in-a-life-time event will be taken care of.

Over at the Lost World of Tambun, its upcoming new attraction will see the debut of the first ever roller coaster ride in Perak. The new attraction will strengthen its position as the premier theme park in Perak and is in line with its vision to be the best nature theme park in Malaysia.

London - The Summer Musical



A photograph of a resort building with a thatched roof and a swimming pool at dusk. The building has large glass doors and windows, revealing a well-lit interior with a bed and furniture. The pool is in the foreground, and the sky is a deep blue. The building is surrounded by lush greenery and a steep hillside in the background.

**Number of Hotels and
Resorts Managed**

12

Number of Guestrooms

2,788



Hospitality

The Hospitality division manages a portfolio of hotels and resorts encompassing a total of 2,788 guestrooms, luxurious villas, suites and fully-furnished serviced residences within 5, 4 and 3-star range hotels in Cambodia, Malaysia and Vietnam.

Sunway International Hotels & Resorts' flagship is the multi-property Sunway Resort Hotel & Spa consisting of five (5) hotels in a single destination within the fully integrated resort city of Bandar Sunway in Petaling Jaya. These properties are accompanied by a variety of dining outlets serving a range of international cuisines, convention, meeting and exhibition facilities and services, spa and fitness facilities, as well as local attractions and landmarks that are all within easy reach.

Other hotels managed by Sunway International Hotels & Resorts include Sunway Putra Hotel, Sunway Hotel Seberang Jaya, Sunway Hotel Georgetown in Penang, Sunway Lost World Hotel in Ipoh, Sunway Hotel Hanoi and Sunway Hotel Phnom Penh.

The Banjaran Hotsprings Retreat is a 5-star eco-luxury wellness hot springs resort nestled in a 16.59-acre valley surrounded by a lush tropical jungle, natural caves, waterfalls, natural geothermal hot springs and scenic limestone hills. The Banjaran offers bespoke holistic wellness and spa experiences. It features 25 luxury Garden and Water Villas as well as a Spa and Wellness Centre.

The Hospitality division also provides meeting, exhibition and convention facilities, technical services, travel services, franchise management and hotel marketing affiliation services.

KEY MILESTONES

Award Winning Destinations

Awards received by Sunway Resort Hotel & Spa in 2012 include "Outstanding Hotel Partner 2011" by Booking.com and "Top 25 Luxury Hotels in Malaysia" in TripAdvisor's Travelers' Choice Awards 2012.

Meanwhile, honours continue to be bestowed upon The Banjaran Hotsprings Retreat which was awarded the "Best Sustainable Hotel" in Malaysia and Asia Pacific in the International Hotel Awards 2012-2013 in association with HSBC Bank Malaysia Berhad, "Best Resort Development" at the FIABCI Prix d'Excellence Awards 2012, runner-up of the "Best Spa Retreat Overseas" in the Conde Nast Traveller Readers' Spa Awards 2012, "Best Natural Wellness Retreat" in Harper's Bazaar Spa Awards 2012 and "Best Spa Resort" in Expatriate Lifestyle's The Best of Malaysia Travel Awards 2012, in addition to becoming a "Recommended" Luxury Spa by Conde Nast Johansens 2012.

Maintaining Accommodation Quality

Based on travel trends as well as expectations and needs of a new generation of well-travelled, discerning global guests, Sunway International Hotels & Resorts embarked on product upgrades at three of its properties.

Final stages of refurbishment for Sunway Hotel Georgetown included tastefully furnished and well-appointed guestrooms, in addition to Club Floor rooms and facilities. Sunway Hotel Seberang Jaya, meanwhile, underwent refurbishment of its Club rooms and Club Lounge as well as upgrading of their respective amenities, and renovation of its function rooms and ballroom, with refurbishment of remaining guestrooms expected to be completed in early 2013.

The division's overseas property in Vietnam, Sunway Hotel Hanoi, completed refurbishment of its lobby and Allante Restaurant, adding more appeal for its segment of corporate and leisure travelers.

FUTURE PLANS

With the aim of providing guests with a refreshing experience, the focus in 2013 continues to be product upgrades at Sunway Resort Hotel & Spa. Sunway Putra Hotel in Kuala Lumpur, the Hospitality division's latest addition, is also expected to undertake major refurbishment alongside a rebranding exercise.

Fuzion Restaurant at Sunway Resort Hotel & Spa



A low-angle photograph of the Impiana KLCC Hotel Extension, a tall, modern building with a grid-like facade of windows. A curved, white architectural structure with a glass railing runs diagonally across the foreground, partially obscuring the building. The sky is a pale blue.

New Contracts Secured
RM1.9 billion

Outstanding Order Book
RM3.2 billion



Construction

2012 was a landmark year for the Construction division as it celebrated its 31st year of contribution to nation building. Sunway's construction division is proud that it is today, a leading contractor in Malaysia with a reputation for execution and delivery. Over the years, Sunway has completed a number of iconic projects including the Kuala Lumpur Convention Centre, Sunway Pyramid Shopping Mall, Legoland in Johor and Rihan Heights in Abu Dhabi. The division will continue to be involved in key projects defining the modern landscape of the country through its current projects including the Light Rail Transit ("LRT") Kelana Jaya line extension and construction of package V4 of the Mass Rapid Transit ("MRT") line.

A certified design-and-build contractor with capabilities to take on any building and civil engineering jobs, Sunway's Construction division is supported by its specialty divisions for geotechnical and foundation solutions, mechanical and electrical engineering services, precast concrete products and machinery rental. It provides fully integrated design and build construction services and is able to tailor cost effective solutions for clients and take projects from conception to completion.

In 2012, the division was recognised for its work on 2 projects completed in 2011. Firstly, the Ministry of Women, Family and Community Development (4G11) building in Putrajaya, a design and build project by the division, was rated the 87th Best Tall Building in the World by the Council on Tall Buildings and Urban Habitat while the Impiana KLCC Hotel extension, built and completed by the division in 2011, secured an 85% rating under the Quality Assessment System in Construction ("QLASSIC") which is amongst the top 3 highest scores ever for Malaysian construction projects.

In recognition of its international ventures, the construction division was also awarded the "International Achievement Award" in the Malaysian Construction Industry Excellence Awards (MCIEA) 2012 for the successful completion of the RM1.4 billion Rihan Heights project in Abu Dhabi. The MCIEA is organised on an annual basis by the Construction Industry Development Board Malaysia, Malaysia's premier accolade for all round construction excellence. This award recognises Malaysia construction companies which have achieved outstanding and credible achievements in overseas ventures.

During the year under review, its precast concrete division has also continued to establish a strong presence in Singapore and already ranks amongst the top 3 largest precast concrete manufacturers in the country.

Construction of Legoland completed in September 2012





Construction

KEY MILESTONES IN 2012

Successful Completions

It was a hectic year as several major projects were completed and handed over to clients. Attracting the most attention was the construction of Legoland theme park in Johor (Contract Sum: RM258 million).

Identified as a catalytic project for the Iskandar Malaysia region, the opening of the first Legoland theme park in Asia was eagerly awaited by the public. A fast track job spanning just 18 months, the project was completed on time and as evidence of the client's satisfaction with the division's delivery, Sunway was awarded a subsequent contract in January 2013 for the construction works for Phase 2 of Legoland (RM45 million), comprising a water theme park.

Other substantial completions in the year included the Everley Hotel and an annexed office block in Putrajaya (RM153 million), the Putrajaya Gas District Cooling Centre (RM48 million) and the upgrading of the Sultan Azlan Shah airport in Ipoh (RM34 million).

Sustainable Order Book

The outstanding order book for the division ended the year at RM3.2 billion with a significant portion contributed by the successful award of package V4 of the MRT project in Klang Valley for RM1.2 billion.

This was the single largest construction package awarded other than for the tunnelling works for the MRT indicating the faith of the client in the Construction division's delivery capabilities given the complexities expected for works in package V4, which involves the construction of the viaduct gateway through the busy areas from Section 17, Petaling Jaya to Semantan.

Meanwhile, a number of in-house projects including the Sunway Velocity shopping mall substructure (RM290 million) and the Sunway Velocity Phase 2 substructure (RM179 million) will also be built by the internal team. In total, new order book secured in the year was RM1.9 billion.

Casting a Wider Net

The precast concrete business officially commissioned its second plant in Senai, Johor in December 2012. Costing RM26.5 million and with an initial production capacity of 35,000m³ per year, the plant will serve precast concrete needs in the southern region of Malaysia and act as a secondary plant to fulfil precast demands in Singapore as the current plant in Singapore operates at near full capacity.

The Singapore precast concrete plant, meanwhile, continued its sterling performance in 2012. Completing deliveries to Jurong West, the new Graduate Hall at Nanyang Technological University and Sengkang, the 120,000m³ capacity plant also received new orders from Clementi, Bukit Panjang and Kallang Whampoa with a total contract sum of RM152million.

Sunway's precast yard in Singapore





FUTURE PLANS

Having spent more than 30 years with the “brick and mortar” business model, the Construction division is preparing for the quantum leap into the “click and mortar” age by embracing the Virtual Design and Construction (“VDC”) platform. VDC enables integration of design, scheduling, estimation and fabrication processes.

The 3-dimension (“3D”) Building Information Modelling (“BIM”) model enables effective design coordination among the architecture, structure, mechanical, electrical and plumbing trades, eliminating clashes at an early design stage. The 4D model allows project planning and scheduling, calculation of progress in physical development and timeline management. The 5D model enables automated quantities take off, accurate cost estimation and real time cost control. Sunway is confident that full VDC capabilities in future will drive work productivity and cost efficiency throughout the project lifecycle and enable the division to deliver greater value for its clients through better quality and timely construction.

Hence, VDC is being gradually introduced in all collaboration projects between the Integrated Properties and Construction divisions. The pioneer project for the VDC initiative, The Pinnacle in Bandar Sunway, is already reaping benefits from VDC and will be followed by Sunway Pyramid Phase 3 and Sunway Velocity Phase 2. In 2013, Sunway will also be tendering for some external projects with the VDC implementation in mind.

The division remains committed to producing quality and innovative products and services for its clients and continues to focus on business process improvement initiatives to develop a strong capability across the organisation. Initiatives such as 5S, Cross Learning Programme, Kaizen, Small Group Activities and collaborative sharing of lessons learned are implemented to continually sharpen its technical know-how and enhance operational efficiency. Together with its integrated Quality, Environment, Safety and Health (QESH) Management System, the division is committed to achieving operational excellence.

Ongoing construction at The Pinnacle



STRATEGIC INVESTMENTS



Trading &
Manufacturing

Building
Materials





Quarry



Healthcare



Regional Presence
7 countries

Distribution Points
45

Agency Lines
103



Trading & Manufacturing

Since the Trading and Manufacturing division's inception in 1983, the division has strived to become the regional leader in providing world-class products and services in each of its four major product lines, namely, Hoses & Fittings, Heavy Equipment Parts, Heavy Equipment and Building Materials.

Today, the division has successfully grown into an international trading house through its continuous efforts, with a network of 19 companies with 45 (2011: 43) locations across 7 countries in the Asia Pacific region. This extensive geographical footprint spanning Malaysia, Singapore, Indonesia, Thailand, India, China and Australia has enabled the division to attract and service a customer base of close to 7,000 active customers located in 32 countries and diverse industries, including mining, plantation/agriculture, quarry, logging, construction, marine, oil and gas and manufacturing.

Location	No. of Distribution Points
Malaysia	13
Singapore	2
Thailand	4
Indonesia	11
China	8
Australia	6
India	1

In total, the division holds 103 agency lines, including for well established brands like SANY, Furukawa and Airman for heavy equipment; FP Diesel and DCF Trek for heavy equipment parts; and Copperstate for hoses and fittings. Besides distributing for the above principals, the division has also developed a stable of in-house brands including "Sunflex" and "Totalrubber" hoses and fittings, "Suntrak" undercarriage parts and "Sunguard" oil filters.

KEY MILESTONES

Place

Increasing its presence in China, the division added two new distribution points, one each in the cities of Xi'an and Shenyang to provide logistics services to warehouses and to transport goods to end customers. Another branch was opened in Medan, Indonesia, bringing the total number of branches in Indonesia to 11. This new branch was set up to supply heavy equipment parts and hoses and fittings in the region. In Thailand, the Saraburi branch, which was added to the portfolio last year, was enlarged as the division aims to penetrate the mining and quarry industries.

Product

The division ensures business sustainability and maintains market leadership by providing the best products from the best manufacturers through global sourcing.

During the year, the division retained its distribution rights for all major agency lines for its core products, and secured a number of new agency lines for the Hoses & Fittings and Building Materials product lines. These new agency lines, although not for the division's core products, are still important to complement the major agency lines that Sunway currently holds.

Timken bearings and Sunguard filters, which were first introduced in 2011, were marketed extensively during the year in Malaysia and Indonesia in order to penetrate the market and build strong brand recognition. To aid in this process, the division's sales staff were sent for the necessary training from the principal.

Sunway Marketing's booth at the OSEA exhibition in Singapore





Trading & Manufacturing

Promotion

To create greater awareness of the Sunway Trading and Manufacturing division and the products it distributes, the division participated in three exhibitions during the year held in three separate locations, namely Singapore, China and Malaysia. In the exhibitions, the division showcased products from its Hoses & Fittings, Heavy Equipment Parts and Heavy Equipment product lines.

In Singapore, the division participated in the Offshore South East Asia ("OSEA") 2012 exhibition, which catered to the oil & gas industry and gave the division a great opportunity to further infiltrate the industry with its Hoses & Fittings products. The division has identified the oil and gas industry as a key target market area and aims to increase sales in this segment.

In China, the division participated in the Bauma China International Trade Fair, a biennial trade exhibition for construction and building materials machinery and equipment. One of the largest trade fairs of its kind in Asia, it provided the division with a platform to approach potential customers from throughout the region.

Back in Malaysia, Sunway participated in the One Build Malaysia International Building, Architecture & Construction Exhibition which targeted participants in the construction industry. Collaborating with Sany, the division had one of the largest and most outstanding booths at this exhibition held at the Putra World Trade Centre.

Services

To meet customers' ever rising expectations, in Singapore, Sunway became the first vendor in Asia to own the King Crimper machine, which is the largest crimping machine in the world and capable of crimping up to 18" ferrules hose end fittings and industrial hose couplings. With this new crimping machine, Sunway will be able to lower its production costs and improve its ability to crimp larger diameter ferrules, hoses and fittings. As such, it will assist Sunway in maintaining its leadership position in the industry and in penetrating new markets in the future.

Meanwhile, the division's mobile servicing fleet in Singapore which was increased from 4 units to 8 units of mobile vans in 2011 was further expanded to 11 units during the year. The Malaysian operations has followed suit by purchasing two mobile vans in the last quarter of 2012, becoming one of the few hose suppliers in Malaysia to offer such service. With this latest initiative, the division hopes to infiltrate and deepen its presence in the oil and gas industry and expand its market share for mega construction projects which ascribes greater value to such convenience and low downtime.

King Crimper machine



Collaborating with Sany at the One Build Malaysia International Building, Architecture & Construction Exhibition





In Australia, the division established SunwayTrek Australia Pte Ltd in the middle of 2012 to introduce sales of heavy equipment parts to Perth. This initiative, which had been on the drawing board since last year, allows the division to cross-market its products and increase its revenue stream. In addition, the division had established a new company in Indonesia, PT Indoquip, which will focus on driving Sunway's market share in sales of heavy equipment to the mining, construction and plantation industries in Indonesia.

FUTURE PLANS

The division will continue to build upon the strong foundation of its business and take advantage of the replicable nature of its business model to continuously expand geographically, both in existing as well as new countries.

Penetrating new markets will be vital to ensuring that the division can enhance its reputation as one of the regional leaders in the trading and manufacturing industry. This will, amongst others, entail scouring worldwide for quality products, obtaining their distribution rights and bringing them to the markets the division is in.

Focus will be placed on identifying "STAR" products, which have a high market share and offer high yield and high growth opportunities, as well as products that comply with the green building index. In addition, the division will not cease to assess the feasibility of developing in-house proprietary products and expand this range of products due to their better profitability.

Undercarriage parts distributed by the division



Sunway Marketing expands its mobile van service to Malaysia



**Number of
Quarries**

8

**Number of
Asphalt Plants**

8

**Number of
Manufacturing
Facilities**

6



Quarry and Building Materials

Sunway's Quarry and Building Materials division comprises established businesses with a wealth of experience in their respective industries and are reputable institutions within their respective market space. The division comprises four main businesses, namely Quarry, Pavers, Spun Pile and Vitrified Clay Pipes ("VCP").

As a leading quarry and asphalt operator, the Quarry division delivers an integrated product range with complementary services comprising aggregates, asphalt and pavement overlay. Sunway's Quarry business operates 6 (2011: 7) quarries in Peninsular Malaysia, one (2011: 2) in Vietnam and another in Trinidad and Tobago (2011: 1). For asphalt, the division operates 8 (2011: 8) strategically located asphalt plants along potential development corridors and nearby major highways in Malaysia.

The Pavers business, with over 30 years of experience, is the largest inter-locking concrete pavers manufacturer in Malaysia. The business prides itself in its research and development abilities and has in recent years developed new ranges of pavers with enhanced aesthetics, manufactured through environmentally friendly processes and incorporating new features like water permeability. Due to such innovation, the division's products are Green Building Index certified in Malaysia and are accredited with the Green Label in Singapore. The division currently has three plants in Batang Kali, Nibong Tebal and Senai in Malaysia and another plant in Shanghai, China.

The VCP business, which is based in Klang, Malaysia, produces international quality, fully glazed vitrified clay pipes and jacking pipes catering to sewerage needs. VCPs are durable even in extreme climates and are not prone to cracking and flaking. The division is a market leader in the ASEAN region with more than 20 years of experience in the industry. The division mainly caters to customers in Peninsular Malaysia but has a growing exposure in East Malaysia and export markets such as Singapore, Brunei and Hong Kong.

Sunway's Spun Pile business is making its mark in Zhuhai, China where it has successfully built up a sizeable market share in the southern China region. The business's competitive advantage lies in its ability to produce large PHC spun piles with diameters of up to 1.2 meters and single length of up to 56 meters, making it one of only a few in the region with such capabilities.

KEY MILESTONES

Relocating Quarries

In 2012, the quarry division halted production at its quarry in Taiping upon the expiry of the lease with the land owner. The division made the strategic decision to relocate the Taiping crushing plant to its Paka quarry to set up a second production line there in view of the increasing demand in the area. This relocation exercise had temporarily reduced the number of quarries it operates in Malaysia to 6 quarries in Kajang, Rawang, Cheras, Kuala Kangsar, Paka and Lesong Batu respectively. However, the division is close to securing a new quarry site in the northern region of Peninsular Malaysia to add to its geographic footprint.

New Product Launch

A major event for the Pavers business during the year was the launch of a new paving solution known as NeuPave. Being the first of its kind in Malaysia, Sunway spent more than 3 years on its development through its in-house research and development team. The pavers are now successfully being manufactured in China and Malaysia. NeuPave is a water permeable paver which helps to reduce storm water runoff and flooding. NeuPave is also expected to benefit customers economically as they are user friendly, low maintenance with aesthetic finishes vis-à-vis the traditional asphalt pavement. The new pavers are also Green Building Index certified and will appeal to environmentally friendly end users.

Sunway's spun pile factory in Zhuhai





Quarry and Building Materials

Stronger with Strategic Alliances

Sunway's Spun Pile business had a turnaround year in 2012, surpassing its budgeted sales and recognising a profit for the first time since its establishment. The business increased its market share in the southern China region to 70% during the year, and successfully maintained that position throughout the year. Sunway is the only manufacturer with a Grade 2 Production License from the China Construction Bureau, which enables it to produce super large pipe piles in southern China.

Sunway also reached a memorandum of agreement with one of Malaysia's largest spun pile manufacturers, Concrete Engineering Products Berhad ("CEPCO"), to strengthen the companies' combined market presence in Asia. The partnership will provide a sustainable competitive advantage for both companies through an improved and wider range of products, and will create opportunities for both to build a presence in new markets.

Exiting Non Performing Businesses

Due to a lack of economies of scale and a volatile exchange rate environment, management decided to exit the quarry business in Hanoi. During the year, it secured buyers for its quarry in Hanoi, and is now in the final stages of completion of the sale. Management is also currently down-sizing and disposing the pavers business in Dongguan. The Dongguan plant had been struggling after completion of deliveries to major projects in recent years. These actions represent initiatives that Sunway takes to proactively ensure that the company's resources are put to efficient use, and as means to redeploy resources to strengthen core and profitable businesses.

FUTURE PLANS

The Quarry and Building Materials division will focus on maintaining their leadership positions in the respective industries. The Quarry business is expected to enjoy greater demand for its aggregates in view of the implementation of the MRT and LRT projects. The business also has plans to expand its asphalt business by adding a new plant in the southern region of Peninsular Malaysia in the near future.

The Pavers business will continue exploring and innovating eco-friendly products such as the NeuPave. More focus will also be placed on creating market awareness and marketing the NeuPave pavers, which is expected to be a breakthrough product. There is also great potential for the Pavers and the VCP business to explore new export markets and increasing sales to neighbouring countries like Singapore and Brunei.

The Spun Pile business, meanwhile, will aim to build upon the strong foundation it has built for itself in the southern China market and further increase its market share in the southern China region and concurrently explore potential export markets for its products.

Sunway's quarry in Paka, Terengganu





**Number of Specialist
Consultation Suites**
100

**Number of Operating
Theatres**
12

Number of Beds
342





Healthcare

Sunway's healthcare division is the operator of Sunway Medical Centre ("Sunway Medical"), offering a comprehensive range of medical services, including facilities and medical technologies for outpatient and in-patient specialty care, health and wellness programmes and 24-hour emergency services. Doctors in Sunway Medical either practice in Specialist Consultation Suites located within the hospital or have 'admitting rights' to use all inpatient facilities, including diagnostic services and operating theatres. Aside from the accident & emergency first response and primary care services which are manned by medical officers, all the doctors in the hospital are of Consultant Specialist level. Sunway Medical requires that practising Specialists must have internationally-recognised postgraduate qualifications as well as a stipulated number of years of experience in their chosen specialty/sub-specialty discipline.

In recognition of the increasingly sophisticated needs of the nation, Sunway Medical has begun to develop niche areas of medical services. Sunway Medical was the first hospital in Malaysia to perform the Deep Brain Stimulation for the management of Parkinson's disease. Sunway Medical was also the first hospital to perform the Cochlear Implant Programme for the treatment of profound hearing loss.

Sunway Medical is an ISO 9001:2008, MS ISO 15189 and Malaysian Society for Quality in Health (MSQH) accredited private hospital. In addition, Sunway Medical is affiliated to the Jeffrey Cheah School of Medicine & Health Sciences, Monash University Sunway Campus to meet the demands of medical education, training and research.

KEY MILESTONES

At the Forefront of Medical Development

In order to meet the increasing demands of patients and to enhance the comprehensiveness of medical services available at the hospital, Sunway Medical has recruited over 20 new consultants of various disciplines in 2012. With these new specialists, the hospital will further strengthen its position in key specialties such as Hand & Microsurgery, Spine Surgery and Laparoscopic Surgery. The increase in the number of consultants is accompanied by significant investments in medical equipment and infrastructure in order to meet patient demand for better quality of healthcare.

In August 2012, Sunway Medical installed a new Siemens 3.0 Tesla Magnetic Resonance Imaging (MRI) machine at its Radiology department, equipped with the most complete neurology package in the market. The new machine boasts a wider tunnel for patients' comfort, shorter and faster scanning time, higher quality images for diagnosis accuracy and is able to provide significantly better clinical outcomes for patients.

Raising Public Awareness

Sunway Medical launched the 'Let's Take 5!' Campaign on 4 October 2012 in conjunction with the World Diabetes Day. The 'Let's Take 5!' campaign focuses on a specific diabetic complication each year, namely Stroke (Brain), Heart, Kidney, Eye and Foot. As part of the 'Let's Take 5!' Campaign, medical camps were held at Sunway Carnival mall in Penang, Sunway Giza mall in Kota Damansara, and SACC mall in Shah Alam. The culmination of the campaign was a three-day event at Sunway Pyramid shopping mall from 2 – 4 November 2012. The event highlights included exhibitions, screenings, activities, health talks and games.

To promote and encourage a healthier lifestyle amongst the Sunway Group employees, Sunway Medical and their Dietetics and Nutrition Services team organised an internal programme called the "Sunweigh Challenge". This ala 'The Biggest Loser' competition is an organised programme to assist and support employees in establishing healthier lifestyles at the workplace. The three months programme saw a total weight loss of 114.9kg among the 25 participants who had enrolled in the programme.

Sunway Medical organised the 1st Sunway GP Symposium for General Practitioners at Swan Convention Centre in July 2012. The symposium was themed 'Internal Medicine for General Practitioners'. The aim of the symposium was to highlight to general practitioners the practical aspects of the various specialities within Internal Medicine which are of relevance to their daily practice. There were 22 speakers and 150 participants at the symposium.

In June 2012, the Infection Control department in Sunway Medical organised the "Save Lives through Infection Control" conference. The objective of the conference was to provide recommendations and suggestions that can be adopted in infection control procedures and policies. This regional conference was attended by 160 participants with speakers from Thailand, Singapore as well as Sunway Medical's consultants.

Unlocking Value of Sunway Medical Centre's Buildings

On 10 October 2012, Sunway Medical entered into a sale and purchase agreement with Sunway REIT Management Sdn Bhd for Sunway Medical's buildings. The sale has allowed Sunway Medical to unlock the value of its premises and realise cash of RM310.0 million for future capital expenditure. Simultaneously, Sunway Medical entered into a Master Lease Agreement with Sunway REIT for an initial period of 10 years. With the long term lease agreement, the hospital's business premise is secure and the hospital's operations will be able to continue as usual thus enabling the management to continue strategic plans with its long term growth.



Healthcare

FUTURE PLANS

Sunway Medical aims to achieve a new accreditation from the Australian Council on Healthcare Standards (ACHS). It is poised to be the first hospital in Malaysia to obtain this accreditation and complement its affiliation with the Jeffrey Cheah School of Medicine & Health Sciences, Monash University Sunway Campus. This accreditation will be a testament to Sunway Medical's dedication to improving the quality and standards of healthcare services for its patients.

With the success of its inaugural five-year 'Let's Take 5!' campaign in conjunction with World Diabetes Day, Sunway Medical will continue this campaign with the theme 'See Diabetes' in 2013. The campaign aims to reach out to more communities to create greater awareness of the complications of diabetes, especially retina degeneration and blindness in diabetics, and the need to take proactive measures to lead a healthy lifestyle.

Sunway Medical will continue its expansion plan by designing more clinics at level five of Tower B and moving the administrative office to level 6 of Tower B. Sunway Medical is also in the process of upgrading its services to provide better care for its patients with its newly renovated nursery, the upgrading of the VIP rooms, the opening of four new operating theatres and the opening of the new Aesthetic & Laser Centre.

In support of the Government's drive to promote health tourism, Sunway Medical will continue to work with Malaysia Healthcare Tourism Council (MHTC) to actively promote its services overseas, particularly in Indonesia, Myanmar, Bangladesh and China.

Sunway Medical's "Let's Take 5!" campaign in Sunway Pyramid









110 Community

113 Marketplace


115 Workplace

117 Environment

CORPORATE **RESPONSIBILITY**

Intelligent.Friendly.Social.Caring.

The Dolphin demonstrates an instinctive and affectionate affinity with humans. The protective, stabilising and compassionate demeanour of the Dolphin is represented as a message of well being, much like the nature of corporate responsibility. Representing harmony, transcendence and gentleness, the Dolphin symbolises compassion and a generous spirit.



Corporate Responsibility

INTRODUCTION

At Sunway, corporate responsibility is a commitment that is entrenched in its culture, and fully aligned with its business strategy. It drives Sunway to create solutions that matter to the people, inspires innovations and leads its actions. Sunway, being a people centric organisation, live with values of being a Community Builder, Innovator and Enriching Lives that it hopes will create a better future for the communities.

It is Sunway Group's vision to be the leading regional property-construction group. The group has earned recognition locally and internationally for its expertise in a multitude of industries. In its operations and in the marketplace, the organisation seek to continually engage with its stakeholders. Sunway's corporate responsibility practices have clearly defined goals, strategies and metrics. Sunway Berhad's first Sustainability Report 2011, which reiterates the company's responsibilities to all its stakeholders and unflinching commitment to transparency and accountability, received Global Reporting Initiative (GRI) A+ rating, the highest standard application level for its full compliance towards the stringent indicators. The official recognition also exemplifies Sunway's commitment to placing sustainability as the foundation of our corporate strategy. Sunway has also won two highly coveted awards at the National Annual Corporate Report Awards (NACRA) including the "Industry Excellence Award" in the Properties & Hotels Category and the "Silver Award" in the Corporate Social Responsibility Category in 2012.

To achieve its vision, Sunway had developed a clear strategic plan focusing on its missions to be innovative in delivering value, to build synergistic and sustainable relations, and to achieve the highest standards of quality and excellence for all its stakeholders. As a responsible corporate citizen, the organisation continues to strive and remains steadfast in achieving excellence in the pillars of Sunway's Corporate Responsibility programme namely Community, Marketplace, Workplace and Environment.

COMMUNITY

Sunway Group believes it has an integral role to play in building and supporting the communities for a better tomorrow. Through Jeffrey Cheah Foundation ("JCF") as well as other causes, Sunway has conducted substantial community works by adopting a proactive role in promoting and developing sustainability, and driving the development and growth of our communities.

Flipped Programme students at Sunway Pyramid



The Group's contribution to the Community is focused on the three pillars of healthcare, education and the community.

Through education, Sunway provides quality education to deserving Malaysians, whilst efforts in healthcare aim to provide quality healthcare solutions and facilities, allowing our communities to pursue a healthy lifestyle. The Group also believes in elevating the socioeconomic well-being of the communities. Communities should be built in a sustainable manner, allowing the people living within them to enjoy a safe and comfortable environment.

From the JCF to "Safe City Initiative" and "Let's Take 5!" campaigns, Sunway continues to lead with passion and gives to communities in ways the Group knows best. It is with immense pride and joy we share our initiatives and achievements in the last reporting period with our stakeholders.

Education

Teach For Malaysia

Sunway Group organised a familiarisation tour for 80 students from SMK Puchong and SMK Sungai Manggis around Sunway Resort City (SRC) encompassing Sunway Pyramid, Sunway Medical Centre, Sunway Lagoon, Sunway Resort Hotel & Spa and Sunway University. The familiarisation tour, aptly themed "Teach For Malaysia Flipped Programme", was organised following Tan Sri Dr. Jeffrey Cheah and also Tan Sri Ramon Navaratnam's participation in the Teach For Malaysia (TFM) Week first held in April 2012.

During the Flipped Programme, the students, all of whom were previously taught by Tan Sri Dr. Jeffrey Cheah and Tan Sri Ramon Navaratnam, were provided with unique insights into the inner workings of Sunway Group with management teams from Sunway Medical Centre, Sunway University, Sunway Lagoon and Sunway Resort Hotel & Spa personally guiding the students around their work place and briefing them about their respective careers, providing a boost of motivation through real-life work experience.

Sunway Group's participation in Teach For Malaysia is in line with the aim of providing deserving Malaysians an opportunity to receive quality education. Earlier in 2012, Sunway Group, through JCF signed a corporate partnership agreement and donated RM150,000 to advance TFM's mission to address education inequality in Malaysia.

Donation of RM150,000 for Teach For Malaysia



In March 2010, the JCF was launched with the transfer of equity from the Sunway Education Trust Fund to the eponymous foundation, where they are held in perpetuity and operating surpluses will be reinvested into the Sunway Education Group of Institutions or disbursed as scholarships to deserving students. More than 11,000 bright and deserving Malaysian students have thus far pursued their tertiary education through the Foundation's scholarships amounting to more than RM80 million. The JCF is the first-of-its-kind in Malaysia within the field of private higher education, modeled along the lines of one of the oldest and most eminent universities in the world, Harvard University. The ownership and equity rights of the Sunway Education Group, to which Sunway University and Sunway College are a part of, have officially and legally been transferred to the Foundation.

With RM100,000 seed money from Sunway Group, JCF pledged the contribution to fund Project Visioneer, a social enterprise set-up. On 7 December, JCF announced a collaboration with the Hearts of Gold Foundation to develop a social enterprise business model for the learning disabled towards the cause of transforming education for children of special needs in Malaysia. Under the collaboration, Sunway University's newly established Sunway Institute for Social Entrepreneurship (SISE), on behalf of JCF, will assist the Hearts of Gold Foundation to develop programmes and business plans that will equip children with learning disabilities with skills that will sustain them through life.

Sunway's relations with the Hearts of Gold Foundation started with the special needs school in SMK Bandar Sunway. To date, Hearts of Gold Foundation has 85 children with various learning disabilities starting from 17 years of age and above, under its wings. Currently, the children create and design crafts, and produce baked goods, which will then be sold to corporations and individuals.

Sunway Medical Centre had also chipped in by providing attachment programmes on an annual basis for the SMK Bandar Sunway special children where they are placed in selected departments (e.g. Housekeeping, F&B, Corporate Communications, etc.) to work three times a week on an hourly rate. In 2012, two students were placed at the F&B department and one student at the Corporate Communications department. This programme allows students to develop their skills to be "marketable" and build their self-confidence through the exposure of interacting with staff and also the public.

Collaboration with the Hearts of Gold Foundation



Other initiatives by the Sunway Group include the introduction of the Tan Sri Jeffrey Cheah Distinguished Speakers Series which brings prominent and established speakers and communication experts from around the world to share their insights into their fields with the public and students alike. The Distinguished Speaker Series has brought over 50 speakers from around the world since 2005, attracting, on average, an audience of 200 per session. Meanwhile, the Business Startup Showcase was a collaboration with Mad Incubator that attracted more than 3,000 participants. 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.

Healthcare

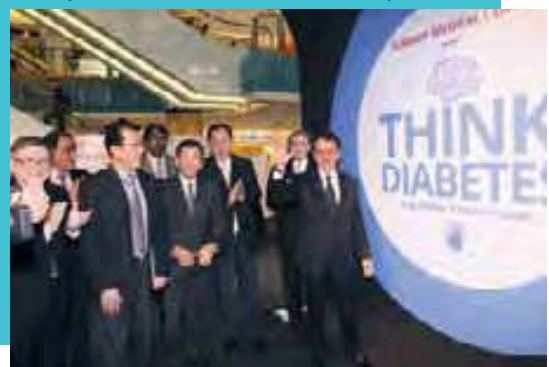
Sunway believes that the next step beyond raising the healthcare standards in Malaysia is to help cultivate healthy living habits in Malaysians. The group's healthcare campaigns and initiatives aim to educate members of the public on the importance of taking charge of one's health. Monthly public forums 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.

Sunway Medical Centre launched the 'Let's Take 5!' Campaign on 4 October 2012 in conjunction with the World Diabetes Day. The 'Let's Take 5!' campaign focuses on a specific diabetic complication each year, namely Stroke (Brain), Heart, Kidney, Eye and Foot. As part of the 'Let's Take 5!' Campaign, medical camps were held at Sunway Carnival mall in Penang, Sunway Giza mall in Kota Damansara, and SACC mall in Shah Alam. The culmination of the campaign was a three-day event at Sunway Pyramid shopping mall from 2 – 4 November 2012. The event highlights included exhibitions, screenings, activities, health talks and games.

Also in conjunction with the global World Diabetes Day celebration, iconic buildings and sites worldwide are lighted up in blue. In 2012, Sunway Group demonstrated its support of World Diabetes Day, by having Sunway Medical Centre, Sunway Pyramid and Sunway Resort Hotel & Spa lighted up in blue.

For World Sight Day which falls in the month of October, Sunway Medical Centre was a healthcare partner for Focus Point Vision Care Group at their three-day exhibition & screening in Sunway Pyramid.

Sunway Medical Centre launches "Let's Take 5!" in conjunction with World Diabetes Day



Corporate Responsibility

The hospital provided the public free eye screenings and Consultant Ophthalmologists formed part of the speaker panel in several talks during the event. Separately, Sunway Medical Centre organised an Eye Centre Open Day on October 20, 2012. Our Consultant Ophthalmologist conducted free eye screenings and consultations for the public.

Sunway Medical Centre also promotes healthcare education and awareness via various programmes such as Better Speech & Hearing month and Nutrition Week in May. Working with the respective departments, a series of posters and interactive activities such as movie screenings, food tasting and mini contests were carried out.

