



LOOKING BEYOND THE HORIZON

SUNWAY BERHAD
ANNUAL REPORT 2013



LOOKING BEYOND THE HORIZON

Each chapter in this Annual Report shows a horizon depicting a different scene, a different perspective, a different outlook. As limits cannot be seen with the naked eye, the same goes for finding out where the horizon ends. In Sunway, we aspire to see beyond what is already there and we strive to envision greater possibilities beyond the vastness before us.

It is due to this passion for excellence and continuous betterment that Sunway has been constantly re-defining horizons over the years. The Group has transformed terrains, be it derelict mining land or green plains, into contemporary, integrated developments. But more than that, all the Group's businesses seek to achieve transformational changes in their business that will deliver greater value to all stakeholders.

Sunway is committed to LOOKING BEYOND THE HORIZON.

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

Senior Independent Non-Executive Director
Wong Chin Mun

Independent Non-Executive Directors
Lim Swe Guan
Datuk Seri Yam Kong Choy
(Appointed with effect from 17 July 2013)

AUDIT COMMITTEE

Wong Chin Mun (Chairman)
Lim Swe Guan
Datuk Seri Yam Kong Choy
(Appointed with effect from 17 July 2013)

NOMINATION COMMITTEE

Lim Swe Guan (Chairman)
Wong Chin Mun
Datuk Seri Yam Kong Choy
(Appointed with effect from 17 July 2013)

REMUNERATION COMMITTEE

Wong Chin Mun (Chairman)
Lim Swe Guan
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO
Datuk Seri Yam Kong Choy
(Appointed with effect from 17 July 2013)

EMPLOYEES' SHARE OPTION SCHEME COMMITTEE

Wong Chin Mun (Chairman)
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO
Dato' Chew Chee Kin
Sarena Cheah Yean Tih
Yap Chin Leong

COMPANY SECRETARIES

Tan Kim Aun (MAICSA 7002988)
Chin Lee Chin (MAICSA 7012347)

CORPORATE INFORMATION**REGISTERED OFFICE**

Level 16, Menara Sunway, Jalan Lagoon Timur
Bandar Sunway, 47500 Subang Jaya
Selangor Darul Ehsan, Malaysia
Tel No : (603) 5639 8889
Fax No : (603) 5639 9507

SHARE REGISTRAR

Sunway Management Sdn Bhd (50661-X)
Level 16, Menara Sunway, Jalan Lagoon Timur
Bandar Sunway, 47500 Subang 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
RHB Bank Berhad
OCBC Bank (Malaysia) Berhad
Malayan Banking Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

WEBSITE ADDRESS

www.sunway.com.my

INVESTOR RELATIONS

Email : irsunwayberhad@sunway.com.my
Tel No : (603) 5639 8671

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.

ANNOUNCEMENT OF QUARTERLY RESULTS

30 May 2013

Announcement of the unaudited consolidated results for the 1st quarter ended
31 March 2013

29 August 2013

Announcement of the unaudited consolidated results for the 2nd quarter ended
30 June 2013

29 November 2013

Announcement of the unaudited consolidated results for the 3rd quarter ended
30 September 2013

27 February 2014

Announcement of the unaudited consolidated results for the 4th quarter ended
31 December 2013

FINANCIAL CALENDAR

DIVIDEND

Single tier first interim dividend of 5% per ordinary share for the financial year ended *31 December 2013*

Announcement of the notice of entitlement and payment:

4 September 2013

Date of entitlement:

20 September 2013

Date of payment:

1 October 2013

Single tier second interim dividend of 5% per ordinary share for the financial year ended *31 December 2013*

Announcement of the notice of entitlement and payment:

14 March 2014

Date of entitlement:

1 April 2014

Date of payment:

30 April 2014

ANNUAL REPORT & ANNUAL GENERAL MEETING

4 June 2014

Date of notice of 4th Annual General Meeting and date of issuance of Annual Report 2013

26 June 2014

Date of 4th Annual General Meeting

CORPORATE SUNWAY

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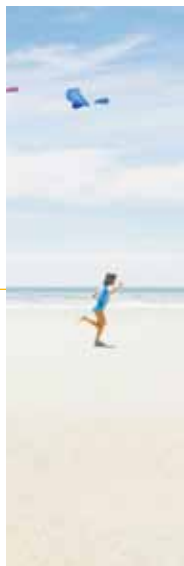
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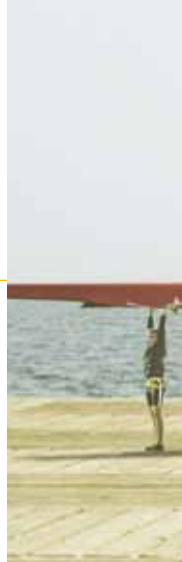
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CORPORATE SUNWAY



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BEYOND POTENTIAL AND POSSIBILITIES



From left to right: Bus Rapid Transit - Sunway Line, Sunway Pinnacle, Sunway Pyramid, Sunway Lagoon, Sunway Resort Hotel & Spa, Sunway Medical Centre, Sunway's asphalt and quarry plants.









CORPORATE PROFILE



SUNWAY BERHAD (“SUNWAY”)

Humble Beginnings

Sunway’s history can be traced to when it was first incorporated as a private limited company, Sungei Way Holdings Sdn Bhd, on 26 January 1978. The company grew from a tin mining and quarrying concern into a company with subsidiaries in the construction, quarrying, property development, trading and manufacturing and building materials industries. On 16 February 1984, the company was listed on the Main Board of Bursa Malaysia. It then underwent a few name changes before finally becoming known as Sunway Holdings Berhad in 2007.

Over roughly the same period of time, its sister company, Sunway City Berhad, was also separately undergoing a transformation into a property giant in Malaysia. Originally known as Sri Jasa Sdn Bhd, Sunway City Berhad was formed on 13 July 1982 and was listed on the Main Board of Bursa Malaysia on 8 July 1996. Its outstanding achievement is the development of Sunway Resort City where it pioneered the development of the first and only integrated resort city in Malaysia, and at the same time advancing its expertise as a real estate conglomerate with interests in property development, property investment, hospitality, leisure and healthcare.

In 2010, Tan Sri Dato’ Seri Dr Jeffrey Cheah, the Founder and Chairman for both companies proposed the acquisition of the assets and liabilities of the two entities with a view of merging them into a bigger, better and stronger corporation. The exercise was successfully completed with the listing of Sunway on the Main Market of Bursa Malaysia on 23 August 2011.

It all began with a vision.

Our founder saw beyond the existing landscape and from there he created an empire.



Sunway Today

The rationale for the merger leading to the formation of Sunway was to create a property and construction colossus with a stronger balance sheet and increased capacity to take on larger landmark projects. That vision is now being realised as evidenced by the Group's ability to team up with large and reputable partners and acquire sizable parcels of land in Iskandar Malaysia. Coupled with the award of several substantial construction projects in Iskandar to Sunway's Construction division, Sunway is becoming a proxy for the development of Iskandar Malaysia, a huge privilege given the indisputable growth potential of the region.

Equally crucial, the union of the Property and Construction divisions of the Group is enabling Sunway to differentiate itself from other property and construction companies with its unique business model which comprises the entire property value chain beginning from landbanking to master plan development to design and construction to marketing and sales to property management and finally recycling capital via its own Real Estate Investment Trust ("REIT"). The integrated business model has resulted in various synergies for the Group such as enhanced product quality, improved speed and efficiency of building, procurement savings and increased treasury efficiency. Such synergies have helped improved the Group's performance over the last few years.

Complementing Sunway's core businesses of property and construction are the Group's strategic businesses comprising trading and manufacturing, quarry and building materials and healthcare. These businesses not only serve to diversify the Group's income stream but are industry leading businesses which will generate stable, recurring profits for the Group's bottom line. In addition, they are able to generate adjacent synergies to the Group's core businesses.

Well Positioned for the Future

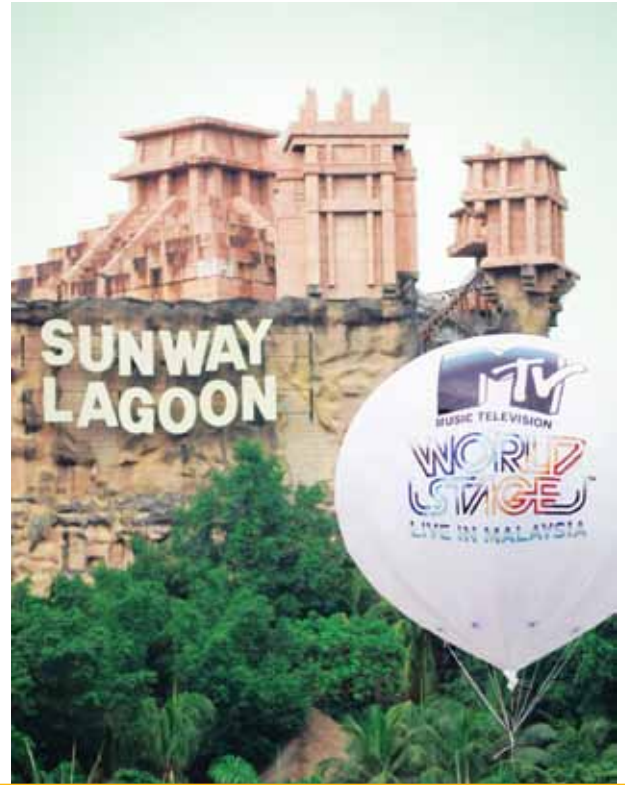
Sunway has established strong footholds in the 10 different industries it operates in. It is among the top 5 largest property stocks and top 100 largest stocks in Malaysia with a market capitalization of RM5.0 billion (circa USD1.5 billion) as at 1 March 2014. Equipped with a distinctive integrated real estate business model, a strong track record, and a dedicated and passionate team of 13,000 employees, 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. Sunway Resort City, resurrected from a derelict tin mine, is evidence of what can be accomplished from these attributes, and what can be replicated elsewhere. The Group will continue to strive towards ensuring that the Group delivers the greatest value to all its stakeholders.

GROUP CORPORATE STRUCTURE



PROPERTY DEVELOPMENT

- Sunway Integrated Properties Sdn Bhd
- Sunway South Quay Sdn Bhd
- Sunway PKNS Sdn Bhd
(formerly known as Sunway Damansara Sdn Bhd)
- Sunway D'Mont Kiara Sdn Bhd
- Sunway City (Penang) Sdn Bhd
- Sunway Bintang Sdn Bhd
- Sunway City Properties Sdn Bhd
- Sunway City (Ipoh) Sdn Bhd
- Sunway Tunas Sdn Bhd
- Sunway Semenyih Sdn Bhd
- Sunway City (JB) Sdn Bhd
- Sunway Iskandar Sdn Bhd *
- Sunway Iskandar Development Sdn Bhd *
(formerly known as Harmony Impulse Sdn Bhd)
- Sunway Montez Sdn Bhd
- Sunway Grand Sdn Bhd
- Sunway Melawati Sdn Bhd
- SunwayMas Sdn Bhd
- Sunway Termuning Sdn Bhd
- Sunway Rawang Heights Sdn Bhd
- Sunway Kanching Heights Sdn Bhd
- Sunway Bangi Sdn Bhd
- Sunway Eastwood Sdn Bhd
- Hoi Hup Sunway Development Pte Ltd **
- Hoi Hup Sunway J.V. Pte Ltd **
- Hoi Hup Sunway Property Pte Ltd **
- Hoi Hup Sunway Miltonia Pte Ltd **
- Hoi Hup Sunway Tampines Pte Ltd **
- Hoi Hup Sunway Yuan Ching Pte Ltd **
- Hoi Hup Sunway Pasir Ris Pte Ltd **
- Hoi Hup Sunway Novena Pte Ltd **
- Hoi Hup Sunway Mount Sophia Pte Ltd **
- Sunway Land Pte Ltd #
- Sunway Australia Unit Trust #
- Sunway Opus International Private Limited **
- Sunway MAK International Private Limited **
- Sunway Guanghao Real Estate (Jiangyin) Co. Ltd #
- Tianjin Eco-City Sunway Property Development Co. Ltd **
- 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
- Sunway Southern Management Sdn Bhd
(formerly known as Prosper Generation Sdn Bhd)
- Prosper Revenue Sdn Bhd



PROPERTY INVESTMENT

- Sunway Pinnacle Sdn Bhd
- Sunway Giza Mall Sdn Bhd
- Sunway Giza Parking Sdn Bhd
- Sunway Destiny Sdn Bhd
- Sunway MUSC Sdn Bhd
- Sunway Monash-U Residence Sdn Bhd
- Sunway Residence Sdn Bhd
- Sunway Pyramid Development Sdn Bhd
- Sunway Velocity Mall Sdn Bhd
- Sunway REIT Management Sdn Bhd
- Sunway Real Estate Investment Trust **
- Sunway PFM Sdn Bhd
- Sunway IFM Sdn Bhd
- Sunway Parking Services Sdn Bhd
- Sunway Mall Parking Sdn Bhd
- Sunway Ambience Sdn Bhd
- Sunway Facility Management Sdn Bhd
- Sunway Forum Hotel Sdn Bhd
(formerly known as Sunway Pyramid Hotel Sdn Bhd)
- Sunway Symphony Sdn Bhd
- Sunway Century Sdn Bhd
- Area Star Sdn Bhd
- Rich Worldclass Sdn Bhd
- Sunway Tower 1 Sdn Bhd
- Sunway Townhouse Sdn Bhd
- Frontier Acres Sdn Bhd
- Shahawan (M) Sdn Bhd
- Sunway Orient Sdn Bhd

LEISURE

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

GROUP CORPORATE STRUCTURE



HOSPITALITY

- Sunway Resort Hotel Sdn Bhd
- Sunway Putra Hotel Sdn Bhd
- Sunway Hotel (Penang) Sdn Bhd
- Sunway Hotel (Seberang Jaya) Sdn Bhd
- Sunway Lost World Hotel Sdn Bhd
- Sunway International Hotels & Resorts Sdn Bhd
- Kinta Sunway Resort Sdn Bhd
- Sunway Hotel Phnom Penh Ltd #
- Sunway Hotel Hanoi Liability Limited
Company with one member #
- Allson International Management Limited #
- Allson International Hotels & Resorts (BVI)
Limited #

CONSTRUCTION

- Sunway Construction Sdn Bhd
- Sunway Engineering Sdn Bhd
- Sunway Concrete Products (S) Pte Ltd #
- Sunway Geotechnics (M) Sdn Bhd
- Sunway Geotechnics (S) Pte Ltd #
- Sunway Precast Industries Sdn Bhd
- Sunway Machinery Sdn Bhd



TRADING AND MANUFACTURING

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

QUARRY

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

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 Spun Pile (Zhuhai) Co Ltd #

HEALTHCARE

- Sunway Medical Centre Sdn Bhd
- SunMed@Homes Sdn Bhd
- 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 Shared Services 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 #
- Sunway Hospitality Holdings Limited #
- International Theme Park Pty Ltd #
- Sunway Developments Pte Ltd #
- Fortuna Gembira Enterpris Sdn Bhd
- Hartford Lane Pty Ltd #
- Reptolink Sdn Bhd
- Sunway FSSC Sdn Bhd
- Sunway Labuan Investment Ltd
- Sunway Pals Loyalty Sdn Bhd
(formerly known as Sunway Direct Sdn Bhd)
- Deco Style Sdn Bhd
- Sunway Design Sdn Bhd

Notes:

This Group Corporate Structure excludes dormant companies.

Overseas company

^ Public listed company

* Associated company / Jointly-controlled entity

SUNWAY IN THE NEWS



Sunway gets RM222m KLCC development project

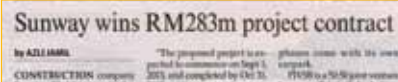
KUALA LUMPUR: Sunway Bhd, Authority, through Sunway Construction Sdn Bhd, has been awarded a RM222 million contract by Cititower Sdn Bhd for the mixed development and completion of piling and sub-

“The project is expected to contribute positively to the earnings of Sunway group from the financial year ending Dec 31, 2013 onwards,”

SUNWAY Bhd's Singapore-based subsidiary, Sunway Developments Pte Ltd (SDPL), together with two companies from the island republic, has been awarded a land parcel in Mount Sophia by the Urban Redevelopment Authority of Singapore last Thursday.

The award is for 99-year lease term, worth RM1.13 billion (SD\$114 million).

The two Singaporean companies are SDPL and Sunway Pte Ltd (SPL). SDPL had entered into a three-way joint-venture deal with SDPL



与日企联手建共管公寓 双威料获 3.2 亿发展值



Sunway's Iskandar tourism thrust



Sunway Group founder gets honorary doctorate



city&country

Sunway moving to the next level

Sunway steal the show



you focused on what needs to be done to ensure that the property market remains vibrant and resilient, and at the same time ensuring that there is an adequate supply of affordable homes and housing.

The issues are complex and many are outside the control of the industry. But with the collective efforts of the key players in the industry and the regulators, I am sure we can achieve our goals and vision. This is the 15th year the paper has ranked Malaysia property developers and this is the 15th year

雙威集團 2.7億檳島購地

(吉隆坡17日讯) 双威集团 (SUNWAY, 5211, 主要板房产) 成功以总额2亿6741万令吉, 夺得檳城4块包括建筑在内的地段, 估计发展总值可达13亿令吉。

该公司向马证交所披露, 间接子公司Sunway City (檳城) 以总额2亿6741万令吉, 成功竞得Luxor Precision私人有限公司的4块附带有建筑或厂房的地段。

双威集团指出, 公司是在本月14日, 接获上述公司房产代理威廉氏达哈和王 (CH William Talhar & Wone) 发出的通知信。

该公司指出, 上述地段位于檳城策略地点, 周



Mitsui Fudosan partners Sunway

Sunway gives exposure to Singapore property market

BY AFIQ ISA

Sunway Bhd's property ventures in Singapore, which carry an estimated total gross development value (GDV) of S\$3.7 billion (RM9.4 billion), is set to become a major contributor to the conglomerate's net profit over



Sunway's Singapore footprint via 30% JV with Hoi Hup (as at September 2013)

UPCOMING	Type	Mixed Development
Royal Square, Novena, Singapore	Mixed Development	Medical Suites (60%) Hotel (30%) Retail (10%)
GDV		S\$955m

there carry an estimated total GDV in excess of S\$2 billion.

For its second quarter ended June 30, Sunway's property development division contributed 46% to its net profit of RM201.26 million.

More significantly, the group noted that its profit before tax had been boosted by the higher profit contribution from its Singapore property



全球最大滑水梯 双威乐园刺激大增

Aiming to be a smoke-free township by 2018

Sunway Resort City to roll out smoking cessation plans in phases.

The Sunway Group has announced its plan to create a smoke-free township by 2018. The group is currently rolling out smoking cessation plans in phases across its Sunway Resort City development. The plan includes providing smoking cessation services to residents and staff, as well as implementing strict measures to prevent smoking in public areas.



SunCon bangunan projek RM282.9j

Sunway Construction Sdn Bhd (SunCon) mendapat kontrak melaksanakan projek pembangunan bercampur "Keselamatan Bandar" bernilai RM282.9 juta daripada Pulau Indah Ventures Sdn Bhd.

Pulau Indah Ventures adalah sebuah syarikat usaha sama antara Khazanah Nasional Bhd dan Temasek Holdings (Private) Ltd.

SunCon adalah anak syarikat milik penuh Sunway Holdings Sdn Bhd, yang juga anak syarikat milik penuh Sunway Bhd.

Dalam makluman kepada Bursa Malaysia, Sunway berkata projek Keselamatan

Sunway Geo opens up to Japanese customers

Recommendation: Buy RMB1.1b Target



Sponsors line up for Cruyll Court Iskandar

100 sportspeople for the 2010 World Championships for the Cruyll Court Tennis Club. The club is currently in the process of securing sponsors for the tournament. The club is currently in the process of securing sponsors for the tournament.

Jentera merah jambu tanda sokongan



PSK adalah tapak pembinaan MY Rapid Transit (MRT) di kawasan Sunway. Projek ini akan melibatkan pembinaan stesen MRT dan landasan kereta api. Projek ini akan melibatkan pembinaan stesen MRT dan landasan kereta api.

PSK adalah tapak pembinaan MY Rapid Transit (MRT) di kawasan Sunway. Projek ini akan melibatkan pembinaan stesen MRT dan landasan kereta api. Projek ini akan melibatkan pembinaan stesen MRT dan landasan kereta api.

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PSK adalah tapak pembinaan MY Rapid Transit (MRT) di kawasan Sunway. Projek ini akan melibatkan pembinaan stesen MRT dan landasan kereta api. Projek ini akan melibatkan pembinaan stesen MRT dan landasan kereta api.

CHAIRMAN'S STATEMENT

DEAR VALUED
SHAREHOLDERS,

On behalf of the Board of Directors, it gives me great pleasure to present Sunway Berhad's Annual Report for financial year ended 31 December 2013 ("FY2013"). The Group has had an excellent year and achieved another new milestone in terms of financial results.

TAN SRI DATO' SERI DR
JEFFREY CHEAH FOOK LING, AO
Executive Chairman



PERFORMANCE REVIEW

Despite a moderate economic environment, Sunway recorded its best ever financial performance which saw its net profit surpass the RM1.0 billion mark in FY2013. Group revenue increased to RM4.7 billion while core net profit soared to RM484.0 million from RM4.1 billion and RM350.7 million respectively in the previous financial year. Reported net profit was even higher at RM1.5 billion, which was boosted by fair valuation gains and accounting policy adjustments attributable to the new FRS 10.

The strong financial performance came on the back of improved profitability by all the major divisions with the core Integrated Properties and Construction divisions being the largest contributors to the bottom line. It was also exciting to note that the expected benefits in the form of synergies and cost savings from the Integrated Properties and Construction inter-divisions collaboration have also started to contribute positively to the Group's profitability.

DIVIDEND

As a result of the strong financial performance and our confidence in the future, Sunway declared two interim dividends totaling 10 sen per share in FY2013 which implied a payout ratio of 36% of the Group's core net profit. The Group is also committed to its current practice of paying dividend semi-annually and will maintain a minimum payout ratio of 20% of core net profit to reward our shareholders.

LANDBANKING FOR SUSTAINABILITY

The Group made great strides on the landbanking front in 2013, securing three major parcels of land in Johor, Penang and Singapore respectively. In Johor, we signed a Supplemental Sale and Purchase Agreement with Iskandar Investment Berhad to acquire another 300 acres of land in Eastern Pendas South. This acquisition brought our total landbank in Nusajaya to 1,770 acres, which encompasses the Medini and Pendas area.

In Singapore, we acquired a prime parcel of land in District 9, Singapore through an open tender by the Urban Redevelopment Authority ("URA"). This parcel of land has an unparalleled location amongst new developments, located just 10 minutes walking distance from the Orchard Road shopping belt and on the other end being immediate neighbours to the Singapore Istana. This development which will comprise luxurious low rise condominiums has an estimated gross development value of SGD820 million.

The Group had embarked on a two-pronged strategy to strengthen our presence in the northern region. In 2012, the Group launched the first phase of Sunway Wellesley comprising shop offices to establish a new integrated township on our existing landbank in Bukit Mertajam. The launch was well received and we are looking forward to launching our residential units in Sunway Wellesley in 2014.