The Community

Focusing on the four pillars of social responsibility programmes, nation-building activities, environmental conservation and community lifestyle enhancements, the Group strives to enrich and augment the communities in which it operates in. From on the job-training programmes for students with special needs to disaster relief to caring for the residents of adopted orphanages, the Group continues to deliver initiatives and projects that not only come with impactful results, but sustainable ones too.

Safety

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 in a concerted effort to reduce the crime rate in Selangor.

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 communities of Bandar Sunway and to 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.

Working in close partnership with the police and the Malaysian Crime Prevention Foundation, the Sunway Group contributed a further RM150,000 to help develop the MyDistress security application. The MyDistress application is the first in the nation and was launched in eight districts in Selangor, namely Petaling Jaya, Gombak, Shah Alam, Subang Jaya, North Klang, South Klang, Serdang and Ampang Jaya.

Festive Celebration

In the spirit of sharing, Sunway has made it a practice to celebrate major festive occasions with the underprivileged. 2012 kicked off with a Chinese New Year celebration where Sunway Pyramid collaborated with members of the public and business partners to help raise funds and basic necessities for the old folks of Rumah Caring Kajang. The main highlight of the CNY S.O.S (Some of Us) campaign was to help refurbish the home by fixing some electrical defects within the house and painting the exterior walls and gates of the home. To spread more CNY joy to the residents there, Sunway Pyramid's team together with members of the public and young writers from Star Brats visited Rumah Caring to help decorate, paint and conduct spring cleaning. A few external parties were also roped in to donate paints, shelves, medical check-up, eye check up and haircut.

Meanwhile, Sunway Resort Hotel & Spa hosted 160 senior citizens from the New Horizon Senior Citizens programme and old folks' homes, Rumah Grace, Grace Centre, and Dignity Home to a gala Chinese New Year banquet. This is the second year that the hotel has hosted the old folks to welcome the arrival of spring with a delicious lunch. The senior citizens tucked into dishes specially created for the occasion by West Lake Garden's new Chinese Master Chef. The guests were entertained by talented Gu Zheng musician, Alan Lam, and three New Horizon members who belted out classic songs throughout the lunch.

For its Hari Raya show lights lighting-up ceremony, Sunway invited a number of international guests and invitees from the embassies and consulates representing the global communities around the world for breaking of fast or 'buka puasa'. Themed C'haya Raya Eid Mubarak, Sunway Resort City had worked to extend the splendour of Sunway Pyramid's Marrakesh precinct to the streets by decking its streets and passageways with Moroccan inspired lamps and motifs. En Rashidi bin Hasbullah, Deputy Secretary General, Ministry of Tourism, along with Datuk Seri Razman Hashim, Deputy Chairman, Sunway Group officiated the streetlights at Sunway Resort City.

Sunway's Auxiliary Police at a conference by MCPF



C'haya Raya celebrations at Sunway Resort City



Themed Diwali Rangoli, Sunway Resort Hotel & Spa's Deepavali celebrations in 2012 kicked-off in November with a 'Kolam' lighting ceremony at the hotel's main lobby. The 'Kolam', a traditional drawing and sand painting at the entrance of homes during Deepavali celebrations, decorated the lobbies of the 5-star establishment and the 4-star Pyramid Tower Hotel in a Peacock themed illustration.

For Christmas, Sunway Group brought cheer to 5,500 celebrated guests comprising underprivileged children and single mothers from more than 30 charity homes. Sunway sponsored RM250,000 worth of tickets to *Beauty and the Beast*, *The Musical* for the guests.

Another initiative by Sunway Lagoon and Sunway Pyramid for Christmas was the Annual Wish Family Gathering held at Sunway Lagoon to bring back all the wish children and their families who have had their wishes granted, including families who have lost their children. These Wish children are like "life-long" members of Make-A-Wish. The occasion was a time for family bonding, and a time to bond with other families, a time of camaraderie to give each other hope and strength.

Over at Sunway Pyramid, S.O.S presented the wonderful Pine of Hope, decorated with Christmas stockings, headgears, teddy bears and other ornaments. Shoppers could buy anything they liked to be placed on the tree, and all proceed would be channelled to the underprivileged children. A team of Christmas buskers provided entertainment and an impressive total of RM20,000 was collected.

Caring for the Underprivileged

Sunway Group collaborated with CATS FM, Sarawak's premier radio station to embark on a programme called 'For the Love of Our Children' (FTLOC). The three-day trip saw 30 underprivileged children from the state of Sarawak being treated to a fun-filled and educational experience in Sunway Resort City.

The trip was an experience of many firsts for the children from Lembaga Kebajikan Anak-Anak Yatim Sarawak (Peryatim) and Yayasan Kemajuan Insan Sarawak (Yakin): their first time flying on an airplane, first time visiting Kuala Lumpur or Peninsular Malaysia, staying in a hotel room and trying ice-skating, and to some, even their first experience of watching a movie at the cinema.

On the second day of the programme, the children spent one full day of fun at Sunway Lagoon's multi-park attraction, with an educational trip to its petting zoo and a brief tour of how Sunway Lagoon came about. Later at night, a hearty dinner was served accompanied by light games and performances by Malaysian celebrities invited by CATS FM especially for the children.

Improving Accessibility

A recent RM9.3 million CSR project by the Sunway Group is the 1.045km Canopy Walk that connects Sunway Pyramid, Sunway University and Monash University Sunway campus. It encourages pedestrians to walk instead of using cars, reducing traffic congestion and hence CO₂ emission into the atmosphere. The Canopy Walk promotes sustainable lifestyles within the 800 acre fully integrated Sunway Resort City development and is now open to the public from 7 am – 12 pm. The entire length of the walk is patrolled by Sunway's security personnel and is equipped with a total of 36 CCTVs. The Group is planning to extend the walk to the adjacent Sunway South Quay precinct and its other properties within the vicinity, including Sunway Medical Centre and Sunway Resort Hotel and Spa.

Besides the Canopy Walk, Sunway Group has enhanced connectivity and accessibility in Sunway Resort City through the provision of two free shuttle buses which operates daily, ensuring passengers a time and cost-efficient mode of transportation.

More significantly, the Sunway Group had also partnered with Syarikat Prasarana Negara Berhad to ease the traffic within the Bandar Sunway and Subang areas with a Bus Rapid Transit ("BRT"), which is due for completion in early 2015. The BRT will comprise of electrical buses running on a dedicated and elevated lane and are both eco-friendly and disabled-friendly.

With its formidable size across different industries, Sunway will continue to augment its Corporate Social Responsibility efforts to reach as many different communities as possible

MARKETPLACE

Customer Feedback, Satisfaction and Privacy

Sunway aims to earn the loyalty of customers by providing superior services and quality products. The group regularly engages its customers, and explores every opportunity to satisfy their changing needs. Sunway Group monitors and values customer satisfaction on a consistent and timely basis.

Children from "For the Love of Our Children" Programme of Sunway Lagoon



Underprivileged children at Beauty & The Beast, The Musical



Corporate Responsibility

Employees at Sunway are guided by our Code of Conduct and Ethics. 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 the storage section of the Medical Records Department (MRD) is confined to Medical Records staff and authorised personnel only.

Marketing and Communications

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

The group complies with the ADPL (Housing Developers License and Advertising Permit) for brochures, advertising permits and sale and purchase (S&P) agreements. Any marketing materials produced by Sunway that profiles a client or its project is submitted to the client for approval and usage.

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 streamline processes and increase profitability as it facilitates quality and environmental management, compliance management, risk assessment and other components that directly impact product and services quality.

The model is based on the four pillars of TQEMS – 1) support of competent employees, 2) total involvement and operational excellence, 3) prevention of environmental pollution and compliance with legal and other requirements, 4) continuous operational and measurement improvement.

In addition, to ensure products and services are of the highest quality without neglecting the importance of environment conservation, ISO certification has been sought for a number of the Group's business units. The list of Sunway companies that are in compliance with ISO 9001 and ISO 14001 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' Mont 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
- Sunway Iskandar Sdn Bhd

Suppliers

The Group ensures 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 division, 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 suppliers who are reliable for quality products and services in the most cost effective manner.

Sunway hopes to minimise costs by having a good purchasing strategy and an established network of trusted suppliers. Hence, the procurement team plays an important role in the selection of key suppliers and building long-lasting relations that benefit both parties. Sunway also invests in procurement sourcing tools to ensure complete transparency and best practises in supplier selection. In 2012, Sunway had implemented an Integrity Pact Policy to ensure transparency and fairness in the procurement process to achieve competitive pricing, avoiding high costs and curbing corruption.

The canopy walkway provides a safe and convenient walking experience for pedestrians



Sunway Integrated Properties Show 2013 was a huge hit



WORKPLACE

Sunway believes that fostering excellent human resources is essential to the Group's sustainable growth. Harnessing people's expertise and commitment to deliver excellence creates value for its investors by building strong relationships with its 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 does not allow room for any form of discriminatory practice against gender, marital status, race, nationality, ethnic origin or age. The Group recruits 70% of its staff locally and stands 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.

Sunway Group is committed to protecting and enhancing the human rights of its employees. The Group's employment policies are consistent with national standards, and recognises the rights of its employees to join relevant unions. Sunway continues to ensure equal opportunity in the workplace and encourages employee diversity based on the basic employment principle 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. The Group opposes forced labour and supports measures to effectively eliminate child and compulsory labour.

Employee Engagement and Satisfaction

In Sunway, people are one of its most valued assets. To preserve this asset, Sunway has a strong and prevailing employee engagement philosophy and strategy which reinforces the importance of having an engaged workforce which is paramount to the success of Sunway Group. The Group firmly believes that an engaged workforce will be more productive, energized and willing to stretch beyond their immediate responsibilities, resulting in higher job satisfaction and enabling the organisation to reach its goals.

Sunway has carried out an extensive Employee Engagement Survey to better understand its employees' expectations. The study permeated every business unit and every level of the organisation. Following this study, carefully coordinated efforts are being carried out to ensure that the workforce feels supported and engaged.

Some of the efforts taken by the Group to engage its employees include:

- 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. To instill and inculcate the principle of rewarding and retaining high performers, Sunway adopts a pay for performance policy where the allocation and distribution of annual salary increment to employees are based on 2 key principles:

- Salary increment and bonus is directly linked to employees' performance;
- Increment and bonus quantum is determined by clearly differentiated performance levels of employees.

The Group also provides employee benefits to supplement cash remunerations, and periodically monitors the market to ensure that cash and total remunerations remain competitive. Sunway's long service award acknowledges and rewards employee loyalty.

The Group's 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. It also serves as an engagement platform between employees and line managers to discuss about performance management, challenges, learning/development actions and career planning.

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

- MFE Planning (Jan-Feb)
- MFE Review 1 (Mid-Year review in July-Aug)
- MFE Review 2 (Year-End review in Nov-Dec)

The Sunway team at The Edge-Bursa KL Rat Race 2012



Teambuilding activities at Lost World of Tambun



Corporate Responsibility

Training and Career Development

Sunway's leadership is committed to talent development. One of the core leadership requirements for Sunway leaders is the ability to develop others. Sunway's leaders are committed to nurturing future leaders, and providing employees strong support in terms of career progression. The Group expects its people to have Passion for Excellence. Sunway's "Managing for Excellence" performance management system facilitates the performance-based culture in Sunway. With a staunch commitment to employee development, annual talent reviews are conducted to identify employees' potential to further groom, support and accelerate employees' career progression.

Sunway provides its employees various types of training programmes including:

- Leadership skills – Leadership skills development focuses on 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, theme park management, nursing, pharmacy management, radiology, clinical training of basic life support & code blue, Quality Control & Assurance, Safety, Health & Environment (SHE) Training, Product Training and ICT Training.
- Managerial skills – This encompasses skills such as coaching, delegation, planning, monitoring and evaluation of performance and presentation.
- Management knowledge - Marketing, finance, strategic planning, operations management, human resource management and sales management.

Employees at 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 so, Sunway has in place a suite of Talent Development programmes aimed 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).

At Sunway, it is a central tenet of the human resources policy to ensure that individuals are empowered and that their career pathways are individually tailored. Sunway realises that prospects for career development are a top priority for its employees and structured career paths provide clarity and ensure Sunway is a great place to work. The Group strongly encourages its employees to discuss their career aspirations and opportunities regularly with their line manager so that they can get the most out of their career at Sunway.

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

Occupational Safety and Health (OSH)

The Group considers health and safety management to be equally important as other management functions. It is the management's responsibility to provide the framework to promote, stimulate and encourage the highest standards 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 work 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 improvements on-site.

Sunway is committed to providing its employees a safe and healthy workplace including those involved in 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 striving for continuous improvement as per Occupational Safety & Health standards in their respective organisations.
- Ensuring that all companies comply with the Occupational Safety & Health laws, regulations and approved codes of practice.
- Maintaining all occupational safety and health documentations and conduct periodic reviews on its effectiveness.

Participants at the "Business Simulation" training



Graduates of the SMART Programme 2012



Compliance and Regulations

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

- Sunway PFM Sdn Bhd
- Sunway Lagoon Sdn Bhd
- Sunway Pyramid Sdn Bhd
- Sunway Resort Hotel Sdn Bhd
- Sunway Medical Centre Bhd

ENVIRONMENT

Sunway is accountable for the impact of its business operations. The Group continues to make positive and significant contribution to the environmental, economic and social wellbeing of its stakeholders, their families and the broader community.

Guided by the Lifestyles of Health & Sustainability ("LOHAS") philosophy, Sunway takes 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.

In environmental preservation, the Group refers to the Environmental Quality Act 1974 where the environment can be defined as the physical factors of the surroundings of human beings including land, water, atmosphere, climate, sound, odour, taste, biological factors, animals, plants and the social factor of aesthetics.

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 and to develop normative documents to facilitate the fusion of business and environmental goals by encouraging the inclusion of environmental aspects in product design and construction.

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. In addition, there are a total of 6 individual in Sunway Integrated Properties and Sunway Engineering who are trained to be GBI facilitators.

Green Products

Green Township and Properties

Exemplifying Sunway's commitment to the environment, the Group's flagship development, Sunway Resort City, was recognised as Malaysia's First Green Township, as awarded by the Green Building Index (GBI). To be recognised as a sustainable township, GBI requires that a minimum 15% of the township be green. SRC has surpassed the minimum requirement twofold, as approximately 30% of the development is green.

GBI is an industry-recognised green rating tool designed specifically for the tropical climate (hot and humid) and Malaysia's current social, infrastructure and economic development. GBI is a profession driven initiative developed by Pertubuhan Akitek Malaysia (PAM) and the Association of Consulting Engineers Malaysia (ACEM). It has the support of all the professional institutes, relevant government agencies and the building/property industry.

In its certification as a Green Township, SRC has been evaluated in six broad categories of criteria:

1. Climate, Energy & Water
2. Environmental & Ecology
3. Community Planning & Design
4. Transportation & Connectivity
5. Building & Resources
6. Business & Innovation

Prior to this, Sunway had been the first developer to obtain the GBI certification for its 2010 residential project Sunway SPK 3 Harmoni. In addition, Sunway Palazzio, Sunway Challis, Sunway Nautica and Sunway Vivaldi have all since received the BCA Green Mark. These certifications reflect Sunway's vision to develop environmentally friendly projects that promote sustainability and community building. Sunway Montana's clubhouse is also one of the first in its category to be submitted for LEED Platinum certification. Sunway's latest Grade A office development which is still under construction, The Pinnacle, is also GBI certified and BCA Green Mark Gold accredited.

Further, Sunway received the Gold Award at the Malaysia Greentech Awards 2012 for the Malaysia Greentech Developer Award under the Commercial Sector Category. Sunway is the only company who won under the Developer's category. Malaysia Greentech Awards 2012 was organised by the Ministry of Energy, Green Technology and Water Malaysia and co-organised by Malaysian Green Technology Corporation.

"Car park guiding" system to reduce exhaust emissions



Sunway Montana's green club house



Corporate Responsibility

The awards highlight the fine example establishments that emphasise aspects of renewable energy, research and development, sustainability communications and innovations which are vital in the transformation of the future in green technology.

Green Building Materials

Sunway's Building Materials division is among the pioneers to introduce "green" concrete, which uses resource-saving and environmentally friendly raw materials. The division's 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 its efforts in producing environmentally friendly products with a minimum usage of 20% recycled content.

Green Initiatives

Car Park Guiding System

Sunway Pyramid's 'Car Park Guiding System' encourages faster flow for cars to reduce heat and exhaust emission of Carbon Monoxide. The same system is also operational in Sunway Giza. Besides that, the mall also aims to cut down on energy consumption by introducing natural lighting inside the mall, and uses energy-saving light bulbs and elevators.

Earth Hour

This year Sunway Group celebrated Earth Hour on a much larger scale than it has before. Stemming from the success of previous Earth Hour celebrations done at Sunway Pyramid Shopping Mall, Sunway Group decided to step up and get other components from the Group to participate as well. Sunway's shopping malls comprising Sunway Pyramid, Sunway Giza, Sunway Putra Mall, and Sunway Carnival had awareness activities in their respective malls for a week leading up to this year's Earth Hour. Sunway's shopping malls are once again partnering WWF-Malaysia after much success the last few years. WWF-Malaysia had pledge booths where shoppers stopped by to make their pledge for Earth Hour and to 'pot-a-plant' for the environment.

Zon Bersih

In line with Sunway Group's commitment in promoting a sustainable green environment for future generations, Tan Sri Dato' Seri Dr. Jeffrey Cheah joined Tan Sri Dato' Seri Abdul Khalid Bin Ibrahim, the Menteri Besar of Selangor in planting trees in front of Sunway Giza Mall, as part of the official launch of Zon Bersih Dataran Sunway.

Also present at the launch were YBhg Dato' Haji Mohamad Roslan bin Sakiman, Mayor of MBPJ, YB Tuan Ronnie Liu, Selangor State Executive Councillor, YBhg Tan Sri Ramon Navaratnam, officials from the State of Selangor, MBPJ and Sunway. Dataran Sunway has been chosen as Zon Bersih 2012 by Majlis Bandaraya Petaling Jaya (MBPJ). Zon Bersih is a clean initiative by the Selangor state government to make the state one of the cleanest in the country. Some of the efforts taken to promote cleanliness include preventing indiscriminate dumping and removing illegal advertising patches.

Tree Replacement

Sunway Construction, as the main contractor of Package B of the LRT LEP (Line Extension Project) for the Kelana Jaya line is replanting 10 trees to replace every tree felled during the construction works. The landscaping initiative that will keep Subang Jaya green is estimated about RM1 million which is part of the total project cost of RM500 million. The 10 to one formula had been jointly decided on by the Subang Jaya Municipal Council (MPSJ); Subang assembly person, YB Hannah Yeoh; and Syarikat Prasarana Negara Berhad, the project owner for the Kelana Jaya line extension project, prior to the commencement of construction works.

The replacement trees, handpicked by representatives from the Subang Jaya Municipal Council (MPSJ), were at least two metres tall meeting the requirements set by MPSJ prior to the commencement of construction works.

YB Hannah Yeoh, representatives from Syarikat Prasarana Negara Berhad, and representatives from Sunway Construction were also present for the tree selection. The trees will be planted in 14 designated locations across Subang Jaya and Seri Kembangan. The tree replanting exercise was completed in October 2012, during which a total of 5,000 trees were planted.

Energy and Water

Energy consumption has been a key area of focus at Sunway, and the Group has implemented the following initiatives aimed at reducing the energy it consumes:

- Replace cathode ray tube (CRT) monitors with LCD monitors
- Replace T8 fluorescent lights at Menara Sunway and Sunway Resort Hotel & Spa's basement car park, and common areas and classrooms at Sunway University with energy efficient T5 fluorescent lights

Greening the town at the launch of Zon Bersih Dataran Sunway



Conservation of water at The Banjaran Hotsprings Retreat





- In the recently renovated rooms in Sunway Hotel Seberang Jaya and Sunway Hotel Georgetown, the conventional T8 and Halogen lightings were replaced with energy efficient T5 and LED 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 Hotsprings 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, showerheads 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.

In order to reduce energy consumption, Sunway Pyramid has replaced eight units of chillers with higher energy efficient equipment. With the investment of RM18.6 million in the Chillers Retrofit Project, it is expected to produce annual energy savings of approximately RM3 million.

For water conservation, Sunway Pyramid has installed the "Waterless Urinals", where each urinal is coated with BioCare Liquid, defragmenting urine into environmentally-friendly components without using water. Motion sensors and press taps are also placed in selected restrooms to reduce water wastage.

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 suspended solids and contaminants from being discharged into water bodies. Thus far, Sunway's 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. Sunway has 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

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.

Recycling and Other Environmental Initiatives

The Group has been working proactively to reduce, reuse, and recycle materials wherever possible. 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. In each premise, there are one or more recycling schemes in place, for aluminium cans, glass bottles, office paper, and other recyclable materials at most areas. The total weight of collected recycling items in year 2012 amounted to more than 362,900 kg.

Sunway also implements a 5S programme to improve housekeeping within the workplace for efficiency and effectiveness by identifying and storing the items used, maintaining the area and items, and sustaining the new order. 5S is the name of a workplace organisation method that uses a list of five Japanese words: seiri (sorting), seiton (straightening), seiso (sweeping), seiketsu (standardizing) and shitsuki (sustaining).

Recycling culture throughout the Sunway Group



Raising awareness amongst the young



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GOVERNANCE WITH **INTEGRITY**

Longevity. Perseverance.
Determination.

Gentle and peaceful, the Sea Turtle is a symbol of Mother Earth and a reminder that she provides for all of our needs. The Sea Turtle represents the need to slow down in order to see opportunities in a fair and just manner. It is a symbol of order, creation, patience, strength, stability, endurance and protection.



Board Charter

1. INTRODUCTION

The Board of Directors of Sunway Berhad ("the Board") regards corporate governance as vitally important to the success of the Company's business and is unreservedly committed to applying the principles necessary to ensure that the following principles of good governance is practised in all of its business dealings in respect of its shareholders and relevant stakeholders:

- The Board is the focal point of the Company's corporate governance system. It is ultimately accountable and responsible for the performance and affairs of the Company.
- All Board members are expected to act in a professional manner, thereby upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.
- All Board members are responsible for achieving a high level of good governance.
- This Board Charter shall constitute, and form, an integral part of each Director's duties and responsibilities.

2. OBJECTIVES

The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and to ensure that the principles and practices of good corporate governance are applied in all their dealings in respect of, and on behalf of the Company.

In pursuit of the ideals in this Board Charter, the intention is to exceed "minimum legal requirements" with due consideration to recognised standards of best practices locally and internationally.

3. THE BOARD

3.1 Role

3.1.1 The Board is in charge of leading and managing the Company in an effective and responsible manner. Each Director has a legal duty to act in the best interest of the Company. The Directors, collectively and individually, are aware of their responsibilities to shareholders and stakeholders for the manner in which the affairs of the Company are managed. The Board sets the Company's values and standards and ensures that its obligations to its shareholders and stakeholders are understood and met.

3.1.2 The Board meets at least once every quarter to facilitate the discharge of their responsibilities. Members of the Management who are not Directors may be invited to attend and speak at meetings on matters relating to their sphere of responsibility.

3.1.3 Duties of the Board include establishing the corporate vision and mission as well as the philosophy of the Company, setting the aims of the Management and monitoring the performance of the Management.

3.1.4 The main functions and roles of the Board are 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.

3.1.5 The Board has established a procedure whereby the Directors, collectively or individually, may seek independent professional advice in furtherance of their duties at the Company's expense.

3.2 Composition and Board Balance

3.2.1 The Board consists of qualified individuals with diverse experiences, backgrounds and perspectives. The composition and size of the Board is such that it facilitates the making of informed and critical decisions.

3.2.2 At any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board members are Independent Directors.



3.2.3 The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations.

3.2.4 The Independent Directors help to ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

3.2.5 The views of the Independent Directors should carry significant weight in the Board's decision-making process.

3.2.6 The Board may appoint a Senior Independent Director to whom shareholders' concerns can be conveyed if there are reasons that contact through the normal channels of the Chairman or the President have failed to resolve them.

3.2.7 If, on any matter discussed at a board meeting, any Director holds views contrary to those of any of the other Directors, the Board minutes will clearly reflect this.

3.3 Appointments

3.3.1 The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nomination Committee.

3.3.2 New Directors are expected to have such expertise so as to qualify them to make a positive contribution to the Board performance of its duties and to give sufficient time and attention to the affairs of the Company.

3.3.3 The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed.

3.4 Directors' Training

3.4.1 In addition to the Mandatory Accredited Programme (MAP) as required by Bursa Malaysia Securities Berhad ("Bursa Securities"), Board members are also encouraged to attend seminars, training programmes organised by the relevant regulatory authorities and professional bodies to broaden their knowledge and to keep abreast with the relevant changes in laws, regulations and the business environment. The Board will assess the training needs of the Directors and disclose in the Annual Report the trainings attended by the Directors.

3.4.2 The Board is also constantly updated by the Company Secretary on changes to the relevant guidelines on the regulatory and statutory requirements.

3.5 Re-election

3.5.1 The Company's Articles of Association provides that one-third (1/3) of the Board is subject to retirement by rotation at each Annual General Meeting. Each Director shall retire once at least in each three (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.

3.6 Board Meetings and Supply of Information

3.6.1 The Board meets regularly at least once every quarter to review financial, operational and business performances.

3.6.2 Notices and agenda of meetings duly endorsed by the Chairman together with the relevant board papers are normally given at least one (1) week prior to the meetings for the Board to study and evaluate the matters to be discussed.

3.6.3 The board papers provided include inter alia, the 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.

4. CHAIRMAN AND PRESIDENT

There is a balance of power and authority between the Chairman and the President with a clear division of responsibility between the running of the Board and the Company's business respectively. The positions of Chairman and President are separated and clearly defined.

4.1 Chairman

4.1.1 The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role. The Chairman is responsible for:

- a) leading the Board in setting the values and standards of the Company;
- b) maintaining a relationship of trust with and between the Executive and Non-Executive Directors;
- c) ensuring the provision of accurate, timely and clear information to Directors;
- d) ensuring effective communication



Board Charter

with shareholders and relevant stakeholders; and

- e) ensuring that members of the Board work together with the Management in a constructive manner to address strategies, business operations, financial performance and risk management issues.

4.1.2 The Chairman is responsible for ensuring the integrity and effectiveness of the governance process of the Board.

4.1.3 The Chairman ensures that the Board members are properly briefed on issues arising at board meetings and that available information on an issue is presented to the Board.

4.1.4 The Chairman will act as facilitator at board meetings to ensure that no Board member, whether executive or non-executive, dominates discussion, that appropriate discussion takes place and that relevant opinion among Board members is forthcoming.

4.1.5 Questions arising at any board meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote, except that where two (2) Directors form a quorum and only two (2) Directors are present, or where there are only two (2) Directors who are competent to vote on the question at issue, the Chairman shall not have a casting vote.

4.2 President

4.2.1 The President is the conduit between the Board and the Management in ensuring the success of the Company's governance and management functions.

4.2.2 The President has the executive responsibility for the day-to-day operation of the Company's business, and the execution of the agreed business policies and directions set by the Board and of all operational decisions in managing the Company.

4.2.3 All Board authorities conferred on the Management is delegated through the President and this will be considered as the President's authority and accountability as far as the Board is concerned.

5. BOARD COMMITTEES

The Board appoints the following Board Committees with specific terms of reference:

- Audit Committee
- Nomination Committee
- Remuneration Committee
- Risk Management Committee
- Task Force Committee on Governance and Integrity

Independent and Non-Executive Directors play a leading role in these Committees.

5.1 Audit Committee

5.1.1 The Audit Committee comprises three (3) members, all of whom are Independent Directors.

5.1.2 No alternate Director can be appointed as a member of the Audit Committee.

5.1.3 The Audit Committee will elect an Independent Director from amongst them as its Chairman.

5.1.4 The functions and duties of the Audit Committee are as follows:-

- A. 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 Auditors:
 - (i) the Internal Audit Charter which defines the independent purpose, authority, scope and responsibility of the internal audit function;
 - (ii) 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;
 - (iii) the audit plan of work programme and results of internal audit processes including recommendations and actions taken;
 - (iv) the extent of cooperation and assistance rendered by employees of the Company; and
 - (v) 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.
 - B. To report any breach of the Listing Requirements of Bursa Securities which has not been satisfactorily resolved, to Bursa Securities.
 - C. To prepare the Audit Committee Report for inclusion in the Company's Annual Report.
 - D. To review the disclosure statements of the Board and other disclosures forming the contents of annual report spelt out in the Listing Requirements of Bursa Securities, as well as to review the Company's Annual Report and recommend for the Board's approval.
- 5.1.5 The Audit Committee meets on a quarterly basis to carry out its functions. However, upon the request of any member of the Committee, non-member Directors, the Internal or External Auditors, the Chairman shall convene additional meeting to consider the matters brought to its attention.
- 5.1.6 The President, Chief Financial Officer, Internal Auditors and External Auditors attend the meetings at the invitation of the Audit Committee.
- 5.1.7 The Board will review the performance of the Audit Committee once in every three (3) years.

5.2 Nomination Committee

- 5.2.1 The Nomination Committee comprises the Independent Non-Executive Directors.
- 5.2.2 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.



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5.3 Remuneration Committee

- 5.3.1 The Remuneration Committee comprises mainly Non-Executive Directors and the Chairman is an Independent Non-Executive Director.
- 5.3.2 The Remuneration Committee is responsible for recommending 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.

5.4 Risk Management Committee

- 5.4.1 The Risk Management Committee comprises the Executive Director, the Chief Financial Officer and an Independent Non-Executive Director as the Chairman.
- 5.4.2 The Risk Management Committee 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.

5.5 Task Force Committee on Governance and Integrity

- 5.5.1 The Task Force Committee on Governance and Integrity comprises the Executive Director, two (2) Independent Non-Executive Directors and a representative each from Group Internal Audit and Group Legal. The Chairman is an Independent Non-Executive Director.
- 5.5.2 The Task Force Committee on Governance and Integrity's main responsibility is to review and evaluate the existing corporate governance practices and regulatory framework of the Group and to recommend measures for improvement by adopting best practices.

6. REMUNERATION LEVELS OF DIRECTORS

- 6.1 The remuneration of the Executive Directors is structured on the basis of linking rewards to corporate and individual performance. For Independent Non-Executive Directors, they receive a basic fee, an additional fee for serving on the Board Committee(s) and an attendance fee for participation in meetings of the Board and any of the committee meetings.
- 6.2 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.
- 6.3 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.

7. FINANCIAL REPORTING

7.1 Transparency

- 7.1.1 In presenting the annual financial statements, Annual Report and quarterly results to shareholders, the Board aims to provide a balanced and understandable assessment of the Group's financial position, performance and prospects.
- 7.1.2 The Board ensures that the financial statements are prepared so as to give a true and fair view of the current financial status of the Company in accordance with the approved accounting standards. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.



7.2 External Auditors

- 7.2.1 The Board has established formal and transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the External Auditors through its Audit Committee.
- 7.2.2 The Audit Committee also keeps under review the scope and results of the audit and its cost effectiveness as well as the independence and objectivity of the External Auditors. The Board ensures that the External Auditors do not supply a substantial volume of non-audit services to the Company.
- 7.2.3 Appointment of the External Auditors is subject to approval of shareholders at general meeting of the Company. The External Auditors have to retire during the Annual General Meeting of the Company every year and be re-appointed by shareholders for the ensuing year.

7.3 Internal Controls and Risk Management

- 7.3.1 The Company has an in-house internal audit function, which critically reviews all aspects of the Company's activities and its internal controls. Comprehensive audits of the practices, procedures, expenditure and internal controls of all business units and subsidiaries are undertaken on a regular basis. The Head of Internal Audit has direct access to the Board through the Chairman of the Audit Committee.
- 7.3.2 The Board ensures the system of internal controls is reviewed on a regular basis.
- 7.3.3 The Audit Committee receives reports regarding the outcome of such reviews on a regular basis.

8. ANNUAL GENERAL MEETING ("AGM")

- 8.1 The Company regards the AGM as an important event in the corporate calendar of which all Directors and key senior executives should attend.
- 8.2 The Company regards the AGM as the principal forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with, and constructive feedback from the Company's shareholders.

- 8.3 The Chairman encourages active participation by the shareholders during the AGM.
- 8.4 The Chairman and where appropriate, the President responds to shareholders' queries during the AGM.

9. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

- 9.1 The Board values constant dialogue and is committed to clear communication with 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.
- 9.2 The Company communicates information to shareholders and the investing community through announcements that are released to Bursa Securities via Bursa LINK. Such announcements include the quarterly results, material transactions and other developments relating to the Group requiring disclosure under the Listing Requirements of Bursa Securities. Communication channels with shareholders are also made accessible via:-
- Press and analysts' briefings;
 - One-on-one/group meetings, conference calls, investor luncheons, domestic/overseas roadshows and conferences;
 - Annual Reports;
 - Press releases on major developments; and
 - The Company's website at **www.sunway.com.my**.
- 9.3 In addition to published Annual Report sent to all shareholders and quarterly results announced to Bursa Securities, the Company has established a website at **www.sunway.com.my** from which investors and shareholders can access for information.
- 9.4 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.



Board Charter

10. RELATIONSHIP WITH OTHER STAKEHOLDERS

In the course of pursuing the vision and mission of the Company, the Board recognises that no company can exist by maximising shareholders value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration.

10.1 Employees

10.1.1 The Board acknowledges that the employees are invaluable assets of the Company and play a vital role in achieving the vision and mission of the Company.

10.1.2 The Company adopts comprehensive and documented policies and procedures with respect to occupational safety and health with the objective of providing a safe and healthy working environment for all employees.

10.2 Environment

10.2.1 The Board acknowledges the need to safeguard and minimise the impact to the environment in the course of achieving the Company's vision and mission.

10.2.2 The Company adopts comprehensive and documented policies and procedures as part of its commitment to protect the environment and contribute towards sustainable development.

10.2.3 The Company supports initiatives on environmental issues.

10.3 Corporate Responsibility

10.3.1 The Board acknowledges that the Company should play a vital role in contributing towards the welfare of the community in which it operates.

10.3.2 The Company adopts comprehensive and documented policies and procedures towards responsible marketing and advertising of its products and services.

10.3.3 The Company supports charitable causes and initiatives on community development projects.

11. COMPANY SECRETARY

11.1 The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfils the functions for which he/she has been appointed.

11.2 The Company Secretary is accountable to the Board on all governance matters.

11.3 The Company Secretary is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company.

11.4 The Company Secretary must keep abreast of, and inform the Board of current governance practices.

11.5 The Board members have unlimited access to the professional advice and services of the Company Secretary.

Code of Conduct & Business Ethics

1. INTRODUCTION

The Sunway Group of companies' (hereinafter referred to as "Sunway" or the "Group") Code of Conduct and Business Ethics (the "Code") provides the ethical framework to guide actions and behaviors of all Directors and Employees of the Group while at work.

This Code reflects the increasing need for effective corporate governance compliance measures in the conduct of the Group's business domestically and worldwide. It emphasizes and advances the principles of discipline, good conduct, professionalism, loyalty, integrity and cohesiveness that are critical to the success and well-being of the Group.

2. OBJECTIVE

The objective of the Code is to provide guidance on the standards of behavior expected of all Directors and Employees of the Group, and where applicable, Counterparts and Business Partners. The standards of behavior are derived from the Group's Core Values and Business Principles. For all intent and purposes, all Directors and Employees shall always observe and ensure compliance with all applicable laws and regulations to which they are bound to observe in the discharge of their duties.

3. SCOPE

The Code is applicable to Directors and Employees (including full time, probationary, contract and temporary staff) ("Employees") of the Group. Each Employee has a duty to read and understand the Code. Violation of any of the Code's provisions can result in disciplinary action, including termination of employment. The Code applies to all businesses and countries in which the Group operates.

4. CORE SECTIONS OF CONDUCT

A. Act with Integrity & Ethics

I. Avoid Conflict of Interest

A conflict between your personal interests and the interests of the Group is a conflict of interest. All of us must avoid such conflicts and situations that may be perceived as creating a conflict of interest that may influence our judgment in the discharge of responsibilities. Directors and Employees must not use their positions or knowledge gained directly or indirectly in the course of their duties or employment for private or personal advantage (directly or indirectly).

II. Corrupt Practices are Strictly Prohibited

Corrupt practices are operationally defined as the misuse of entrusted power for private gain. Directors and Employees must comply strictly with all provisions of the Malaysian Anti-Corruption Commission Act (MACC) 2009 accordingly.

III. Acceptance and Provision of Gifts and Entertainment

It is important not to accept or provide inappropriate gifts or entertainment as it may create conflict of interest and influence business decisions. Generally, acceptance of inexpensive "token" non-cash gifts which are occasional, customary gifts during festive or special occasions and gifts from social events attended by the Directors or Employees is permissible. In addition, infrequent and moderate business meals and entertainment with clients and infrequent invitations to attend local social events and celebratory meals with clients can be appropriate aspects of promoting good business relationships, provided that they are not excessive and do not create the appearance of impropriety.

If in doubt, before accepting any gifts or courtesy, please consult with your respective Head of Department and/or Business Unit Head for advice and approval relating to acceptance of gifts and entertainment.



Code of Conduct & Business Ethics

IV. Solicitation of Sponsorship

Sunway discourages its employees, whether directly or indirectly, from soliciting, accepting or agreeing to accept, from any party any form of sponsorship or gifts and hospitality from business partners. Sponsorship gifts and hospitality may be in the form of cash or cash equivalent, personal services, loans, events or meals where the business partner is absent or during periods when important business decisions are being made. Sponsorship gifts and hospitality must never influence your business decisions and must not place you or Sunway under any obligation.

V. Insider Trading

Do not buy or sell and do not recommend and suggest anyone else to buy or sell the securities of any company in the Group either directly or indirectly when you are aware of insider information about the Group, for personal benefit. A violation of this policy can result in civil and criminal penalties. Please refer to the Group's existing policy on Insider Trading for appropriate guidance and compliance.

VI. Fraud

Employee must not engage in any forms of fraudulent acts or any dishonest conducts involving property or assets, or on the financial reporting and accounting of Sunway or third party. This may not only entail sanctions but also result in criminal charges.

B. Comply with laws & regulations

I. Ensure compliance with applicable laws & regulations

The Group will comply with all applicable laws, rules and regulations of the governments, commissions and exchanges in jurisdictions and countries within which the Group operates. Each of us is responsible for taking appropriate actions to understand and comply with the laws, rules and regulations that are applicable to their positions and/or work.

C. Working with one another

I. Health & safety

The Group strives to provide a safe, secure and conducive workplace environment. Every employee must diligently observe and comply with all Occupational Safety and Health laws and regulations of any country and the Group's environmental safety rules and regulations.

II. Sexual harassment & violence

We will not tolerate and condone any form of harassment and violence. Any employee who believes that he/she has been subjected to harassment can lodge a report to Group Human Resource who will be responsible to review the case and consider the appropriate course of action where applicable. Please refer to Group Human Resource for existing policy in this matter for appropriate guidance and compliance.

III. Respect, equal and non-discrimination

Each of us will be treated with respect and dignity. The Group endeavours to provide equal opportunity to ensure that employment decisions are based on merits and performance without regard to race, religion, gender, age, nationality or disability, and shall not create any form of discrimination or prejudice in the workplace.

D. Protect Sunway's assets & intellectual property

I. Protect Sunway's information & assets

The Group values and protects all proprietary and confidential information and is committed to protecting its assets and resources. Directors and employees are expected to exercise reasonable care to safeguard the Group's assets to avoid any loss, damage, misuse or theft. In addition, we must safeguard proprietary, confidential information, plus personally identifiable information at all time to prevent harm to Sunway, our shareholders, and individuals or other third parties that have trusted us with their information.



II. Confidential Information

All Directors and Employees must exercise caution and due care to safeguard any information of a confidential and sensitive nature relating to the Group which is acquired in the course of their employment, and are strictly prohibited to disclose to any party, unless the disclosure is duly authorized or legally mandated. In the event that a Director or an Employee know of material information affecting the Group which has not yet been publicly released, the material information must be held in the strictest confidence by the Director or Employee involved until it is publicly released.

III. Records management & control

All books, records and accounts must be controlled and maintained so that they are prepared on timely basis and conform to generally accepted and applicable accounting principles and to all applicable laws and regulations.

E. Ensure financial and non-financial integrity & controllership

I. Maintain books & records

We are all responsible for ensuring that Sunway's books and records are recorded accurately, fairly and reasonably reflect the substance of transactions. They must comply with company accounting policies and internal control requirements.

Purposely misrepresenting information or activities on company documents and reports may be considered falsification of documentation, which is a serious offence. The Company reserves the right to report any act of misrepresentation suspected of being criminal in nature to the police or other relevant authorities.

II. Comply with internal controls & procedures

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

F. Environment

I. Sustainable development

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

5. ADMINISTRATION

5.1 Reporting of violations of the Code

Seek advice when you are unsure of an appropriate legal or ethical course of action. You are encouraged to report concerns of violation of the Code through the Group's existing Whistle Blowing Policy. No individual will be discriminated or suffer any act of retaliation for reporting in good faith.

5.2 Review of the Code

The Board will monitor compliance with the Code and review the Code regularly to ensure it remains relevant and appropriate.



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.

BOARD OF DIRECTORS

COMPOSITION AND BALANCE

The Board consists of seven (7) members, three (3) or one-third (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. The Board will review its size and composition as and when there is a need in order to meet the ever challenging expansion plans of the Group. The Board also targets to have at least two (2) qualified women in its board composition. A brief profile of each Director is presented on pages 56 to 61 of the Annual Report.

EXECUTIVE CHAIRMAN

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling is the Executive Chairman and he is the single largest shareholder of the Company. His strategic leadership and entrepreneurial vision are essential for the continued growth of the Company into the next decade. His interest and passion in growing the Group is in alignment with the interests of the rest of the stakeholders. In respect of potential conflicts of interest, the Board is satisfied that there is no undue influence involved in all related party transactions. All such transactions were independently scrutinized by the Audit Committee to ensure that they complied with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the shareholders' mandate on recurrent related party transactions. All potential conflicts of interest were disclosed to the Board and recorded in the minutes with Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling abstaining from all deliberation and decision making. The Executive Chairman encourages free expression of opinions and ideas contributed by the other Directors. Any Board member is allowed to include items into the agenda of meetings.

There is clear segregation of responsibilities between the Executive Chairman and the President to ensure a balance of power and authority. The Executive Chairman provides leadership to the Board and guidance to the Group. The President is subject to the control of the Board.

The Executive Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role. The Chairman is responsible for:

- leading the Board in setting the values and standards of the Company;
- maintaining a relationship of trust with and between the Executive and Non-Executive Directors;
- ensuring that accurate and relevant information are given to all Directors on a timely basis. The Executive Chairman's role is to ensure that members of the Board are properly briefed on issues arising at its meetings and that available information on the issue is presented;
- ensuring members of the Board work together with the management in a constructive manner to address strategies, business operations, financial performance and risk management issues;
- ensuring the integrity and effectiveness of the governance process of the Board; and
- ensuring effective communication with shareholders and relevant stakeholders.

The Executive Chairman acts as facilitator at Board meetings to ensure that no Board member, whether Executive or Non-Executive, dominates discussion and that appropriate discussion takes place and that relevant opinion among Board members is forthcoming.

The President leads management in formulating comprehensive medium to long-term business strategies and plans so as to achieve the Group's business plans on capital requirements, growth, turnover and profitability to meet shareholders' expectation. He also spearheads the Group's synergy initiatives, direct and review the overall business activities of the various Business and Support Divisions so as to ensure the integrated efforts of these Divisions contribute to the optimum utilization of corporate resources and expertise in the attainment of the Group's long-term objectives. The Board is briefed by the President on his progress reports on the strategic, operational and management initiatives and results on a quarterly basis.

THE BOARD'S ROLES AND RESPONSIBILITIES

The Board leads and controls the Group. The Executive Directors are primarily responsible for implementing the Company's business plans and managing its resources. The Independent Non-Executive Directors are actively engaged in the following:-

- Independent performance monitoring;
- Advising and monitoring corporate governance framework, policies and practices;
- Monitoring risk management issues as well as internal controls; and
- Providing independent insights and value add to management proposals as well as protection of minority interests.



The Board regularly meets to perform its main functions, amongst others, as follows:-

- Setting the vision, mission, objectives, goals and strategic plans for the Group with a view to maximizing shareholders' value as well as ensuring long term sustainability of the Group's performance.
- Adopting and monitoring progress of the Company's strategies, budgets, plans and policies.
- Monitoring the progress of the Group's businesses to evaluate whether the businesses are properly managed to achieve its targeted returns.
- Reviewing and improving the governance framework as well as policies within the Group through the establishment of a Task Force Committee on Governance and Integrity headed by Datuk Low Seng Kuan, an Independent Non-Executive Director.
- 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.
- 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.
- Considering Management's recommendations on key issues including acquisitions, divestments, restructuring, funding and significant capital expenditure.
- Human resources planning and talent development in particular, management succession planning.

The Board also delegates certain responsibilities to the Board Committees, all of which operate within defined terms of reference. The Board has the services of qualified and competent Company Secretaries to whom, concerns may be addressed, who would bring the same to the attention of the Board. The Company Secretary and/or his assistants attend all Board meetings and, together with the Directors are responsible for the proper conduct of the meetings according to applicable rules and regulations. The Company Secretary regularly updated the Board on new statutes, regulations and directives issued by regulatory authorities.

BOARD CHARTER AND CODE OF CORPORATE CONDUCT

A Board Charter has been formulated to guide the Board in the effective discharge of its roles and responsibilities as well as to define the functions delegated to management and Board Committees. Details of the Board Charter are set out in pages 122 to 128.

The Board has also formalized a code of conduct and business ethics policy which provides an ethical framework to guide actions and behaviors of all Directors and its employees while at work. A summary of the said code is detailed in pages 129 to 131.

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 one (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, risk management and internal control reports, 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. 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.

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



Corporate Governance Statement

The Board met eight (8) times during the financial year ended 31 December 2012 and the details of attendance of the Directors are tabulated below:-

Name of Directors	Number of Meetings Attended	Percentage of Attendance (%)
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	6/8	75
Datuk Seri Razman M Hashim	7/8	88
Dato' Chew Chee Kin	8/8	100
Sarena Cheah Yean Tih	5/8	63
Datuk Low Seng Kuan	7/8	88
Wong Chin Mun	8/8	100
Lim Swe Guan	8/8	100

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, economic trends and strategic planning.

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	• Sunway Managers Conference 2012 – "Leading with Passion" (Sunway Group)	18 October 2012
Datuk Seri Razman M Hashim	• Economic and Capital Market Review (Trace Management Services Sdn Bhd & CIMB Bank Berhad)	9 July 2012
	• Sunway Managers Conference 2012 – "Leading with Passion" (Sunway Group)	18 October 2012
Dato' Chew Chee Kin	• Sunway Group Marketing & Sales Forum (Sunway Group)	26 & 27 March 2012
	• Sunway Managers Conference 2012 – "Leading with Passion" (Sunway Group)	18 October 2012
Sarena Cheah Yean Tih	• Sunway Group Marketing & Sales Forum (Sunway Group)	26 & 27 March 2012
	• Sunway Managers Conference 2012 – "Leading with Passion" (Sunway Group)	18 October 2012
	• Khazanah Global Lectures 2012 – "The Evolution of Global Supply Chains: Challenges for Asia" (Khazanah Nasional Berhad)	29 November 2012



Name of Directors	Course Title / Organiser	Date
Datuk Low Seng Kuan	<ul style="list-style-type: none"> Accountants in Business Symposium 2012 – “Competent and Versatile - How Professional Accountants in Business Drive Sustainable Organisational Success”* (Malaysian Institute of Accountants) 	21 & 22 March 2012
	<ul style="list-style-type: none"> Conference on Building Integrity in the Public and Private Sector* (Perbadanan Kemajuan Negeri Selangor & Asian Strategy & Leadership Institute) 	11 June 2012
	<ul style="list-style-type: none"> 15th International Anti-Corruption Conference – “Mobilising People: Connecting Agents of Change” (International Anti-Corruption Conference Council) 	7 to 10 November 2012
Wong Chin Mun	<ul style="list-style-type: none"> Foreign Exchange Outlook and Economic Seminar – “Insight into the Global Economy - Facing an uncertain future” (HSBC Bank Malaysia Berhad) 	9 January 2012
	<ul style="list-style-type: none"> Update on World Economy & Malaysia and Tips on Stock Investment (Vistage Malaysia Sdn Bhd) 	13 April 2012
	<ul style="list-style-type: none"> Building a high performance team (Vistage Malaysia Sdn Bhd) 	8 June 2012
	<ul style="list-style-type: none"> Corporate Governance Blueprint and Malaysian Code of Corporate Governance 2012 (Bursa Malaysia Berhad) 	18 June 2012
	<ul style="list-style-type: none"> Copycat Innovation (Vistage Malaysia Sdn Bhd) 	13 July 2012
	<ul style="list-style-type: none"> Colloquium on Human Resource Policies for a High Income Economy (Federation of Malaysian Manufacturers) 	24 July 2012
	<ul style="list-style-type: none"> Sunway Managers Conference 2012 – “Leading with Passion” (Sunway Group) 	18 October 2012
	<ul style="list-style-type: none"> Briefing on Competition Act 2010 (Sunway Group) 	24 October 2012
	<ul style="list-style-type: none"> Vistage CEO Summit 2012 – “Leveraging on talent in tandem with technology” (Vistage Malaysia Sdn Bhd) 	30 October 2012
	<ul style="list-style-type: none"> FMM National Manufacturing Conference 2012 – “Emerging Trends and Technologies - its impact on Business” (Federation of Malaysian Manufacturers) 	27 November 2012
Lim Swe Guan	<ul style="list-style-type: none"> Sunway Managers Conference 2012 – “Leading with Passion” (Sunway Group) 	18 October 2012
	<ul style="list-style-type: none"> APREA Property Leaders Forum 2012 – “Asia: Capital Meets Opportunity” (Asia Pacific Real Estate Association) 	25 & 26 April 2012
	<ul style="list-style-type: none"> VIP - Asia Investor Roundtable 2012 – “Crossroads - What’s Next for Asia?” (Visions Insights & Perspectives Institutional Real Estate, Inc.) 	9 & 10 October 2012

*Attended as speaker



Corporate Governance Statement

RE-APPOINTMENT, RETIREMENT BY ROTATION AND RE-ELECTION

The Company's Articles of Association provides that 1/3 of the Board is subject to retirement by rotation at each Annual General Meeting. Each Director shall retire once at least in each three (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 107 of the Companies Act, 1965 and the Company's Articles of Association, Dato' Chew Chee Kin and Datuk Low Seng Kuan will retire by rotation at the coming Annual General Meeting of the Company. Both Dato' Chew Chee Kin and Datuk Low Seng Kuan have agreed to be re-elected as Directors.

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.

The performances of these Directors have been assessed by the Nomination Committee who have recommended to the Board for their re-election to be tabled for shareholders' approval at the coming Annual General Meeting.

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 members of the Audit Committee are Independent Non-Executive Directors, namely Datuk Low Seng Kuan as Chairman, Wong Chin Mun and Lim Swe Guan. The Committee's key roles are summarized as follows:-

- Overseeing the Group's financial reporting;
- Assessing the risks and internal control environment;
- Evaluating the internal and external audit processes; and
- Reviewing and scrutinizing all related party transactions and possible conflict of interest situations.

The composition of the Audit Committee, its terms of reference, attendance of meetings and a summary of its activities are set out on pages 144 to 148 of the Annual Report. The minutes of the Audit Committee meetings are tabled to the Board for noting and for action by the Board, where necessary.

2. Nomination Committee

The Nomination Committee comprises three (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 appointments 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 page 140 of the Annual Report.

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

- (a) To note the terms of reference of the Nomination Committee as well as its roles and responsibilities;
- (b) to assess the performance and to endorse the re-appointment of Datuk Seri Razman M Hashim who is over the age of 70 years, as Director of the Company pursuant to Section 129 of the Companies Act, 1965 subject to the approval of shareholders at the Company's Annual General Meeting;
- (c) to assess the performance of retiring Directors and to endorse their re-election at the Company's Annual General Meeting, subject to the approval of shareholders;
- (d) to review the criteria used for Board assessment and to approve the evaluation form on the Board's effectiveness;
- (e) to review the criteria used and to approve the evaluation form for the assessment and evaluation of Independent Non-Executive Directors; and
- (f) to approve and review the criteria for the assessment and evaluation of the Directors' peers.

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 page 141 of the Annual Report.

During the financial year, two (2) meetings were held to deliberate and approve the following matters:-

- (a) to evaluate the performances of the Executive Directors and to endorse their annual increments, bonuses and allowances; and
- (b) to review and to approve the terms 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, Sarena Cheah Yean Tih (Executive Director) and Chong Chang Choong (Chief Financial Officer).

The RMC is tasked with the responsibility to ensure sound risk management framework within the Group, to oversee the risk management activities, approving appropriate risk management procedures, review the adequacy and effectiveness of risk management system and ensure sufficient risk management resources are made available as well as identification and management of strategic business risks of the Group. The terms of reference of the RMC are set out on page 142 of the Annual Report.

During the financial year, four (4) meetings were held to deliberate on the risks related issues affecting the Group:-

- (a) to review the enterprise risk profile and divisional risk ranking to ensure the adequacy and effectiveness of risk management system;
- (b) to review the status of implementation of action plans to manage and mitigate the identified risks;
- (c) to highlight and 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 discuss on the impact of economic uncertainties and external risks on the performance of the Group;
- (f) to approve the annual Risk Management Activity Plans for 2012;

- (g) to approve the terms of reference of the compliance function; and

- (h) to approve the Risk Management Plan for 2013.

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

5. Task Force Committee on Governance and Integrity ("CGI")

The CGI comprises Datuk Low Seng Kuan as Chairman, Wong Chin Mun (Independent Non-Executive Director), Sarena Cheah Yean Tih (Executive Director), Liew Wei Ling (Senior General Manager, Legal) and Yee Meng Haw (Head of Group Internal Audit). The terms of reference of CGI are set out in page 143.

During the financial year, three (3) meetings were held to discuss the following issues:-

- a) Reviewing the corporate integrity system of the Group;
- b) Identifying and reviewing the risk areas of poor governance;
- c) Dealing with any cases of abuse and violation of the Group's internal policies;
- d) Discussed and recommending to the Board, compliance tools such as whistleblowing policy, integrity pact policy, declaration of interest of key persons, gift and entertainment policy as well as compliance monitoring;
- e) Discussed and reviewing standard operating procedures for projects in China; and
- f) Discussed implementation of Fraud Risk Assessment program for hospitality and theme park operations.

The Chairman of CGI reports all deliberations and recommendations to the Board.

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. The tools for evaluation of Executive Directors are based on Managing for Excellence program. 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	-	300,000	300,000
Other Emoluments	-	80,000	80,000
Salaries and other Remuneration	9,187,557	-	9,187,557
Bonus	6,633,782	-	6,633,782
Benefits-in-kind	209,643	-	209,643
Total:	16,030,982	380,000	16,410,982

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

Range of Remuneration	Executive Directors	Non-Executive Directors	Total
Below RM150,000	-	3	3
RM400,000 to RM450,000	1	-	1
RM800,000 to RM850,000	1	-	1
RM3,150,000 to RM3,200,000	1	-	1
RM11,600,000 to RM11,650,000	1	-	1
Total:	4	3	7

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

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. The Group has an established internal corporate disclosure policy and an investors' relation team to address all communications with its shareholders, the media and the investing public.

During the financial year, the Company had conducted quarterly press and analysts updates and held 35 meetings with investors and research analysts. The Company had also participated in domestic and overseas roadshows, and investor conferences in Kuala Lumpur, Singapore and Bangkok.

In addition to published Annual Report (both in hard copy or in CD ROM media) and Quarterly Reports announced to Bursa Securities, 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. Besides announcing through Bursa Securities' website, all significant corporate developments involving the Group are made known through press releases to the media.

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. The Group has in place an insider trading policy to safeguard confidentiality of its 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 : nglp@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. The Chairman will inform all shareholders of their right to demand a poll vote at the commencement of meeting. Nevertheless, all related party transactions and significant corporate acquisitions or corporate exercises are voted by way of poll and poll results are independently verified by external scrutineers.

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. It also ensures that the Group's financial statements comply with all applicable accounting policies, standards and regulatory requirements.

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.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board assumes overall responsibility for maintaining a sound system of risk management and internal controls that provides reasonable assurance of effective operations and legal compliance including both internal policies and standard operating procedures. The Board is assisted by the RMC in identifying, mitigating and monitoring the critical risks highlighted by the Business Units.

The Group Internal Audit Division assists the Audit Committee in reviewing, evaluating and monitoring the effectiveness of the Group's governance, risk management and internal control processes.

The Statement on Risk Management and Internal Control set out on pages 149 and 151 of the Annual Report provides an overview of the state of risk management and 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 Audit Committee meets the External Auditors at least twice a year to discuss their audit plan, audit findings and the Group's financial statements. At least two (2) meetings are held without the presence of the Executive Directors and the management. The Audit Committee annually assesses the suitability, effectiveness and independence of the External Auditors.

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

COMPLIANCE WITH THE CODE

The Group has complied with the principles and recommendations as outlined in the Malaysian Code on Corporate Governance 2012, except the following recommendations:-

- The positions of Chairman and Chief Executive Officer should be held by different individuals, and that the Chairman must be non-executive member of the Board.
- If the Chairman is not an Independent Director, then the Board should comprise a majority of Independent Directors to ensure balance of power and authority on the Board.

The rationale for non-compliance has been explained in the first page of this Statement. Nevertheless, the Board has intention to increase the number of Independent Directors so that their numbers comprise a majority of the Board.

This Corporate Governance Statement was approved by the Board of Directors on 25 April 2013.

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 three (3) in number.
- (b) The members of the Committee shall be non-executive Directors, a majority of whom must be independent.
- (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 three (3), the Board shall, within three (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 (1/3) 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 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.

- (e) To recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board.
- (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, experience and other qualities of Directors, including core competencies which Non-Executive Directors should bring to the Board as well as independence and diversity (including gender diversity) of the board composition which is required to meet the needs of the Company, 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 review the Board's succession plans and training programmes for Directors.
- (j) 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 two (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 who 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.
- (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.

2. MEMBERSHIP

- (a) The Committee shall be appointed by the Board from among their number and shall comprise not fewer than three (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 three (3), the Board shall, within three (3) months fill the vacancy.
- (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 two (2) members.

5. SECRETARY

The Secretary to the Committee shall be the Company Secretary.

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



Terms of Reference of Risk Management Committee

1. COMPOSITION

- (a) The Risk Management Committee ("RMC") shall be appointed by the Board of Directors ("the Board") and shall comprise not fewer than three (3) members, one of whom shall be an independent non-executive director.
- (b) The independent non-executive director shall be the Chairman of RMC.
- (c) In the event of any vacancy in the RMC resulting in the number of members being reduced to below three (3), the Board shall, within three (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 RMC.

2. ROLES AND RESPONSIBILITIES

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

RMC 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 RMC has the overall responsibility for approving appropriate risk management procedures and measurement methodologies across the Group.

The RMC'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 RMC by identifying and managing risks within the Group. The RWC provides updates on key risks together with their action plans to the RMC through quarterly reporting.

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

3. AUTHORITY AND ACCESS TO RESOURCES

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

The RMC 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 RMC and is in accordance with this terms of reference. The RMC is authorised to make recommendations to the Board regarding appropriate action resulting from any such assessment.

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

4. MEETINGS

- (a) The RMC shall meet at least quarterly in a year. Additional meetings may be called at any time at the RMC Chairman's discretion.
- (b) The quorum for the meeting shall be two (2) members.
- (c) The RMC shall maintain minutes of each meeting of the RMC, and each written consent action taken without a meeting, reflecting the actions so authorized or taken by the RMC. The minutes of each meeting and all consents shall be placed in the minutes book.

5. REPORTING

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

6. SECRETARY

The Secretary to the RMC shall be the Risk Manager, assisted by the Company Secretary.



Terms of Reference of Task Force Committee on Governance and Integrity

1. MEMBERSHIP

- (a) The Task Force Committee on Governance and Integrity shall be appointed by the Board of Directors and shall comprise not fewer than three (3) in number.
- (b) The Chairman of the Committee shall be an independent Director.
- (c) In the event of any vacancy in the Committee resulting in the number of members being reduced to below three (3), the Board of Directors shall, within three (3) months fill the vacancy.

2. FUNCTIONS

- (a) To review and evaluate the existing corporate governance practices and regulatory framework of the Group and to recommend measures for improvement by adopting best practices.
- (b) To review and evaluate the internal control practices and system, and to make recommendations for improvement.
- (c) To recommend a comprehensive anti-bribery policy and framework for prevention of corrupt practices.
- (d) To recommend for adoption, suitable integrity tools and other measures to enhance the Group's capacity to prevent corruption.
- (e) To identify areas of risks that are vulnerable to corruption and to recommend adequate measures to mitigate or eliminate such risks.
- (f) To oversee the effective implementation of the measures of improvement as approved by the Board of Directors.

- (g) To review, evaluate and recommend to the Board of Directors, appropriate actions that need to be taken for cases of violation of laws and rules.
- (h) To receive complaints and reports from whistleblowers.
- (i) To review and evaluate other governance issues.

3. MEETINGS

- (a) The Committee shall meet as and when it thinks necessary.
- (b) The quorum for the meeting shall be one (1) representative each from Group Internal Audit, Group Legal and Group Risk Management.
- (c) Where necessary and appropriate, any decision of the Committee can be made by a majority of the members via a Circular Resolution.

4. REPORTING

The Chairman of the Committee shall report the proceedings of each Committee Meeting to the Audit Committee and Board of Directors.

5. SECRETARY

The Secretary to the Committee shall be 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 2012 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 nine (9) 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	7/9
Wong Chin Mun	9/9
Lim Swe Guan	9/9

The Chief Financial Officer, President and Internal Auditors were invited to the meetings held. The External Auditors were present at two (2) 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 three (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 one (1) person:-
 - (a) who is a member of the Malaysian Institute of Accountants; OR
 - (b) who must have at least three (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 one (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 three (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 seven (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 three (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 three (3) years. However, the appointment terminates when a member ceases to be a Director.

2. MEETINGS

- 2.1 The quorum for a Committee Meeting shall be at least two (2) members, the majority present must be independent directors.
- 2.2 The Committee shall meet at least four (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.
- 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.
- 2.9 In addition to the availability of detailed minutes of the Committee Meetings to the Board, the Committee at each Board Meeting, will report a summary of significant matters and resolutions.

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.
- 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.



Audit Committee Report

- 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 By-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.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The activities of the Audit Committee for the financial year ended 31 December 2012 included the following:-

- (a) 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.
- (b) 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.
- (c) 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.
- (d) 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.
- (e) 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.
- (f) Reviewed the audit report, issues and reservations arising from statutory audit with the External Auditors.
- (g) Reviewed and discussed the Management Accounts with management.
- (h) 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.
- (i) 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.



Audit Committee Report

- (j) Reviewed and approved the Circular to Shareholders in respect of the proposed shareholders' ratification and shareholders' mandate for recurrent related party transactions and the proposed authority for the purchase of own shares by the Company as well as the statements by the Audit Committee in respect of the proposed shareholders' ratification and shareholders' mandate for recurrent related party transactions.
- (k) 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.
- (l) Discussed the implications of any latest changes and pronouncements on the Company and the Group, issued by the statutory and regulatory bodies.
- (m) 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 2012 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 2012, 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 2012 amounted to RM2.56 million.



Statement on Risk Management and Internal Control

INTRODUCTION

The Malaysian Code on Corporate Governance stipulates that the Board of Directors of public listed companies should establish a sound risk management framework and internal controls system to safeguard shareholders' investment and Group assets. Set out below is the Statement on Risk Management and 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 Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

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 continuously 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.

Notwithstanding, as with any risk management and internal control system, the Group's system of risk management and internal control are designed to manage rather than eliminate the risk threatening the achievement of business objectives. It follows, therefore, that the system of risk management and internal control can only provide reasonable but not absolute assurance against material misstatement of financial and management information and records, or against financial losses or fraud.

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 and strategies throughout the period. The management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying the risks and assessing the potential impacts of the risks, and monitors the risk through suitable internal controls. The Board reviews this process on a quarterly basis and is of the view that the risk management and internal control system in place for the year under review and up to the date of approval of this statement, is adequate and effective.

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

The Board has received assurance from the President and the Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

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, risks relating to strategy, operational, financial and external environment are discussed and dealt with action plans.

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 issues pertaining to governance, risks, internal controls and regulatory compliance.

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 and strategies within a defined risk tolerance in a timely and effective manner.



Statement on Risk Management and Internal Control

Risk Governance

Sunway's risk management framework provides a holistic view of how risks and strategies are linked 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 implemented through consultation with the Board, President, Directors, Executives and employees.

Risk Management Framework

This framework is designed to identify, quantify and control various risks encountered in the Group's business operations. The Group 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;
- determines risk appetite and risk tolerance based on measurable parameters related to critical risks that may impact the strategy, performance and reputation of Sunway;
- 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 Management Committee

The Board delegated the responsibility of reviewing the effectiveness of risk management to the Risk Management Committee ("RMC"). The RMC comprises three (3) members, led by an Independent Non-Executive Director as Chairman, an Executive Director and Chief Financial Officer. The RMC in its quarterly meetings, discusses critical risks arising from business units and the associated controls, evaluates the impact, and recommends appropriate action plans to mitigate the risks. The RMC provides guidance to align the risk management process for better management of critical risks.

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.

More details on Enterprise Risk Management are set out on pages 152 and 154 of the Annual Report.

Key Elements of the Group's System of Internal Control

Sunway Group's internal control system encompasses the policies, processes, activities and control environment that facilitates an effective and efficient operation by enabling it to respond appropriately to significant business, operational, financial, compliance and other risks in achieving Sunway's strategies and objectives.

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 developed to ensure compliance with internal controls and the relevant laws and regulations, 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").



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 144 to 148 of the Annual Report.

THE BOARD'S COMMITMENT

The Board recognises that the Group operates in a dynamic business environment in which the risk management and 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 risk management and 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 25 April 2013.

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



Enterprise Risk Management

OVERVIEW

With market conditions changing so rapidly, Sunway Group acknowledges that it is important to seek an understanding of the Group's risk capacities and formulate risk strategy to identify and manage potential critical risks within the Group's businesses. The Group has continuously reviewed its risk management processes and policies to ensure that it is always consistent with the business and market environment currently faced by the Group.

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

RISK GOVERNANCE

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.

The ability to spot how change has created a new risk should be the responsibility of all employees, not a selected few of risk function. The Group recognises that a risk framework build on a strong risk governance and supported by effective communication is key element of a good risk management practice. It is through a fundamental risk culture that forms a good risk management defences.





Reporting Platform

The Group's risk organisation structure comprises Board of Directors, Risk Management Committee ("RMC") and Risk Working Committees ("RWC") of the respective operating units.



Board of Directors

The Board shall approve the risk management strategies and will delegate the authority for overseeing the risk management processes to the RMC.

Risk Management Committee ("RMC")

The RMC consists of three (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 four (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 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; and

- reviewing the enterprise risk rating and determine the critical risks to be escalated to the Board on a quarterly basis.

Critical risk issues evaluated by the RMC and/or major changes proposed by the RMC will be discussed at Sunway's Board meeting. The RMC in turn is assisted by the Group Risk Management Department (GRMD).

Risk Working Committee ("RWC")

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

Group Risk Management Department ("GRMD")

The GRMD is primarily accountable for the effectiveness of the risk management system. The GRMD 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 risks through decisions and actions.

The GRMD undertakes the role of assisting business units by identifying, quantifying and managing their critical risks. GRMD is extensively involved in the monitoring and reporting of risk action plans prepared by the business units. GRMD involved more collaboratively in the Group's governance initiatives and has been working closely with corporate functions including Group Internal Audit, Group Procurement, Group Human Resource, Group IT, Group Finance, Strategy & Development and Legal.



Enterprise Risk Management

KEY RISK MANAGEMENT INITIATIVES

Risk Action Implementation and Monitoring – risk action plans identified and prepared by the respective business units are periodically followed up by GRMD and the status is reported in the RMC and Board meetings. 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 RMC and the Board acknowledge that a strong corporate culture build on good corporate governance is one of the fundamental risk management defences. GRMD is represented in the Task Force Committee on Governance and Integrity, a Board's dedicated taskforce to spearhead governance initiatives. GRMD together with Group Internal Audit and Group Human Resource, jointly leads the areas on fraud risk assessment, as well as in the introduction of whistle blowing policies and Group's Code of Conduct and Business Ethics.

Compliance – in managing compliance risk in particular, risks arising from breach of laws and regulations, GRMD involves in the Group's initiatives in developing the awareness and compliance to various new regulations in relation to the Competition Act and Personal Data Protection Act.

Risk Awareness and Training – During the year, the GRMD conducted risk awareness and training sessions for the business units under review. 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 identify and manage risks in their own units more effectively.

KEY RISK FACTORS

Project Risk

These are risks associated with projects that are of a specific nature, in particular, project management risk and construction risk in relation to Property and Construction divisions, in both short term and long term, potentially arising from delay in project completion, escalating of construction costs, shortages of construction materials, supply chain efficiency, effects from climate changes and shortages of workers and experienced project managers. An effective strategy for managing project risks is to develop a set of key criteria to manage the significant risks that are common within most projects. Key elements lie in setting a project governance structure consist of a clear project definition and project planning process in addition to an effective talent management program. This approach assists project managers with the identification of the risks inherent in individual projects.

Specific risks associated with project management are normally delegated to project managers for attention and action. Among the benefits of managing project risks efficiently are avoidance of unexpected time and cost overruns.

Country Risk

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. This is a collection of risks associated with investing in a foreign country. Some of the risks that fall under this category are risks related to political conditions, exchange rate fluctuation, economic changes, sovereign debts, societal and cultural differences, regulatory changes, social media impact, natural disaster and transfer risk, which refers to the risk of capital being locked up or frozen due to government action.

Managing this risk is seen as a priority to the Group as a result of the uncertainty in the global economy and country specific societal and political environment. The Group minimises its exposure to this risk through maintaining a close working relationship with local business partners and authorities 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 other risks related to the external market.

CONCLUSION

Commitment and discipline in managing the risks from all its 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-balanced 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 PROPOSALS

Sunway Holdings Sdn Bhd, a wholly-owned subsidiary of Sunway had on 16 August 2011 novated its commercial papers and/or medium term notes programme of up to RM500 million in nominal value ("CP/MTN Programme") to Sunway.

During the financial year ended 31 December 2012, Sunway had 21 issuances of commercial papers totalling RM677 million at various interest rates and had repaid a total of RM477 million. There was no issuance and repayment of medium term notes in the same period. As at 31 December 2012, the total outstanding commercial papers amounted to RM200 million while the total outstanding medium term notes amounted to RM85 million.

The proceeds raised from the CP/MTN Programme were utilized to repay existing bank borrowings and part finance the working capital of Sunway Group.

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

Sunway does not have an Employee Share 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 2012.

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 2012.

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 2012.

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 2012 amounted to RM10,000.

6. VARIATION IN RESULTS

There was no variance of 10% or more between the audited results for the financial year ended 31 December 2012 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 2012.

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

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by Sunway and/or its subsidiaries involving directors' and major shareholders' interests during the financial year ended 31 December 2012.

9. STATEMENT BY AUDIT COMMITTEE IN RELATION TO ALLOCATION OF OPTIONS OR SHARES PURSUANT TO SUNWAY'S SHARE ISSUANCE SCHEME

Sunway does not have a Share Issuance Scheme and as such, there was no allocation of options or shares during the financial year ended 31 December 2012.

10. SHARE BUY-BACK

Sunway has not purchased any of its own shares during the financial year ended 31 December 2012.

11. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

The details of the recurrent related party transactions are disclosed in Note 51 of the Notes to the Financial Statements.



Investor Relations

In volatile times, the role of Investor Relations ("IR") gains even greater prominence as investors seek timely information on a company's financial performance amidst the uncertainty and scrutinise management's strategy for manoeuvring through the turbulence. The year 2012 was certainly such a year when the Sunway IR team had to step up IR activities to communicate Sunway's latest developments and meet the information needs of discerning investors as political and economic events unfold in Malaysia and worldwide.

IR FRAMEWORK

As Sunway intensifies its IR activities, the IR team continues to adhere to its IR Framework which is guided by its IR ethos which is maintaining good relations with the investors and investment community through unwavering commitment in 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 this through effective 2 way communication with the stakeholders via multiple channels as illustrated below.



Sunway's Group CFO making an Investor Relations presentation at Invest Malaysia 2012





AWARD WINNING ANNUAL REPORTS

At the 2012 National Annual Corporate Report Awards ("NACRA"), Sunway continued its proud tradition by retaining the Industry Excellence Award in the Properties & Hotels category for the sixth consecutive year. In addition, Sunway's inaugural Sustainability Report, which had been accorded the Global Reporting Initiative ("GRI") rating of A+, helped the Group garner the coveted Silver Award for Corporate Social Responsibility for the first time ever.