To increase our presence on Penang Island, we successfully acquired a prime parcel of Grade A, freehold land measuring 24.5 acres in Paya Terubong towards the end of 2013. Located in the centre of Penang Island, the land is situated amidst a densely populated area which provides good catchment for the proposed commercial component of our development and augurs well for the residential component which will attract upgraders or new families from the surroundings. The proposed development at Paya Terubong will have an estimated GDV in excess of RM1.5 billion.

BUILDING FOR THE FUTURE

The Construction team had another great year in 2013 in terms of order book replenishment, securing RM2.6 billion of new orders, surpassing even the achievement of 2012 when we secured the substantial MRT Package V4. The division was the most successful in the country in securing new orders in 2013 and its outstanding order book of RM3.9 billion as at 31st December 2013 was one of the largest amongst local contractors. With such an order book, the earnings visibility for the division is secured for at least the next two years.

More importantly, the new orders came from a portfolio of reputable clients including Prasarana, a KLCC (Holdings) Sdn Bhd joint venture company and a Khazanah - Temasek Joint Venture. The award of their projects to Sunway Construction is a strong endorsement of the track record and execution capability of our construction arm.

STRENGTHENED BALANCE SHEET

While our business operations are doing well, we have been equally vigilant and conscious of the need to maintain our financial strength and discipline. In June 2013, the Group launched a renounceable rights issue of 1 ordinary rights share for every 3 existing ordinary shares at the price of RM1.70 per rights share. The rights issue was a success, being oversubscribed 1.32 times and enabled the Group to raise RM732.5 million which immediately strengthened the Group's shareholders funds. Proceeds from the rights were partly utilised to repay the Group's borrowings and to reduce its net gearing ratio. As a result, the Group is now financially well positioned to capitalise and pursue any strategic business opportunities which may arise going forward.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS") TO REWARD AND RETAIN

The Board is pleased with the significant contribution made by our employees to the Group's overall success and constantly seeks ways to reward and retain our talents. After due consideration, the Group decided to launch a merit-based ESOS in September 2013, granting a total of 133,564,000 ESOS to our employees which will be vested progressively to approximately 2,500 employees over the next 3 years. The vesting amount depends on the performance of the respective employees with the higher performing staff vested a higher proportion of options. The ESOS structure promotes a culture of reward based on merit and it also seeks to retain our employees longer through the extended vesting period. We are confident that there will now be a greater alignment of their interest with those of our shareholders.



CELEBRATING EXCELLENCE

While the above highlighted the inherent strengths of the Group, Sunway was also bestowed with numerous external awards in 2013 due to the exceptional work and standards set by the Group. Amongst the more prominent awards included The Edge Top Property Developers Award where we retained our ranking as the second best developer in Malaysia. In addition, Sunway also claimed the Best Property Project Award in Malaysia with our flagship Sunway Resort City, garnering another milestone for this internationally acclaimed township.

For construction, Sunway Construction was feted at the Malaysian Construction Industry Excellence Awards 2012 with the International Achievement Award for our construction of Phase 1A of the Zayed Sports City Development in Abu Dhabi. This particular project has been a significant one for the Group in terms of profitability as well as enhancing the Group's reputation as a contractor of choice in the Middle East region.

In terms of corporate branding recognition, we are delighted with our win of the Silver Awards at the Putra Brand Awards which reaffirmed Sunway's strong brand equity. We are proud of the strong Sunway brand that we have built, not only in the property sector, but in every industry we operate in. We are now amongst the market leaders in every business segment we are involved in and the Sunway brand is a quality assurance in each of these segments.

From a corporate governance reporting perspective, we are pleased with our continued win at the National Annual Corporate Report Awards ("NACRA"). The award in 2013 represented the seventh consecutive year that Sunway has won the Industry Excellence Award for Properties and Hotels Category. The Group's high standards for disclosure and transparency has continued with its associate, Sunway Real Estate Investment Trust, also retaining the Industry Excellence Award for the REIT and Investment Funds category for the second year.



REMEMBERING OUR RESPONSIBILITIES

As the Group progresses, it remains mindful of its duties as a good corporate citizen. Sunway is focused on the three pillars of Education, Healthcare and the Community in its Corporate Social Responsibility activities.

For Education, the Group and the Jeffrey Cheah Foundation have worked hand in hand for many years to provide quality education to deserving Malaysians. A significant milestone in 2013 was achieved with the establishment of the Jeffrey Cheah Institute on Southeast Asia, a think-tank to promote teaching and research on economics, societies, politics and culture of Southeast Asia and to advise regional governments and agencies in the development and implementation of public policies.

On Healthcare, the Group continued to conduct a number of initiatives to increase general awareness of critical illnesses and ways to maintain a healthy lifestyle through Sunway Medical Centre. In addition, Sunway has embarked on a five year group wide strategic plan to make Sunway Resort City the first 100% smoke free township by 2018. This initiative was launched in conjunction with World No Tobacco Day 2013 and will see Sunway play its part by unveiling a comprehensive smoking cessation plan and to educate its employees on the benefits of a smoke free environment.

With regards to our responsibility to the Community, Sunway is continuously enhancing and enriching the lives of the communities we touch. Thus far, we have focused our efforts in ensuring safety within our townships and developments, improving accessibility and reducing traffic congestion, fostering national unity through shared festive celebrations and emphasizing the importance of environmental preservation.

OUTLOOK AND PROSPECTS

The Group is cautiously optimistic of its prospects in 2014. While the property cooling measures announced in Budget 2014 may dampen property sales, we are confident that the quality of our properties and their locations, especially those located within our integrated developments, would help us overcome the less favourable market condition.

Aside from this, Sunway's performance is expected to remain satisfactory for 2014 as the Group is well supported by other businesses which continue to perform well. Indeed, our Construction division should continue to benefit from the buoyant construction sector and the strong order book in hand. Our Property Investment division will, as usual, continue to provide stable and recurring earnings for the Group, while the other businesses under our strategic investments grouping are also expected to perform well.



ACKNOWLEDGEMENT

The Group's achievements in the past year was the culmination of tireless efforts, support and cooperation of various stakeholders. On behalf of the Board, I would like to express my deepest gratitude to the Group's employees, customers, suppliers, subcontractors, joint venture partners, investors, financiers, shareholders and the respective government authorities. Your continued support will be of utmost importance if Sunway is to sustain the strong growth we have achieved since the merger.

During the year, Datuk Low Seng Kuan resigned from the Board to take up new responsibilities as Minister in the Prime Minister's Department. The Board thanks him for his invaluable contribution to Sunway over the years and wishes him continued success in his new role in nation building. We welcomed Datuk Seri Michael Yam Kong Choy to the Board as an Independent, Non Executive Director. His counsel to the Board, from years of experience in the property industry and active role in the Real Estate Housing Development Association ("REHDA"), will help the Group to charter greater heights ahead.

On that note, I conclude this year's review and we look forward to an exciting 2014 as Sunway celebrates its 40th anniversary where we hope to achieve even greater milestones and goals.

TAN SRI DATO' SERI DR
JEFFREY CHEAH FOOK LING, AO
Executive Chairman

CALENDAR OF SIGNIFICANT EVENTS

SUNWAY WINS LEGOLAND WATER THEME PARK CONTRACT

7 JAN 2013



Sunway Construction was awarded the contract to design, construct and complete package 11 of the Legoland Water Theme Park. The RM45.0 million contract was awarded by IDR Assets Sdn Bhd. Construction is estimated to take approximately 9 months and will contribute to the Group's earnings for the financial year 2013. Legoland Water Park Malaysia is LEGO's largest water park in the world to date with an area of 300,000 square meters. It will accommodate more than 20 water-based attractions and 70 Lego models.

TAN SRI DR JEFFREY CHEAH RECEIVES HONORARY ASSISTANT COMMISSIONER OF POLICE

4 FEB 2013



Tan Sri Dr Jeffrey Cheah, Chairman of Malaysia Crime Prevention Foundation (MCPF), Selangor Chapter and Chairman of Sunway, was conferred the honorary Assistant Commissioner of Police by the Inspector-General of Police, Tan Sri Ismail Omar at the "Chief of Police Meet and Greet Day" in recognition of his proactive efforts towards crime prevention.

Tan Sri Jeffrey Cheah played a pivotal role in crime prevention through positive collaborations undertaken jointly with the government and police which include the launch of the Campus Policing initiative at Sunway University, the setting up of Crime Prevention Clubs in Sunway University and Monash University Malaysia, and the completion of the 1km covered canopy walk from Sunway Pyramid to the universities.

Bandar Sunway is the first Safe City Township in the country and is equipped with more than 800 security personnel of which 250 are auxiliary police, 55 CCTV units, safe walkways, a police station as well as a tourist police station.

SUNWAY BUILDING BUS RAPID TRANSIT ("BRT") - SUNWAY LINE

11 MAR 2013



Syarikat Prasarana Negara Berhad ("Prasarana") has awarded the construction for the BRT - Sunway Line to Sunway Construction for a total contract sum of RM452.5 million. The BRT, a Prasarana and Sunway Public-Private Partnership (PPP) initiative, is aimed at not only addressing the traffic congestion problems within Bandar Sunway but also providing a vital link between the Setia Jaya KTM station and future LRT Station at USJ 6 near the Summit shopping centre. The BRT consists of a 5.4km elevated bus-line and has 7 halts with 3 of them within Bandar Sunway. This initiative to improve the connectivity in Bandar Sunway and reduce congestion will be supported by Sunway to the sum of RM99.0 million and is part of Sunway's continuous corporate social responsibility. Construction will last for 24 months from the date of award to early 2015.

ACCEPTS LETTER OF AWARD FOR KLCC NORTH EAST CAR PARK

19 MAR 2013



Sunway Construction was awarded a contract worth RM304.0 million for the construction and completion of North East Car Park (NEC) underneath KLCC Park by Cititower Sdn Bhd, a joint venture company between KLCC (Holdings) Sdn Bhd and QD Asia Pacific Ltd. The contract win was Sunway Construction's fifth major job win for the year. The project has a tenure of 178 weeks from the date of site possession.

EARTH HOUR 2013

23 MAR 2013



Sunway Pyramid was the Earth Hour venue sponsor for the third consecutive year in collaboration with WWF-Malaysia. The event served as a platform to elucidate the public on climate change and motivate collective efforts in going green. On the 23rd of March, all non-essential lights were switched off for one hour as part of its commitment to the Earth Hour: 'Live Green' pledge to combat global warming. The Earth Hour 2013 Band Contest, with support from Universal Music Malaysia was also held for the first time where 18 local unsigned bands participated in advocating the green message through the universal language of music.

As part of Sunway's green effort in the month of March, Sunway Pyramid also organised the Pygmy Elephant Project in conjunction with the EleFUN Holiday. Proceeds from "adoption" of the colourful elephant sculptures displayed throughout Sunway Pyramid went to the Borneo Conservation Trust in support of conservation and research efforts for Pygmy Elephants.

SUNWAY TO LAY FOUNDATION FOR KLCC

29 APR 2013



Sunway Construction wins another contract from Cititower Sdn Bhd, a joint venture between KLCC (Holdings) Sdn Bhd and QD Asia Pacific Ltd in the form of substructure works for the proposed mixed development at Persiaran KLCC, adjacent to the Petronas Twin Towers for a sum of RM222.0 million. The project has a tenure of 82 weeks from the date of site possession.

CALENDAR OF SIGNIFICANT EVENTS

CONNECTING THROUGH
“SUNWAY CHALLENGE”

29 MAY 2013



Sunway Property treated Sunway PALS members and students from Sunway University and Monash University Malaysia to a splashing good time at Sunway Lagoon in continued efforts to bring the communities within the Sunway developments closer together.

The event, aptly themed “Sunway Challenge”, saw participants competing in a series of games, puzzles and challenges in the style of ‘Amazing Race’ for a chance to win up to RM6,000 worth of cash prizes. Participants also had the opportunity to experience Sunway Lagoon’s latest attractions, the Vuvuzela and Waterplexx 5D.

Sunway Challenge is one of the many initiatives organised by Sunway Property’s Customer Service to enrich the lives of its communities and to foster closer relations between developer and purchasers.

SMOKE FREE
WORKPLACES

3 JUN 2013



Sunway’s Chairman Tan Sri Dr Jeffrey Cheah announced that the company will be incorporating smoking cessation plans into the Sunway’s Human Resources Policy. This is another step Sunway Group has taken towards joining the global initiative in curbing smoking. The announcement is part of the company’s Five Year Strategic Plan to make Sunway Resort City the first 100% smoke-free township in Malaysia by 2018 in alignment with the Group’s plan to provide a better and healthier living environment.

The announcement was made at the launch of the International World No Tobacco Day 2013 at Sunway Pyramid. Minister of Health, YB Dato’ Sri Dr. S Subramaniam was present to launch the three-day event supported by Sunway which offered visitors free health screenings and the opportunity to learn more about smoking hazards.

SUNWAY MEDICAL
CENTRE HOLDS
OPEN DAY

9 JUN 2013



Sunway Medical Centre organised its first Open Day in a bid to encourage a more health conscious community as well as to create greater awareness of the medical services offered by Sunway Medical Centre. Members of the public were given an opportunity to familiarize themselves with Sunway Medical Centre’s various Centres of Excellence (“CoE”) and specialties offered under each CoE.

Visitors on the day also enjoyed free health screenings such as glucose test, cholesterol test, middle ear screening as well as a skin prick test for allergy detection. Counselling for those in the high-risk categories were provided by senior nurses and dieticians, while some did their bit for the community by donating blood at the hospital laboratory.

LEADING WITH PASSION 2

21 JUN 2013



Following the success of the inaugural “Leading with Passion” campaign in May 2012, “Leading with Passion 2” took off in 2013 with events launched across Malaysia namely at Sunway Hotel Georgetown, Penang; Lost World of Tambun, Perak and Menara Sunway, Selangor. Events such as “Express Your Passion Contest”, “Passion: It’s A Lifelong Commitment Stories” and “Most Passionate Business Unit Contest” gave employees a chance to shine and sharpen their management skills. Leading with Passion is part of Sunway’s ongoing effort to mentor employees towards becoming world class leaders and to show appreciation to the most dedicated and passionate fellow employees.

HOSTING UNDERPRIVILEGED CHILDREN FOR BUKA PUASA

11 JUL 2013



Sunway Resort Hotel & Spa made 2013’s Ramadan all the more meaningful by bringing cheer to 100 children from two orphanage homes. Supported by various sponsors, the Hotel treated the children of Rumah Anak Yatim Limpahan Kasih and Persatuan Anak Yatim Nur Jannah to Buka Puasa at the Lagoon Ballroom with a range of activities and entertainment.

STRATEGIC ALLIANCE WITH VIACOM

24 JUL 2013



Sunway has entered into a strategic alliance with Viacom International Media Networks (“VIMN”) Asia. VIMN is a division of Viacom Inc. and is a leading provider of youth and adult entertainment content. The alliance not only establishes Sunway Resort City as the chosen event venue for MTV World Stage Live for the next three years but will also open doors to potential collaborations across VIMN’s brands which include MTV, VH1 and Nickelodeon.

CALENDAR OF SIGNIFICANT EVENTS

SECURES CONSTRUCTION OF URBAN WELLNESS PROJECT, MEDINI

23 AUG 2013



Pulau Indah Ventures Sdn Bhd, a joint venture company between Khazanah Nasional Berhad and Temasek Holdings, awarded Sunway the construction works for the “Urban Wellness Mixed Development Project” which is also known as Afiniti Medini for a contract sum of RM282.9 million. Afiniti Medini features a wellness centre, service apartments, a corporate training centre and retail space. The construction period is expected to last for 26 months.

WINS PRIME LAND TENDER IN SINGAPORE

13 SEP 2013



A consortium comprising Sunway Development, Hoi Hup Realty and SC Wong Holdings edged other bidders to win the tender for a parcel of prime land at Mount Sophia, Singapore with a bid of SGD442.3 million. The land, put up for tender by the Urban Redevelopment Authority of Singapore (“URA”), has a 99-year lease term, spans 5.87 acres and has a plot ratio of 1.5 times. It is strategically located in CBD Singapore, being just 5 to 10 minutes’ walk from Dhoby Ghaut MRT Station, the Orchard Road shopping belt and the cultural area of Little India. Sunway is proposing a low rise residential development on the land with a potential GDV of approximately SGD820.0 million.

TOPPING OFF THE PINNACLE

23 SEP 2013



Sunway achieved another milestone with the topping-off ceremony of Sunway Pinnacle. The single tower structure comprises 580,000 square feet of net floor area, is equipped with executive restrooms on every corner of the lift core and has a central water-cooled air-conditioning system. With its MSC status, excellent interconnected car-park facilities and strategic location within a matured integrated township, Sunway Pinnacle is set to become an iconic landmark and ideal home base for multinationals seeking to re-locate from the congested city centre.

Sunway Pinnacle was designed with the Virtual Design and Construction system (“VDC”) which is an innovative, integrated approach in managing design and construction using digital information models. This pioneering system ensures better building efficiency and streamlining of design, scheduling and fabrication process.

GOING PINK FOR A GOOD CAUSE

25 SEP 2013



Sunway lent its support for cancer awareness and research through a novel initiative. Sunway became the first company to hire a pink excavator and deploy it at its MRT construction site, opposite Phileo Damansara and along the SPRINT highway in Petaling Jaya, with the intention of raising awareness on the debilitating disease. The pink excavator for cancer research or “PIXCR” was commissioned by Sime Darby Industrial with a portion of the rental charges channeled towards Cancer Research Initiatives Foundation (“CARIF”).

The contribution is an extension of Sunway’s ongoing efforts to enrich lives by creating healthy communities through various “C.A.R.E. Projects” or “Community Aid, Reach out and Enrichment Projects”.

VUVUZELA LISTED ON MALAYSIA BOOK OF RECORDS

7 OCT 2013



Sunway Lagoon’s Vuvuzela was officially listed as Malaysia’s Biggest Water Ride. The attraction, which was launched in May 2013, is 30 meters high, 152 meters long, has a funnel that is 22 meters in diameter and occupies an area of 3,340 square meters or approximately 3 times the size of an Olympic swimming pool. The mega structure made it into the records under the Building and Structure category and was built at a total cost of RM15.0 million.

COLOURS OF DIWALI

22 OCT 2013



YB Kamalanathan P. Panchanathan, Deputy Minister of Education II officiated the launch of “Sunway Colours of Diwali” at Sunway Pyramid, alongside Tan Sri Ramon Navaratnam, Corporate Advisor of Sunway Group. A total of RM10,000 was collected from Sunwayians, enabling the purchase of goodies for less fortunate children and ensuring that everyone went home with bright smiles, filled bellies and unforgettable memories of their outing in Sunway Resort City. The launch also marked the start of Sunway’s annual outdoor festive street lights.

CALENDAR OF SIGNIFICANT EVENTS

SUNWAY TEAMS UP WITH
MITSUI FUDOSAN

29 OCT 2013



Sunway entered into a joint venture with a subsidiary of Mitsui Fudosan, Japan's largest property company, to develop and sell Sunway Geo Residences in Sunway South Quay. The development was launched in October 2013 and is slated for completion in 2017.

The joint venture is anticipated to heighten interest among the Japanese community in the remaining seven phases of future development within Sunway South Quay. The Sunway-Mitsui Fudosan partnership is also part of Sunway's strategic collaborations with top global brands to expand the international community within Sunway Resort City and is intended to further boost the Sunway brand in the Japanese market. As the number of Japanese looking to invest in Malaysia rises, this partnership also serves to pave the way for potential collaborations with Mitsui Fudosan in other future developments.

FAMILY DAY 2013

17 NOV 2013



The Sunway team was treated to its annual Sunway Family Day with free entry to Sunway Lagoon in November 2013. This year the employees and their immediate family members had the opportunity to experience the newly opened Vuvuzela and Waterplexx rides. The day got off to an early start with goodie bags for early birds and an aerobics session at 7 am. Speeches by the Kelab Sukan Sunway President and Tan Sri Dr. Jeffrey Cheah officiated the start of the day and participants soon got into the competitive mood for telematches and games for the whole family throughout the day.

SUNWAY MANAGERS
CONFERENCE

23 NOV 2013



Sunway held its annual Managers Conference for close to 2,000 managerial level employees at the Sunway Pyramid Convention Centre. The one day conference featured notable speakers such as Dato' Seri Jamaluddin Ibrahim, Group CEO of Axiata, Mr. Mark Rozario, CEO of Agensi Inovasi Malaysia, Prime Minister's Department and Ms. Kathrine Switzer, American author, television commentator and marathon runner. Among topics discussed were "The Making of a Regional Champion", "Innovating Malaysia" and "How Emotional Intelligence Can Change the World". Attendees were also fortunate to get "Up Close and Personal" with Founder and Chairman of Sunway Group, Tan Sri Dr. Jeffrey Cheah who was present to give an insight into his life experiences and challenges.

SNOW WHITE & THE SEVEN DWARFS - THE MUSICAL

7 DEC 2013



In conjunction with the year-end school holidays, Sunway Lagoon invited its guests to a fairy tale experience with the staging of yet another West End styled production, Snow White and the Seven Dwarfs - The Musical. Based loosely on the classic tale of Snow White overcoming the jealousy of her evil stepmother and finding love with her prince charming, this version adds a dash of Malaysian flavour and provides a modern twist to the traditional stage play to make it entertaining for the whole family.

Held in the Amphitheatre at Sunway Lagoon from 7 December 2013 to 1 January 2014, this year's production featured five West End stars from the UK with live musicians providing a more authentic and enjoyable theatre experience.

CELEBRATING WITH SUNWAY'S CHRISTMAS PARADE

15 DEC 2013



Sunway Group and the Ministry of Tourism and Culture brought festive joy to Sunway Resort City in the Christmas season with a two hour Christmas procession beginning from the Sunway Resort Hotel and ending in the piazza at Sunway Lagoon. More than 300 participants were involved in the parade along with 200 children dressed as angels complete with angel wings, aptly complementing the Sunway Resort City's "Faerie Dreams" theme. The celebrations marked simultaneous celebrations for the 1Malaysia Year End Sales (1MYES) and also heralded the upcoming Visit Malaysia Year 2014.

Revelers cheered the arrival of Leo and Leona, Captain and Lady Quack, Samson the Sun Bear, the cast of Snow White & the Seven Dwarfs - The Musical, Santa Claus and his Santarinas, clowns, jugglers and fire-eaters. At the end of the parade, balloons bearing prizes such as shopping vouchers, buffet treats and one-night stays in the Pyramid Tower hotel were released to the eager crowd that had gathered to watch this colourful procession.

GAINS NEW LANDBANK ON PENANG ISLAND

17 DEC 2013



Sunway will get the opportunity to develop a landmark development on the Penang Island with its acquisition of 24.5 acres of freehold land along Jalan Paya Terubong. Acquired via an open tender from the Lee Rubber Group for a consideration of RM267.4 million, the land is located in central Penang, near Kek Lok Si Temple and Penang Hill. Sunway is proposing an integrated development comprising high rise condominium, offices and retail with a potential GDV of RM1.5 billion.

AWARDS AND ACCOLADES

1 April 2013

Sunway Construction Builds Best Overseas



MALAYSIAN CONSTRUCTION INDUSTRY EXCELLENCE AWARDS 2012 (“MCIEA”)

By Construction Industry Development Board

Sunway has been awarded the International Achievement Award for the construction of Zayed Sports City Development, Phase 1A in Abu Dhabi. The award which is one of the most prestigious at the Malaysian Construction Industry Excellence Awards 2012, was presented by the Construction Industry Development Board (“CIDB”). All award recipients had undergone an assessment process in a two-tier evaluation system, formed by a panel of assessors comprising of individuals in senior management positions from 21 construction related organisations across the industry.