Sunway's continued success at NACRA is evidence of its commitment to transparency and delivering comprehensive annual reports detailing material and relevant information beyond statutory requirements. Such meticulous reporting stems from the realisation that the annual report is a key avenue to keep its shareholders and investors updated on the company's businesses, strategic directions and financial performance and Sunway pledges to continue with such high standards of disclosure.

INVESTOR RELATIONS PORTAL AND E-MAIL

To improve the accessibility of information to shareholders and market participants, the IR section on Sunway's corporate website **www.sunway.com.my** is updated in a timely manner with the latest annual and quarterly financials, financial calendar, announcements to Bursa Malaysia and analysts' reports on Sunway. The website also hosts an interactive and user friendly stock chart and investment calculator.

For ease of communication between stakeholders and Sunway's management team, an IR e-mail box, **irsunwayberhad@sunway.com.my**, had been set up and many retail investors have chosen to correspond with the company via this route.

REACHING OUT TO THE INVESTING COMMUNITY

To gain greater benefit from senior management's time on IR activities, there was a shift in preference in the manner Sunway engages the investing community in 2012 with more active participation in conferences and group meetings to achieve a broader coverage of prospective investors. However, Sunway continued to host one to one meetings for those investors looking to gain deeper insights into the company's performance and prospects.

Conferences

In efforts to disseminate information to a wider pool of investors and fund managers, the Group participated in 12 conferences, both locally and abroad, catered to both retail and institutional investors.

Date	Organiser	Event	Venue
5 January 2012	CIMB	CIMB ASEAN Series 2012: Malaysia Corporate Day	Kuala Lumpur
12 January 2012	Macquarie	Macquarie Connections Real Malaysia Conference	Kuala Lumpur
14-16 March 2012	CLSA	CLSA ASEAN Corporate Access Forum	Bangkok
10-11 May 2012	Citibank	Citi: Asia Pacific Property Conference 2012	Singapore
29-30 May 2012	Bursa Malaysia & Maybank	Invest Malaysia 2012	Kuala Lumpur
20 June 2012	HwangDBS Vickers Research	HwangDBS Vickers Research Lunch Presentation	Kuala Lumpur
27 June 2012	OSK-DMG	OSK-DMG ASEAN & Hong Kong Corporate Day	Kuala Lumpur
29 June 2012	CLSA	CLSA ASEAN Access Day	Singapore
5 July 2012	HwangDBS Vickers Research	DBS Vickers Securities Pulse of Asia Conference	Singapore
13 September 2012	KAF-Seagroatt & Campbell	KAF-Seagroatt & Campbell Securities Corporate Luncheon	Kuala Lumpur
5 November 2012	ECM Libra	ECM Libra Corporate Presentation	Kuala Lumpur
5 December 2012	Affin Investment Bank	Corporate Luncheon, Property - Valuation & Outlook	Kuala Lumpur



Investor Relations

In-house Meetings

In addition, Sunway hosted 35 one-to-one and small group meetings in 2012. Participants for these meetings consisted of new analysts and investors who had shown keen interest in Sunway due to its size, experience and strength in the industry as well as existing shareholders who were getting updates on the investment's performance.

Briefings and Press Releases

For quarterly results announcements and significant corporate developments including acquisitions of major land bank and awards of major construction contracts, Sunway released briefing packs and press releases to analysts and the media immediately after the respective announcements were made on Bursa Malaysia so that the news can be disseminated to the wider investing public. In December 2012, Sunway also organised a conference call to brief analysts on the acquisition of a major land bank in Iskandar, Johor.

ANALYST COVERAGE AND RECOMMENDATIONS

As at 1 April 2013, there were 11 research institutions covering Sunway. There were 7 Buy and 4 Hold calls by the research houses with the average Sunway target price being RM3.11.

Research Institutions

Affin Investment Bank
AmResearch
CIMB Investment Bank
Hong Leong Investment Bank
Hwang-DBS Vickers Research
KAF-Seagroatt & Campbell Securities
Maybank Investment Bank
MIDF Research
RHB Research Institute
TA Securities
UOB Kay Hian

MALAYSIAN INVESTOR RELATIONS ASSOCIATION ("MIRA")

To keep up with the best practices in IR, Sunway has joined MIRA as a Corporate Member and its IR officer is an Individual Member of the body. Through participation in activities organised by the association, Sunway looks forward to heightening its IR proficiency and implementing an even more effective IR Programme.

In efforts toward this end, the IR team is humbled that it was nominated for four awards at the Malaysian Investor Relations Awards despite being a relatively new team. Encouraged by the support shown by the analysts and fund managers, the team will strive harder to meet shareholders and investors expectations moving forward.

INVESTOR RELATIONS CALENDAR FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 ("FYE2012")

Date	Event
29th May 2012	1st Quarter Results FYE2012 (Jan-Mar 2012)
28th Aug 2012	2nd Quarter Results FYE2012 (Apr-Jun 2012)
28th Nov 2012	3rd Quarter Results FYE2012 (Jul-Sep 2012)
28th Feb 2013	4th Quarter Results FYE2012 (Oct-Dec 2012)
27th June 2013	Annual General Meeting

weeconomy
8 March 2013

AFFIN INVESTMENT BANK
KUALA LUMPUR

Company Update

Sunway Bhd

SWH MK
RM2.69

BUY (upgrade)

Price Target: RM3.25 (T)

An attractive proxy to Iskandar

Iskandar developers gaining traction
The headlines on Iskandar have picked-up considerably over the past 2 months. Notable newswires are the announcement of the proposed KL-Singapore High Speed Rail project and Singapore-JR Rail Transit System project, as well as the entry of major foreign real estate players like CapitaLand, Ascott and Land and Country Garden to undertake development projects in Iskandar. These positive developments, coupled with improved market sentiment, have resulted in the share price rally of developers with visible exposure to Iskandar.

Iskandar projects account for 31% of Sunway's total GGV.
Sunway, traditionally viewed as a Klang Valley focused integrated developer and

Construction MALAYSIA
Tue 5 Mar 13

CIMB

Sunway Bhd
Daily RM 1.00 (1.00)

Market Cap
US\$1,460m

Avg Daily Turnover
US\$1.40m

Free Float
40.1%

Target
Buy, Upgrade

REIT
RM2.50

SHORT TERM
RM2.50

LONG TERM
RM2.50

2012 Earnings

A rising sun in Iskandar

Sunway is an attractive asset allocation play as its prospects for an Iskandar, on top of potential jobs under ETP. Job wins for the group have been strong TTD, with potential income from MRT and other building contracts.

Hong Leong Investment Bank
A Member of Hongkong & Shanghai Banking Corp.

HLIB Research
RESEARCH DIVISION

Sunway (BUY ↔, EPS ↔)

INDUSTRY: OVERWEIGHT
NEWSEAS

RM45m order from Legoland

8 January 2013
Price Target: RM2.51 (4-4)
Share price: RM2.42

UOB Kay Hian

Malaysia Daily
Monday, April 08, 2013

Sunway Berhad (SWB MK)

BUY
(Maintained)

Company Update

Share Price: RM2.50
Target Price: RM2.40
Upside: +10.1%

Company Description
A leading construction company and property developer in Malaysia.

Raising funds for bigger ambition

Sunway proposed a 1-for-3 rights issue to raise up to RM1.25b to pay down debts and for the development of Sunway Iskandar. The rights are attractively priced at RM1.70, a 53.6% discount to its last closing price. While share price may ease in the near term due to the dilutive impact, the proceeds will strengthen its balance sheet to allow for more land acquisitions. Maintain BUY. Target price: RM2.40.

Small Summary

RHB

Loong Kook Weng, CPA
003 9289 2227
loong.kw@rhm.com.my

MARKET DATELINE
MALAYSIA EQUITY

News Update

Sunway Berhad

BRT - A Value Enhancement For The Township

Sunway has been awarded a Bus Rapid Transit (BRT) contract valued at RM457.5m. Additionally, Sunway will contribute works estimated at RM190m as part of its infra cost for the property development at South Quay. Sunway will not only gain from the 7-8% margin from the

BUY

Target: RM2.34
Previous: RM2.28
Upside: 40.2%

J.P.Morgan

ALL INFORMATION IS UNCLASSIFIED
23 March 2013

Company Visit Note

Sunway Bhd: 2nd largest Iskandar property land-bank

Maybank IB Research

Malaysia

Company Update
20 March 2013

Hold

Share price: MYR2.71
Target price: MYR2.00 (downward)

Sunway
Another Job Win, At KLCC

Another job win. Sunway's latest job win of MYR100m has shown its

TA SECURITIES
A MEMBER OF THE TA GROUP

Sunway Berhad
Says Construction Works Well

TP: RM3.39 (no chg)
Last Traded: RM2.74
BUY

COMPANY UPDATE
Headlines: 20 March 2013
SHR100: 182549
Sector: Property

KAF

Buy

Sunway
Positive surprise

Equity Beat

midf RESEARCH

12 March 2013 | Corporate Update

Sunway Berhad
Wins BRT job as expected, about valuation by employee on sentiment

Allyment BUY
Revised Target Price (TP), RM3.39 (previously RM2.95)

Malaysia Result Snapshot
Sunway Berhad

Company: SUNWAY BERHAD (KUALA LUMPUR)
Sector: Property Development

HOLD RM2.49 (0.01) 1,637.43
Price target: 1.0 month after 2.0

Affordable Iskandar proxy

• Q212 core profit of RM116m rose within our and consensus expectations

AmResearch

SUNWAY BHD
(KUALA LUMPUR: SUNWAY BERHAD)

Company report

Thomas Soon
soon.tg@amresearch.com
+603 2094 2000


Construction division keeps up strong start to the year
HOLD

Price: RM2.74
Fair Value: RM2.60

YTD to Date	FT1Q	FT1QF	FT1QF	FT1QF
Core EPS (RM)	0.1	0.2	0.2	0.2
EPS	0.1	0.2	0.2	0.2

Source: AmResearch

FINANCIALS



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Properties

Clarity. Balance. Black-and-White Accuracy.

The bold black and white stripes of the Zebra signify precision and certainty. It also represents the blending and balancing of opposites. Each of the Zebra's stripes are uniquely accurate, directly reflecting clarity and balance, attributes that Sunway practises when detailing financial data.





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 2012.

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 52 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit net of tax	597,560	97,425
Profit attributable to:		
Owners of the parent	530,625	97,425
Non-controlling interests	66,935	-
	597,560	97,425

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 change in accounting policies due to adoption of Amendments to FRS 112 Deferred Tax: Recovery of Underlying Assets, as disclosed in Note 2.2 to the financial statements.

DIVIDENDS

No dividend has been paid by the Company since the end of the previous financial year.

On 28 February 2013, the Board of Directors declared an interim single tier dividend of 6% for each ordinary share of RM 1 each of the Company for the financial year ended 31 December 2012. The total dividend payable amounts to RM77,550,309. The dividend will be accounted for in the equity as an appropriation of retained earnings in the financial year ending 31 December 2013.

The Board of Directors do not propose any final dividend for the financial year ended 31 December 2012.



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
Datuk Seri Razman M Hashim
Dato' Chew Chee Kin
Datuk Low Seng Kuan
Wong Chin Mun
Lim Swe Guan
Sarena Cheah Yean Tih

In accordance with Article 107(1) of the Company's Articles of Association, Dato' Chew Chee Kin and Datuk Low Seng Kuan 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 year, 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 51 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 1.1.2012	Acquired	Sold	As at 31.12.2012
The Company				
Direct interest:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	54,363,105	-	-	54,363,105
Datuk Seri Razman M Hashim	792,032	-	-	792,032
Dato' Chew Chee Kin	2,402,619	-	-	2,402,619
Sarena Cheah Yean Tih	432,956	-	-	432,956
Wong Chin Mun	59,428	-	-	59,428
Deemed interest:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	567,121,114 ^a	50,848,529	(32,411,540)	585,558,103^b
Dato' Chew Chee Kin	77,142 ^c	180,000	-	257,142^c
Sarena Cheah Yean Tih	620,951,237 ^d	50,848,529	(32,411,540)	639,388,226^e
Datuk Low Seng Kuan	37,170 ^f	-	-	37,170^f
	Number of ordinary shares of HKD1 each			
	As at 1.1.2012	Acquired	Sold	As at 31.12.2012
Related corporation				
Sunway Global Limited				
Direct interest:				
Dato' Chew Chee Kin	869,684	-	-	869,684



Directors' Report (contd.)

DIRECTORS' INTERESTS (contd.)

	Number of warrants 2011/2016			
	As at 1.1.2012	Acquired	Sold	As at 31.12.2012
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	187,700	-	668,223
Sarena Cheah Yean Tih	86,590	-	-	86,590
Datuk Low Seng Kuan	7,433	-	-	7,433
Wong Chin Mun	11,885	-	-	11,885
Deemed interest:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	113,431,172 ^a	7,488,498	(7,497,245)	113,422,425^g
Dato' Chew Chee Kin	15,428 ^c	265,600	-	281,028^c
Sarena Cheah Yean Tih	123,265,133 ^d	7,488,498	(7,497,245)	123,256,386^h
Datuk Low Seng Kuan	7,433 ^f	-	-	7,433^f
Option over ordinary shares of HKD1 each				
	As at 1.1.2012	Granted	Exercised	As at 31.12.2012
Related corporation				
Sunway Global Limited				
Direct interest:				
Dato' Chew Chee Kin	14,215,770	-	-	14,215,770



Directors' Report (contd.)

- 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 Active Builder Sdn. Bhd., Jef-San Enterprise Sdn. Bhd., Sungei Way Corporation Sdn. Bhd. and children.
- c Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through spouse.
- d 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.
- e Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Builder Sdn. Bhd., Sungei Way Corporation Sdn. Bhd., spouse and parents.
- f Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through spouse and children.
- g 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. and children.
- h Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn. Bhd., Sungei Way Corporation Sdn. Bhd., spouse and parents.

By virtue of Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling's 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 and warrants in the Company or its related corporations during the financial year.

ISSUE OF SHARES

During the financial year, the Company did not issue any new ordinary shares.

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 holders, 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.



Directors' Report (contd.)

OTHER STATUTORY INFORMATION (contd.)

- (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.
- (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 DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 56 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

Significant events subsequent to reporting date 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 25 April 2013.

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 171 to 324 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 2012 and of their financial performance and cash flows for the year then ended.

The information set out in Note 59 on page 325 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 25 April 2013.

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

Dato' Chew Chee Kin

Statutory declaration

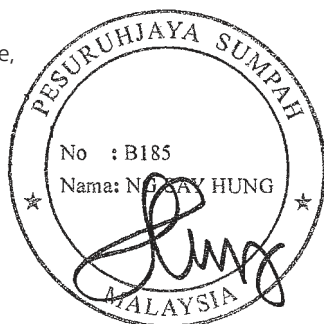
Pursuant to Section 169(16) of the Companies Act, 1965

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 171 to 325 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 25 April 2013

Chong Chang Choong

Before me,



No. 9-3, Jalan PJS 8/4,
Bandar Sunway, 46150
Petaling Jaya, Selangor D.E.



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 2012 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 171 to 324.

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 is 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 2012 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 52 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.
- (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.



Independent Auditors' Report

To the Members of Sunway Berhad (contd.)
(Incorporated In Malaysia)

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 59 on page 325 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
25 April 2013

Kua Choo Kai
No. 2030/03/14(J)
Chartered Accountant



Income Statements

For the financial year ended 31 December 2012

	Note	Group		Company	
		2012 RM'000	2011 RM'000 (Restated)	2012 RM'000	2011 RM'000
Revenue	4	3,849,215	3,691,712	181,427	33,546
Cost of sales	5	(2,581,093)	(2,630,015)	(56,244)	(18,207)
Gross profit		1,268,122	1,061,697	125,183	15,339
Other income	6	220,297	193,292	1,755	4,170
Administrative expenses		(457,139)	(447,251)	(4,870)	(7,130)
Selling and marketing expenses		(136,659)	(136,012)	-	-
Other expenses		(391,125)	(305,391)	(2,098)	(3)
Operating profit		503,496	366,335	119,970	12,376
Finance income	7	22,709	27,503	48,068	16,931
Finance costs	7	(99,557)	(80,943)	(47,820)	(21,146)
Share of results of associates		152,307	99,689	-	-
Share of results of jointly controlled entities		143,987	85,949	-	-
Profit before tax	8	722,942	498,533	120,218	8,161
Income tax expense	11	(125,382)	(69,560)	(22,793)	328
Profit net of tax		597,560	428,973	97,425	8,489
Attributable to:					
Owners of the parent		530,625	387,555	97,425	8,489
Non-controlling interests		66,935	41,418	-	-
		597,560	428,973	97,425	8,489
Earnings per share attributable to owners of the parent (sen per share):					
Basic	12	41.05	29.98		
Diluted	12	41.05	29.98		

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 2012

	Group		Company	
	2012 RM'000	2011 RM'000 (Restated)	2012 RM'000	2011 RM'000
Profit net of tax	597,560	428,973	97,425	8,489
Other comprehensive income*:				
Foreign currency translation	982	(721)	-	-
Gain on fair value changes	-	-	4,462	-
Cash flow hedge reserve - fair value losses (Note 45):				
- Fair value of derivatives	(20,124)	33,600	(17,595)	29,798
- Amount recycled to profit or loss	32,268	(47,380)	27,250	(41,500)
Other comprehensive income/(loss) for the year net of tax	13,126	(14,501)	14,117	(11,702)
Total comprehensive income/(loss) for the year	610,686	414,472	111,542	(3,213)
Total comprehensive income/(loss) attributable to:				
Owners of the parent	549,284	376,089	111,542	(3,213)
Non-controlling interests	61,402	38,383	-	-
	610,686	414,472	111,542	(3,213)

* 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 2012

		Group		
	Note	31.12.2012 RM'000	31.12.2011 RM'000 (Restated)	1.1.2011 RM'000 (Restated)
Assets				
Non-current assets				
Property, plant and equipment	13	804,698	960,567	928,268
Biological assets	14	613	416	461
Investment properties	15	1,242,519	888,896	726,146
Rock reserves	16	7,444	8,379	9,314
Land held for property development	17	598,912	1,017,292	533,187
Investments in associates	20	1,023,761	1,015,303	987,896
Investments in jointly controlled entities	21	516,452	265,896	253,921
Goodwill	22	318,077	326,497	329,230
Deferred tax assets	36	33,718	33,308	40,194
Trade receivables	26	3,899	7,013	9,935
Derivatives	40	2,058	33,600	-
Other investments	23	1,802	1,849	12,647
		4,553,953	4,559,016	3,831,199
Current assets				
Property development costs	24	991,529	669,334	621,315
Inventories	25	650,308	451,840	301,545
Trade receivables	26	1,135,979	782,382	731,590
Other receivables	27	181,215	325,762	278,907
Amounts due from associates	28	21,014	-	1,685
Amounts due from jointly controlled entities	29	230,556	211,001	278,686
Tax recoverable		47,827	67,588	54,566
Derivatives	40	12,203	-	12,484
Cash and bank balances	30	1,158,890	776,705	868,539
		4,429,521	3,284,612	3,149,317
Total assets		8,983,474	7,843,628	6,980,516



Statements of financial position

As at 31 December 2012 (contd.)

		Group		
	Note	31.12.2012 RM'000	31.12.2011 RM'000 (Restated)	1.1.2011 RM'000 (Restated)
Equity and liabilities				
Current liabilities				
Trade payables	37	1,148,488	1,053,593	826,186
Other payables	38	623,332	593,497	552,783
Amounts due to associates	28	30	15,065	13,430
Borrowings	31	1,764,753	311,004	491,749
Hire purchase and finance lease liabilities	35	8,402	9,008	10,054
Derivatives	40	197	1,554	279
Tax payable		31,015	27,098	67,606
		3,576,217	2,010,819	1,962,087
Non-current liabilities				
Borrowings	31	972,177	1,914,870	876,435
Other payables	38	260,451	343,411	-
Long term liabilities	32	21,953	31,471	28,465
Advances by minority shareholders of subsidiaries	33	130,033	123,215	112,244
Hire purchase and finance lease liabilities	35	11,102	18,812	27,558
Deferred tax liabilities	36	53,246	56,556	73,334
Derivatives	40	792	182	1,754
		1,449,754	2,488,517	1,119,790
Total liabilities		5,025,971	4,499,336	3,081,877
Equity attributable to owners of the parent				
Share capital	41	1,292,505	1,292,505	*
Share premium	42	2,326,509	2,326,509	-
Equity contribution	43	51,654	35,376	35,376
Merger reserve	44	(1,192,040)	(1,192,040)	1,652,652
Reserves	45	1,098,013	554,593	1,829,911
		3,576,641	3,016,943	3,517,939
Non-controlling interests		380,862	327,349	380,700
Total equity		3,957,503	3,344,292	3,898,639
Total equity and liabilities		8,983,474	7,843,628	6,980,516

* 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 financial position

As at 31 December 2012 (contd.)

		Company		
	Note	31.12.2012 RM'000	31.12.2011 RM'000 (Restated)	1.1.2011 RM'000
Assets				
Non-current assets				
Property, plant and equipment	13	3,178	700	-
Investment in subsidiaries	18	3,623,065	3,622,102	-
Deferred tax assets	36	-	338	-
Derivatives	40	-	29,798	-
Other investments	23	21,278	5,391	-
		3,647,521	3,658,329	-
Current assets				
Other receivables	27	948	1,433	-
Amounts due from subsidiaries	19	1,293,661	1,004,345	-
Tax recoverable		110	-	-
Derivatives	40	12,203	-	-
Cash and bank balances	30	10,797	10,694	6
		1,317,719	1,016,472	6
Total assets		4,965,240	4,674,801	6
Equity and liabilities				
Current liabilities				
Other payables	38	22,915	15,709	85
Amounts due to subsidiaries	34	11,057	12,106	-
Borrowings	31	1,144,004	-	-
Tax payable		-	10	-
		1,177,976	27,825	85
Non-current liability				
Borrowings	31	60,000	1,031,254	-
Total liabilities		1,237,976	1,059,079	85



Statements of financial position

As at 31 December 2012 (contd.)

		Company		
	Note	31.12.2012 RM'000	31.12.2011 RM'000 (Restated)	1.1.2011 RM'000
Equity and liabilities (contd.)				
Equity attributable to owners of the parent				
Share capital	41	1,292,505	1,292,505	*
Share premium	42	2,326,509	2,326,509	-
Reserves	45	108,250	(3,292)	(79)
Total equity		3,727,264	3,615,722	(79)
Total equity and liabilities		4,965,240	4,674,801	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 2012

Attributable to owners of the parent																			
Non-distributable																			
			Equity contribution from non-controlling interests	Merger reserve												Equity attributable to owners of the parent, total	Non-controlling interests	Equity, total	
2012 Group	Share capital (Note 41) RM'000	Share premium (Note 42) RM'000	(Note 43) RM'000	(Note 44) RM'000	Capital reserve (Note 45) RM'000	Capital redemption reserve (Note 45) RM'000	Statutory reserve (Note 45) RM'000	Revaluation reserve (Note 45) RM'000	Share option reserve (Note 45) RM'000	Equity contribution reserve (Note 45) RM'000	Cash flow hedge reserve (Note 45) RM'000	Furniture & fittings reserve (Note 45) RM'000	Foreign currency translation reserve (Note 45) RM'000	Other reserves, total (Note 45) RM'000	Distributable retained earnings (Note 45) RM'000	RM'000	RM'000	RM'000	
At 1 January 2012 (As previously stated)	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	326,366	3,311,799	
Effects of adopting Amendments to FRS 112	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,510	31,510	983	32,493	
At 1 January 2012 (restated)	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	432,773	3,016,943	327,349	3,344,292	
Total comprehensive income	-	-	-	-	-	-	-	-	-	-	12,144	-	6,515	18,659	530,625	549,284	61,402	610,686	
Total recognised income and expense for the year	-	-	-	-	-	-	-	-	-	-	12,144	-	6,515	18,659	530,625	549,284	61,402	610,686	
Utilisation of furniture & fittings reserve	-	-	-	-	-	-	-	-	-	-	-	(352)	-	(352)	352	-	-	-	
Transactions with owners	-	-	-	-	-	-	-	-	-	-	-	(352)	-	(352)	352	-	-	-	
Additional equity contribution	-	-	16,278	-	-	-	-	-	-	69	-	-	-	69	33	16,380	71,272	87,652	
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(49,458)	(49,458)	
Redemption of preference shares in a subsidiary	-	-	-	-	-	25	-	-	-	-	-	-	-	25	(25)	-	-	-	
Reclass to capital redemption reserve	-	-	-	-	-	23,417	-	-	-	-	-	-	-	23,417	(23,417)	-	-	-	
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(930)	(930)	
Acquisition of equity interest from non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,966)	(5,966)	(28,773)	(34,739)	
Total transactions with owners	-	-	16,278	-	-	23,442	-	-	-	69	-	-	-	23,511	(29,375)	10,414	(7,889)	2,525	
At 31 December 2012	1,292,505	2,326,509	51,654	(1,192,040)	34,137	98,963	879	22,357	3,170	21,712	(1,636)	1,697	(17,641)	163,638	934,375	3,576,641	380,862	3,957,503	





Statements of Changes In Equity

For the financial year ended 31 December 2012 (contd.)

2011 Group	Attributable to owners of the parent																	
	Non-distributable																	
	Share capital (Note 41) RM'000	Share premium (Note 42) RM'000	Equity contribution from non-controlling interests (Note 43) RM'000	Merger reserve (Note 44) RM'000	Capital reserve (Note 45) RM'000	Capital redemption reserve (Note 45) RM'000	Statutory reserve (Note 45) RM'000	Revaluation reserve (Note 45) RM'000	Share option reserve (Note 45) RM'000	Equity contribution reserve (Note 45) RM'000	Cash flow hedge reserve (Note 45) RM'000	Furniture & fittings reserve (Note 45) RM'000	Foreign currency translation reserve (Note 45) RM'000	Other reserves, total (Note 45) RM'000	Distributable retained earnings (Note 45) RM'000	Equity attributable to owners of the parent, total RM'000	Non-controlling interests RM'000	Equity, total RM'000
At 1 January 2011 (As previously stated)	*	-	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	380,700	3,898,639
Effects of adopting Amendments to FRS 112	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,011	16,011	(48)	15,963
At 1 January 2011 (restated)	-	-	35,376	1,652,652	34,137	75,378	618	22,501	2,201	20,026	-	-	(26,470)	128,391	1,717,531	3,533,950	380,652	3,914,602
Total comprehensive income	-	-	-	-	-	-	-	-	-	-	(13,780)	-	2,314	(11,466)	387,555	376,089	38,383	414,472
Total recognised income and expense for the year	-	-	-	-	-	-	-	-	-	-	(13,780)	-	2,314	(11,466)	387,555	376,089	38,383	414,472
Transfer to statutory reserve	-	-	-	-	-	-	261	-	-	-	-	-	-	261	(261)	-	-	-
Provision of 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 ESOS vested during the financial year	1,292,505	2,326,509	-	(2,844,692)	-	-	-	-	-	-	-	-	-	-	(1,661,632)	(887,310)	-	(887,310)
Additional equity contribution	-	-	-	-	-	-	-	-	969	-	-	-	-	969	(969)	-	-	-
Additional shares acquired by non-controlling interest	-	-	-	-	-	-	-	-	-	1,617	-	-	-	1,617	-	1,617	-	1,617
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(39,463)	(39,463)
Dilution of equity interest in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,452)	(7,452)	514	(6,938)
Redemption of preference shares in a subsidiary	-	-	-	-	-	143	-	-	-	-	-	-	-	143	(143)	-	(65,300)	(65,300)
Acquisition of equity interest from non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(9,286)	(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)	(91,686)	(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	432,773	3,016,943	327,349	3,344,292



Statements of Changes In Equity

For the financial year ended 31 December 2012 (contd.)

Company	Non-distributable				(Accumulated loss)/ distributable retained earnings (Note 45) RM'000	Equity, total RM'000
	Share capital (Note 41) RM'000	Share premium (Note 42) RM'000	Cash flow hedge reserve (Note 45) RM'000	Fair value reserve (Note 45) 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
Total comprehensive income	-	-	9,655	4,462	97,425	111,542
At 31 December 2012	1,292,505	2,326,509	(2,047)	4,462	105,835	3,727,264

* 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 2012

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cash flows from operating activities				
Receipts from customers	3,655,860	3,915,612	65,107	7,779
Payment to suppliers, contractors and operating expenses	(3,362,777)	(3,572,993)	(63,821)	(19,139)
Interest received:				
- subsidiaries	-	-	50,520	11,987
- deposits with licensed financial institutions	16,780	19,593	48	15
- others	-	-	16	1
Dividends received/profit distribution from:				
- subsidiaries	-	-	102,377	11,760
- associate and jointly controlled entity	185,095	151,970	-	-
- others	-	1,893	-	-
Cash generated from operations	494,958	516,075	154,247	12,403
Taxes refunded	28,313	18,729	-	-
Taxes paid	(133,598)	(135,767)	(75)	-
Net cash generated from operating activities	389,673	399,037	154,172	12,403
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	336,526	13,314	-	-
Proceeds from dilution of equity interest in a subsidiary	-	14,200	-	-
Proceeds from disposal of investment in a subsidiary	780	51	-	-
Net cash generated from investing activities carried forward	337,306	27,565	-	-



Statements of Cash Flows

For the financial year ended 31 December 2012 (contd.)

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cash flows from investing activities (contd.)				
Net cash generated from				
investing activities brought forward	337,306	27,565	-	-
Deposit paid on acquisition of land	(858)	(37,197)	-	-
Deposit paid on acquisition of equity				
interest from non-controlling interest	(9,247)	-	-	-
Acquisition of land	(42,969)	(47,251)	-	-
Acquisition of property, plant				
and equipment (<i>Note a</i>)	(167,886)	(142,044)	(2,821)	(703)
Acquisition of biological assets	(340)	(184)	-	-
Acquisition and additional				
investment in subsidiaries	(24,486)	(14,276)	(375)	(907,842)
Acquisition of other investment	-	-	(11,425)	-
Acquisition and subsequent				
expenditure of investment properties	(26,711)	(57,946)	-	-
Full repayment of balance consideration for				
the acquisition of investment properties				
in previous financial year	-	(11,278)	-	-
Acquisition and subsequent				
expenditure of investment properties				
under construction	(160,667)	(41,346)	-	-
Net cash used in investing activities				
carried forward	(95,858)	(323,957)	(14,621)	(908,545)



Statements of Cash Flows

For the financial year ended 31 December 2012 (contd.)

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cash flows from investing activities (contd.)				
Net cash used in investing activities				
brought forward	(95,858)	(323,957)	(14,621)	(908,545)
Investments in jointly controlled entities	(227,901)	(29,873)	-	-
Investments in associates	(11,424)	(10,087)	-	-
Disposal of other investments	-	(50)	-	-
Advances (to)/from subsidiaries	-	-	(289,237)	14,103
Advances (to)/from associates, joint venture partners and jointly controlled entities	(40,745)	71,005	-	-
Capital repayment from an associate	6,094	-	-	-
Net cash used in investing activities	(369,834)	(292,962)	(303,858)	(894,442)
Cash flows from financing activities				
Drawdown of term loans	819,438	1,303,132	-	904,754
Drawdown of revolving credits	696,921	650,437	-	-
Drawdown of other bank borrowings	404,064	307,110	-	-
Drawdown of commercial papers	677,000	-	677,000	-
Repayment of term loans	(645,799)	(313,549)	-	-
Repayment of revolving credits	(612,800)	(763,250)	-	-
Repayment of other bank borrowings	(410,250)	(317,273)	-	-
Repayment of commercial papers	(477,000)	-	(477,000)	-
Net cash generated from financing activities carried forward	451,574	866,607	200,000	904,754



Statements of Cash Flows

For the financial year ended 31 December 2012 (contd.)

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cash flows from financing activities (contd.)				
Net cash generated from				
financing activities brought forward	451,574	866,607	200,000	904,754
Repayment of hire purchase				
and finance lease liabilities	(17,043)	(9,792)	-	-
Interest paid	(118,462)	(71,445)	(50,211)	(12,027)
Interest received	7,474	5,091	-	-
Redemption of preference shares				
held by non-controlling interests of subsidiaries	-	(65,300)	-	-
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	-	-
Net cash generated from				
financing activities carried forward	323,543	747,914	149,789	892,727



Statements of Cash Flows

For the financial year ended 31 December 2012 (contd.)

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cash flows from financing activities (contd.)				
Net cash generated from				
financing activities brought forward	323,543	747,914	149,789	892,727
Capital repayment to shareholders	-	(904,753)	-	-
Dividends paid to non-controlling interests of subsidiaries	(49,458)	(39,463)	-	-
Net cash generated from/(used in) financing activities	274,085	(196,302)	149,789	892,727
Net increase/(decrease) in cash and cash equivalents	293,924	(90,227)	103	10,688
Effects of foreign exchange rates changes	(3,489)	7,310	-	-
Cash and cash equivalents at beginning of financial year	773,277	856,194	10,694	6
Cash and cash equivalents at end of financial year (Note 30)	1,063,712	773,277	10,797	10,694
Note a:				
Additions of property, plant and equipment	180,762	160,582	2,821	703
Additions via deferred payment	(4,149)	-	-	-
Additions via hire purchase and finance lease liabilities	(8,727)	(18,538)	-	-
Cash outflow for acquisition of property, plant and equipment	167,886	142,044	2,821	703

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



Notes to the Financial Statements

For the financial year ended 31 December 2012

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 52.

The financial statements for the year ended 31 December 2012 were authorised for issue in accordance with a resolution of the directors on 25 April 2013.

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 2012 as described 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 this summary of significant accounting policies.

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 2012, 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 2012.

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

Adoption of the above standards and interpretations did not have any material effect on the financial performance or position of the Group and of the Company except for those discussed 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 as prescribed under FRS 140 should be determined on the basis that its carrying amount will be recovered through sale.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.2 Changes in accounting policies (contd.)

Amendments to FRS 112: Deferred Tax - Recovery of Underlying Assets (contd.)

The following are effects arising from the above changes in accounting policies:

	Increase/(Decrease)	
	31.12.2011 RM'000	1.1.2011 RM'000
Group		
Statements of financial position		
Deferred tax liability	(32,493)	(15,963)
Non-controlling interest	983	(48)
Retained earnings	31,510	16,011
Income statements		
Income tax expense	15,499	16,011
Profit net of tax	15,499	16,011
Non-controlling interest	1,031	(48)
Profit net of tax after non-controlling interest	16,530	15,963
Impact of earnings per share attributable to owners of the parent		
	31.12.2011 Sen	1.1.2011 Sen
Basic	1.28	1.24
Diluted	1.28	1.24



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.3 Standards and interpretations issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
FRS 101 Presentation of Items of Other Comprehensive Income (Amendments to FRS 101)	1 July 2012
Amendments to FRS 101: Presentation of Financial Statements (Improvements to FRSs (2012))	1 January 2013
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 Venture	1 January 2013
Amendments to IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (Improvements to FRSs (2012))	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 1: First-time Adoption of Malaysian Financial Reporting Standards – Government Loans	1 January 2013
Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 116: Property, Plant and Equipment (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 132: Financial Instruments: Presentation (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 134: Interim Financial Reporting (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 10: Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to FRS 11: Joint Arrangements: Transition Guidance	1 January 2013
Amendments to FRS 12: Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities	1 January 2014
FRS 9 Financial Instruments	1 January 2015



Notes to the Financial Statements

For the financial year ended 31 December 2012 (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 discussed below:

FRS 9 Financial Instruments: Classification and Measurement

FRS 9 reflects the first phase of the work on the replacement of FRS 139 Financial Instruments: Recognition and Measurement and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139 Financial Instruments: Recognition and Measurement. The adoption of the 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 will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

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. The Group is in the process of making an assessment of the impact of this implementation.

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.

The classification of joint arrangements under FRS 11 is determined based on the rights and obligations of the parties to the joint arrangements by considering the structure, the legal form, the contractual terms agreed by the parties to the arrangement and when relevant, other facts and circumstances. Under FRS 11, joint arrangements are classified as either joint operations or joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

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.

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.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.3 Standards and interpretations issued but not yet effective (contd.)

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.

FRS 119 Employee Benefits

The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the "corridor approach" as permitted under the previous version of FRS 119 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statements of financial position to reflect the full value of the plan deficit or surplus.

The amendments to FRS 119 require retrospective application with certain exceptions. The directors anticipate that the application of the amendments to FRS 119 may have impact on amounts reported in respect of the Group's defined benefit plans. However, the Group is currently assessing the impact that this standard will have on the financial position and performance of the Group.