5 April 2013

Banjaran is TripAdvisor Travelers’ Choice in Three Categories



TRIPADVISOR TRAVELERS’ CHOICE AWARDS 2013

By TripAdvisor

The Banjaran Hotsprings Retreat was awarded the TripAdvisor Travelers’ Choice Award for Top 10 Small Hotels, Top 25 Luxury Hotels and Top 25 Hotels for Service in Malaysia. The retreat was placed 3rd for Small Hotels, 9th for Luxury Hotels and 20th for Service in Malaysia. This comes following the ranking of Sunway Resort Hotel and Spa as a Top 25 Luxury Hotel in 2012, cementing Sunway’s status as a top choice for luxury in hospitality.

29 April 2013

Sunway Wins Third Putra Brand Award



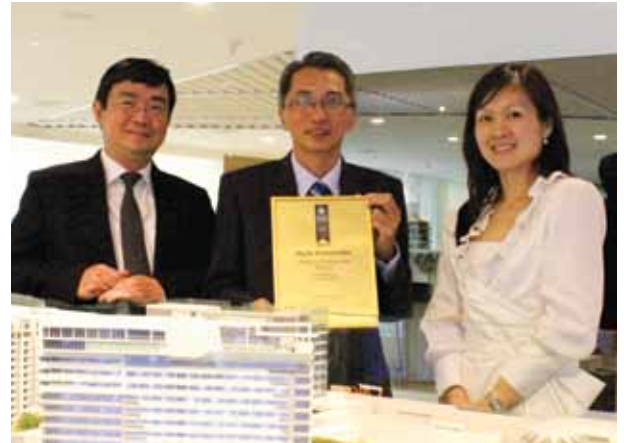
PUTRA BRAND AWARDS 2013

By Association of Accredited Advertising Agents of Malaysia ("4As")

Sunway scored another Silver in the Property Development category of the Putra Brand Awards 2013. This is its third win, after being accorded the honour for two years running in 2010 and 2011. The Putra Brand Awards is a recognition and brand valuation exercise to not only recognize public-listed companies but also local brands and SMEs that are near and dear to the hearts of Malaysians. About 6,000 consumers took part in the brand survey to nominate brands with outstanding performance. Sunway's resounding success at the awards is a testimony of consumers' trust in the home grown brand.

29 May 2013

Sunway Velocity Is "Best Mixed-Use Development"



ASIA PACIFIC PROPERTY AWARDS 2013

By International Property Awards

This is the third Asia Pacific Property Award ("APPA") received by Sunway Integrated Properties. Previously, Sunway RydgeWay received the Highly-Commended Award for the Multiple Units Development category in 2012 while Sunway Vivaldi received the Five-Star Award for Condominiums in 2011.

Sunway Velocity is a freehold development, strategically located 3.8km from the Kuala Lumpur City Centre. The development has a mix of retail shops, office suites, service apartments, a business hotel and a lifestyle shopping mall with over one million square feet.

Sunway Velocity was selected from a collection of projects submitted by Asia Pacific developers from 23 countries demonstrating Sunway's award winning capability within the regional sphere.

AWARDS AND ACCOLADES

4 June 2013

Lost World of Tambun Wins Best Brand in Leisure & Hospitality



BRANDLAUREATE BEST BRAND AWARDS 2013

By BrandLaureate

Lost World of Tambun has been awarded the prestigious Best Brand in Leisure & Hospitality Award 2013 by BrandLaureate, affirming the theme park's reputation within Malaysia. The award is bestowed on an annual basis by the Asia Pacific Brands Foundation, the world's only branding foundation.

Lost World of Tambun first opened its doors to the public on 11 November 2004. New attractions are brought in regularly to enrich visitors' experience. In May 2013, visitors were introduced to Lupe's Adventure, Lost World's newest attraction and Perak's first roller-coaster ride.

13 June 2013

Sunway Amongst Malaysia's Top 10 Property Developers



BCI ASIA AWARDS 2013

By BCI Asia Construction Information

Sunway Integrated Properties continued its winning streak at the BCI Asia Awards 2013, one of the most coveted awards in the Asian building and design industry. This was Sunway's third consecutive win, firmly establishing the Group as one of Malaysia's Top 10 property developers.

The BCI Asia Top 10 Awards recognizes the ten leading design and development enterprises in seven key Asian markets, namely Hong Kong, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam that have made the greatest contribution to the built environment in the prior year.

Winning firms were identified by BCI Asia according to the aggregate value of their projects under design or for groundbreaking designs in 12 months preceding the award year. The extensive data is compiled by BCI Asia's researchers from interviews conducted with more than a quarter of a million architects and other building professionals.

11 October 2013

Tan Sri Dr Jeffrey Cheah - The Edge Malaysia Outstanding Property Personality



THE EDGE MALAYSIA PROPERTY
EXCELLENCE AWARDS 2013

By The Edge Malaysia

Sunway's founder and chairman, Tan Sri Dr Jeffrey Cheah was feted at The Edge Malaysia Property Excellence Awards with The Edge Malaysia Outstanding Property Personality Award 2013 for his outstanding contribution to the Malaysian property industry. The award is a strong testament to the man whose vision and industry led to the creation of Sunway Resort City, one of Malaysia's great property success stories and the only integrated development in Malaysia with seven different components.

11 October 2013

Outstanding Property Project by a Top Property Developer



THE EDGE MALAYSIA PROPERTY
EXCELLENCE AWARDS 2013

By The Edge Malaysia

It proved to be a glorious outing at the Awards for the Sunway team as Sunway scooped up two other major awards. Sunway Resort City was crowned The Edge Malaysia Outstanding Property Project Award 2013 reflecting the high regard placed on the Group's signature township. Sunway Resort City is the first township in the country to be acknowledged for the Outstanding Property Project award. The recognition also solidifies Sunway's position in the market as an innovative, trusted and reputable property player.

Meanwhile, in the annual rankings of the top developers, Sunway retained its second place in The Edge Top Property Developers Awards, demonstrating its continued commitment to quality developments and delivering shareholders value. This is the eleventh consecutive year Sunway has been ranked amongst the Top 10 developers in the country.

AWARDS AND ACCOLADES

13 November 2013

Sunway Palazzio Adjudged “Best High Rise Development”



FIABCI MALAYSIA PROPERTY AWARDS 2013

By International Real Estate Federation (“FIABCI”)

Sunway Palazzio received top honours at the recent FIABCI Malaysia Property Awards, when it successfully bagged the “Best High Rise Development” award. Built with families who prize personal luxury in mind, the over RM400 million GDV Sunway Palazzio is now an iconic landmark in Sri Hartamas, nestled within the prestigious neighbourhoods of Sri Hartamas, Damansara Heights and Mont Kiara.

This win follows Sunway’s triumph in the internationally renowned FIABCI Prix d’Excellence Awards in 2012 and FIABCI Malaysia Property Awards in 2011 for The Banjaran Hotspots Retreat and the FIABCI Prix d’Excellence Awards for Sunway Pyramid Shopping Mall in 2011.

26 November 2013

Sunway Wins First SIRIM Quality Award



SIRIM QUALITY AWARDS 2013

By SIRIM Berhad

The SIRIM Quality Award 2013, introduced for the first time by SIRIM Berhad, is a formal recognition of SIRIM clients who have achieved a high level of excellence in quality management systems and products in various sectors. Sunway Construction is privileged to be amongst its inaugural winners, bagging the award for Category 1 which are companies with annual sales of more than RM100 million. The award is timely as the Group looks to drive Total Quality Management initiatives across the Group.

26 November 2013

Sunway Bags Two NACRA Awards



NATIONAL ANNUAL CORPORATE REPORT AWARDS 2013

By Bursa Malaysia Bhd, Malaysia Institute of Accountants and the Malaysia Institute of Certified Public Accountants

Sunway retained the Industry Excellence Award - Properties & Hotels category for a record seventh consecutive year at the National Annual Corporate Report Awards 2013 ("NACRA"). The Group's associate, Sunway Real Estate Investment Trust ("REIT") also took home the Industry Excellence Award - REIT & Investment Funds category for the second year in a row.

NACRA is known for its stringent standards in assessing annual corporate reporting and recognizes corporate reports that are not only in compliance with regulatory and legislative requirements but are in line with global best standards. Sunway is proud to have been recognized for its annual corporate reporting in the two aforementioned categories confirming the highest quality of reporting Sunway consistently adheres to.

30 November 2013

Ranked Among Malaysia's Top 25 Leading Graduate Employers



MALAYSIA'S 100 LEADING GRADUATE EMPLOYERS ("M100")

By GTI Media

Sunway was again ranked as Malaysia's Top 25 Employers for Graduates. The results were drawn following a poll of 12,000 students and fresh graduates who took part in the trendence Graduate Barometer 2013 survey. Sunway is proud to receive the recognition from M100 as it highlights Sunway's efforts in talent acquisition and is reinforcement of Sunway's reputation as a preferred employer amongst Malaysian conglomerates and corporations.

PERFORMANCE REVIEW



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SOARING TO NEW HEIGHTS



For every dream, idea and inspiration, there is a possibility to create something beautiful.

We keep looking upwards, working towards standards that set us above the rest.

PRESIDENT'S REVIEW

The Group delivered solid results in 2013 with strong contributions across all divisions. The three main drivers of performance were the synergies between our property and construction businesses achieved from the merger of Sunway Holdings Berhad and Sunway City Berhad in 2011, our large construction order book and the high unbilled property sales as at the end of 2012.

DATO' CHEW CHEE KIN
President



ARTIST'S IMPRESSION OF SUNWAY GEO Bandar Sunway



INTEGRATED PROPERTIES

Property Development

The Group launched RM1.8 billion of new properties in 2013, of which RM1.2 billion was in Malaysia and RM555.0 million in Singapore. This represented an approximate 30% increase from RM1.3 billion in 2012, of which RM1.1 billion was in Malaysia and RM260.0 million in Singapore.

Our new properties launched comprised a range of product types, price points and geographies. In the Klang Valley, we launched Sunway Geo Retail Shops and Flexi Suites (Phase 2), and Sunway Geo Residences, both located in Sunway South Quay. These contributed a total Gross Development Value ("GDV") of RM855.0 million, of which more than 80% of units had been sold as of the end of 2013.

We launched our maiden development in the southern region of Malaysia, Sunway Lenang Heights, located near Taman Molek, Johor Bahru. Sunway Lenang Heights is an exclusive residential development that is expected to be the standard-bearer in its immediate vicinity, as it is the only gated and guarded community with a private clubhouse. The launch phase, comprising semi-detached and bungalow homes, had a GDV of RM200.0 million.

In Singapore, we launched our first integrated development, the Royal Square at Novena, which comprises medical suites, retail lots and a hotel. As at end 2013, 50% of the medical suites and retail lots have been sold. The hotel component will be sold en-bloc upon its completion.

Total property sales in 2013 was RM1.8 billion, similar to that recorded in 2012, comprising sales of new launches and previously launched projects, namely Sunway South Quay, Sunway Montana, Sunway Velocity, Sunway Eastwood, Sunway Nexis, Sunway Alam Suria and Sunway Vivaldi. The Group's unbilled sales at the end of 2013 stood at RM2.4 billion, compared with RM2.5 billion in 2012.

In landbanking, we secured three parcels of land in 2013. We secured the Eastern Pendas South parcel, with a size of 300 acres, in early 2013 to augment our Sunway Iskandar township which now measures 1,770 acres in total. This will give us control of development on both sides of Sungai Pendas. In addition, we secured a major landbank in Paya Terubong, the heartland of Penang Island, at a cost of RM267.4 million, marking our first major landbank acquisition in Penang. We plan to build an integrated development with a GDV of RM1.5 billion that will strengthen the Group's competitive position in Penang. In Singapore, we secured a parcel of prime land in Mount Sophia, just minutes from the Orchard shopping belt. The land cost approximately SGD442.3 million, and our planned low rise residential development is expected to generate a GDV of SGD820.0 million.

ARTIST'S IMPRESSION OF SUNWAY UNIVERSITY
Bandar Sunway



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

The Group held a 34.5% interest in Sunway REIT as at 31 December 2013. The REIT distributed a total of 8.27 sen per REIT unit in dividends in 2013, representing a yield of 5.3% based on its closing price of RM1.55 as of 31 December 2012.

The division generated continued growth in its recurring income base. The division's latest addition, Sunway Pinnacle, a 27-storey MSC status office tower in Sunway Resort City, was completed at the end of 2013. This adds 580,000 square feet of net lettable area under the division's management and Sunway Pinnacle is expected to welcome its first tenant by March 2014.

The Group continued to invest in asset enhancements. At Monash University Malaysia campus, we added two academic blocks with 230,000 square feet of net lettable space, which will be fully let by Monash University. In addition, we started the rejuvenation of Sunway Putra, with extensive renovations of Sunway Putra Mall and Sunway Putra Hotel. These works are expected to complete in 2015.

Leisure and Hospitality

Our two theme parks entertained 1.6 million visitors in 2013, marginally lower than 1.7 million in 2012, largely resulting from increased competition from new entrants in the market. Despite the challenging industry conditions, we increased profitability by introducing new offerings and growing our revenue per visitor, and by proactively managing costs.

At Sunway Lagoon, we introduced our second new mega ride in two years, the Vuvuzela, billed as the world's largest vortex water ride. In addition, through a strategic alliance with Viacom International Media Networks, we secured the rights to host the MTV World Stage for the next 3 years. This is a marquee event on the music calendar in the region, and will both increase the visitor figures for our parks and enhance Sunway's brand recognition in the region as the programme is broadcasted on MTV.

In the hospitality division, several of our properties were upgraded, namely Sunway Putra Hotel, Sunway Hotel Seberang Jaya and Sunway Hotel Georgetown. Refurbishment of the latter two hotels was completed in 2013, while Sunway Putra Hotel's renovation commenced at the end of 2013 and is expected to be completed in 2015.

KLCC NORTH EAST CARPARK CONSTRUCTION SITE
Kuala Lumpur



Construction

Our Construction division delivered excellent results, securing RM2.6 billion worth of new jobs in 2013, the highest order replenishment among Malaysian contractors. The new jobs comprised RM1.8 billion of third party jobs and RM812.0 million of in-house jobs from the Integrated Properties division. Our order book stood at a high of RM3.9 billion at the end of 2013 and was diversified, a testament to our multi-discipline capabilities.

During the year, the Group won the contract for construction of the Elevated Bus Rapid Transit (“BRT”) – Sunway Line (contract sum of RM452.5 million) by Syarikat Prasarana Nasional Berhad. This is the first BRT line to be built in the country and has the potential to be the template for additional new BRT lines in the country.

We were honoured to be also selected to build the Afiniti Urban Wellness Centre, a joint venture project between Khazanah Nasional Berhad and Temasek Holdings, at a contract sum of RM282.9 million, in Medini Iskandar. In addition to enhancing the Iskandar Malaysia development, this project is also expected to contribute to the strengthening of bilateral ties between Malaysia and Singapore.

In addition, the Group was awarded two contracts by a joint venture company between KLCC (Holdings) Sdn Bhd and QD Asia Pasific Ltd for the construction of a basement car park and substructure works for an upcoming mixed development adjacent to the KLCC Twin Towers (total contract sum of RM526.0 million).

In 2013, we completed several significant projects, including Legoland Water Park, Pinewood Iskandar Malaysia Studios and Universiti Teknologi Mara campus extension in Shah Alam. We made substantial progress on key ongoing projects, including Package V4 of the MRT (20% completed as at December 2013) and Package B of the Kelana Jaya LRT line extension (40% completed as at December 2013).

FURUKAWA DRILL



STRATEGIC INVESTMENTS

Trading and Manufacturing

The Trading and Manufacturing division generated revenue of RM586.8 million in 2013, up from RM558.7 million in 2012, largely driven by sales growth in the heavy equipment and building materials businesses, underpinned by increased construction activity in Malaysia. Robust sales growth was achieved across our key agencies of Furukawa Crawler Drills, SANY concrete pumps and Airman compressors. A highlight for the division was the delivery to our client MMC-Gamuda of a SANY truck-mounted concrete pump equipped with Malaysia's longest placing boom (48 meters). The truck was deployed for construction of the underground works of the MRT project at Jalan Tun Razak in Kuala Lumpur.

*Quarry and Building Materials*

Our quarry division achieved revenue of RM197.7 million in 2013, a marginal increase from RM196.9 million in 2012. Key drivers of revenue were the MRT and LRT projects in the Klang Valley, which contributed to strong demand for aggregates. We expect continued robust demand in 2014 and 2015 from ongoing infrastructure projects in Malaysia, as well as new projects such as the West Coast Expressway. In order to capture additional demand, we are looking to expand our geographic footprint with new quarries in 2014 and 2015.

The Building Materials division achieved sales growth in its main products of pavers and clay pipes, with the division's revenue increasing to RM143.1 million in 2013 from RM133.2 million in 2012, driven by expansion of domestic demand and increase in export sales. We maintained our industry leadership position in pavers, and continually differentiate ourselves through innovation, research and development. New products planned include new paver profiles that promote better interlocking properties and lighted pavers.

SUNWAY VCP'S FACTORY
Kapar, Klang

SUNWAY MEDICAL CENTRE
Bandar Sunway



Healthcare

The Healthcare division delivered another year of outstanding revenue growth with revenue increasing 20% to RM196.6 million from RM163.9 million in 2012, driven by higher capacity utilization and greater demand for quality healthcare services. We continued the transformation programme in the division, and further enhanced Sunway Medical Centre through equipment modernization, quality accreditation and capacity expansion.

In 2013, we completed the upgrading of the key equipment in Sunway Medical Centre's imaging department, and now offer some of the most advanced radiology equipment in Malaysia. During the year, the centre was accredited by the Malaysian Society for Quality in Health (MSQH) and Ministry of Health (MOH), and MS ISO 15189 certified. We will seek further accreditation for our facilities, including those from global and regional accreditation agencies, to assure patients of high quality service and treatment.

To better serve our patients, we are investing in additional capacity and will commence construction of Sunway Medical Centre Phase 3. This addition will include a cancer centre, and will be located beside our existing facility.

Outlook and Prospects

The outlook for the global economy is expected to be favourable, with economic activity and world trade expected to be stronger in 2014-2015 than in 2013, largely on account of recovery in the advanced economies. However, there remains continued fragility in certain areas, and downside risks remain.

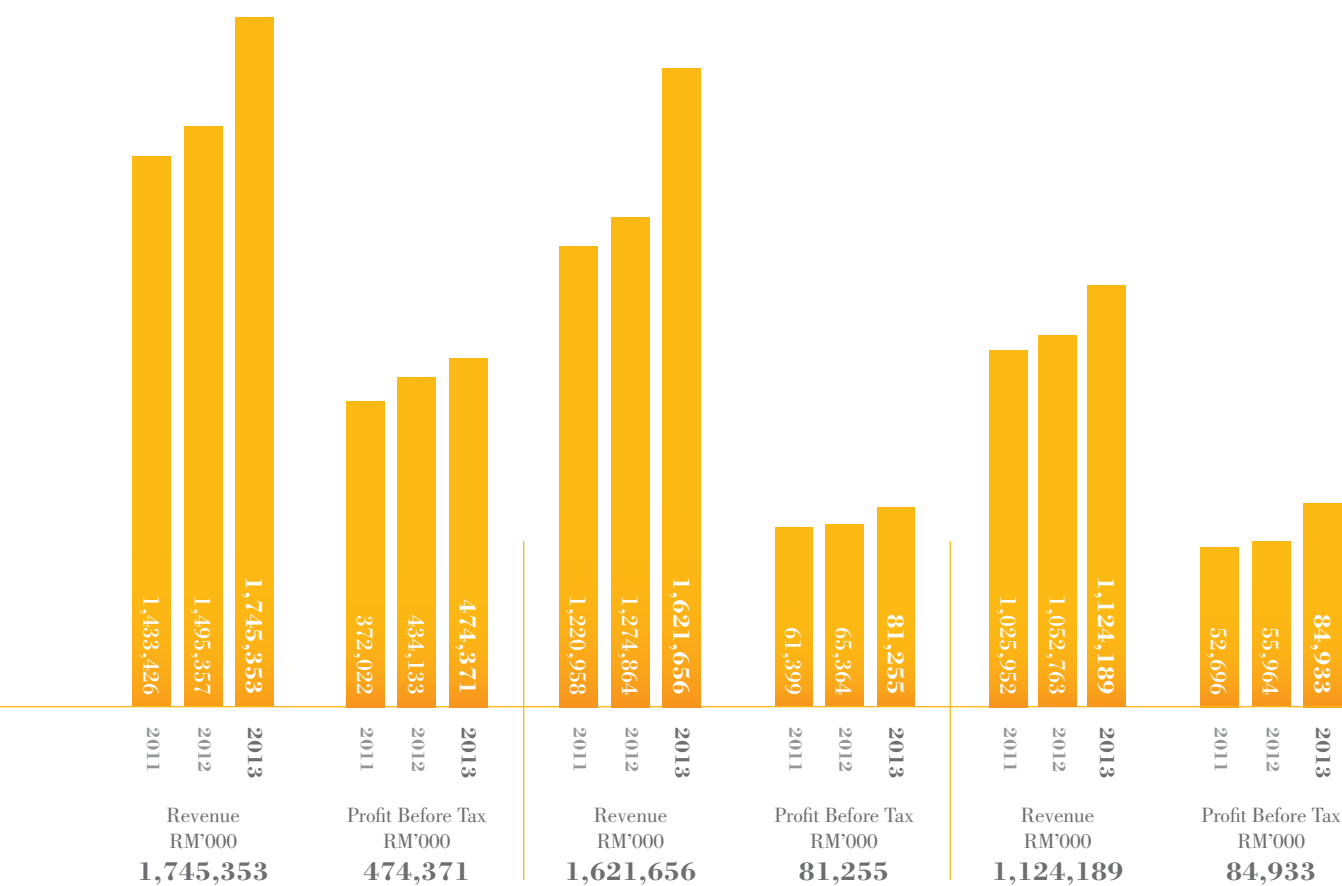
In Asia, China's economy is expected to remain resilient, with a growth forecast of 7.5% for the year, marginally below its 7.7% growth in 2013. The economic outlook for ASEAN economies remains robust, driven by the steady rise in domestic demand. Malaysia's economy is forecast to expand by 4.5%-5.5% in 2014, led by growth in domestic demand, particularly from the Economic Transformation Programme and private consumption.

The Group has built a strong regional franchise and a solid diversified base of existing business that will continue to drive value for our shareholders and capture additional opportunities as they arise in the expected favourable economic environment.

A handwritten signature in black ink, appearing to read 'Chee Kin', with a horizontal line underneath.