Amendments to FRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)

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, exchange differences on translation of foreign operations and net loss or gain on available-for-sale financial assets) would be presented separately from items which would never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendments affect presentation only and have no impact on the Group's financial position and performance.

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 two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

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 2014. In presenting its first MFRS financial statements, the Group will be required to adjust the comparative financial statements prepared under the FRS 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 2014.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

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. If there are indications of impairment, intra-group losses are not eliminated.

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 interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the parent, and is presented separately in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from equity attributable to owners of the parent.

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.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

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.

(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

For the financial year ended 31 December 2012 (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
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 3 to 80 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 profit or loss 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

For the financial year ended 31 December 2012 (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

For the financial year ended 31 December 2012 (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 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.

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

For the financial year ended 31 December 2012 (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.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.16 Jointly controlled entities (contd.)

In the Company's separate financial statements, investments in jointly controlled entities are stated at cost less impairment losses.

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

For the financial year ended 31 December 2012 (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 determined 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.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (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.)

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.

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 banks 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

For the financial year ended 31 December 2012 (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.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

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.

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 and the Company designate and document 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 and the Company assess 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 apply 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

For the financial year ended 31 December 2012 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.24 Derivative financial instruments and hedging activities (contd.)

The Group and the Company do not have any fair value hedges and net investment hedges except for cash flow hedge.

Cash flow hedge

The Group and the Company use 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 and the Company participate in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group and the Company 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

For the financial year ended 31 December 2012 (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).

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the term net investment method so as to reflect a constant periodic rate of interest on the balance outstanding. When the assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Lease income is recognised over the term of the lease on a straight line basis.

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) Sale 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

For the financial year ended 31 December 2012 (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 effective yield basis 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 jointly 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

For the financial year ended 31 December 2012 (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 jointly controlled entities, 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 55, 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

For the financial year ended 31 December 2012 (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 and the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and the Company.

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 Group 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 also 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

For the financial year ended 31 December 2012 (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 2012 is RM318,077,000 (2011: RM326,497,000). 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 a maximum of 50 years 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

For the financial year ended 31 December 2012 (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 2012, the total carrying value of recognised tax losses and capital allowances of the Group is RM114,580,000 (2011: RM157,948,000) and the unrecognised tax losses, capital allowances and investment tax allowance of the Group is RM533,128,000 (2011: RM529,214,000). Further details are provided for in Note 36.

(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.

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 RM364,990,000 (2011: RM72,986,000). 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 39.

(h) Impairment of investments in associates and jointly controlled entities

The Group reviews its investments in associates and investments in jointly controlled entities when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. The Group evaluates the recoverable amounts based on market performance, economic and political situation of the country in which the jointly controlled entities and associate operate. During the financial year, the Group recognised impairment loss of investments in associates and investments in jointly controlled entities amounting to RM4,049,000 (2011: RM119,000) and RM18,456,000 (2011: Nil) respectively. The carrying amount of investments in associates and investments in jointly controlled entities as at 31 December 2012 is RM1,023,761,000 (2011: RM1,015,303,000) and RM516,452,000 (2011: RM265,896,000) respectively. Further details are disclosed in Note 20 and Note 21 respectively.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

4. REVENUE

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Property development:				
- sale of properties under development	746,519	875,834	-	-
- sale of property stocks	160,597	39,978	-	-
- sale of long term leasehold lands	3,182	-	-	-
Construction contracts	1,274,864	1,220,958	-	-
Sale of goods and services	1,526,799	1,457,702	-	-
Rental income	88,753	53,246	-	-
Management fees from real estate investment fund	26,462	25,315	-	-
Rendering of services, subscription fees and others	18,344	11,971	-	-
Lease and hire purchase	908	3,576	-	-
Time sharing fees	2,787	3,132	-	-
Dividend income from subsidiaries	-	-	124,225	17,109
Distribution of income from real estate investment trust	-	-	652	41
Management fees from subsidiaries	-	-	56,550	16,396
	3,849,215	3,691,712	181,427	33,546

5. COST OF SALES

	Group		Company	
	2012 RM'000	2011 RM'000 (Restated)	2012 RM'000	2011 RM'000
Property development costs:				
- current year (Note 24)	(469,047)	(651,377)	-	-
- over recognised in prior year	9,198	-	-	-
Cost of property stocks sold	(85,773)	(25,205)	-	-
Construction contract cost	(1,035,440)	(1,012,126)	-	-
Cost of goods sold and services rendered	(997,212)	(939,399)	(56,244)	(18,207)
Lease and hire purchase	(619)	(145)	-	-
Cost of time sharing business operations	(1,298)	(1,763)	-	-
Cost of land and sold	(902)	-	-	-
	(2,581,093)	(2,630,015)	(56,244)	(18,207)



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

6. OTHER INCOME

Included in other income are the followings:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Fair value gain of investment properties (Note 15)	27,881	51,786	-	-
Forfeiture income	3,515	10,510	-	-
Gain on disposal of assets held for resale	139	439	-	-
Gain on disposal of subsidiaries	404	2,988	-	-
Gain on disposal of property, plant and equipment	101,888	3,278	-	-
Gain on liquidation of subsidiaries	168	901	-	-
Rental income:				
- equipment	11,237	22	-	-
- land and buildings	9,511	13,201	-	-
- others	9,042	9,749	-	-
Fair value gain of derivative financial instruments	256	6,865	-	-
Gain on derecognition of financial assets and financial liabilities	124	-	-	-
Bad debts recovered	27	1,314	-	-
Reversal of allowance for impairment:				
- trade receivables (Note 26)	17,536	42,017	-	-
- other receivables (Note 27)	4	1,191	-	-
Reversal of impairment losses for other investments	-	4	-	-
Write up of inventories to net realisable value	2,185	-	-	-
Foreign exchange gain:				
- realised	6,535	10,180	-	-
- unrealised	7,071	2,901	1	-
Reversal of provision for liabilities	-	16,844	-	-



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

7. FINANCE INCOME AND COSTS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Finance income				
Interest income from:				
Advances to subsidiaries	-	-	48,004	16,915
Accretion of interest	1,438	760	-	-
Deposits with licensed banks	10,866	12,096	-	16
Placement in cash fund	3,821	4,995	-	-
Others	6,584	9,652	64	-
	22,709	27,503	48,068	16,931
Finance costs				
Interest expense to:				
Hire purchase and finance lease liabilities	(2,142)	(6,584)	-	-
Advances from subsidiaries	-	-	(58)	(43)
Bank overdrafts	(509)	(573)	-	(15)
Revolving credits	(8,914)	(8,623)	-	-
Commercial papers and medium term notes	(6,803)	(1,291)	(6,803)	(1,291)
Term loans	(68,691)	(47,896)	(40,959)	(19,797)
Bankers' acceptance	(2,034)	(2,120)	-	-
Unwinding of discount	(9,873)	(8,817)	-	-
Others	(591)	(5,039)	-	-
	(99,557)	(80,943)	(47,820)	(21,146)



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

8. PROFIT BEFORE TAX

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Employee benefits expense (Note 9)	532,085	461,611	50,405	15,197
Non-executive directors' remuneration (Note 10)	380	191	380	180
Auditors' remuneration:				
- statutory audits	3,130	3,161	214	150
- underprovision in prior year	-	391	-	-
- other services	123	645	-	300
Bad debts written off	272	2,286	-	-
Hire of plant and machinery	1,192	1,318	-	-
Depreciation/amortisation:				
- property, plant and equipment (Note 13)	95,157	89,686	343	3
- biological assets (Note 14)	71	59	-	-
- rock reserves (Note 16)	935	935	-	-
Foreign exchange loss/(gain):				
- realised	18,352	7,364	1	-
- unrealised (others)	1,185	3,405	-	-
- unrealised (hedged items)	(32,268)	47,380	(27,250)	41,500
Cash flow hedge reserve recycled to profit or loss	32,268	(47,380)	27,250	(41,500)
Impairment losses on:				
- property, plant and equipment (Note 13)	16,137	15,188	-	-
- land held for property development (Note 17)	2,967	-	-	-
- goodwill (Note 22)	8,420	3,000	-	-
- investment in associate	4,049	119	-	-
- investment in jointly controlled entities (Note 21)	18,456	-	-	-
Write down of inventories to net realisable value (Note 25)	3,951	4,577	-	-
Loss on disposal of:				
- property, plant and equipment	890	370	-	-
- associate	219	-	-	-
Written off of:				
- property, plant and equipment	3,084	11,118	-	-
- biological assets	72	170	-	-
- inventories	201	2,797	-	-



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

8. PROFIT BEFORE TAX (contd.)

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Allowance for impairment:				
- trade receivables (Note 26)	4,011	23,537	-	-
- other receivables (Note 27)	11,670	-	-	-
- amounts due from jointly controlled entities	6,437	-	-	-
Rental expense:				
- land and buildings	88,412	75,785	-	935
- plant and equipment	1,548	1,957	-	38
- others	479	1,523	-	2
Fair value loss of investment properties (Note 15)	4,124	1,513	-	-
Direct operating expenses arising from investment property that generated rental income	15,928	10,729	-	-
Fair value loss of derivative financial instruments	-	14,632	-	-

9. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Wages, salaries and bonuses	432,551	365,694	42,475	13,163
Social security contributions	3,966	4,107	106	40
Contributions to defined contribution plan	41,285	32,015	6,356	1,401
Other benefits	54,283	59,795	1,468	593
	532,085	461,611	50,405	15,197

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM15,821,000 (2011: RM11,271,000) and RM15,821,000 (2011: RM2,371,000) respectively as further disclosed in Note 10.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

10. DIRECTORS' REMUNERATION

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Executive directors' remuneration:				
Other emoluments (Note 9)	15,821	11,271	15,821	2,371
Estimated money value of benefits-in-kind	210	126	210	33
Total executive directors' remuneration (Note 51)	16,031	11,397	16,031	2,404
Non-executive directors' remuneration (Note 8):				
Fees	300	163	300	163
Other emoluments	80	28	80	17
Total non-executive directors' remuneration	380	191	380	180
Total directors' remuneration including benefits-in-kind	16,411	11,588	16,411	2,584

The details of remuneration receivable by directors of the Company during the financial year are as follows:

	Company	
	2012 RM'000	2011 RM'000
Executive:		
Salaries, bonus and other emoluments	13,412	2,117
Contribution to defined contribution plan	2,409	254
Estimated money value of benefits-in-kind	210	33
	16,031	2,404
Non-executive:		
Fees	300	163
Other emoluments	80	17
	16,411	2,584



Notes to the Financial Statements

For the financial year ended 31 December 2012 (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	
	2012	2011
Executive directors:		
RM150,001 - RM200,000	-	2
RM400,000 - RM450,000	1	-
RM500,001 - RM550,000	-	1
RM800,000 - RM850,000	1	-
RM1,600,001 - RM1,650,000	-	1
RM3,150,000 - RM3,200,000	1	-
RM11,600,000 - RM11,650,000	1	-
Non-executive directors:		
Below RM150,000	3	3

The above disclosure for previous financial year was based on the remuneration received by the directors from the Company after the merger exercise on 18 August 2011.

11. INCOME TAX EXPENSE

	Group		Company	
	2012 RM'000	2011 RM'000 (Restated)	2012 RM'000	2011 RM'000
Current income tax:				
Malaysian income tax	120,188	78,985	22,465	10
Foreign tax	13,897	8,396	-	-
	134,085	87,381	22,465	10
Under/(over)provision in prior year:				
Malaysian income tax	(4,922)	4,549	(10)	-
Foreign tax	(200)	(28,422)	-	-
	128,963	63,508	22,455	10
Deferred tax (Note 36):				
Relating to origination and reversal of temporary differences	(11,303)	4,976	343	(338)
Under/(over)provision in prior year	7,722	1,076	(5)	-
	(3,581)	6,052	338	(338)
Total income tax expense	125,382	69,560	22,793	(328)

Domestic current income tax is calculated at the statutory tax rate of 25% (2011: 25%) of the estimated assessable profit for the year.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (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 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	
	2012 RM'000	2011 RM'00 (Restated)
Profit before tax	722,942	498,533
Taxation at Malaysian statutory tax rate of 25% (2011: 25%)	180,736	124,633
Different tax rates in other countries	(5,014)	(4,841)
Deferred tax recognised at different tax rates	(2,322)	(16,532)
Income not subject to tax	(25,611)	(30,447)
Expenses not deductible for tax purposes	48,166	68,050
Utilisation of previously unrecognised tax losses, unabsorbed capital allowances and other deductible temporary differences	(2,400)	(1,912)
Deferred tax assets not recognised in respect of current year's tax losses, unabsorbed capital allowances and other deductible temporary differences	3,305	5,223
Deferred tax assets recognised on previously unrecognised tax losses, unabsorbed capital allowances and other deductible temporary differences	(4)	(5,407)
Effect of share of profit of associates	(38,077)	(24,922)
Effect of share of profit of jointly controlled entities	(35,997)	(21,488)
Overprovision of income tax in prior year	(5,122)	(23,873)
Underprovision of deferred tax in prior year	7,722	1,076
Income tax expense for the year	125,382	69,560



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

11. INCOME TAX EXPENSE (contd.)

	Company	
	2012 RM'000	2011 RM'000
Profit before tax	120,218	8,161
Taxation at Malaysian statutory tax rate of 25% (2011: 25%)	30,055	2,040
Income not subject to tax	(8,592)	(2,450)
Expenses not deductible for tax purposes	950	-
Overprovision of income tax in prior year	(10)	-
Overprovision of deferred tax in prior year	(5)	-
Deferred tax assets not recognised in respect of current year tax losses	395	82
Income tax expense for the year	22,793	(328)

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	
	2012	2011 (Restated)
Profit attributable to owners of the parent (RM'000)	530,625	387,555
Weighted average number of ordinary shares in issue ('000)	1,292,505	1,292,505
Basic earnings per share (sen)	41.05	29.98

The profit or loss for the previous financial year 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 2011.

(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

For the financial year ended 31 December 2012 (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 2012										
Cost										
At 1 January 2012	54,568	642,834	29,846	5,894	854,513	53,882	157,342	24,659	50,209	1,873,747
Additions	6,884	30,302	5,053	1,377	60,854	16,228	23,281	674	36,109	180,762
Disposals/write-offs	-	(179,557)	(15,193)	(242)	(12,529)	(6,553)	(24,027)	(768)	(75)	(238,944)
Reclassifications	-	177	(476)	6,249	16,306	(59)	2,405	(1)	(24,601)	-
Transfer to investment properties (Note 15)	-	(947)	(3,787)	-	-	-	-	-	-	(4,734)
Transfer to investment properties under construction (Note 15)	-	-	-	-	-	-	-	-	(28,991)	(28,991)
Exchange differences	-	(2,211)	(145)	(33)	(3,058)	(171)	(512)	-	-	(6,130)
At 31 December 2012	61,452	490,598	15,298	13,245	916,086	63,327	158,489	24,564	32,651	1,775,710
Accumulated depreciation										
At 1 January 2012	-	102,472	5,442	3,304	523,184	42,682	102,605	5,800	-	785,489
Depreciation charge for the year (Note 8)	-	14,214	720	432	60,206	5,322	12,800	1,463	-	95,157
Reclassifications	-	351	(352)	25	169	181	(193)	(181)	-	-
Disposals/write-offs	-	(18,538)	(2,446)	(140)	(14,764)	(3,658)	(10,272)	(769)	-	(50,587)
Exchange differences	-	(719)	(22)	(22)	(1,132)	(151)	(426)	-	-	(2,472)
At 31 December 2012	-	97,780	3,342	3,599	567,663	44,376	104,514	6,313	-	827,587
Accumulated impairment losses										
At 1 January 2012	-	66,433	-	-	54,554	-	43	-	6,661	127,691
Impairment loss for the year (Note 8)	-	-	-	226	15,707	123	81	-	-	16,137
Disposals	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	(168)	-	-	(173)	-	-	-	(62)	(403)
At 31 December 2012	-	66,265	-	226	70,088	123	124	-	6,599	143,425
Net carrying amount	61,452	326,553	11,956	9,420	278,335	18,828	53,851	18,251	26,052	804,698



Notes to the Financial Statements

For the financial year ended 31 December 2012 (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 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 from/(to) 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 loss										
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

For the financial year ended 31 December 2012 (contd.)

13. PROPERTY, PLANT AND EQUIPMENT (contd.)

	Equipment, furniture and fittings RM'000	Motor vehicles RM'000	Capital work-in- progress RM'000	Total RM'000
Company				
At 31 December 2012				
Cost				
At 1 January 2012	26	-	677	703
Additions	203	2,618	-	2,821
At 31 December 2012	229	2,618	677	3,524
Accumulated depreciation				
At 1 January 2012	3	-	-	3
Depreciation charge for the year (Note 8)	36	307	-	343
At 31 December 2012	39	307	-	346
Net carrying amount	190	2,311	677	3,178
At 31 December 2011				
Cost				
At 1 January 2011	-	-	-	-
Additions	26	-	677	703
At 31 December 2011	26	-	677	703
Accumulated depreciation				
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



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

13. PROPERTY, PLANT AND EQUIPMENT (contd.)

- (a) The net carrying amount of property, plant and equipment held under hire purchase and finance lease liabilities is as follows:

	Group	
	2012 RM'000	2011 RM'000
Motor vehicles	1,884	3,366
Equipment, furniture and fittings	2,372	415
Plant and machinery	42,240	73,792
	46,496	77,573

- (b) Property, plant and equipment of the Group with net carrying amount of RM147,863,000 (2011: RM376,312,000) are pledged as securities for borrowings as disclosed in Note 31.

14. BIOLOGICAL ASSETS

	Group	
	2012 RM'000	2011 RM'000
Cost		
At beginning of financial year	608	640
Additions	340	184
Write-off	(89)	(216)
At end of financial year	859	608
Accumulated depreciation		
At beginning of financial year	192	179
Depreciation charge for the year (Note 8)	71	59
Write-off	(17)	(46)
At end of financial year	246	192
Net carrying amount	613	416

Biological assets consist of animals used in a petting zoo operated by subsidiaries.

15. INVESTMENT PROPERTIES

	Group	
	2012 RM'000	2011 RM'000
Investment properties	877,529	815,910
Investment properties under construction	364,990	72,986
	1,242,519	888,896



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

15. INVESTMENT PROPERTIES (contd.)

	Group	
	2012 RM'000	2011 RM'000
Investment properties		
At valuation		
At beginning of financial year	815,910	709,927
Additions from acquisition	1,717	405
Additions from subsequent expenditure	24,994	57,541
Transfers from/(to):		
- land held for property development (Note 17)	-	(14,830)
- property, plant and equipment (Note 13)	4,734	8,450
- inventories	-	4,108
- investment properties under construction	565	-
- property development cost (Note 24)	5,824	-
Fair value adjustment:		
- gain (Note 6)	27,881	51,786
- loss (Note 8)	(4,124)	(1,513)
Exchange differences	28	36
At end of financial year	877,529	815,910

The investment properties consist of the following:

	Group	
	2012 RM'000	2011 RM'000
Long term leasehold land	133,739	113,640
Freehold land	13,840	13,465
Buildings	729,950	688,805
	877,529	815,910

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 RM518,160,000 (2011: RM553,000,000) are pledged as securities for borrowings as disclosed in Note 31.

The carrying values of the properties as at 31 December 2012 and 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

For the financial year ended 31 December 2012 (contd.)

15. INVESTMENT PROPERTIES (contd.)

	Group	
	2012 RM'000	2011 RM'000
Investment properties under construction		
At cost		
At beginning of financial year	72,986	16,219
Additions from subsequent expenditure	160,667	41,346
Additions of freehold land during the year	87,550	-
Transfers from/(to):		
- property development cost (Note 24)	-	15,421
- property, plant and equipment (Note 13)	28,991	-
- land held for property development (Note 17)	15,361	-
- investment properties	(565)	-
At end of financial year	364,990	72,986

The investment properties under construction consist of the following:

	Group	
	2012 RM'000	2011 RM'000
Long term leasehold land	28,629	11,441
Freehold land	87,550	-
Buildings	248,811	61,545
	364,990	72,986

16. ROCK RESERVES

	Group	
	2012 RM'000	2011 RM'000
At beginning of financial year	8,379	9,314
Amortisation during the financial year (Note 8)	(935)	(935)
At end of financial year	7,444	8,379



Notes to the Financial Statements

For the financial year ended 31 December 2012 (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 2012				
Cost				
At 1 January 2012	670,394	133,776	213,122	1,017,292
Additions	25,812	4,246	2,444	32,502
Transfers to property development costs (Note 24)	(323,742)	(64,408)	(40,057)	(428,207)
Transfers to investment properties under construction (Note 15)	-	(15,361)	-	(15,361)
Disposal	-	(3,942)	(1,406)	(5,348)
Exchange differences	-	1,001	-	1,001
At 31 December 2012	372,464	55,312	174,103	601,879
Accumulated impairment losses				
At 1 January 2012	-	-	-	-
Impaired during the year (Note 8)	(599)	-	(2,368)	(2,967)
At 31 December 2012	(599)	-	(2,368)	(2,967)
Carrying amount	371,865	55,312	171,735	598,912
At 31 December 2011				
Cost				
At 1 January 2011	243,749	143,473	145,965	533,187
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)
Exchange differences	161	781	(161)	781
At 31 December 2011	670,394	133,776	213,122	1,017,292

Freehold land and related development costs of the Group with carrying amount of RM19,163,000 (2011: RM40,840,000) are pledged to financial institutions as securities for borrowings as disclosed in Note 31.

Leasehold land and related development costs of the Group with carrying amount of RM90,573,000 (2011: RM97,885,000) are pledged to financial institutions as securities for borrowings as disclosed in Note 31.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

18. INVESTMENTS IN SUBSIDIARIES

	Company	
	2012 RM'000	2011 RM'000
At cost		
Unquoted ordinary shares	342,255	341,292
Unquoted preference shares	3,280,810	3,280,810
	3,623,065	3,622,102

In the previous financial year, investments in subsidiaries of the Company arose from the transfer of the entire businesses and undertakings, including all assets and liabilities of Sunway Holdings Sdn. Bhd. ("SHSB") and Sunway City Sdn. Bhd. ("SCSB") pursuant to the merger exercise. Further details are disclosed in Note 46.

During the financial year, the Group completed the following acquisitions:

- (a) On 31 May 2012, Sunway Enterprise (1988) Sdn. Bhd. and Sunway Marketing Sdn. Bhd. , both wholly-owned subsidiaries of SHSB, had incorporated a limited company known as PT Sunway Indoquip; and
- (b) On 2 July 2012, TotalRubber Ltd., a subsidiary of SHSB which in turn is a wholly-owned subsidiary of the Company, had incorporated a limited company known as SunwayTrek Australia Pty. Ltd..

During the financial year, the Group subscribed for or acquired additional shares in the following companies:

- (a) On 9 January 2012, the Company had acquired 392,140 ordinary shares representing 0.30% equity interest in Sunway Medical Centre Berhad ("SMC"), a 91.63% owned subsidiary of SCSB from its minority interests for RM588,210 cash. Subsequently, on 1 March 2012, the Company acquired additional 250,000 ordinary shares representing 0.19% equity interest in SMC from its minority interest for RM375,000 cash;
- (b) On 16 April 2012, SMC had acquired the remaining 49% equity interest in SunMed@Home Sdn. Bhd. ("SMAH") from Nurses At Home Sdn. Bhd. for a total consideration equivalent to 49% from the available cash balance of SMAH after paying off SMAH's debts and liabilities as at 31 March 2012, subject to a maximum consideration of RM107,800. As a result, SMAH became a wholly-owned subsidiary of SCSB;
- (c) On 24 April 2012, Sunway Construction Sdn. Bhd. ("SunCon"), a wholly owned subsidiary of SHSB, acquired 75,900 ordinary shares of RM1 each, equivalent to 7.47% equity interest in Sunway Engineering Sdn. Bhd. ("SESB"), a 75.1% owned subsidiary of SunCon for RM9,246,842 cash. As a result, SESB became a 82.6% owned subsidiary of SunCon;
- (d) On 15 May 2012, SHSB had acquired 61,482,955 ordinary shares of HK\$1 each, representing 21.82% equity interest in Sunway Global Limited from Goldman Sachs Strategic Investments (Asia) LLC at a total cash consideration of US\$5,300,000 (equivalent to approximately RM16.346 million);
- (e) On 9 July 2012, SCSB subscribed for additional 4,000,000 ordinary shares of RM1 each, representing 13.99% of the total issued and paid-up share capital of Sunway City (Ipoh) Sdn. Bhd. ("SCI"), a 65% owned subsidiary of SCSB for RM8,000,000 cash. As a result of the acquisition, SCI has become a 79% owned subsidiary of SCSB;
- (f) On 2 November 2012, SHSB acquired the remaining 17.5% equity interest in Amalan Insaf (M) Sdn. Bhd. ("AIM"), a 82.5% owned subsidiary of SHSB from Prisma Kota Sdn. Bhd. for RM175 cash. As a result, AIM became a wholly-owned subsidiary of SHSB; and
- (g) On 31 December 2012, SCSB acquired the remaining 48% equity interest in Sunway Pyramid Sdn. Bhd. ("SPSB"), a 52% owned subsidiary of SCSB from Reco Pyramid (M) Sdn. Bhd. for RM139,813.44 cash. As a result, SPSB became a wholly-owned subsidiary of SCSB.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

18. INVESTMENTS IN SUBSIDIARIES (contd.)

During the financial year, the Group completed the following disposal:

On 9 January 2012, Sunway Creative Stones Sdn. Bhd., a 70% owned subsidiary of SunCon, disposed of its 100% equity interest in Sunway Creative Stones (Xiamen) Co. Ltd. to Chin Fun Foo for RMB1,600,000 cash (equivalent to approximately RM780,000) at a gain on disposal of RM404,000.

The above acquisitions and disposal of the subsidiaries did not have any material effect on the financial results and financial position of the Group.

During the financial year, the following subsidiaries of the Group had been dissolved:

- (a) On 19 January 2012, Binajelata (M) Sdn. Bhd. was dissolved;
- (b) On 20 April 2012, Target Beam (M) Sdn. Bhd., Crossside Realty Sdn. Bhd. and Classvest Realty Sdn. Bhd. were dissolved; and
- (c) On 17 October 2012, Identiti Jelata (M) Sdn. Bhd. was dissolved.

During the financial year, the following subsidiaries of the Group had been deregistered or wound up via members' voluntary liquidation:

- (a) On 29 June 2012, Sunway Land (China) Limited was deregistered;
- (b) On 12 September 2012, Estonia Enterprises Limited was wound up voluntarily;
- (c) On 8 October 2012, Heng Ngai Knitting Manufacturer Sdn. Bhd. was wound up voluntarily; and
- (d) On 31 December 2012, Sun-Block (Beranang) Sdn. Bhd. and Sun-Block (Senai) Sdn. Bhd. were wound up voluntarily.

19. AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2012 RM'000	2011 RM'000 (Restated)
Interest bearing amounts	1,280,224	987,559
Non-interest bearing amounts	13,437	16,786
Total amounts due from subsidiaries	1,293,661	1,004,345

The amounts due from subsidiaries are unsecured, repayable on demand and bear interest at rates ranging from 1.50% to 4.98% (2011: 3.90% to 4.98%) per annum.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

20. INVESTMENTS IN ASSOCIATES

	Group	
	2012 RM'000	2011 RM'000
Unquoted shares at cost	13,103	24,323
Quoted shares at cost	1,094,307	1,082,883
Share of post-acquisition distributable reserves	168,413	105,974
Share of non-distributable reserves	22,033	21,914
Unrealised profit arising from sale of assets to associate	(122,399)	(72,144)
	1,175,457	1,162,950
Less: Accumulated impairment losses	(151,696)	(147,647)
	1,023,761	1,015,303
Market value of quoted shares	1,575,517	1,256,170

During the financial year, Sunway REIT Management Sdn. Bhd., a wholly-owned subsidiary of the Company received 8,864,300 (2011: 9,413,700) units representing 0.33% (2011: 0.35%) of the total issued units in Sunway Real Estate Investment Trust ("Sunway REIT") as part payment of management fees from Sunway REIT.

As a result, the Group and the Company now hold 37.04% (2011: 36.83%) and 0.51% (2011: 0.18%) equity interest in Sunway REIT with a total carrying value of RM969,128,000 (2011: RM892,516,000) and RM16,816,000 (2011: RM5,391,000) respectively as at 31 December 2012. 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 2012 have been used.

The Group's share of revenue, profit, assets and liabilities of associates are as follows:

	2012 RM'000	2011 RM'000
Assets and liabilities		
Current assets	46,440	109,064
Non-current assets	1,872,773	1,653,743
Total assets	1,919,213	1,762,807
Current liabilities	(495,653)	(407,989)
Non-current liabilities	(277,400)	(267,371)
Total liabilities	(773,053)	(675,360)
Results		
Revenue	155,799	142,794
Profit for the year	152,307	99,689



Notes to the Financial Statements

For the financial year ended 31 December 2012 (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	
			2012 %	2011 %
(a) Associates of Sunway City Sdn. Bhd.				
Aktif-Sunway Sdn. Bhd. #	Malaysia	Ceased operation	20	20
Sunway Cana City Development Ltd. #	Cambodia	Wound up pursuant to Members' voluntary winding-up	-	49
(b) Associate of Sunway Leisure Sdn. Bhd.				
Pyramid Bowl Sdn. Bhd. #	Malaysia	Bowling alley operator	40	40
(c) Associate of Sunway City (S'pore) Pte. Ltd.				
Sunway MAK International Private Limited #	India	Property development	26.3	26.3
(d) Associate of Sunway Holdings Sdn. Bhd.				
Sungei Way-Saigon-Pilecon Engineering Company #	Vietnam	Dormant	42.3	42.3
(e) Associate of Fortuna Gembira Enterpris Sdn. Bhd.				
Gopeng Berhad #	Malaysia	Cultivation of oil palm, investment holding and property development	19.33	19.33



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

20. INVESTMENTS IN ASSOCIATES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(f) Associate of SunwayMas Sdn. Bhd.				
Varich Industries Sdn. Bhd. #	Malaysia	Dormant	50	50
(g) Associate of Sunway Marketing Sdn. Bhd.				
Buildtrend B.S.G. (M) Sdn. Bhd. #	Malaysia	Distribution of architectural building products and sanitary wares	30	30
(h) Associate of Sunway Builders Sdn. Bhd.				
ISZL Consortium #	Unincorporated	Construction	25	25
(i) Associate of Sunway REIT Holdings Sdn. Bhd.				
Sunway Real Estate Investment Trust @	Malaysia	Investment in real estate	37.04	36.83
# Audited by firms of auditors other than Ernst & Young				
@ Inclusive of 0.51% (2011: 0.18%) held by Sunway Berhad				



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

21. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

	Group	
	2012 RM'000	2011 RM'000 (Restated)
Unquoted shares at cost	296,643	68,742
Premium on acquisition	10,748	10,748
Equity contribution		
- in respect of land held for property development	5,898	5,898
Share of post-acquisition reserves	221,619	180,508
	534,908	265,896
Less: Accumulated impairment losses (Note 8)	(18,456)	-
	516,452	265,896

Details of the jointly controlled entities are as follows:

Name of jointly controlled entities	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
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
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	60
Sunway Iskandar Sdn. Bhd.	Malaysia	Property development	38	38
Harmony Impulse Sdn. Bhd.	Malaysia	Property development	60	



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

21. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (contd.)

Name of jointly controlled entities	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
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
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	30
Hoi Hup Sunway Tampines Pte. Ltd. #	Singapore	Real estate developer	30	30



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

21. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (contd.)

Name of jointly controlled entities	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
Jointly controlled entities with Sunway Holdings Sdn. Bhd. Group (contd.)				
Hoi Hup Sunway Yuan Ching Pte. Ltd. #	Singapore	Real estate developer	30	30
Hoi Hup Sunway Novena Pte. Ltd. #	Singapore	Real estate developer	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:

	2012 RM'000	2011 RM'000
Assets and liabilities		
Current assets	1,240,788	689,839
Non-current assets	346,532	50,174
Total assets	1,587,320	740,013
Current liabilities	(480,509)	(371,837)
Non-current liabilities	(571,903)	(102,280)
Total liabilities	(1,052,412)	(474,117)
Results		
Revenue	731,408	501,226
Expenses, including finance costs and after tax	(587,421)	(415,277)



Notes to the Financial Statements

For the financial year ended 31 December 2012 (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:

	2012 RM'000	2011 RM'000 (Restated)
Cost		
Arising from investment in a jointly controlled entity and as at 31 December	10,748	10,748

22. GOODWILL

	Group	
	2012 RM'000	2011 RM'000
Cost		
At beginning of financial year	338,337	338,070
Acquisition of subsidiary	-	267
At end of financial year	338,337	338,337
Accumulated impairment losses		
At beginning of financial year	(11,840)	(8,840)
Impairment loss recognised in profit or loss (Note 8)	(8,420)	(3,000)
At end of financial year	(20,260)	(11,840)
Net carrying amount	318,077	326,497

During the financial year, an impairment loss of RM8,420,000 was recognised due to Sunway Pyramid Sdn. Bhd. ceasing operations after the disposal of its shopping mall. In the previous 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

For the financial year ended 31 December 2012 (contd.)

22. GOODWILL (contd.)

Allocation of goodwill

Goodwill has been allocated to the Group's CGUs, according to business segments as follows:

	2012 RM'000	2011 RM'000
Property investment *	185,329	193,749
Construction	74,104	74,104
Quarry	40,647	40,647
Trading and manufacturing	8,673	8,673
Property development	247	247
Others	9,077	9,077
	318,077	326,497

* 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. The key assumptions used for value-in-use calculations for the major business segments are:

	Quarry %	Construction %	Property investment %
At 31 December 2012			
Gross margin	12.9	7.4	37.0
Growth rate	5.3	-	22.7
Discount rate	12.0	14.0	10.0
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



Notes to the Financial Statements

For the financial year ended 31 December 2012 (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 adjusted for expected efficiency improvements.

(ii) Growth rate

The growth rate used is determined using a simple average of the annual EBITDA growth rate obtained from financial budgets approved by management. The financial budgets cover a period of five years and the growth rate after the fifth year is assumed to be zero.

(iii) Discount rate

The discount rates used are post-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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
At cost:				
Unquoted ordinary shares	3,459	3,506	-	-
Corporate membership	84	84	-	-
	3,543	3,590	-	-
Less: Accumulated impairment losses	(1,741)	(1,741)	-	-
	1,802	1,849	-	-
At fair value:				
Quoted shares				
- Available for sale investment	-	-	21,278	5,391
Total other investments	1,802	1,849	21,278	5,391



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

24. PROPERTY DEVELOPMENT COSTS

	Group	
	2012 RM'000	2011 RM'000 (Restated)
Cumulative property development costs		
At beginning of financial year:		
- Freehold land	168,926	117,044
- Long term leasehold land	324,234	379,914
- Development costs	1,848,127	1,633,927
	2,341,287	2,130,885
Costs incurred during the year:		
- Freehold land	1,544	52,211
- Long term leasehold land	38,439	32,627
- Development costs	542,877	756,838
	582,860	841,676
Exchange differences:		
- Long term leasehold land	(1,430)	2,457
- Development costs	(3,900)	1,454
	(5,330)	3,911
Reclassified:		
- Freehold land	6,438	-
- Long term leasehold land	(41,810)	-
- Development costs	35,372	-
	-	-
Transfers to:		
Investment properties (Note 15):		
- Long term leasehold land	(2,873)	-
- Development costs	(2,951)	-
	(5,824)	-
Investment properties under construction (Note 15):		
- Development costs	-	(15,421)
Transfers from/(to):		
Land held for property development (Note 17):		
- Freehold land	323,742	52,300
- Long term leasehold land	64,408	28,242
- Development costs	40,057	(45,119)
	428,207	35,423



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

24. PROPERTY DEVELOPMENT COSTS (contd.)

	Group	
	2012 RM'000	2011 RM'000 (Restated)
Cumulative property development costs (contd.)		
Inventories:		
- Freehold land	(6,027)	(2,920)
- Long term leasehold land	(48,236)	(34,815)
- Development costs	(157,644)	(118,248)
	(211,907)	(155,983)
Reversal of completed projects:		
- Freehold land	(53,344)	(49,709)
- Long term leasehold land	(137,063)	(84,191)
- Development costs	(1,137,604)	(365,304)
	(1,328,011)	(499,204)
At end of financial year:		
- Freehold land	441,279	168,926
- Long term leasehold land	195,669	324,234
- Development costs	1,164,334	1,848,127
	1,801,282	2,341,287
Accumulated impairment losses		
At beginning of financial year		
- Development costs	(1,623)	(1,577)
Exchange differences		
- Development costs	62	(46)
At end of financial year	(1,561)	(1,623)
Cumulative costs recognised in profit or loss		
At beginning of financial year	(1,670,330)	(1,507,993)
Recognised during the year (Note 5)	(469,047)	(651,377)
Reversal of completed projects	1,328,011	499,204
Exchange differences	3,174	(10,164)
At end of financial year	(808,192)	(1,670,330)
Property development costs at end of financial year	991,529	669,334



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

24. PROPERTY DEVELOPMENT COSTS (contd.)

Interest expense capitalised during the financial year under development costs of the Group amounted to RM9,240,000 (2011: RM25,097,000).