DATO' CHEW CHEE KIN
President

SEGMENTAL PERFORMANCE



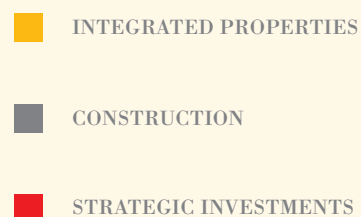
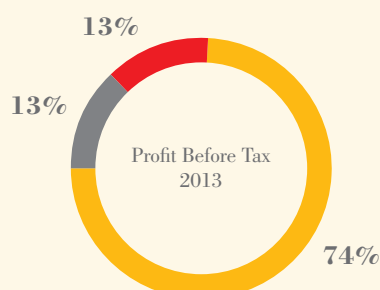
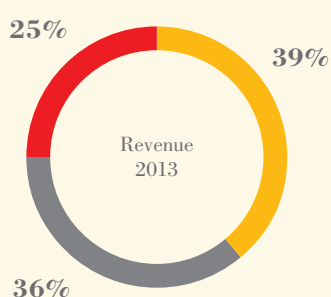
INTEGRATED PROPERTIES



CONSTRUCTION



STRATEGIC INVESTMENTS



FINANCIAL HIGHLIGHTS

	FINANCIAL YEAR ENDED			QUARTER ENDED			
	2013 RM'000	2012 RM'000 Restated	2011 RM'000 Restated	31/3/13 RM'000	30/6/13 RM'000	30/9/13 RM'000	31/12/13 RM'000
OPERATING RESULTS							
Revenue	4,721,429	4,128,839	3,952,995	1,021,032	1,118,043	1,066,145	1,342,155
Profit before tax	1,900,373	839,646	626,057	122,521	212,509	118,195	1,248,148
Income tax	(137,038)	(115,382)	(69,560)	(26,342)	(32,457)	(16,598)	(45,470)
Profit net of tax	1,763,335	724,264	556,497	96,179	180,052	101,597	1,202,678
Non-controlling interests	272,964	285,454	183,576	5,624	9,707	8,452	63,926
Profit attributable to owners of the parent	1,490,371	438,810	372,921	90,555	170,345	93,145	1,138,752
KEY BALANCE SHEET DATA							
Property, plant and equipment	866,202	1,562,783	1,580,370	812,302	832,359	831,744	857,910
Investment properties	1,802,958	4,779,089	4,205,251	1,314,324	1,400,475	1,494,788	1,804,305
Rock reserves	7,183	7,444	8,379	7,380	7,314	7,254	7,183
Land held for property development	886,805	598,912	1,017,292	599,486	579,004	528,535	877,940
Investments in associates and joint ventures	2,304,895	571,086	347,567	1,519,027	1,767,533	1,805,289	2,283,978
Goodwill	319,444	318,077	326,497	318,071	318,071	318,071	319,884
Deferred tax assets	37,741	33,718	33,308	32,624	30,368	38,725	34,779
Trade receivables	2,305	3,899	7,013	3,397	3,011	2,542	2,306
Derivatives	22,955	2,058	33,600	4,613	9,798	32,190	37,739
Other non current assets	2,820	2,415	2,265	2,390	2,551	2,378	2,820
Current assets	4,839,567	4,484,215	3,360,319	4,401,492	4,290,770	4,753,411	4,883,412
Assets of disposal group classified as held for sale	8,686	-	-	-	-	-	-
Total assets	11,101,561	12,363,696	10,921,861	9,015,106	9,241,254	9,814,927	11,112,256
Long term borrowings	794,716	1,688,404	2,603,779	1,022,656	1,070,808	1,027,356	990,556
Other long term liabilities	448,717	448,032	549,400	424,660	407,026	388,487	431,064
Deferred tax liabilities	73,994	53,246	56,556	55,052	67,148	62,577	55,334
Derivatives	66	1,700	182	164	129	99	66
Current liabilities	4,074,034	4,821,002	2,972,329	3,484,536	3,614,890	3,377,725	3,983,046
Liabilities of disposal group classified as held for sale	64,835	-	-	-	-	-	-
Total liabilities	5,456,362	7,012,384	6,182,246	4,987,068	5,160,001	4,856,244	5,460,066
Total equity	5,645,199	5,351,312	4,739,615	4,028,038	4,081,253	4,958,683	5,652,190
Non-controlling interests	316,900	2,136,497	1,994,188	384,968	331,744	309,355	317,324
Shareholders' equity	5,328,299	3,214,815	2,745,427	3,643,070	3,749,509	4,649,328	5,334,866
FINANCIAL RATIOS							
Profit before tax margin (%)	40.25%	20.34%	15.84%	12.00%	19.01%	11.09%	93.00%
Basic earnings per share (sen)	94.51	29.88	25.39	7.01	13.18	5.81	66.07
Diluted earnings per share (sen)	93.83	29.88	25.39	7.01	12.70	5.68	63.51
Closing share price as at end of period (RM)	2.72	2.38	2.55	2.65*	3.08*	3.21	2.72
Price-earning ratio (times)	3.15	7.01	8.84	N/A	N/A	N/A	N/A
Return on capital employed (ROCE) (%)	24.63%	12.57%	11.38%	N/A	N/A	N/A	N/A
Return on equity (ROE) (%)	27.97%	13.65%	13.58%	N/A	N/A	N/A	N/A
Net gearing ratio (times)	0.25	1.07	1.09	0.47	0.54	0.28	0.24
Net tangible assets per share (sen)	290.20	223.54	186.50	256.68	264.92	250.89	290.56
Net assets per share (sen)	309.15	248.73	212.41	281.86	290.09	269.76	309.53
Share capital ('000)	1,723,524	1,292,505	1,292,505	1,292,505	1,292,517	1,723,489	1,723,524

* Share price has been adjusted for the rights issue.

CHIEF FINANCIAL OFFICER'S REVIEW

Sunway continued its high growth trajectory in financial year 2013, with the Group recording another new milestone in terms of profitability, surpassing RM1.0 billion for the first time in the Group's history. Underpinning the profit growth was improved performance across all business units, which resulted in revenue increasing 14% to RM4.7 billion (2012: RM4.1 billion), and core net profit soaring 38% to RM484.0 million (2012: RM350.7 million). In addition to the Group's core net profit, there were fair valuation gains, positive impact from the new financial reporting standard FRS 10 and other non-recurring financial gains amounting to RM1.0 billion.

CHONG CHANG CHOONG
Chief Financial Officer



Key Financial Highlights for Financial Year Ended 31 December 2013 (“FY2013”)

- Core PBT increased 26%
- Core PATMI increased 38%
- Core PATMI Margin increased to 10%
- Dividend increased to 10 sen per share

RM'million	FY2013	FY2012	% INCREASE
Revenue	4,721.4	4,128.8	14%
Profit Before Tax (“PBT”)	1,900.4	839.6	126%
*Core PBT	662.3	524.5	26%
Profit attributable to owners of the parent (“PATMI”)	1,490.4	438.8	240%
*Core PATMI	484.0	350.7	38%
PBT Margin	40%	20%	
*Core PBT Margin	14%	13%	
PATMI Margin	32%	11%	
*Core PATMI Margin	10%	8%	
Basic Earnings Per Share (Sen)	94.5	29.9	216%
Basic Core Earnings Per Share (Sen)	30.7	23.9	28%

* Sunway’s core PBT and PATMI excludes net gain on disposal of assets, fair value gains from associate and investment properties, unrealised gain or loss on derivatives and foreign exchange, reversal of taxation and adjustments arising from FRS10.

The new FRS 10, which took effect from 1 January 2013, required the Group to consolidate the financial position and financial results of Sunway Real Estate Investment Trust (“Sunway REIT”) and the adjustments were to be made retrospectively. The consolidation requirement ceased subsequent to the disposal of the 20% stake in Sunway REIT Management Sdn Bhd (“SRM”) during the year as the Group is now viewed to have just joint control in SRM. In relation to this, the Group recognized a profit of RM27.1 million on the disposal of the 20% stake in SRM, fair value gains of RM108.4 million on the Group’s remaining 80% stake in SRM and RM661.3 million fair value gains on the Group’s 34.5% stake in Sunway REIT. In addition, an accounting adjustment of RM225.2 million was made in respect of the cessation of consolidation and adjustments for retrospective periods.

Meanwhile, revaluation gains of investment properties held directly by the Group and the Group’s share of revaluation gains on assets held by Sunway REIT contributed RM248.1 million to net profit.

The Group’s core businesses of Integrated Properties and Construction continued to be the key contributors to the Group’s bottomline contributing 83% of the core net profit. Property, in particular, contributed more than RM342.2 million to core net profit with strong billings from its local projects, namely Sunway South Quay, Sunway Velocity, Sunway Damansara, and development projects in Singapore. Construction, meanwhile contributed RM59.5 million with key projects like Package V4 of the Mass Rapid Transit and Package B of the Light Rail Transit – Kelana Jaya Line Extension commencing profit contribution during the year. In terms of geographic contribution, Malaysia remained the group’s largest contributor with over 60% of the Group’s core net profit followed by Singapore delivering approximately 35% of core net profit.

INTEGRATED PROPERTIES

Property Development

The Property Development segment reported revenue of RM1.2 billion and core profit before tax of RM346.9 million for FY2013 (2012: RM910.2 million and RM308.0 million) representing growth of 28% and 13% respectively. Revenue and core profit before tax had increased due to higher sales and profit recognition from recently launched and on-going property projects in Malaysia, sales of completed properties like Sunway Vivaldi and also higher contribution from the on-going property development projects in Singapore. Key projects contributing to profits in Malaysia are Sunway South Quay, Sunway Damansara and Sunway Velocity.

Property Investment

This segment reported contributions from the Group's Property Investment, Leisure, Hospitality and Sunway REIT business units, which underpinned the strength of Sunway's "Build, Own, Manage" business model with recurring income and profits every year. Revenue from this segment was RM578.3 million and core profit before tax of RM127.5 million for FY2013 (2012: RM585.2 million and RM126.1 million).

There was a slight decline in revenue mainly due to the one-off acquisition fee received by Sunway REIT Management Sdn Bhd from the acquisition of Sunway Medical Centre in the preceding year but the impact on profits was mitigated by the higher share of Sunway REIT profits in the year. For FY2013, the Group also recorded total fair valuation gains (including share of Sunway REIT properties) of RM248.1 million (2012: RM100.3 million).

CONSTRUCTION

Due to the buoyant construction industry and the healthy order book built up during the year, the Construction segment reported higher revenue of RM1.6 billion and core profit before tax of RM81.3 million for the financial year ended 2013 (2012: RM1.3 billion and RM65.4 million), representing growth in revenue and profit before tax of 27% and 24% respectively. The better performance was due to stronger progress billings for local civil and building projects and commencement of profit recognition for the MRT project. In Singapore, the precast concrete product division continued its strong contribution. However, the total construction profit was offset by an approximate RM24.4 million provision for doubtful debts in respect of the outstanding balance receivable from one of the building contracts in Abu Dhabi.

STRATEGIC INVESTMENTS

In addition to our core Integrated Properties and Construction businesses, the Group has other businesses classified as our Strategic Investments which includes the Trading and Manufacturing, Quarry, Building Materials and Healthcare businesses. These segments provide both direct as well as adjacent synergistic benefits to the existing core businesses and contribute positively to the Group's profitability.

Trading and Manufacturing

The Trading and Manufacturing segment recorded revenue of RM586.8 million and core profit before tax of RM43.3 million (2012: RM558.7 million and RM41.6 million). This segment recorded a 5% increase in revenue and 4% increase in profit mainly due to better performance in Malaysia which was boosted by higher sales of heavy equipment due to the buoyant construction sector. However, its overall performance was partly affected by the challenging market conditions overseas especially in Indonesia and Australia.

Quarry and Building Materials

The Quarry segment reported revenue of RM197.7 million and core profit before tax of RM21.9 million (2012: RM196.9 million and RM12.2 million). While the increase in revenue was marginal, profit was 80% higher. The strong performance was due to better cost management, higher average selling price and increased sales volume of aggregates in Malaysia although this was offset by the lower profit contribution from the Caribbean quarry which was in the process of ceasing operations.