Freehold land and related development costs of the Group amounting to RM642,778,000 (2011: RM185,705,000) are pledged to financial institutions as securities for borrowings as disclosed in Note 31.

Leasehold land and development costs of the Group amounting to RM176,584,000 (2011: RM72,307,000) are pledged to financial institutions as securities for borrowings as disclosed in Note 31.

25. INVENTORIES

	Group	
	2012 RM'000	2011 RM'000
At cost		
Properties held for sale	389,338	202,482
Trading inventories	135,880	124,918
Food and beverages	2,969	3,021
Consumables	10,624	11,906
Raw materials	13,481	12,459
Work in progress	3,966	2,497
Finished goods	74,552	79,357
	630,810	436,640
Net realisable value		
Properties held for sale	19,498	15,200
	650,308	451,840

The reversal of write-down of inventories was made during the year when the related inventories were sold above their carrying amounts (Note 8).

26. TRADE RECEIVABLES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000 (Restated)
Non-current				
Finance lease receivables	3,062	5,075	-	-
Hire purchase receivables	837	1,938	-	-
	3,899	7,013	-	-



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

26. TRADE RECEIVABLES (contd.)

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000 (Restated)
Current				
Trade receivables	947,569	714,591	-	-
Retention sums (Note 39)	149,243	132,774	-	-
Finance lease receivables	3,363	3,389	-	-
Hire purchase receivables	1,279	2,624	-	-
Amounts due from customers on contracts (Note 39)	62,672	40,609	-	-
Accrued billings in respect of property development costs	62,570	2,188	-	-
	1,226,696	896,175	-	-
Less: Allowance for impairment	(90,717)	(113,793)	-	-
	1,135,979	782,382	-	-
Total trade receivables	1,139,878	789,395	-	-
Total trade receivables	1,139,878	789,395	-	-
Other receivables (Note 27)	181,215	325,762	948	1,433
Add: Amounts due from subsidiaries (Note 19)	-	-	1,293,661	1,004,345
Add: Amounts due from associates	21,014	-	-	-
Add: Amounts due from jointly controlled entities	230,556	211,001	-	-
Less: Amounts due from customers on contracts (Note 39)	(62,672)	(40,609)	-	-
Less: Prepayments (Note 27)	(26,356)	(26,648)	(789)	(1,428)
Less: Accrued billings in respect of property development costs	(62,570)	(2,188)	-	-
Add: Cash and bank balances (Note 30)	1,158,890	776,705	10,797	10,694
Total loans and receivables	2,579,955	2,033,418	1,304,617	1,015,044



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

26. TRADE RECEIVABLES (contd.)

The repayment terms of finance lease and hire purchase receivables are as follow:

	Group	
	2012 RM'000	2011 RM'000
Finance lease receivables:		
Not later than 1 year	3,971	3,794
Later than 1 year and not later than 5 years	3,465	6,259
Later than 5 years	68	375
	7,504	10,428
Less: Unearned interest	(1,079)	(1,964)
	6,425	8,464
Representing finance lease receivables:		
Not later than 1 year	3,363	3,389
Later than 1 year and not later than 5 years	2,998	4,718
Later than 5 years	64	357
	6,425	8,464
Hire purchase receivables:		
Not later than 1 year	1,370	2,837
Later than 1 year and not later than 5 years	889	2,078
	2,259	4,915
Less: Unearned interest	(143)	(353)
	2,116	4,562
Representing hire purchase receivables:		
Not later than 1 year	1,279	2,624
Later than 1 year and not later than 5 years	837	1,938
	2,116	4,562



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

26. TRADE RECEIVABLES (contd.)

	Group	
	2012 RM'000	2011 RM'000
The currency exposure profile of trade receivables are as follows:		
Ringgit Malaysia (RM)	936,177	598,829
Singapore Dollar (SGD)	109,279	76,283
Renminbi (RMB)	37,783	38,061
Trinidad and Tobago Dollar (TTD)	14,469	8,755
Indian Rupee (IR)	12,348	18,896
Australian Dollar (AUD)	10,020	12,231
Indonesian Rupiah (INR)	8,811	10,100
Thai Baht (THB)	3,784	3,606
United Arab Emirates Dirham (AED)	3,484	15,272
Vietnam Dong (VND)	1,571	1,964
United States Dollar (USD)	1,230	2,376
Macau Pataca (MOP)	922	2,839
Euro (EURO)	-	2
Hong Kong Dollar (HKD)	-	181
	1,139,878	789,395

Included in trade receivables are the following amounts due from related parties:

	Group	
	2012 RM'000	2011 RM'000
Sunway Technology Sdn. Bhd. Group	507	441
Akitek Akiprima Sdn. Bhd.	1	1
Jef-San Enterprise Sdn. Bhd.	8	3

The amounts due from related parties are unsecured and non-interest bearing. The relationship with the related parties is as disclosed in Note 51. 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 120 days (2011: 14 days to 120 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

For the financial year ended 31 December 2012 (contd.)

26. TRADE RECEIVABLES (contd.)

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2012 RM'000	2011 RM'000
Neither past due nor impaired	788,170	430,556
1 to 30 days past due not impaired	147,731	98,347
31 to 60 days past due not impaired	50,164	49,918
61 to 90 days past due not impaired	28,198	103,606
91 to 120 days past due not impaired	55,049	20,261
More than 120 days past due not impaired	69,027	86,343
	350,169	358,475
Impaired	92,256	114,157
	1,230,595	903,188

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 past due not impaired

Trade receivables that are past due not impaired relate to customers for whom there is no objective evidence that the receivables are not fully recoverable. No impairment has been made on these amounts as the Group is closely monitoring these receivables and is confident of their eventual recovery.

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 2012			
Trade receivables			
- nominal amounts	5,951	86,305	92,256
Less: Allowance for impairment	(4,430)	(86,287)	(90,717)
	1,521	18	1,539



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

26. TRADE RECEIVABLES (contd.)

	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

Movement in allowance for impairment accounts:

	Group	
	2012 RM'000	2011 RM'000
At beginning of financial year	113,793	148,604
Charge for the year (Note 8)	4,011	23,537
Reversal of impairment losses (Note 6)	(17,536)	(42,017)
Written off	(9,106)	(16,250)
Exchange differences	(445)	(81)
At end of financial year	90,717	113,793

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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Current				
Deposits	25,551	25,055	159	1
Prepayments (Note 26)	26,356	26,648	789	1,428
Sundry receivables	141,003	277,988	-	4
	192,910	329,691	948	1,433
Less: Allowance for impairment	(11,695)	(3,929)	-	-
	181,215	325,762	948	1,433



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

27. OTHER RECEIVABLES (contd.)

Included in sundry receivables are the following amounts due from related parties:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Sunway Technology Sdn. Bhd. Group	118	16	-	4
Perbadanan Kemajuan Negeri Selangor	-	33	-	-

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	
	2012 RM'000	2011 RM'000
At beginning of financial year	3,929	5,120
Charge for the year (Note 8)	11,670	-
Reversal of impairment losses (Note 6)	(4)	(1,191)
Written off	(3,900)	-
At end of financial year	11,695	3,929

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

For the financial year ended 31 December 2012 (contd.)

30. CASH AND BANK BALANCES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cash at banks and on hand	463,142	512,361	517	452
Deposits with:				
Licensed banks	140,496	151,404	10,280	10,242
Other financial institutions	15,791	29,343	-	-
Placement in cash fund	539,461	83,597	-	-
Cash and bank balances	1,158,890	776,705	10,797	10,694

Included in cash at banks of the Group are amounts of RM117,354,000 (2011: RM138,104,000) 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 4.59% (2011: 4.49%) and 2.69% (2011: 2.39%) per annum respectively.

The average maturity of deposits with licensed banks and other financial institutions of the Group and of the Company are 65 days (2011: 46 days) and 30 days (2011: 30 days) respectively.

The average maturity of placement in cash fund of the Group is 1 day (2011: 1 day) and the weighted average interest rate is 3.17% (2011: 3.38%) 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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cash and bank balances	1,158,890	776,705	10,797	10,694
Bank overdrafts (Note 31)	(95,178)	(3,428)	-	-
Total cash and cash equivalents	1,063,712	773,277	10,797	10,694



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

31. BORROWINGS

	Group		Company	
	2012 RM'000	2011 RM'000 (Restated)	2012 RM'000	2011 RM'000
Short term borrowings				
Secured:				
Bank overdrafts	91,284	2,942	-	-
Bankers' acceptance	10,685	16,497	-	-
Term loans	1,099,125	83,285	919,004	-
Revolving credits	157,821	123,700	-	-
Bills discounting	1,179	5,512	-	-
	1,360,094	231,936	919,004	-
Unsecured:				
Bank overdrafts	3,894	486	-	-
Bankers' acceptance	38,259	21,568	-	-
Term loans	58,076	24,770	-	-
Revolving credits	70,000	20,000	-	-
Block discount creditors	9,430	12,244	-	-
Commercial papers	200,000	-	200,000	-
Medium term notes	25,000	-	25,000	-
	404,659	79,068	225,000	-
	1,764,753	311,004	1,144,004	-
Long term borrowings				
Secured:				
Term loans	779,593	1,473,424	-	946,254
Unsecured:				
Term loans	127,931	341,875	-	-
Medium term notes	60,000	85,000	60,000	85,000
Block discount creditors	4,653	14,571	-	-
	192,584	441,446	60,000	85,000
	972,177	1,914,870	60,000	1,031,254



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

31. BORROWINGS (contd.)

		Group		Company	
	Note	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Total borrowings					
Bank overdrafts	30	95,178	3,428	-	-
Term loans	(a)	2,064,725	1,923,354	919,004	946,254
Revolving credits	(b)	227,821	143,700	-	-
Medium term notes	(c)	85,000	85,000	85,000	85,000
Commercial papers		200,000	-	200,000	-
Bills discounting		1,179	5,512	-	-
Bankers' acceptance		48,944	38,065	-	-
Block discount creditors	(d)	14,083	26,815	-	-
		2,736,930	2,225,874	1,204,004	1,031,254

The weighted average interest rates per annum of borrowings that were effective as at reporting date were as follows:

	Group		Company	
	2012 %	2011 %	2012 %	2011 %
Bank overdrafts	4.29	4.49	-	-
Term loans	4.43	4.48	4.49	4.61
Revolving credits	4.63	3.87	-	-
Medium term notes	4.08	4.08	4.08	4.08
Commercial papers	3.47	-	3.47	-
Bills discounting	5.00	4.43	-	-
Bankers' acceptance	3.65	4.01	-	-
Block discount creditors	6.13	6.05	-	-

The Group has entered into interest rate swap contracts to hedge the floating rate interest payable on its long term borrowings. The contracts entitle the Group 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 Group 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 Group and the Company 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.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

31. BORROWINGS (contd.)

The currency profile of borrowings are as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Ringgit Malaysia (RM)	1,518,854	1,297,009	437,504	237,504
US Dollar (USD)	1,091,652	801,350	766,500	793,750
Singapore Dollar (SGD)	60,093	39,850	-	-
Renminbi (RMB)	52,996	67,199	-	-
Australian Dollar (AUD)	4,784	3,358	-	-
Trinidad and Tobago Dollar (TTD)	4,318	6,600	-	-
Macau Pataca (MOP)	4,233	10,413	-	-
Euro (EURO)	-	95	-	-
	2,736,930	2,225,874	1,204,004	1,031,254

(a) The maturity of the term loans are as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Not later than 1 year	1,157,201	108,055	919,004	-
Later than 1 year and not later than 2 years	317,126	1,096,836	-	946,254
Later than 2 years and not later than 3 years	225,854	292,809	-	-
Later than 3 years and not later than 4 years	34,365	128,100	-	-
Later than 4 years and not later than 5 years	84,222	53,395	-	-
Later than 5 years	245,957	244,159	-	-
	2,064,725	1,923,354	919,004	946,254

(b) The maturity of the revolving credits are as follows:

	Group	
	2012 RM'000	2011 RM'000
Not later than 1 year	227,821	143,700



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

31. BORROWINGS (contd.)

(c) The maturity of the medium term notes are as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Not later than 1 year	25,000	-	25,000	-
Later than 1 year and not later than 2 years	30,000	25,000	30,000	25,000
Later than 2 years and not later than 3 years	30,000	30,000	30,000	30,000
Later than 3 years and not later than 4 years	-	30,000	-	30,000
	85,000	85,000	85,000	85,000

(d) The maturity of the block discount creditors are as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Not later than 1 year	9,430	12,244	-	-
Later than 1 year and not later than 2 years	4,161	9,821	-	-
Later than 2 years and not later than 3 years	492	4,258	-	-
Later than 3 years and not later than 4 years	-	492	-	-
	14,083	26,815	-	-

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 RM1,595,121,000 (2011: RM1,326,049,000) as disclosed in Note 13, Note 15, Note 17 and Note 24.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

32. LONG TERM LIABILITIES

	Group	
	2012 RM'000	2011 RM'000
Deferred income at end of financial year	23,874	33,442
To be recognised within 1 year (Note 38)	(1,921)	(1,971)
To be recognised after 1 year	21,953	31,471

Deferred income represents deferred timeshare membership fees which are to be recognised over the membership period.

33. ADVANCES BY MINORITY SHAREHOLDERS OF SUBSIDIARIES

Included in advances by minority shareholders of subsidiaries was contribution of RM129,274,000 (2011: RM122,534,000) 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% (2011: 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 the term of payment is on demand.

34. AMOUNTS DUE TO SUBSIDIARIES

	Company	
	2012 RM'000	2011 RM'000 (Restated)
Interest bearing amounts	10,225	11,827
Non-interest bearing amounts	832	279
Total amounts due to subsidiaries	11,057	12,106

The amounts due to subsidiaries are unsecured, the term of repayment is on demand and bear interest at rates ranging from 1.50% to 3.07% (2011: 3.00% to 4.30%) per annum.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

35. HIRE PURCHASE AND FINANCE LEASE LIABILITIES

	Group	
	2012 RM'000	2011 RM'000
Future minimum lease payments:		
Not later than 1 year	9,403	10,557
Later than 1 year and not later than 2 years	8,238	9,114
Later than 2 years and not later than 3 years	3,165	7,900
Later than 3 years and not later than 4 years	5	2,909
Later than 4 years and not later than 5 years	-	14
Total future minimum lease payments	20,811	30,494
Less: Future finance charges	(1,307)	(2,674)
Present value of finance lease liabilities	19,504	27,820
Analysis of present value of finance lease liabilities:		
Not later than 1 year	8,402	9,008
Later than 1 year and not later than 2 years	7,978	8,182
Later than 2 years and not later than 3 years	3,120	7,721
Later than 3 years and not later than 4 years	4	2,895
Later than 4 years and not later than 5 years	-	14
	19,504	27,820
Less: Amount due within 12 months	(8,402)	(9,008)
Amount due after 12 months	11,102	18,812

The hire purchase and finance lease liabilities of the Group attracted interest at rates ranging from 2.55% to 8.70% (2011: 2.75% to 8.70%) per annum.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

36. DEFERRED TAX

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
At beginning of financial year (as previously stated)	55,741	33,140	(338)	-
Effects of adopting Amendments to FRS 112	(32,493)	(15,963)	-	-
At beginning of financial year (as restated)	23,248	17,177	(338)	-
Recognised in profit or loss (Note 11)	(3,581)	6,052	338	(338)
Exchange differences	(139)	19	-	-
At end of financial year	19,528	23,248	-	(338)
Presented after appropriate offsetting as follows:				
Deferred tax assets	(33,718)	(33,308)	-	(338)
Deferred tax liabilities	53,246	56,556	-	-
	19,528	23,248	-	(338)

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	Provisions for liabilities RM'000	Other payables RM'000	Property, plant and equipment RM'000	Others RM'000	Total RM'000
At 1 January 2011	(25,343)	(15,845)	(1,376)	(860)	(10,785)	(18,583)	(72,792)
Recognised in profit or loss	(14,119)	-	(4,725)	(2,509)	10,308	13,992	2,947
Exchange differences	(25)	-	-	-	(1)	(547)	(573)
At 31 December 2011	(39,487)	(15,845)	(6,101)	(3,369)	(478)	(5,138)	(70,418)
Recognised in profit or loss	10,841	-	1,915	(666)	462	(3,880)	8,672
Exchange differences	1	-	-	-	(140)	56	(83)
At 31 December 2012	(28,645)	(15,845)	(4,186)	(4,035)	(156)	(8,962)	(61,829)



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

36. DEFERRED TAX (contd.)

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 2011						
(as previously stated)	5,276	21,813	3,926	66,959	7,958	105,932
Effect of adopting Amendments to FRS 112	-	-	-	(15,963)	-	(15,963)
At 1 January 2011 (as restated)	5,276	21,813	3,926	50,996	7,958	89,969
Recognised in profit or loss	-	11,183	-	(1,955)	(6,123)	3,105
Exchange differences	-	592	-	-	-	592
At 31 December 2011 (restated)	5,276	33,588	3,926	49,041	1,835	93,666
Recognised in profit or loss	-	(3,150)	(456)	(7,447)	(1,200)	(12,253)
Exchange differences	-	(46)	-	(10)	-	(56)
At 31 December 2012	5,276	30,392	3,470	41,584	635	81,357

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)
Recognised in profit or loss (Note 11)	321
At 31 December 2012	(17)

Deferred tax liabilities of the Company:

	Property, plant and equipment RM'000
At 1 January 2011	-
Recognised in profit or loss (Note 11)	-
At 31 December 2011	-
Recognised in profit or loss (Note 11)	17
At 31 December 2012	17



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

36. DEFERRED TAX (contd.)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Unused tax losses	278,511	256,499	194	17
Unabsorbed capital allowances	254,617	272,715	63	23
Other deductible temporary differences	14,533	14,843	1,363	-
	547,661	544,057	1,620	40

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 allowances 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.

37. TRADE PAYABLES

	Group		Company	
	2012 RM'000	2011 RM'000 (Restated)	2012 RM'000	2011 RM'000
Trade payables	948,328	811,713	-	-
Amounts due to customers on contracts (Note 39)	116,092	109,725	-	-
Amounts due to contractor and consultant	51,346	28,765	-	-
Progress billings in respect of property development costs	32,722	103,390	-	-
	1,148,488	1,053,593	-	-



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

37. TRADE PAYABLES (contd.)

	Group		Company	
	2012 RM'000	2011 RM'000 (Restated)	2012 RM'000	2011 RM'000
Total trade payables	1,148,488	1,053,593	-	-
Other payables (Note 38)	883,783	936,908	22,915	15,709
Add: Amounts due to subsidiaries (Note 34)	-	-	11,057	12,106
Add: Amounts due to associates	30	15,065	-	-
Add: Advances by minority shareholders of subsidiaries	130,033	123,215	-	-
Less: Amounts due to customers on contracts (Note 39)	(116,092)	(109,725)	-	-
Less: Progress billings in respect of property development costs	(32,722)	(103,390)	-	-
Less: Deferred income (Note 38)	(1,921)	(1,971)	-	-
Add: Hire purchase and finance lease liabilities (Note 35)	19,504	27,820	-	-
Add: Total borrowings (Note 31)	2,736,930	2,225,874	1,204,004	1,031,254
Total financial liabilities carried at amortised cost	4,768,033	4,167,389	1,237,976	1,059,069

Included in trade payables are the following amounts due to related parties:

	Group		Company	
	2012 RM'000	2011 RM'000 (Restated)	2012 RM'000	2011 RM'000
Sunway Technology Sdn. Bhd. Group	25	46	-	-

The amounts due to related parties are unsecured and non-interest bearing. The relationship with the related parties is as disclosed in Note 51.

The normal trade credit terms granted to the Group range from 15 days to 180 days (2011: 15 days to 180 days).



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

38. OTHER PAYABLES

		Group		Company	
	Note	2012 RM'000	2011 RM'000 (Restated)	2012 RM'000	2011 RM'000
Non-current					
Sundry payables	(a)	260,451	343,411	-	-
Current					
Sundry payables	(a), (b)	359,380	357,926	519	1,785
Amounts due to contractors and consultants	(b)	585	2,117	-	-
Accruals		240,321	215,166	22,396	13,924
Refundable deposits		21,125	16,317	-	-
Deferred income	(c), 32, 37	1,921	1,971	-	-
		623,332	593,497	22,915	15,709
Total other payables		883,783	936,908	22,915	15,709

(a) Included in sundry payables are an amount of RM269,798,000 (2011: RM283,043,000) due to Fawanis Sdn. Bhd., which is unsecured, non-interest bearing and term of repayment is in accordance to the launching date of the project development.

(b) Included in sundry payables and amounts due to contractors and consultants are the following amount due to related party:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Sunway Technology Sdn. Bhd. Group	200	952	-	3

The relationship with the above related party is as disclosed in Note 51.

(c) Deferred income of the Group represents deferred timeshare membership fees.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

39. CONSTRUCTION CONTRACTS

	Group	
	2012 RM'000	2011 RM'000
Costs incurred to date	4,843,683	4,667,270
Accrued profits to date	691,308	769,503
Total costs and accrued profits to date	5,534,991	5,436,773
Progress billings to date	(5,588,411)	(5,505,889)
	(53,420)	(69,116)
Amounts due from customers on contracts (Note 26)	(62,672)	(40,609)
Amounts due to customers on contracts (Note 37)	116,092	109,725
	-	-
Advances received on contracts (included in payables)	31,282	8,299
Retention sums (Note 26)	149,243	132,774

40. DERIVATIVES

	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000
Group			
As at 31.12.2012			
Non-hedging derivatives:			
Non-current			
Interest rate swap	18,184	-	(204)
Hedging derivatives:			
Cash flow hedges			
Non-current			
Cross currency swap	244,443	2,058	(588)
Current			
Cross currency swap	828,875	12,203	(197)
Total derivatives	1,091,502	14,261	(989)



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

40. DERIVATIVES (contd.)

	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			
Interest rate swap	16,368	-	(182)
Hedging derivatives:			
Cash flow hedges			
Non-current			
Cross currency swap	905,120	33,600	-
Total derivatives	1,029,003	33,600	(1,736)
Company			
As at 31.12.2012			
Hedging derivatives:			
Cash flow hedges			
Current			
Cross currency swap	752,250	12,203	-
As at 31.12.2011			
Hedging derivatives:			
Cash flow hedges			
Non-current			
Cross currency swap	752,250	29,798	-



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

40. DERIVATIVES (contd.)

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 4.06% (2011: 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 date 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 profit or loss. 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 gain of RM256,000 (2011: net loss of RM7,767,000) arising from fair value changes of derivatives.

41. SHARE CAPITAL

	Group/Company			
	Number of shares of RM1 each		Amount	
	2012 '000	2011 '000	2012 RM'000	2011 RM'000
Authorised				
Ordinary shares of RM1 each:				
At beginning/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	1,292,505	*	1,292,505	*
Issued during the year	-	1,292,505	-	1,292,505
At end of financial year	1,292,505	1,292,505	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.

In prior 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 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 SHSB and SCSB as disclosed in Note 46.

The new ordinary shares issued in prior year rank pari passu in all respects with the existing ordinary shares of the Company.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

42. SHARE PREMIUM

	Group/Company	
	2012 RM'000	2011 RM'000
At beginning of financial year	2,326,509	-
Arising from issuance of new ordinary shares	-	2,326,509
At end of financial year	2,326,509	2,326,509

In prior 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.

43. EQUITY CONTRIBUTION FROM NON-CONTROLLING INTERESTS

The equity contribution represents the contribution of land from the minority shareholder to the subsidiary of the Group, namely Sunway Velocity Mall Sdn. Bhd. ("SVMSB"). The equity contribution will be repaid when the capital repayment upon the disposal of Velocity Mall of SVMSB.

Accordingly, the contribution has been classified and presented as equity.

44. MERGER RESERVE

The negative merger reserve 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 46.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

45. RESERVES

		Group		Company	
	Note	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Non-distributable reserves:					
Capital reserve	(a)	34,137	34,137	-	-
Capital redemption reserve	(b)	98,963	75,521	-	-
Statutory reserve	(c)	879	879	-	-
Revaluation reserve	(d)	22,357	22,357	-	-
Share option reserve	(e)	3,170	3,170	-	-
Equity contribution reserve	(f)	21,712	21,643	-	-
Cash flow hedge reserve	(g)	(1,636)	(13,780)	(2,047)	(11,702)
Furniture and fittings reserve	(h)	1,697	2,049	-	-
Foreign currency translation reserve	(i)	(17,641)	(24,156)	-	-
Fair value reserve	(j)	-	-	4,462	-
Total non-distributable reserves		163,638	121,820	2,415	(11,702)
Distributable reserve:					
Retained earnings		934,375	432,773	105,835	8,410
Total reserves		1,098,013	554,593	108,250	(3,292)

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 reserve

Capital reserves represent the Group's share of post acquisition capital reserve 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.

(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.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

45. RESERVES (contd.)

(e) Share option reserve

The share option reserve represents the equity-settled share options of a subsidiary 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, fittings and equipment ("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.

(j) Fair value reserve

The fair value reserve includes the cumulative net change in the fair value of available-for-sale investment held until the investment is derecognised.

46. 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 previous financial year to effect the above transaction has been reflected in the share capital of the Company as shown in Note 41. 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.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

47. 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 land and 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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Not later than 1 year	76,361	62,217	-	517
Later than 1 year and not later than 5 years	260,557	186,367	-	1,613
Later than 5 years	233,453	143,818	-	-
	570,371	392,402	-	2,130

(b) The Group 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	
	2012 RM'000	2011 RM'000
Not later than 1 year	47,994	29,753
Later than 1 year and not later than 5 years	196,541	126,863
Later than 5 years	370,890	323,313
	615,425	479,929

Rental income recognised in profit or loss during the financial year is disclosed in Note 4 and Note 6.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

48. CAPITAL COMMITMENTS

	Group	
	2012 RM'000	2011 RM'000
Capital expenditure		
Approved and contracted for property, plant and equipment and investment properties	77,571	39,043
Approved but not contracted for property, plant and equipment and investment properties	876,450	1,094,913
	954,021	1,133,956

49. CONTINGENT LIABILITIES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Unsecured:				
Guarantees given to third parties in respect of trade and contracts	2,984,633	2,275,002	1,198,447	215,397

Material outstanding litigations

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 and two preliminary sittings have been held to date. The Claimant then filed its Statement of Claim on 4 September 2008.

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 Rs891.5 million (approximately equivalent to RM50 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 Rs78,13,94,628.61 (approximately equivalent to RM44 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.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

49. CONTINGENT LIABILITIES (contd.)

Material outstanding litigations (contd.)

75 hearings had been held and on 11 January 2013, the arbitrator that presided over the case passed away. The Claimant and SunCon may now proceed to appoint another arbitrator that is agreeable by both parties, failing such agreement an application can be filed to the Supreme Court for an appointment.

The directors are of the opinion, after taking appropriate legal advice, that no provision for the abovementioned claims is necessary.

50. SIGNIFICANT INTER-COMPANY TRANSACTIONS

	Note	Company	
		2012 RM'000	2011 RM'000
Dividends receivable from subsidiaries		124,225	17,109
Interest receivable from subsidiaries	(i)	48,004	16,915
Management fee receivable from subsidiaries		56,550	16,396
Income receivable from back to back loan		1,754	4,170
IT and related expenses payable to a subsidiary		(1,245)	(120)
Insurance expenses payable to a subsidiary		(581)	(166)
Secretarial fees and share registration fees payable to a subsidiary		(463)	(127)
Accounting services fees payable to a subsidiary		(182)	(100)
Hotel and related expenses payable to a subsidiary		(113)	(49)
Parking and related services payable to subsidiaries		(86)	(23)
Air ticket and related services payable to a subsidiary		(79)	(109)
Interest payable to subsidiaries	(ii)	(58)	(43)
Medical services expenses payable to a subsidiary		(41)	(21)
Subscription and related expenses payable to a subsidiary		(28)	(9)

(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 34.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

51. 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	
		2012 RM'000	2011 RM'000
(a) Sunway Technology Sdn. Bhd. Group ("STSB Group")	Information systems products and consultancy fees Sales of financial and IT related services	(891) 121	(682) 512
(b) Perbadanan Kemajuan Negeri Selangor ("PKNS") Group	Construction costs Dividend paid	- (30,000)	(1,000) (32,000)
(c) Adasia (M) Sdn. Bhd. ("Adasia")	Advertising fees	-	(4,427)
(d) Akitek Akiprima Sdn. Bhd.	Procurement of architectural related service	(262)	(318)
(e) Dekon Holdings Sdn. Bhd. Group ("DHSB Group")	Construction costs Landscaping services Interior design works Cleaning and maintenance Building materials	- - - - -	(98,732) (3,261) (11,611) (527) 8,827
(f) Sunway Real Estate Investment Trust ("Sunway REIT") (OSK Trustee)	Lease of Sunway Resort Hotel & Spa Lease of Sunway Hotel Seberang Jaya Lease of Sunway Putra Hotel Leasing/rental of properties in respect of: Sunway Pyramid Convention Centre Sunway Carnival Convention Centre Sunway Pyramid Shopping Mall Sunway Medical Center building Menara Sunway and accommodation for security staff Rental and management of car parks and related services Management services Insurance products Financial and IT related services Property management and related services	(54,532) (3,110) (12,004) (3,000) (860) (1,512) (51) (7,819) (16,455) 26,462 257 186 98	(54,111) (5,275) (3,167) (3,000) (811) (1,512) - (5,683) (15,078) 25,315 117 19 43



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

51. SIGNIFICANT RELATED PARTY TRANSACTIONS (contd.)

- (i) During the financial year, the Group transacted with certain related parties. The transactions with the related parties are in respect of: (contd.)

Name of companies	Nature of transactions	Group	
		2012 RM'000	2011 RM'000
(g) Jef-San Enterprise Sdn. Bhd.	Management services	1	-
	Financial and IT related services	1	-
	Provision of medical services	2	11

- (ii) The above parties are deemed related to the Group as follows:

- (a) 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 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..

- (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) Cheah Teik Jin, the brother of Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng, is a director and major shareholder of Akitek Akiprima Sdn. Bhd..

Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng is a director in several subsidiaries of the Company and major shareholder of the Company.

- (e) Datuk Seri 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 Seri 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. 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..



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

51. SIGNIFICANT RELATED PARTY TRANSACTIONS (contd.)

(ii) The above parties are deemed related to the Group as follows: (contd.)

- (g) 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 are directors of Jef-San Enterprise Sdn. Bhd. Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling and Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng are major shareholders of Jef-San Enterprise Sdn. Bhd..

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.

Information regarding outstanding balances arising from related party transactions as at 31 December 2012 are disclosed in Note 26, Note 27, Note 37 and Note 38.

(iii) The remuneration of the directors and other members of key management during the financial year are as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Short-term employee benefits	25,354	19,585	14,002	2,330
Post-employment benefits:				
-Defined contribution plan	4,150	2,198	2,409	254
	29,504	21,783	16,411	2,584

(iv) Included in the total key management personnel are:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Directors' remuneration (Note 10)	16,031	11,397	16,031	2,404



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES

Details of the subsidiaries are as follows:

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(a) Subsidiaries of Sunway Berhad				
Sunway Holdings Sdn. Bhd.	Malaysia	Investment holding and provision of management services	100	100
Sunway City Sdn. Bhd.	Malaysia	Investment holding	100	100
Sunway REIT Management Sdn. Bhd.	Malaysia	Managing and administering real estate investment trust	100	100
Sunway Treasury Sdn. Bhd.	Malaysia	Provision of financial services	100	100
Sunway Lagoon Club Berhad (held in trust by Sunway City Sdn. Bhd.)	Malaysia	Recreational club facilities	83.51	83.51
Sunway REIT Holdings Sdn. Bhd.	Malaysia	Investment holding	100	100
Sunway Real Estate (China) Ltd.# (60% held by Sunway City Sdn. Bhd. and 40% held by SunwayMas Sdn. Bhd.)	Hong Kong	Investment holding	100	100
Sunway Medical Centre Berhad (held in trust by Sunway City Sdn. Bhd.)	Malaysia	Operator of a medical centre	92.12	91.63



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(a) Subsidiaries of Sunway Berhad (contd.)				
Suncity Suncon JV (50% held by Sunway City Sdn. Bhd. and 50% held by Sunway Construction Sdn. Bhd.)	Unincorporated	Property development	100	100
(b) Subsidiaries of Sunway Medical Centre Berhad				
Sunmed@Home Sdn. Bhd.	Malaysia	Dormant	100	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
(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



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(d) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)				
Sunway VCP Sdn. Bhd. (formerly known as 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
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



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(d) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)				
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
Galaxy Avenue Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Orient Sdn. Bhd.	Malaysia	Dormant	-	100
Sunway BPO Sdn. Bhd.	Malaysia	Provision of financial, accounting and information technology services	100	100
Sunway ITSSC Sdn. Bhd. (formerly known as Sunway Shared Services Centre Sdn. Bhd.)	Malaysia	Provision of financial, accounting and information technology services	100	100
Sunway Supply Chain Enterprise Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Juarasama Sdn. Bhd.	Malaysia	Dormant	100	100
ABS Land & Properties Berhad (In Liquidation)	Malaysia	Dormant	100	100



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(d) Subsidiaries of				
Sunway Holdings Sdn. Bhd.				
(contd.)				
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

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(d) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)				
SWL Nominees (Tempatan) Sdn. Bhd.	Malaysia	Provision of shares nominee services	100	-
Sunway Elite Sdn. Bhd.	Malaysia	To coordinate and provide administration of employees' health care benefits and insurance services	100	-
Sunway Credit Sdn. Bhd.	Malaysia	Provision of finance through hire purchase	100	-
Fortuna Gembira Enterpris Sdn. Bhd.	Malaysia	Investment holding	100	-
Sunway Cavity Wall Panel Sdn. Bhd.	Malaysia	Manufacturing and marketing of cavity wall panel	100	-
Sunway Cavity Wall Panel (S) Pte. Ltd. #	Singapore	Manufacturing and marketing of cavity wall panel	100	-
Sunway Quarry Industries (Melaka) Sdn. Bhd. #	Malaysia	Granite quarrying	100	-
Sunway Captive Insurance Ltd.	Malaysia	To carry on business as a Labuan subsidiary rent-a-captive insurer	100	-



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(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	95
Amalan Insaf (M) Sdn. Bhd. # x	Malaysia	Dormant	100	82.50
Sunway Global Limited #	Hong Kong	Investment holding and provision of management services	98.75	76.93



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(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	Provision of mechanical and electrical works	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	82.60	75.10
Sunway Builders Sdn. Bhd.	Malaysia	Construction of building and civil works	100	100
Sunway Geotechnics (M) Sdn. Bhd.	Malaysia	Providing geotechnical services and related products and hire of heavy machineries	100	100
Sunspan Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Permai Sdn. Bhd.	Malaysia	Property development	80	80



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(e) Subsidiaries of Sunway Construction Sdn. Bhd. (contd.)				
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	100	100
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
Sunway Transit System Sdn. Bhd. (formerly known as Sunway Interiors Sdn. Bhd.)	Malaysia	Dormant	100	100
Identiti Jelata (M) Sdn. Bhd. (Dissolved with effect from 17.10.2012)	Malaysia	Dormant	-	100



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(e) Subsidiaries of Sunway Construction Sdn. Bhd. (contd.)				
Target Beam (M) Sdn. Bhd. (Dissolved with effect from 20.4.2012)	Malaysia	Dormant	-	100
Crosside Realty Sdn. Bhd. (Dissolved with effect from 20.4.2012)	Malaysia	Dormant	-	100
Classvest Realty Sdn. Bhd. (Dissolved with effect from 20.4.2012)	Malaysia	Dormant	-	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. (Dissolved with effect from 19.1.2012)	Malaysia	Dormant	-	100
Sunway Construction (S) Pte. Ltd. #	Singapore	Dormant	100	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



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(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
(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



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(j) Subsidiaries of Sunway Machineries Services Sdn. Bhd.				
Sunway PMI-Pile Construction Sdn. Bhd.	Malaysia	Manufacturing and sales of precast micro injection piles and reinforced concrete piles, undertaking of piling contracts and hire of heavy machineries	98.30	98.30
Sunway SK Sdn. Bhd.	Malaysia	Construction of building and civil works	100	100
(k) Subsidiary of Sunway Engineering Sdn. Bhd.				
Sunway Smartek Sdn. Bhd.	Malaysia	Dormant	100	100
(l) Subsidiary of Sunway Geotechnics (M) Sdn. Bhd.				
Sunway Geotechnics (S) Pte. Ltd. #	Singapore	Providing geotechnical services and related products	100	100
(m) Subsidiaries of SunwayMas Sdn. Bhd.				
Sunway Bangi Sdn. Bhd.	Malaysia	Property development	100	100
Mujurmas Sdn. Bhd.	Malaysia	Dormant	100	100
Pembangunan Risjaya Sdn. Bhd.	Malaysia	Property development	100	100



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(m) 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	Dormant	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) Ltd #	Hong Kong	Struck off pursuant to deregistration	-	100
Sunway Eastwood Sdn. Bhd.	Malaysia	Property and housing development	70	70
Geneba Dua Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway PJ51A Sdn. Bhd.	Malaysia	Dormant	100	100
Daksina Harta Sdn. Bhd.	Malaysia	Dormant	100	100



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(n) Subsidiary of Sunway Quarry Industries Sdn. Bhd.				
Sunway Quarry Industries (Taiping) Sdn. Bhd.	Malaysia	Quarry operation	100	100
(o) 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
Sunway Enterprise (1988) Sdn. Bhd.	Malaysia	Trading and hiring of heavy machinery and spares	100	-
Sunway Hydraulic Industries Sdn. Bhd.	Malaysia	Importation and trading of hydraulic fittings	100	-



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(p) 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	66	66
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

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(q) Subsidiaries of Sunway Leasing Sdn. Bhd.				
SWL Nominees (Tempatan) Sdn. Bhd.	Malaysia	Provision of shares nominee services	-	100
Sunway Elite Sdn. Bhd.	Malaysia	To coordinate and provide administration of employees' health care benefits and insurance services	-	100
Sunway Credit Sdn. Bhd.	Malaysia	Provision of finance through hire purchase	-	100
(r) Subsidiaries of Reptolink Sdn. Bhd.				
Sunway Enterprise (1988) Sdn. Bhd.	Malaysia	Trading and hiring of heavy machinery and spares	-	100
Sunway Hydraulic Industries Sdn. Bhd.	Malaysia	Importation and trading of hydraulic fittings	-	100
(s) 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

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(s) Subsidiaries of Sunway Holdings (Vietnam) Sdn. Bhd. (contd.)				
Realty Investments (HB) Inc. #	Panama	Investment holding	100	100
(t) Subsidiary of Realty Investments (HB) Inc.				
Hang Bai Office Complex JVC #	Vietnam	Dormant	74	74
(u) Subsidiary of Sunway Land Sdn. Bhd.				
Fortuna Gembira Enterpris Sdn. Bhd.	Malaysia	Investment holding	-	100
(v) Subsidiary of Sunway VCP Sdn. Bhd. (formerly known as Sunway Keramo Sdn. Bhd.)				
Sunway Pipe Inspection and Repair Services Centre Sdn. Bhd. ✕	Malaysia	Dormant	100	100
(w) Subsidiaries of Sunway Paving Solutions Sdn. Bhd.				
Sun-Block (Senai) Sdn. Bhd.	Malaysia	Wound up pursuant to Member's voluntary winding up	-	100
Sun-Block (Beranang) Sdn. Bhd.	Malaysia	Wound up pursuant to Member's voluntary winding up	-	100



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(w) Subsidiaries of Sunway Paving Solutions Sdn. Bhd. (contd.)				
Sunway Cavity Wall Panel Sdn. Bhd.	Malaysia	Manufacturing and marketing of cavity wall panel	-	100
Sunway Cavity Wall Panel (S) Pte. Ltd. #	Singapore	Manufacturing and marketing of cavity wall panel	-	100
(x) Subsidiary of Sunway Quarry (Melaka) Sdn. Bhd.				
Sunway Quarry Industries (Melaka) Sdn. Bhd. #	Malaysia	Granite quarrying	-	100
(y) Subsidiary of ABS Land & Properties Berhad				
Coral-White Sdn. Bhd. (In Liquidation)	Malaysia	Dormant	100	100
(z) 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

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(z) 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

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(aa) Subsidiaries of Sunway Enterprise (1988) Sdn. Bhd.				
PT Sunway Indoquip #	Indonesia	Trading and hiring of heavy machinery and spares.	95	-
Heng Ngai Knitting Manufacturer Sdn. Bhd.	Malaysia	Wound up pursuant to Member’s voluntary winding up	-	100
(ab) 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

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(ac) Subsidiaries 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
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
(ad) 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
SunwayTrek Australia Pty. Ltd. #	Australia	Importer and distributor of heavy equipment parts	100	-



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(ae) Subsidiary of				
Sunway Risk Management Sdn. Bhd.				
Sunway Captive Insurance Ltd.	Malaysia	To carry on business as a Labuan subsidiary rent-a-captive insurer	-	100
(af) Subsidiaries of				
Sunway City Sdn. Bhd.				
Sunway Integrated Properties 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	100	52
Sunway City Properties Sdn. Bhd.	Malaysia	Property development	100	100
Sunway Lagoon Sdn. Bhd.	Malaysia	Theme park operator	100	100
Sunway Resort Hotel Sdn. Bhd.	Malaysia	Hotelier	100	100



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(af) 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	Dormant	100	100
Sunway Medical Holdings Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway FSSC Sdn. Bhd. (formerly known as Suncity SSC Sdn. Bhd.)	Malaysia	Provision of financial, accounting and information technology services	100	100
Sunway City (Cambodia) Sdn. Bhd.	Malaysia	Investment holding	76	76
Sunway City (Ipoh) Sdn. Bhd.	Malaysia	Property development and investment holding	79	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

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(af) Subsidiaries of Sunway City Sdn. Bhd. (contd.)				
Area Star Sdn. Bhd.	Malaysia	Property investment and property dealing	100	100
Sunway Development Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway City (S'pore) Pte. Ltd. #	Singapore	Promotion and marketing services and investment holding	100	100
Sunway Destiny Sdn. Bhd.	Malaysia	Management and letting out of properties	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	80
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	Dormant	100	100



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(af) Subsidiaries of Sunway City Sdn. Bhd. (contd.)				
Sunway International Vacation Club Berhad	Malaysia	Time sharing businesses	100	100
Sunway MUSC Sdn. Bhd. (formerly known as 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

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(af) Subsidiaries of Sunway City Sdn. Bhd. (contd.)				
Sunway Tower 2 Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Ambience Sdn. Bhd.	Malaysia	Property investment	100	100
Sunway Rahman Putra Sdn. Bhd.	Malaysia	Property development	100	100
Sunway Direct Sdn. Bhd. (formerly known as 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 Labuan Investment Ltd. (formerly known as Sunway City Captive Insurance Ltd.)	Malaysia	Investment holding	100	100
Sunway Pyramid Hotel Sdn. Bhd. (formerly known as Sunway Parking Management Sdn. Bhd.)	Malaysia	Property investment	100	100
Warisan Kerjasama Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Century Sdn. Bhd. (formerly known as Salient Century Sdn. Bhd.)	Malaysia	Property investment	100	100
Sejati Pesona Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Pyramid Development Sdn. Bhd.	Malaysia	Property investment	100	100



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(af) Subsidiaries of Sunway City Sdn. Bhd. (contd.)				
Sunway Supercar Resort Sdn. Bhd. (formerly known as Sunway Exotic Cars Resort Sdn. Bhd.)	Malaysia	Dormant	100	-
Sunway Putra Hotel Sdn. Bhd.	Malaysia	Hotel business	100	100
Sunway Mall Sdn. Bhd. ✕	Malaysia	Dormant	100	100
Sunway Velocity Mall Sdn. Bhd.	Malaysia	Property investment	59	59
Pena Enterprise Sdn. Bhd.	Malaysia	Property development and investment holding	100	-
Sunway Mall Parking Sdn. Bhd.	Malaysia	Car park operator	100	-
Sunway Parking Services Sdn. Bhd.	Malaysia	Car park management	100	-
Logic Square Sdn. Bhd.	Malaysia	Property development	100	-
Ekuiti Meranti (M) Sdn. Bhd.	Malaysia	Investment holding	100	-
Sunway D'Mont Kiara Sdn. Bhd.	Malaysia	Property development	70	-



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(ag) 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
Associated Circle Sdn. Bhd.	Malaysia	Property development	100	100
Alliance Parade Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Orient Sdn. Bhd.	Malaysia	Dormant	100	-
(ah) Subsidiary of Konsep Objektif (M) Sdn. Bhd.				
Sunway Hotel Phnom Penh Ltd. #	Cambodia	Hotel business	75	75
(ai) Subsidiary of Sunway City Properties Sdn. Bhd.				
Pena Enterprise Sdn. Bhd.	Malaysia	Property development and investment holding	-	100



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(aj) Subsidiaries of Sunway Lagoon Sdn. Bhd.				
Eastern Glory Enterprises Limited	British Virgin Islands	Investment holding	45	45
Sunway Townhouse Sdn. Bhd.	Malaysia	Property development and letting of property	100	100
Sunway South Quay Sdn. Bhd.	Malaysia	Property development	60	60
Frontier Acres Sdn. Bhd.	Malaysia	Property investment	100	100
(ak) Subsidiary of Sunway South Quay Sdn. Bhd.				
Sunway Monash-U Residence Sdn. Bhd.	Malaysia	Property investment	100	100
(al) 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



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(am) Subsidiary of SunCity Vietnam Sdn. Bhd.				
Hochimex Nominee Company Limited #	Hong Kong	Investment holding	100	100
(an) Subsidiary of Hochimex Nominee Company Limited				
Sunway Hotel Hanoi Liability Limited Company with One Member #	Vietnam	Hotel business	100	100
(ao) Subsidiary of Emerald Tycoon Sdn. Bhd.				
Sunway D'Mont Kiara Sdn. Bhd.	Malaysia	Property development	-	70
(ap) Subsidiary of Sunway D'Mont Kiara Sdn. Bhd.				
Ekuiti Meranti (M) Sdn. Bhd.	Malaysia	Investment holding	-	100
(aq) Subsidiary of Sunway City (Cambodia) Sdn. Bhd.				
Sunway City Cambodia Limited #	Cambodia	Dormant	80	80



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(ar) 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 Lost World Water Park Sdn. Bhd. (formerly known as Sunway Lagoon Water Park Sdn. Bhd.)	Malaysia	Development and operation of a water theme park	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

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(as) 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.	Malaysia	Letting and management of a shopping complex	100	100
Sunway Giza Parking 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

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(as) Subsidiary of Sunway Damansara Sdn. Bhd. (contd.)				
Emerald Freight Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Monterez Sdn. Bhd.	Malaysia	Property development	100	100
(at) Subsidiary of Sunway PFM Sdn. Bhd.				
Sunway Mall Parking Sdn. Bhd.	Malaysia	Car park operator	-	100
(au) Subsidiary of Sunway IFM Sdn. Bhd.				
Sunway Parking Services Sdn. Bhd.	Malaysia	Car park management	-	100
(av) Subsidiary of Pena Enterprise Sdn. Bhd.				
Logic Square Sdn. Bhd.	Malaysia	Property development	-	100



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

52. SUBSIDIARIES (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2012 %	2011 %
(aw) Subsidiary of Sunway Development Sdn. Bhd.				
Sunway Supercar Resort Sdn. Bhd. (formerly known as Sunway Exotic Cars Resort Sdn. Bhd.)	Malaysia	Dormant	-	100
(ax) Subsidiaries of Eastern Glory Enterprises Limited				
Estonia Enterprises Limited #	British Virgin Islands	Wound up pursuant to Member's voluntary winding up	-	100
Hartford Lane Pty. Ltd. #	Australia	Trustee	100	100
International Theme Park Pty. Ltd. #	Australia	Investment holding	100	100
(ay) 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
(az) Subsidiary of Sunway City (S'pore) Pte. Ltd.				
Sunway Investment Management Consultancy (Shanghai) Co. Ltd. #	China	Provision of management consultancy advisory services	100	100

Audited by firms of auditors other than Ernst & Young

+ Refers to 'not elsewhere classified'

× In the midst of striking off pursuant to Section 308 of the Companies Act, 1965

¥ Deregistered by the Companies Registry of Hong Kong with effect from 8 January 2013



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

53. 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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Fixed rate instruments				
Financial assets	89,079	27,082	10,280	10,242
Financial liabilities	(426,188)	(416,298)	(85,000)	(85,000)
	(337,109)	(389,216)	(74,720)	(74,758)
Variable rate instruments				
Financial assets	715,112	310,998	1,280,224	991,207
Financial liabilities	(2,330,302)	(1,848,082)	(1,129,229)	(958,054)
	(1,615,190)	(1,537,084)	150,995	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 and cash fund.

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 15% (2011: 18%) of the Group's borrowings are at fixed rates of interest.

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do 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 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

For the financial year ended 31 December 2012 (contd.)

53. FINANCIAL INSTRUMENTS (contd.)

(b) Interest rate risk (contd.)

	Group	
	2012 RM'000	2011 RM'000
25 basis points increase		
Variable rate instruments	(4,038)	(3,843)
25 basis points decrease		
Variable rate instruments	4,038	3,843

(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 (INR), Arab Emirates Dollar (AED) and Indonesian Rupiah (IDR). Foreign currency exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Approximately 17% (2011: 22%) of the Group's sales are denominated in foreign currencies whilst almost 16% (2011: 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 RM166 million (2011: 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 and the Company 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

For the financial year ended 31 December 2012 (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		Company	
	31.12.2012 Profit net of tax RM'000	31.12.2011 Profit net of tax RM'000	31.12.2012 Profit net of tax RM'000	31.12.2011 Profit net of tax RM'000
SGD/RM				
- strengthened 1%	264	389	-	-
- weakened 1%	(264)	(389)	-	-
USD/RM				
- strengthened 2%	(53)	(39,417)	-	(39,529)
- weakened 2%	53	39,417	-	39,529
RMB/RM				
- strengthened 0.1%	(45)	299	-	-
- weakened 0.1%	45	(299)	-	-
IR/RM				
- strengthened 2%	264	54	-	-
- weakened 2%	(264)	(54)	-	-
TTD/RM				
- strengthened 3%	367	100	-	-
- weakened 3%	(367)	(100)	-	-
AUD/RM				
- strengthened 4%	1,239	1,149	-	-
- weakened 4%	(1,239)	(1,149)	-	-
AED/RM				
- strengthened 2%	148	1,667	-	-
- weakened 2%	(148)	(1,667)	-	-
INR/RM				
- strengthened 4%	177	3,899	-	-
- weakened 4%	(177)	(3,899)	-	-



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

53. 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 liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
At 31 December 2012				
Financial liabilities:				
Trade payables (excluding amounts due to customers on contracts, progress billings in respect of property development costs)	999,674	-	-	999,674
Amounts due to associates	30	-	-	30
Advances by minority shareholders of subsidiaries	-	147,461	-	147,461
Other payables (excluding deferred income)	621,411	185,923	74,528	881,862
Borrowings	1,827,676	754,551	245,958	2,828,185
Derivatives- settled net	197	792	-	989
Total undiscounted financial liabilities	3,448,988	1,088,727	320,486	4,858,201



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

53. FINANCIAL INSTRUMENTS (contd.)

(d) Liquidity risk (contd.)

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
At 31 December 2011 (Restated)				
Financial liabilities:				
Trade payables (excluding amounts due to customers on contracts, progress billings in respect of property development costs)	840,478	-	-	840,478
Amounts due to associates	15,065	-	-	15,065
Advances by minority shareholders of subsidiaries	-	146,702	-	146,702
Other payables (excluding deferred income)	591,526	343,411	-	934,937
Borrowings	335,671	1,730,542	265,592	2,331,805
Derivatives- settled net	1,554	182	-	1,736
Total undiscounted financial liabilities	1,784,294	2,220,837	265,592	4,270,723

(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

For the financial year ended 31 December 2012 (contd.)

53. 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		Group	
	2012		2011	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	936,177	82.13%	598,829	75.86%
Singapore	109,279	9.59%	76,283	9.66%
China	37,783	3.31%	38,061	4.82%
Trinidad and Tobago	14,469	1.27%	8,755	1.11%
India	12,348	1.08%	18,896	2.39%
Australia	10,020	0.88%	12,231	1.55%
Indonesia	8,811	0.77%	10,100	1.28%
Thailand	3,784	0.33%	3,606	0.46%
United Arab Emirates	3,484	0.31%	15,272	1.93%
Vietnam	1,571	0.14%	1,964	0.25%
United States of America	1,230	0.11%	2,376	0.30%
Others	922	0.08%	3,022	0.39%
	1,139,878	100%	789,395	100%
By segment:				
Property development	208,887	18.33%	155,108	19.65%
Property investment	100,159	8.79%	76,672	9.71%
Construction	603,151	52.91%	285,973	36.23%
Trading and marketing	101,896	8.94%	95,140	12.05%
Quarry	65,073	5.71%	49,383	6.26%
Investment holding	-	-	9,221	1.17%
Others	60,712	5.32%	117,898	14.93%
	1,139,878	100%	789,395	100%



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

53. FINANCIAL INSTRUMENTS (contd.)

(f) Fair values

The carrying amounts of financial assets and liabilities of the Group and the Company as at reporting date approximated their fair values except for the following:

	Group	
	Carrying amount RM'000	Fair value RM'000
At 31 December 2012		
Financial assets		
Finance lease receivables (Non-current)	3,062	3,037
Hire purchase receivables (Non-current)	837	803
Financial liabilities		
Finance lease and hire purchase obligations (Non-current)	11,102	10,831
Block discount creditors	14,083	13,969
At 31 December 2011		
Financial assets		
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

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)	31
Borrowings (non-current)	31
Advances by minority shareholders of subsidiaries	33
Trade payables (current)	37
Other payables (current)	38



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

53. 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 RM941,456,000 (2011: RM424,867,000) 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; and
- (ii) amounts due from/(to) subsidiaries, associates and jointly controlled entities, 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.

(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.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

53. FINANCIAL INSTRUMENTS (contd.)

(g) Valuation of financial instruments (contd.)

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 2012				
Financial assets				
Derivatives	-	14,261	-	14,261
Financial liabilities				
Derivatives	-	989	-	989
At 31 December 2011				
Financial assets				
Derivatives	-	33,600	-	33,600
Financial liabilities				
Derivatives	-	1,736	-	1,736
Company				
At 31 December 2012				
Financial assets				
Derivatives	-	12,203	-	12,203
Quoted Shares	21,278	-	-	21,278
	21,278	12,203	-	33,481
At 31 December 2011				
Financial assets				
Derivatives	-	29,798	-	29,798
Quoted Shares	5,391	-	-	5,391
	5,391	29,798	-	35,189



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

54. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company'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 and the Company manage 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 and the Company 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 total borrowings less cash and bank balances, while total equity is the equity attributable to owners of the parent.

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Borrowings	31	2,736,930	2,225,874	1,204,004	1,031,254
Less: Cash and bank balances	30	(1,158,890)	(776,705)	(10,797)	(10,694)
Net debt		1,578,040	1,449,169	1,193,207	1,020,560
Equity attributable to owners of the parent		3,576,641	3,016,943	3,727,264	3,615,722
Gearing ratio		44%	48%	32%	28%



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

55. 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 holdings - 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.

55. 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	Construction RM'000	Trading and Manufacturing RM'000	Quarry RM'000	Investment Holdings RM'000	Others RM'000	Eliminations RM'000	Unusual items RM'000	Note	Total RM'000
At 31 December 2012											
Revenue											
Sales to external customers	910,198	585,159	1,274,864	558,709	196,898	6,992	316,395	-	-		3,849,215
Inter-segment sales	100	78,289	183,454	128,496	4,418	189,733	49,291	(633,781)	-	A	-
Total revenue	910,298	663,448	1,458,318	687,205	201,316	196,725	365,686	(633,781)	-		3,849,215
Results											
Operating profit/(loss)	187,021	120,738	36,846	45,023	12,156	(37,100)	16,853	-	121,579		503,116
Fair value gain on derivatives/ gain on derecognition of financial assets/liabilities	-	-	-	-	-	-	-	-	380		380
Finance income	4,533	7,034	7,284	636	514	-	2,708	-	-		22,709
Finance costs	(2,906)	(76,914)	(3,406)	(4,066)	(497)	(5,418)	(6,350)	-	-		(99,557)
Share of results of associates	5	75,275	-	-	-	-	511	-	76,516		152,307
Share of results of jointly controlled entities	119,347	-	24,640	-	-	-	-	-	-		143,987
Profit/(loss) before tax	308,000	126,133	65,364	41,593	12,173	(42,518)	13,722	-	198,475		722,942
Income tax (expense)/ benefit	(60,251)	(28,042)	(17,953)	(11,324)	(8,920)	11,075	(5,641)	-	(4,326)		(125,382)
Net profit/(loss) for the year	247,749	98,091	47,411	30,269	3,253	(31,443)	8,081	-	194,149		597,560
Non-controlling interests	(44,603)	(1,706)	(6,950)	100	-	1,212	(784)	-	(14,204)		(66,935)
Attributable to owners of the parent	203,146	96,385	40,461	30,369	3,253	(30,231)	7,297	-	179,945	C	530,625



Notes to the Financial Statements
For the financial year ended 31 December 2012 (contd.)

55. 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 Holdings RM'000	Others RM'000	Eliminations RM'000	Unusual items RM'000	Note	Total RM'000
At 31 December 2012 (contd.)											
Assets											
Segment assets	2,646,567	2,041,392	1,241,084	370,489	186,749	365,238	279,641	-	-		7,131,160
Investments in associates	850	970,030	-	-	-	-	52,881	-	-		1,023,761
Investment in jointly controlled entities	503,430	-	13,022	-	-	-	-	-	-		516,452
Unallocated assets											312,101
Total assets											8,983,474
Liabilities											
Segment liabilities	1,308,813	359,742	969,049	146,584	60,711	1,655,986	440,825	-	-		4,941,710
Unallocated liabilities											84,261
Total liabilities											5,025,971
Other segment information											
Capital expenditure	6,148	240,076	79,751	4,850	4,081	2,821	30,753	-	-	B	368,480
Depreciation and amortisation	1,362	18,775	30,661	5,520	12,066	532	27,247	-	-		96,163

55. 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 Holdings RM'000	Others RM'000	Eliminations RM'000	Unusual items RM'000 (Restated)	Note	Total RM'000 (Restated)
At 31 December 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
Fair value 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)/benefit	(29,411)	(37,614)	(19,447)	(11,407)	(431)	4,476	(3,106)	-	27,380		(69,560)
Net profit/(loss) for the year	193,233	111,764	41,952	34,876	7,463	(42,172)	1,616	-	80,241		428,973
Non-controlling interests	(32,020)	(2,227)	9,967	(1,323)	-	2,796	1,145	-	(19,756)		(41,418)
Attributable to owners of the parent	161,213	109,537	51,919	33,553	7,463	(39,376)	2,761	-	60,485	C	387,555



Notes to the Financial Statements
For the financial year ended 31 December 2012 (contd.)

55. 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 Holdings RM'000	Others RM'000	Eliminations RM'000	Unusual items RM'000	Note	Total RM'000
At 31 December 2011											
(contd.)											
Assets											
Segment assets	2,467,127	1,591,288	986,466	365,433	182,037	112,653	545,528	-	-		6,250,532
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											311,897
Total assets											7,843,628
Liabilities											
Segment liabilities	1,347,420	393,479	692,386	162,596	58,213	1,512,212	249,376	-	-		4,415,682
Unallocated liabilities											83,654
Total liabilities											4,499,336
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

For the financial year ended 31 December 2012 (contd.)

55. 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 parent RM'000	Segment Assets RM'000
At 31 December 2012					
Malaysia	3,176,697	570,095	460,180	403,501	5,786,364
Singapore	259,623	135,709	128,495	128,475	680,268
China	216,410	(15,542)	(16,509)	(15,108)	327,644
India	14	(44,263)	(44,263)	(44,963)	42,031
Australia	71,881	20,783	18,979	9,708	92,974
Abu Dhabi	20,150	29,574	29,574	28,591	38,847
Other countries	104,440	26,586	21,104	20,421	163,032
	3,849,215	722,942	597,560	530,625	7,131,160
At 31 December 2011					
Malaysia	2,887,163	380,791	301,058	263,427	4,933,362
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	428,973	387,555	6,250,532

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:

	2012 RM'000	2011 RM'000
Property, plant and equipment	180,762	160,582
Biological assets	340	184
Investment properties	187,378	99,292
	368,480	260,058



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

55. SEGMENT INFORMATION (contd.)

Note Nature of eliminations to arrive at amounts reported in the consolidated financial statements (contd.)

C Unusual items consist of:

	2012 RM'000	2011 RM'000 (Restated)
Net gain on disposal of assets to REIT after adjustment	97,822	-
Fair value gain/(loss) on derivatives/gain on derecognition of financial assets/liabilities	380	(7,767)
Fair value gain from an associate	76,516	31,166
Listing and merger expenses	-	(20,811)
Fair value gain from investment properties, net	23,757	50,273
	198,475	52,861
Income tax (expense)/benefit	(4,326)	27,380
Non-controlling interests	(14,204)	(19,756)
	179,945	60,485

56. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Disposal of SunMed property by Sunway Medical Centre Berhad ("SMC") to Sunway Real Estate Investment Trust ("Sunway REIT") and acceptance of hospital master lease with OSK Trustee Berhad ("Trustee") and Sunway REIT Management Sdn. Bhd.

On 9 October 2012, Sunway Medical Centre Berhad ("SMC"), a subsidiary of the Company had entered into a conditional sale and purchase agreement with OSK Trustee Berhad ("Trustee"), the trustee of Sunway Real Estate Investment Trust ("Sunway REIT"), for the disposal of the land and building of SMC together with SMC's plant and machinery, services infrastructure and all fixtures and fittings affixed or located or used in SMC ("SunMed Property") for a total cash consideration of RM310 million.

In addition, SMC had on even date entered into a conditional hospital master lease agreement with the Trustee and Sunway REIT Management Sdn. Bhd., the manager of Sunway REIT, for the lease of the SunMed Property from the Trustee.

The disposal was completed on 31 December 2012.

Subscription and Shareholders' Agreement

On 4 December 2012, Sunway City Sdn. Bhd. ("SCSB"), a wholly-owned subsidiary of the Company had entered into a Subscription and Shareholders' Agreement ("SSA") with Iskandar Assets Sdn. Bhd. ("IASB"), a wholly-owned subsidiary of Iskandar Investment Berhad ("IIB") and Harmony Impulse Sdn. Bhd. ("HISB") with the intention of establishing a joint venture via HISB ("Proposed Joint Venture") to jointly undertake a mixed development project on the following parcels of freehold land located in Iskandar Malaysia ("the Land") as well as to regulate the relationship of SCSB and IASB as shareholders of HISB:

The details of the Lands are as follows:

- (i) Land held under HSD 452850, PTD 75802, Mukim of Pulau, District of Johor Bahru, measuring approximately 412.75 acres ("Pendas North Land"); and
- (ii) Portion of the Land held under HSD 452656, PTD 2398, Mukim of Tanjung Kupang, District of Johor Bahru measuring approximately 366.32 acres ("Western Pendas South Land").



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

56. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (contd.)

Subscription and Shareholders' Agreement (contd.)

HISB had also on even date, entered into two (2) Sale and Purchase Agreements ("SPA") with IASB for the acquisition of the Land on an "as is where is" basis and free from encumbrances but otherwise subject only to the express or implied conditions of the land title and restrictions-in interest endorsed on the land title or otherwise affecting the Land for a total purchase consideration of up to RM412,727,480.

Salient terms of the SSA includes, inter-alia, the following:

- (a) SCSB and IASB agree to hold ordinary shares and redeemable preference shares in HISB in the proportion of 60:40. The Company will provide a shareholder advance to HISB equivalent to 60% of the amount of the deposits under the SPA to enable HISB to pay the deposits and IASB will deem the amount equivalent to 40% of the deposits as being paid. The shareholder advance and 40% of the deposit will be capitalized into ordinary shares and redeemable preference shares when the SSA becomes unconditional.
- (b) SCSB and IASB agree that the balance purchase consideration for the Land will be funded in the following manner:
 - (i) SCSB and IASB to subscribe for new securities or zero coupon bonds or such other securities as may be agreed between the parties in HISB free from all encumbrances and with all rights and benefits attaching thereto in the agreed proportion and/or SCSB and IASB to provide shareholders' loan in the proportion of 60:40; and
 - (ii) external financing.

The total purchase consideration shall be satisfied by HISB in the following manner:

- (a) the purchase consideration of up to RM221,280,444 for Pendas North Land is to be paid in six (6) instalments with the deposit to be paid upon 14 days from the date of the SPA and the balance in five (5) annual instalments within a period of 60 months from the date of the SPA; and
- (b) the purchase consideration of up to RM191,447,036 for Western Pendas South Land is to be paid in six (6) instalments with the deposit to be paid upon 14 days from the date of the SPA and the balance in five (5) annual instalments commencing 72 months from the date of the SPA to 120 months from the date of the SPA.

The amount of the purchase consideration is subject to adjustments upon verification by IASB relating to the conditions of the Land.

Subsequent to the abovementioned, IASB had agreed to sell and HISB had agreed to purchase the balance of the land held under HSD 452656, PTD 2398, Mukim of Tanjung Kupang, District of Johor Bahru measuring approximately 300 acres ("Second Plot"). For this purpose, SCSB had on 23 January 2013 entered into a Supplemental Subscription and Shareholders' Agreement ("Supplemental SSA") with IASB and HISB to amend the SSA to document the additional equity to be injected by SCSB and IASB into HISB to finance part of the purchase price of the Second Plot.

HISB had on even date, entered into a Supplemental Agreement to the Western Pendas South Land SPA ("Supplemental SPA") with IASB for the acquisition of the Second Plot on an "as is where is" basis and free from encumbrances but otherwise subject only to the express or implied conditions of the land title and restrictions-in interest endorsed on the land title or otherwise affecting the Second Plot for a total purchase consideration of up to RM183,882,441.

The Supplemental SSA was entered into by SCSB, IASB and HISB to amend the terms and conditions of the SSA, to include the terms for the additional equity injection by SCSB and IASB for purposes of the acquisition of the Second Plot.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

56. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (contd.)

Subscription and Shareholders' Agreement (contd.)

Salient terms of the Supplemental SSA includes, inter-alia, the following:

- (a) HISB will acquire the Second Plot from IASB on an "as is where is" basis and free from encumbrances but otherwise subject only to the express or implied conditions of the land title and restrictions-in interest endorsed on the land title or otherwise affecting the Second Plot for a total purchase consideration of up to RM183,882,441.
- (b) The total purchase consideration of the land under the Western Pendas South Land SPA as supplemented by the Supplemental SPA of RM375,329,477 shall be satisfied by HISB in seven (7) instalments whereby the deposit for the Western Pendas South Land was paid within 14 days from the date of the SPA, the deposit for the Second Plot is to be paid upon 14 days of the date of the Supplemental SPA and the balance in five (5) annual instalments within a period of 120 months from the date of the SPA.

The amount of the purchase consideration is subject to adjustments upon verification by IASB relating to the conditions of the Second Plot.

The proposed acquisition of the Lands has not been completed as at the date of this report.

Proposed disposal of equity interest of Sunway GD Foundation Engineering Co. Ltd. ("Sunway GD"), by Sunway Global Limited ("Sunway Global")

On 12 July 2012, Sunway Global a 98.75% owned subsidiary of Sunway Holdings Sdn. Bhd. ("SHSB") which in turn is a wholly-owned subsidiary of the Company, had entered into an Equity Sale and Purchase Agreement with Mr Yu De Mao ("Purchaser") for the proposed disposal of Sunway Global's entire 60% equity interest in Sunway GD as well as its group of subsidiaries ("Proposed Disposal"), to the Purchaser for a nominal consideration after the Purchaser has discharged the liabilities of Sunway GD of RMB12,071,872 and HKD35,850,430 in 6 instalments and all accrued interest over the liabilities up to the date of payment of each of the instalments ("Liabilities").

The Proposed Disposal is conditional upon, amongst others, the Purchaser having discharge the Liabilities within a period of 22 months from the payment of the first instalment of the liabilities (i.e. 7 days from the date of signing the Equity Sale and Purchase Agreement). Upon completion of the Proposed Disposal, Sunway GD and its group of subsidiaries will cease to be subsidiaries of the Company.

Sunway GD was incorporated in Macau on 4 November 2005 with a total registered capital of MOP\$31,000,000. The principal activity of Sunway GD is to carry out foundation and construction works.

The Proposed Disposal is not expected to have any material effect on the earnings per share and net assets per share of the Company, and it has no effect on the Company's share capital and substantial shareholders' shareholding.

The Proposed Disposal does not require approval from the shareholders of the Company.

The Proposed Disposal of equity interest has not been completed as at the date of this report.

Proposed disposal of equity interest of Sunway Hatay Construction & Building Materials JV Co. Ltd. ("Sunway Hatay"), by Sunway Holdings (Vietnam) Sdn. Bhd.

On 18 May 2012, Sunway Holdings (Vietnam) Sdn. Bhd., a wholly-owned subsidiary of SHSB, which in turn is a wholly-owned subsidiary of the Company, had entered into an equity sale and purchase agreement with Hatay Trading Production Construction Joint Stock Company ("Purchaser") for the disposal of 86% equity interest in Sunway Hatay to the Purchaser for a total cash consideration of USD3,500,000 (equivalent to approximately RM10,983,000) or the final purchase price to be agreed after the fulfillment of the conditions precedent and prior to completion (hereinafter referred to as "the Proposed Disposal"). Upon the completion of the Proposed Disposal, Sunway Hatay will cease to be a subsidiary of the Company.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

56. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (contd.)

Proposed disposal of equity interest of Sunway Hatay Construction & Building Materials JV Co. Ltd. ("Sunway Hatay") by Sunway Holdings (Vietnam) Sdn. Bhd. (contd.)

Sunway Hatay was incorporated in Vietnam on 11 April 1995 with a charter capital of USD5,959,286. The principal activities of Sunway Hatay are quarrying and manufacturing of ready-mixed concrete.

The Proposed Disposal is not expected to have any material effect on the earnings per share and net assets per share of the Company, and it has no effect on the Company's share capital and substantial shareholders' shareholding. The Proposed Disposal does not require approval from the shareholders of the Company.

None of the directors or substantial shareholders of the Company or persons connected with them has any interest, whether direct or indirect, in the Proposed Disposal.

The Proposed Disposal of equity interest has not been completed as at the date of this report.

57. SIGNIFICANT EVENTS SUBSEQUENT TO THE REPORTING DATE

Proposed renounceable rights issue of up to 594,552,301 new ordinary shares of RM1.00 each in Sunway Berhad ("Rights Shares") and proposed establishment of an Employees' Share Option Scheme ("ESOS")

On 5 April 2013, Sunway Berhad ("Company") had announced its proposal to undertake a renounceable rights issue of up to 594,552,301 Rights Shares at an issue price of RM1.70 per Rights Shares ("Issue Price"), on the basis of one Rights Share for every three existing ordinary shares of RM1.00 each ("Sunway Shares"), held by the shareholders of the Company on an entitlement date to be determined later ("Entitlement Date") ("Entitled Shareholders").

The Proposed Rights Issue is renounceable in full or in part. Accordingly, the Entitled Shareholders can subscribe for and/or renounce their entitlements for the Rights Shares in full or in part.

The maximum number of 594,552,301 Rights Shares was arrived at after taking into account the following:

- (a) issued and paid-up share capital of the Company as at 31 March 2013 of RM1,292,505,152 comprising 1,292,505,152 Sunway Shares;
- (b) assuming the full exercise of all 258,500,852 outstanding Company warrants 2011/2016 ("Sunway Warrants") as at 31 March 2013 ("Outstanding Sunway Warrants") into 258,500,852 new Sunway Shares prior to the implementation of the Proposed ESOS;
- (c) assuming 232,650,900 ESOS Options (as defined below), being the maximum number of ESOS Options (as defined below) made available under the Proposed ESOS (15% of the then issued and paid-up share capital of the Company), are fully granted in a single tranche, and fully vested and exercised into 232,650,900 new Sunway Shares; and
- (d) the ESOS Shares (as defined below) are allotted prior to the Entitlement Date.

Any unsubscribed Rights Shares shall be made available for excess applications by other Entitled Shareholders and/or their renouncee(s). It is the intention of the Board of Directors of the Company ("the Board") to allocate the excess Rights Shares, if any, in a fair and equitable manner as they may deem fit or expedient, and in the best interest of the Company.

Any fractional entitlements of the Rights Shares under the Proposed Rights Issue will be disregarded and shall be dealt with in such manner as the Board shall in their absolute discretion deems fit or expedient and in the best interest of the Company.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

57. SIGNIFICANT EVENTS SUBSEQUENT TO THE REPORTING DATE

Proposed renounceable rights issue of up to 594,552,301 new ordinary shares of RM1.00 each in Sunway Berhad ("Rights Shares") and proposed establishment of an Employees' Share Option Scheme ("ESOS") (contd.)

The Proposed Rights Issue would enable the Company to raise funds to part finance its capital expenditure including for the development of its investment properties, land bank acquisitions and purchase of property, plant and equipment, repayment of existing borrowings and for its general working capital requirements which are expected to contribute positively to the future profitability of the Group.

On the same date, the Company proposed to establish and implement an ESOS for the granting of option(s) ("ESOS Option(s)") to subscribe for new Sunway Shares to the eligible executive directors and employees of the Company and its subsidiaries (excluding dormant subsidiaries) (collectively referred to as "Participating Sunway Group") who fulfil the eligibility criteria ("Eligible Persons"), subject to the terms and conditions of the by-laws governing the Proposed ESOS ("By-Laws").

Under the Proposed ESOS, an Eligible Person may, at the discretion of the ESOS committee to be duly appointed and authorised by the Board ("Committee"), be offered a certain number of ESOS Options ("Offer"), based on the criteria mentioned below at the relevant offer dates ("Offer Date"). The Eligible Persons who accept the Offer ("Grantee") will be given an upfront grant which is divided into such number of tranches as shall be determined by the Committee whereby each tranche is to be vested annually ("Annual Vesting") to the Grantee. The first tranche will be vested to the Grantee upon implementation of the Proposed ESOS.

The number of ESOS Options to be vested onto the Grantee in each Annual Vesting is based on the Grantee's level of performance for the calendar year prior to the date of such Annual Vesting.

The salient features of the Proposed ESOS, which will be governed by the By-Laws, are as follows:

- (a) the Eligibility of the executive director(s) and employee(s) of the Participating Sunway Group;
- (b) maximum number of new Sunway Shares available under the Proposed ESOS shall not exceed in aggregate 15% of the total issued and paid-up share capital of the Company ("Maximum ESOS Shares Available");
- (c) the allocation of new Sunway Shares to be made available for the granting of ESOS Options;
- (d) the duration of the Proposed ESOS;
- (e) the ESOS Option price;
- (f) the ranking of the new ESOS Shares;
- (g) the listing and quotation of new ESOS Shares;
- (h) the utilisation of the gross proceeds from the exercise of the ESOS Options will be made towards the Group's working capital requirements.

The Board believes the implementation of the Proposed ESOS would align the interests of the Eligible Persons with the Company's effort to enhance its shareholders' value.

Barring any unforeseen circumstances, and subject to the receipt of all the approvals of the relevant parties and authorities, the Proposals are expected to be completed by the fourth quarter of 2013.

Interim dividend for financial year ended 31 December 2012

On 28 February 2013, the Board of Directors declared an interim single tier dividend of 6% for each ordinary shares of the Company for the financial year ended 31 December 2012. The total dividend payable amounts to RM77,550,309.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

58. COMPARATIVES

As described in Note 2.2, the Group adopted amendments to FRS 112: Deferred Tax - Recovery of Underlying Assets. The comparative amounts of the deferred tax liability, non-controlling interest, retained earnings and income tax expense for the financial year ended 31 December 2011 adjusted for the effects arising from the adoption of the amendments to FRS 112.

In addition, certain comparative amounts have been restated to conform with current year's presentation as follows:

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
Income statements			
For the financial year ended			
31 December 2011			
<u>Group</u>			
Cost of sales			
Property development costs			
- current year (Note 24)	(543,177)	(108,200)	(651,377)
Construction contract cost	(1,120,326)	108,200	(1,012,126)
Administrative expenses	(486,364)	39,113	(447,251)
Other expenses	(266,278)	(39,113)	(305,391)
Statements of financial position			
As at 31 December 2011			
<u>Group</u>			
Property development costs			
Cost incurred during the year:			
- Development costs	648,638	108,200	756,838
Cumulative costs recognised in profit or loss			
Recognised during the year (Note 5)	(543,177)	(108,200)	(651,377)



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

58. COMPARATIVES (contd.)

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
Statements of financial position			
As at 31 December 2011			
Non-current liabilities			
Borrowings	1,915,660	790	1,916,450
Other payables	-	343,411	343,411
Current liabilities			
Borrowings	310,214	(790)	309,424
Trade payables	1,039,505	14,088	1,053,593
Other payables	950,996	(357,499)	593,497
<u>Company</u>			
Current assets			
Trade receivables	9,219	(9,219)	-
Amounts due from subsidiaries	984,901	19,444	1,004,345
Current liability			
Amounts due to subsidiaries	1,881	10,225	12,106

The above restatements do not affect the financial position of the Group and the Company as at 1 January 2011. Accordingly, the related notes are not presented.



Notes to the Financial Statements

For the financial year ended 31 December 2012 (contd.)

59. SUPPLEMENTARY INFORMATION

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2012 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	
	2012 RM'000	2011 RM'000 (Restated)	2012 RM'000	2011 RM'000
Total retained earnings				
- realised	564,591	224,957	91,585	(33,090)
- unrealised	103,612	68,711	14,250	41,500
Total share of retained earnings from associated companies				
- realised	100,742	33,453	-	-
- unrealised	126,683	41,665	-	-
Total share of retained earnings from jointly controlled entities				
- realised	241,014	97,027	-	-
- unrealised	-	-	-	-
	1,136,642	465,813	105,835	8,410
Less: Consolidation adjustments	(202,267)	(33,040)	-	-
Total retained earnings	934,375	432,773	105,835	8,410



List of Material Properties

As at 31 December 2012

Location / Address	Land area (acres) / Built up area (sq ft)	Description / Existing Use	Age of Building (Years)	Tenure	Net Book Value as at 31.12.2012 RM 000	Date of Acquisition (A) / Revaluation (R)
Lot 62631, Lot 62634-62635, Lot 62637-62640, Lot 62646, Lot 62649, Lot 62654, Lot 62656, Lot 62658, Lot 62663, PT892 H.S. (D) 238251, PT898 H.S. (D) 238257, PT 885 HS(D) 222682, PT 887 HS(D) 222684 Bandar Sunway Selangor Darul Ehsan	64	Land under development and held for development	-	Leasehold expiring 15.05.2106, 02.04.2106, 05.07.2104	232,383	A: Apr 2004, Nov 2005, Mar 2006
PT894 HSD(T) 238253 PT907 HSD(T) 238960 Bandar Sunway Selangor Darul Ehsan	12/ 762,558	Monash University Campus	6	Leasehold expiring 02.04.2106 & 15.05.2106	227,300	R: Dec 2012
GRN.81534 Lot 62644 PT 895 HS(D) 238254 PT 923 HS(D) 238976 Bandar Sunway, Selangor Darul Ehsan	12/ 500,984	Sunway Monash-U Residence	1.5	Leasehold expiring 15.03.2106 & 02.04.2106	205,240	R: Dec 2012
PT28 HS(D) 118332 PT1904 HS(D) 118325 PT1905 HS(D) 118326 Bandar Sunway Selangor Darul Ehsan	12/ 704,577	Sunway University campus	19	Leasehold expiring 01.04.2097	192,008	R: Dec 2012
PTD 64070-64099, 64105, 64198-64323, 64325, 64342- 64513, 64515, 64517- 64592 Mukim Plentong, District of Johor Bahru, Negeri Johor	71	Land held for development	-	Freehold	136,423	A: Dec 2010
PT 4023 HS (D) 28648 PT 1696-97 HS (D) 39673-74 PT 18336 HSD:92673 (formally lot 4025 HSD:28650) PT 7144 HSD:92621 (formally lot 4026 HSD:28651) PT 25164 HSD:161581 (formally lot 22324 HSD:121725) MK Semenyih Daerah Ulu Langat Selangor Darul Ehsan	508	Land held for development	-	Freehold	123,933	R: Feb 2011



List of Material Properties

As at 31 December 2012

Location / Address	Land area (acres) / Built up area (sq ft)	Description / Existing Use	Age of Building (Years)	Tenure	Net Book Value as at 31.12.2012 RM 000	Date of Acquisition (A) / Revaluation (R)
PT 6594-6595 HS (D) 103602-103603 Lot 57450 GRN 51950 Mukim of Kuala Lumpur	2/ 289,638	Inventory	1.5	Freehold	123,804	A: Nov 2001
PN89791 Lot 54662 (formally PT 12207 HS(D) 262418) PT 371-376 HS (D) 145186-145191 PT876 HS (D) 231883 PT958 HS (D) 231965 MK Sungei Buloh Daerah Petaling Selangor Darul Ehsan	41	Land under development and held for development	-	Leasehold expiring 22.11.2100 & 05.06.2105	108,486	R: Feb 2011
Lot No. 61759 (Previously known as PT638) PN 17103 (Previously known as HS(D) =174431) Along Jalan PJS 9/1 PJS 9, 46150 Bandar Sunway Selangor Darul Ehsan	2	Land under development	-	Leasehold expiring 01.04.2097	92,574	A: 1986 (Land)
No. GM 382, Lot No. 565 No. Geran 41265-41266, Lot No. 114-115 No Geran 19199-19200, Lot 90 & 95 No. Geran 41270-41271, Lot 122 & 133 Lot 509 GM No. 374 Lot 564 GM No. 381 No. Geran 22315, Lot 138 No. Geran 49131-49132, Lot 1295-1296 Lot 1093 GM No. 345 Section 1, Bandar Bukit Mertajam Daerah Sebarang Perai Tengah	27	Land under development	-	Freehold	89,246	A: July 2010, Aug 2010, Dec 2010

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.

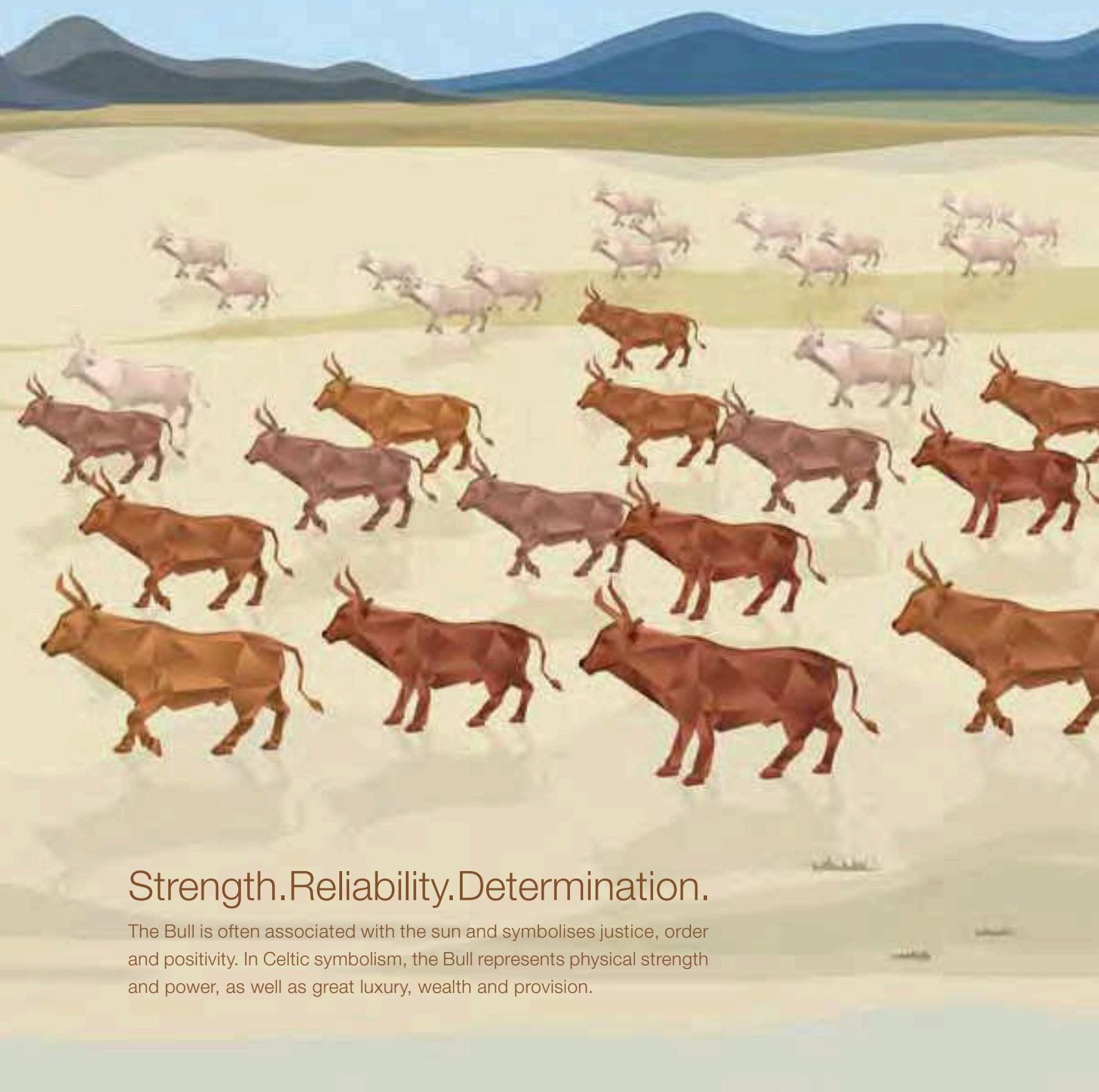
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Strength. Reliability. Determination.

The Bull is often associated with the sun and symbolises justice, order and positivity. In Celtic symbolism, the Bull represents physical strength and power, as well as great luxury, wealth and provision.



Directors' Interests in Shares and Warrants

As at 30 April 2013

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	2,282,619	0.18
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	610,958,103	47.27
Dato' Chew Chee Kin ²	257,142	0.02
Sarena Cheah Yean Tih ³	664,788,226	51.43
Datuk Low Seng Kuan ⁴	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	1,218,423	0.47
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 ⁵	113,422,425	43.88
Dato' Chew Chee Kin ²	281,028	0.11
Sarena Cheah Yean Tih ⁶	123,256,386	47.68
Datuk Low Seng Kuan ⁴	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, Sungei Way Corporation Sdn Bhd and children.
 - 2 Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through spouse.
 - 3 Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Builder Sdn Bhd, Sungei Way Corporation Sdn Bhd, spouse and parents.
 - 4 Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through spouse and child.
 - 5 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 and children.
 - 6 Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, spouse and parents.
- # Negligible.

DIRECTOR'S INTERESTS IN SUNWAY'S SUBSIDIARY SUNWAY GLOBAL LIMITED

Direct Interest	Ordinary Shares of HK\$1.00 each	
	No.	%
Dato' Chew Chee Kin	869,684	0.31

Direct Interest	Options over Ordinary Shares of HK\$1.00 each	
	No.	
Dato' Chew Chee Kin	14,215,770	



Analysis of Shareholdings

As at 30 April 2013

Authorised Share Capital	-	RM10,000,000,000
Issued and Paid-up Share Capital	-	RM1,292,506,269
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	1,217	9.11	42,089	0.01
100 - 1,000	3,085	23.09	2,123,762	0.16
1,001 - 10,000	7,466	55.90	24,161,576	1.87
10,001 - 100,000	1,295	9.70	35,836,077	2.77
100,001 - 64,625,312 (Less than 5% of issued shares)	293	2.19	531,719,773	41.14
64,625,313 (5%) and above	2	0.01	698,622,992	54.05
Total	13,358	100.00	1,292,506,269	100.00

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

Name of Shareholders	No. of Shares	%
1 Sungei Way Corporation Sdn Bhd	540,622,993	41.83
2 Cartaban Nominees (Asing) Sdn Bhd - Government of Singapore Investment Corporation Pte Ltd for Government of Singapore (C)	157,999,999	12.22
3 True Paragon Sdn Bhd	58,900,000	4.56
4 Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	53,106,951	4.11
5 Sharp Ventures Sdn Bhd	50,500,000	3.91
6 Oriental Dragon Enterprises Inc.	41,994,614	3.25
7 Amanahraya Trustees Berhad - Skim Amanah Saham Bumiputera	41,760,000	3.23
8 Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	33,306,424	2.58
9 Jef-San Enterprise Sdn Bhd	23,024,379	1.78
10 Sungei Way Corporation Sdn Bhd	14,691,294	1.14
11 Active Builder Sdn Bhd	12,000,000	0.93
12 HSBC Nominees (Asing) Sdn Bhd - Exempt AN for JPMorgan Chase Bank, National Association (Norges Bk Lend)	10,501,913	0.81
13 Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Nomura)	9,032,042	0.70
14 Citigroup Nominees (Asing) Sdn Bhd - CBNY for Dimensional Emerging Markets Value Fund	8,654,945	0.67
15 Amanahraya Trustees Berhad - Public Islamic Select Treasures Fund	8,467,485	0.66
16 HSBC Nominees (Asing) Sdn Bhd - Exempt AN for J. P. Morgan Bank Luxembourg S. A.	8,284,581	0.64
17 Cartaban Nominees (Tempatan) Sdn Bhd - Exempt AN for Eastspring Investments Berhad	7,230,771	0.56
18 Amanahraya Trustees Berhad - Amanah Saham Wawasan 2020	5,345,091	0.41
19 HSBC Nominees (Tempatan) Sdn Bhd - Sungei Way Corporation Sdn Bhd	4,685,713	0.36
20 Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Amundi)	3,978,200	0.31



THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS (contd.)

	Name of Shareholders	No. of Shares	%
21	Citigroup Nominees (Tempatan) Sdn Bhd - ING Insurance Berhad (INV - IL Par)	3,552,900	0.27
22	Citigroup Nominees (Asing) Sdn Bhd - CBNY for DFA Emerging Markets Small Cap Series	3,419,770	0.26
23	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (CIMB PRIN)	2,879,900	0.22
24	Amanahraya Trustees Berhad - Public Islamic Opportunities Fund	2,676,365	0.21
25	Maybank Nominees (Tempatan) Sdn Bhd - Etiqa Insurance Berhad (Life Par Fund)	2,669,300	0.21
26	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for JPMorgan Chase Bank, National Association (U.S.A.)	2,650,596	0.21
27	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Singular Asia Flexible Fund	2,565,594	0.20
28	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	2,369,470	0.18
29	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for JPMorgan Chase Bank, National Association (U.K.)	2,348,231	0.18
30	Dato' Chew Chee Kin	2,282,619	0.18

SUBSTANTIAL SHAREHOLDERS

	Name of Shareholders	No. of Shares	%
1	Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO • Direct interest • Deemed interest ^a	54,363,105 610,958,103	4.21 47.27
2	Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng • Deemed interest ^b	665,321,208	51.48
3	Sarena Cheah Yean Tih • Direct interest • Deemed interest ^c	432,956 664,788,226	0.03 51.43
4	Evan Cheah Yean Shin • Direct interest • Deemed interest ^d	100,768 664,787,484	0.01 51.43
5	Sungei Way Corporation Sdn Bhd	575,400,000	44.52
6	Active Equity Sdn Bhd • Deemed interest ^e	575,400,000	44.52
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, Sungei Way Corporation Sdn Bhd and children.
- ^b Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Jef-San Enterprise Sdn Bhd, spouse and children.
- ^c Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Builder Sdn Bhd, Sungei Way Corporation Sdn Bhd, spouse and parents.
- ^d Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Sungei Way Corporation Sdn Bhd and parents.
- ^e Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Sungei Way Corporation Sdn Bhd.



Analysis of Warrantholdings

As at 30 April 2013

DISTRIBUTION OF WARRANTHOLDINGS


Size of Warrantholdings	No. of Warrantholders	% of Warrantholders	No. of Warrants Held	% of Warrantholdings
Less than 100	1,392	11.29	44,608	0.02
100 - 1,000	7,985	64.79	2,861,212	1.10
1,001 - 10,000	2,287	18.56	7,056,583	2.73
10,001 - 100,000	547	4.44	16,879,768	6.53
100,001 - 12,924,911 (Less than 5% of warrants in issue)	111	0.9	78,987,537	30.56
12,924,912 (5%) and above	3	0.02	152,668,551	59.06
Total	12,325	100.00	258,498,259	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 Oriental Dragon Enterprises Inc.	15,625,165	6.04
4 Sharp Ventures Sdn Bhd	10,580,881	4.09
5 Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	9,689,328	3.75
6 True Paragon Sdn Bhd	9,581,590	3.71
7 Cimsec Nominees (Asing) Sdn Bhd - Exempt AN for CIMB Securities (Singapore) Pte Ltd (Retail Clients)	5,747,243	2.22
8 Jef-San Enterprise Sdn Bhd	4,604,875	1.78
9 HSBC Nominees (Asing) Sdn Bhd - Exempt AN for Credit Suisse (HK BR-TST-Asing)	3,975,914	1.54
10 HSBC Nominees (Asing) Sdn Bhd - Exempt AN for J. P. Morgan Bank Luxembourg S. A.	2,721,128	1.05
11 Cartaban Nominees (Tempatan) Sdn Bhd - Exempt AN for Eastspring Investments Berhad	1,410,115	0.55
12 Active Equity Sdn Bhd	1,392,023	0.54
13 Dato' Chew Chee Kin	1,218,423	0.47
14 Ng Hok Long @ Ng Hock Leong	1,182,000	0.46
15 Sungei Way Corporation Sdn Bhd	938,256	0.36
16 HSBC Nominees (Tempatan) Sdn Bhd - Sungei Way Corporation Sdn Bhd	937,141	0.36
17 Wong Ten Yong	931,500	0.36
18 Lee Chee Wai	883,178	0.34
19 Ngan Teng Han	829,548	0.32
20 Ng Yoke Yen	753,800	0.29


THIRTY LARGEST WARRANTHOLDERS AS PER RECORD OF DEPOSITORS (contd.)

	Name of Warrantholders	No. of Warrants	%
21	Tee See Kim	730,000	0.28
22	Maybank Securities Nominees (Asing) Sdn Bhd - Maybank Kim Eng Securities Pte Ltd for Lim Chuan Seng	649,905	0.25
23	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Singular Asia Flexible Fund	617,318	0.24
24	Tan Pang Hong	577,827	0.22
25	Pang Yang Chung	550,000	0.21
26	ECML Nominees (Tempatan) Sdn Bhd - Tan Bee Yook	480,200	0.19
27	Ng Siew Lee	473,888	0.18
28	AllianceGroup Nominees (Tempatan) Sdn Bhd - Lau Siew Bey	467,836	0.18
29	HDM Nominees (Tempatan) Sdn Bhd - Seow Kah Heng	450,000	0.17
30	UOB Kay Hian Nominees (Asing) Sdn Bhd - Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	440,445	0.17

An illustration of a beehive and bees. The beehive is a large, golden-yellow structure with many hexagonal cells. Several bees are shown inside the cells. A large number of bees are flying out of the hive and are scattered across a green, rolling landscape. The background is a light blue sky.

338 Notice of 3rd Annual General Meeting

Proxy Form

Industrious.Co-operative. Protective.Focused.

With a strong sense of community, the Bee possesses many virtues that are powerful and valuable to its colony. Representing communication, organisation, abundance and industry, the Bee always gets to reap the fruits of it's labour.

ANNUAL GENERAL MEETING





Notice of 3rd Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 3rd Annual General Meeting of SUNWAY BERHAD (921551-D) will be held at Grand Caymans, Level 10, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan on Thursday, 27 June 2013 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 2012 together with the Directors' and Auditors' Reports thereon. (Ordinary Resolution 1)
2. To approve the payment of Directors' fees amounting to RM300,000 for the financial year ended 31 December 2012. (Ordinary Resolution 2)
3. To re-elect the following Directors:-
 - 3.1 Dato' Chew Chee Kin 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 Wong Chin Mun 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' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

"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 5 June 2013 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 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 8)



Notice of 3rd 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 5 June 2013 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)

By Order of the Board

TAN KIMAUN (MAICSA 7002988)
CHIN LEE CHIN (MAICSA 7012347)
 Company Secretaries

Petaling Jaya
 5 June 2013

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.



Notice of 3rd Annual General Meeting

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 20 June 2013, 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.

The renewal of this mandate 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' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The details on the proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature are set out in the Circular to Shareholders dated 5 June 2013.

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 5 June 2013.

PROXY FORM

3rd 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 8847

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 3rd Annual General Meeting of the Company to be held at Grand Caymans, Level 10, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan on Thursday, 27 June 2013 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

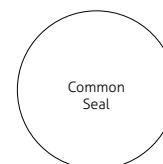
My/our proxy/proxies shall vote as follows:-

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 2012 together with the Directors' and Auditors' Reports thereon				
2.	To approve the payment of Directors' fees				
3.	To re-elect Dato' Chew Chee Kin as Director				
4.	To re-elect Wong Chin Mun 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' 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				

Dated this day of 2013

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 20 June 2013, 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[®] (87564-X)

SUNWAY HOLDINGS SDN BHD[®] (37465-A)

Head Office:

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INTEGRATED PROPERTIES DIVISION

PROPERTY DEVELOPMENT & INVESTMENT

SUNWAY INTEGRATED PROPERTIES SDN BHD[®] (112537-P)

Head Office:

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Selangor Darul Ehsan, Malaysia
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Website: www.sunwayproperty.com

SUNWAY VELOCITY

Sales Gallery:

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Email: sunwayvelocity@sunway.com.my

SUNWAY SOUTH QUAY SDN BHD[®] (636596-T)

Sunway South Quay Sales Gallery:

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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)

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 PJU 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)

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
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SUNWAY MELAWATI SDN BHD[®] (606358-V)

Sunway Montana Sales Gallery:

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53200 Kuala Lumpur, Malaysia
Tel: (603) 4108 8822 Fax: (603) 4108 8829
Email: enquiry@sunway.com.my

SUNWAY SPK HOMES SDN BHD[®] (583958-P)

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Jalan Lagoon Timur, Bandar Sunway,
46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
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SUNWAY CITY (IPOH) SDN BHD (219749-M)

Sales Gallery:

Lost World Hotel, Ground Floor,
No. 2, Persiaran Lagun Sunway 1,
Sunway City Ipoh,
31150 Ipoh, Perak Darul Ridzuan, Malaysia
Tel: 1800-88-1998
Fax: (605) 548 6868
Email: suncityipoh@sunway.com.my

SUNWAY CITY (PENANG) SDN BHD (141336-U)

SUNWAY GRAND SDN BHD (66715-X)

SUNWAY BUKIT GAMBIER SDN BHD (616416-W)

SUNWAY BINTANG SDN BHD (238575-M)

SUNWAY TUNAS SDN BHD (334419-X)

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)

SUNWAY TOWER 1 SDN BHD[®] (545935-D)

Level 16. Tel: (603) 5639 8889 Fax: (603) 5639 9507

SUNWAYMAS SDN BHD[®] (130027-K)

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Bandar Sunway, 46150 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
Tel: (603) 5639 8289 Fax: (603) 5639 9552
Email: sunwaymasenq@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: 1800-222-9888

SUNWAY RYDGEWAY SDN BHD (771561-H)

Sales Gallery:

Off Jalan K 5, Taman Melawati, 53100 Kuala Lumpur, Malaysia
Hotline: 1800-222-9888

SUNWAY EASTWOOD SDN BHD (795327-T)

Sales Gallery:

Sunway Eastwood Clubhouse,
Jalan Equine 3,
43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia
Hotline: 1800-222-9888

SUNWAY CITY (JB) SDN BHD (896512-M)

Sales Office:

No. 65 & 65-01, Jalan Molek 1/29,
Taman Molek, 81100 Johor Bahru, Johor.
Tel: (607) 355 2535 Fax: (607) 356 2535

SUNWAY PJ15.1 SDN BHD (12068-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)

MUJURMAS SDN BHD[®] (206849-D)

EAGLEFIELD SDN BHD[®] (187153-V)

Level 3, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway,
46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia
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CHINA:

SUNWAY GUANGCHAO REAL ESTATE (JIANGYIN) CO. LTD

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Jiang Su Province, 214442 China.
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TIANJIN ECO-CITY SUNWAY PROPERTY

DEVELOPMENT CO., LTD (56611336-2)

No. 3681, Zhongxin Road, Tianjin Eco-City,
Tianjin 300480, China.
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SUNWAY REAL ESTATE (CHINA) LIMITED (1244034)

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INDIA:

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Sunway Opus Grand, 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 Fax: (+91) 40 2303 8009

Sales & Marketing

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2303 8023 (24 Lines) Fax: (+91) 40 2303 8008
Email: sunwayopusgrand@sunway.com.my
Website: www.sunwayopus.com

Project / Admin

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Email: sunwayopusgrand@sunway.com.my
Website: www.sunwayopus.com

SUNWAY MAK INTERNATIONAL PVT LTD (U45209AP2007PTCO56739)

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Hyderabad, Andhra Pradesh, India.
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AUSTRALIA:

SUNWAY AUSTRALIA UNIT TRUST

HARTFORD LANE PTY LTD (077261048)

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Bandar Sunway, 46150 Petaling Jaya,
Selangor Darul Ehsan, Malaysia

SINGAPORE:

SUNWAY DEVELOPMENTS PTE LTD (200408542H)

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PROPERTY MANAGEMENT & INVESTMENT

SUNWAY REIT MANAGEMENT SDN BHD (806330-X)

(Manager for Sunway REIT)

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46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia
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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, Bandar 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
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SUNWAY TOWER

Management Office

Ground Floor, Sunway Tower, 86, Jln Ampang,
50450 Kuala Lumpur, Malaysia
Tel: (603) 2032 4100 Fax: (603) 2070 4093

SUNWAY PYRAMID HOTEL SDN BHD (454068-M)

(Formerly known as Sunway Parking Management Sdn Bhd)

SUNWAY FACILITY MANAGEMENT SDN BHD (443028-K)

SUNWAY IFM SDN BHD[®] (130231-P)

SUNWAY MALL PARKING SDN BHD[®] (318333-T)

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 MUSC SDN BHD[®] (545957-T)

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 LOST WORLD WATER PARK SDN BHD (240342-P)

(Formerly known as Sunway Lagoon Water Park Sdn Bhd)

LOST WORLD OF TAMBUN

No. 1, Persiaran Lagun 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

PYRAMID BOWL SDN BHD (397399-M)

Lot F2.22 Level 1, Sunway Pyramid Shopping Mall,
No. 3, Jalan PJS 11/15, Bandar Sunway,
46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Tel: (603) 7492 6307/8/9 Fax: (603) 7492 6310

SUNWAY INTERNATIONAL VACATION CLUB BERHAD[®] (644585-X)

Level 1, Menara Sunway, Jalan Lagoon Timur,
Bandar Sunway, 46150 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
Tel: (603) 5639 9221 Fax: (603) 5639 9555
Email: sivc@sunway.com.my
Website: www.sunway.com.my/vacationclub

SUNWAY HEALTHY LIFESTYLE SDN BHD (689476-X)

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Bandar Sunway, 46150 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
Tel: (603) 5639 9993 Fax: (603) 5639 9555
Email: shl@sunway.com.my
Website: www.sunway.com.my/healthylifestyle

SUNWAY TRAVEL SDN BHD (158589-D) (KPL: 0210)

@ The Link, Sunway Resort Hotel & Spa,
Persiaran Lagoon, Bandar Sunway,
46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Tel: (603) 5632 5622 Fax: (603) 5632 4781
Email: travel@sunway.com.my
Website: www.sunway.travel

SUNWAY LEISURE SERVICES SDN BHD (543257-K) (KPL: 6172)

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SUNWAY LEISURE SDN BHD (886286-M)

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No. 3 Jalan PJS 11/15, Bandar Sunway,
46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia
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HOSPITALITY

SUNWAY INTERNATIONAL HOTELS & RESORTS SDN BHD[®] (430654-V)

Corporate Office:

Level 15, Sunway Resort Hotel & Spa,
Persiaran Lagoon Bandar Sunway,
46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Tel: (603) 7495 1881 Fax: (603) 7495 1882
Email: corporate@sihr.com Website: www.sihr.com

SUNWAY RESORT HOTEL SDN BHD (182198-M)

SUNWAY RESORT HOTEL & SPA

PYRAMID TOWER HOTEL

Persiaran Lagoon, Bandar Sunway,
46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Tel: (603) 7492 8000 Fax: (603) 7492 8001
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Website: kualalumpur.sunwayhotels.com

SUNWAY PUTRA HOTEL SDN BHD (938275-T)
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Bandar Sunway, 46150 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
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Website: www.sunwayreit.com

SUNWAY HOTEL (PENANG) SDN BHD (130380-T)
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Website: www.sunwayhotels.com

SUNWAY HOTEL (SEBERANG JAYA) SDN BHD (238606-A)
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13700 Prai, Butterworth, Malaysia
Tel: (604) 370 7788 Fax: (604) 370 0555
Email: enquiryshsj@sunwayhotels.com
Website: www.sunwayhotels.com

SUNWAY HOTEL PHNOM PENH LTD (239/96E)
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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
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Hanoi, Vietnam
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Email: enquiryshh@sunwayhotels.com
Website: www.sunwayhotels.com

THE BANJARAN HOTSPRINGS RETREAT
No. 1, Persiaran Lagun Sunway 3, Sunway City Ipoh,
31150 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
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31150 Ipoh, Perak Darul Ridzuan, Malaysia
Tel: (605) 540 8888 Fax: (605) 540 8899
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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
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UNITED ARAB EMIRATES:
SUNWAY BUILDERS SDN BHD – Abu Dhabi Branch (1005599)
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SUNWAY INNOPAVE SDN BHD – Abu Dhabi Branch (1005596)
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SINGAPORE:
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SUNWAY LAND PTE SDN BHD (20102442SD)
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MECHANICAL & ELECTRICAL ENGINEERING
SUNWAY ENGINEERING SDN BHD* (341887-W)
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UNITED ARAB EMIRATES:
SUNWAY ENGINEERING SDN BHD – Abu Dhabi Branch (1160600)
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)
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Factory:
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Mukim Batang Kali, Daerah Hulu Selangor,
Selangor Darul Ehsan, Malaysia
Tel: (603) 6057 1302 Fax: (603) 6057 2301

INDONESIA:
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.
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SUNWAY GEOTECHNICS (S) PTE LTD (200920733Z)
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PRECAST PRODUCTS AND INDUSTRIALIZED SYSTEMS
SUNWAY PRECAST INDUSTRIES SDN BHD* (231775-X)
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Factory:
Selangor Lot 2396, Mukim Batang Kali,
Ulu Selangor, 44300 Batang Kali,
Selangor Darul Ehsan, Malaysia

Johor Lot 39641, Jalan Idaman 1/1,
Taman Perindustrian Senai,
81400 Senai,
Johor Bahru, Malaysia.

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TRADING AND MANUFACTURING DIVISION
MALAYSIA OFFICES & BRANCHES
SUNWAY MARKETING SDN BHD* (110342-X)
SUNWAY HOSE CENTRE SDN BHD* (330617-H)
BUILDTREND B.S.G (M) SDN BHD* (68350-H)
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Warehouse: Lot PT. 1490, No. 1, Jalan PJS 11/1,
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Selangor Darul Ehsan, Malaysia
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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,
Malaysia
Tel: (607) 598 5633 Fax: (607) 598 2318

Penang 6F-1, Jalan Tun Dr. Awang,
11900 Bayan Lepas, Penang, Malaysia
Tel: (604) 646 8722 Fax: (604) 646 8755

Kuantan B248, 1st Floor,
Jalan Air Putih, 25300 Kuantan,
Pahang Darul Makmur, Malaysia

Melaka No. 7, Jalan Abadi 2, Taman Malim Jaya,
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Selangor Darul Ehsan, Malaysia
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SUNWAY HYDRAULIC INDUSTRIES SDN BHD (103260-H)
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Selangor Darul Ehsan, Malaysia
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Email: sunflex@sunway.com.my
Website: www.sunway.com.my/sunflex

SUNWAY MARKETING (EAST MALAYSIA) SDN BHD (353248-U)
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Bintulu S/Lot 15, Lot 294, Sibiyu Industrial Estate,
Jalan Bintulu-Tatua, 97000 Bintulu,
Sarawak, Malaysia
Tel: (6086) 313 778 / 313 779 Fax: (6086) 313 772

Sibu No. 1B & 3A, Lorong 37,
Jalan Ding Lik Kong,
96000 Sibu, Sarawak, Malaysia.
Tel: 6084 216 955/214 552/213 378
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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,
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