Meanwhile, the Building Materials segment recorded revenue of RM143.1 million and core profit before tax of RM4.0 million (2012: RM133.2 million and loss of RM8.6 million). The profit turnaround in FY2013 was mainly due to higher sales and better cost management which improved operating margin, while there was no further provision for impairment which was incurred last year by the division's operation in Dongguan, China.

Healthcare

The Healthcare division recorded revenue of RM196.6 million and core profit before tax of RM15.7 million (2012: RM163.9 million and RM10.8 million). The improved performance was due to higher revenue and better operational efficiency which helped offset the higher operating costs due to the lease rental payment incurred as a result of the disposal of the hospital building to Sunway REIT at the end of 2012.

ESOS TO ALIGN INTEREST

In September 2013, the Group officially launched its Employees' Share Option Scheme 2013/2019, granting a total of 133,564,000 options to its employees. The new Scheme had in-built mechanisms to reward performance, encourage employee retention and align performance targets. Although there was an accounting charge of RM38.3 million due to the award of the options, the Group is confident that the enhanced employee motivation and increased alignment in employee interests will spur higher performance for the Group moving forward.

STRONG BALANCE SHEET

As at 31 December 2013, shareholders' funds of the Group grew to RM5.3 billion, a substantial increase of 66% compared to RM3.2 billion as at end 2012. The increase was due to two main reasons namely the completion of a rights issue in August 2013 and the higher profits recorded by the Group.

Sunway's renounceable rights issue had raised a total of RM732.5 million from its shareholders in 2013. Part of the proceeds from the rights had been utilized to repay bank borrowings while the balance will be used for landbank acquisition and financing the development of new investment properties of the Group.

Following the higher shareholders' funds and lower net borrowings, the net gearing of the Group has dropped to a low level of 0.25 times of the total shareholders' funds. While the low gearing will provide the Group with greater financial capacity to pursue more strategic business opportunities, the stronger shareholders' funds will also enable the Group to secure lower financing costs from the financial institutions.

FINANCING FUTURE GROWTH

As part of its cost effective capital management strategy, Sunway had restructured its Commercial Paper/ Medium Term Notes ("CP/MTN") Programme in 2013 to enable the Group to optimize its ability to tap the lower cost of borrowing from the private debt securities market to complement the various sources of funding for the Group. As part of the restructuring, Sunway has terminated and fully repaid all its outstanding Medium Term Notes and Commercial Papers under its previous RM500.0 million CP/MTN Programme in 2013. In its place, Sunway created a new and larger RM2.0 billion CP/MTN programme which will be used to fund its working capital and investment needs over the longer term. The new Programme continues to retain the A2/ Stable/ P1 ratings by RAM Ratings.

DIVIDENDS


In conjunction with the higher profits recorded by the Group, the dividend payout was increased to 10 sen per share for 2013 compared to 6 sen per share in 2012. This represented a dividend payout ratio of 36% of core net profits which was higher than previous year payout ratio of 22% and the Group's stated minimum dividend policy of 20% of core net profits. Moving forward, the Group is committed to its minimum dividend payment policy and will declare additional dividends as and when it is able to do so. In addition, the dividends will be paid semi-annually to provide steady dividend income to our shareholders.

PROSPECTS

Building on the strong performance achieved in 2013 and barring any unforeseen circumstances, the Group is cautiously optimistic with its prospects in 2014. Both the Property Development and Construction divisions are expected to perform satisfactorily, underpinned by the high unbilled sales and strong order book secured respectively. Meanwhile, the Property Investment division will continue generating steady recurring income to complement the Group's profitability. In addition, the Group is well positioned in terms of financial strength to capitalize and pursue any strategic business opportunities which may arise going forward.

RM'million	FY2013	FY2012* (Restated)
Shareholders' Fund	5,328.3	3,214.8
Gross Borrowings	2,795.5	4,643.4
Cash and Bank Balances	1,448.8	1,197.5
Net Borrowings	1,346.6	3,445.9
Gross Gearing ratio	0.52	1.44
Net Gearing ratio	0.25	1.07
Net Assets Per Share (Sen)	309.2	248.7

* FY2012 figures are restated and incorporate, amongst others, the retrospective adjustments required under FRS 10.



CHONG CHANG CHOONG
Chief Financial Officer

VALUE ADDED STATEMENT

FINANCIAL YEAR ENDED	2013 RM'000	2012 RM'000
VALUE ADDED		
Total Turnover	4,721,429	4,128,839
Purchases of goods and services	(3,057,011)	(2,522,549)
VALUE ADDED BY THE GROUP	1,664,418	1,606,290
Share of profits of associates	13,645	568
Share of profits of joint ventures	176,959	143,987
Net gain on revaluation of investment properties	248,091	100,273
Adjustments arising from FRS 10	225,243	116,704
Fair value gain on remeasurement of remaining equity interest	769,624	-
TOTAL VALUE ADDED	3,097,980	1,967,822

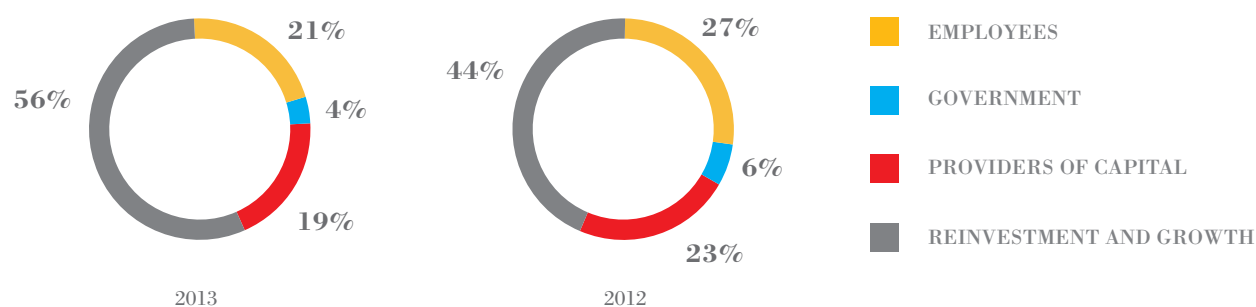
RECONCILIATION:

Profit for the year	1,763,335	724,264
Add: Depreciation and amortisation	137,046	137,975
Finance cost	137,983	172,072
Staff costs	649,614	532,675
Taxation	137,038	115,382
Minority Interests	272,964	285,454
TOTAL VALUE ADDED	3,097,980	1,967,822

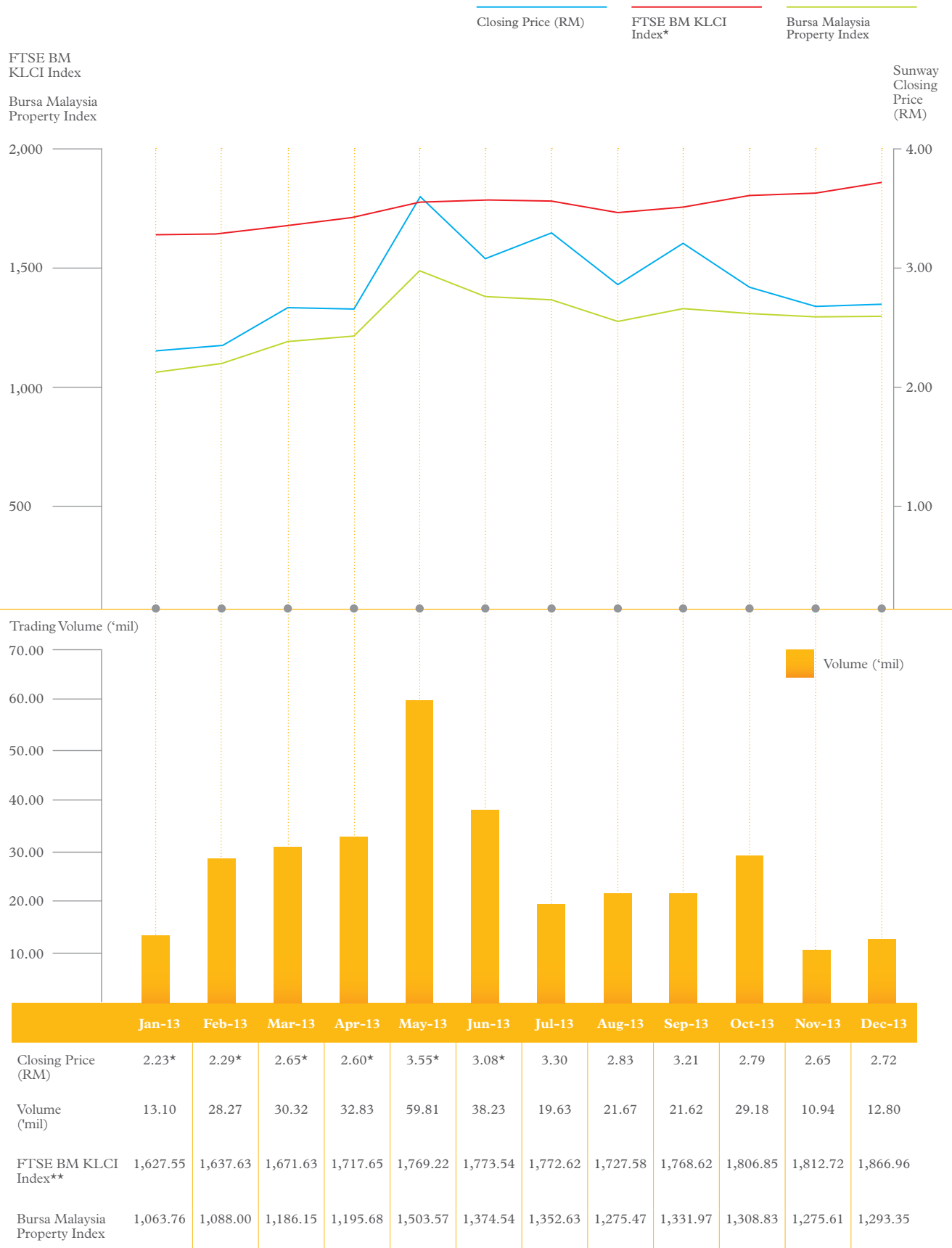
VALUE DISTRIBUTED

Employees		
Salaries and other staff costs	649,614	532,675
Government		
Corporate Taxation	137,038	115,382
Providers of capital		
Dividends	163,724	-
Finance Costs	137,983	172,072
Minority Interest	272,964	285,454
Reinvestment and growth		
Depreciation and amortisation	137,046	137,975
Income retained by the Group	1,599,611	724,264
TOTAL DISTRIBUTED	3,097,980	1,967,822

VALUE DISTRIBUTED



SHARE PERFORMANCE



* Share price prior to July 2013 has been adjusted for the rights issue. The price shown is calculated as $[(\text{Actual closing price} \times 3 \text{ shares}) + \text{RM}1.70] / 4 \text{ shares}$

** Financial Times Stock Exchange Bursa Malaysia Kuala Lumpur Composite Index

EXEMPLARY LEADERSHIP



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GOING THE DISTANCE



Navigating through unexplored territory and unknown terrain, leaders emerge to show the way.

A strong leader is one who not only rises above the challenge, but takes those under him through all the ups and downs and enriches them through it.

PROFILE OF BOARD OF DIRECTORS



TAN SRI DATO' SERI DR
JEFFREY CHEAH FOOK LING, AO

*Executive Chairman,
Non-Independent Executive Director*

Malaysian

Tan Sri Dr Jeffrey Cheah, aged 69, is the Founder and Executive Chairman of Sunway Group, one of Malaysia's most formidable property-construction groups, with a multitude of established businesses in more than 40 locations worldwide.

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

He has been conferred nine (9) honorary doctorates by leading universities worldwide. In 2007, Tan Sri Dr Jeffrey Cheah established the eponymous "Jeffrey Cheah Foundation" and in 2009, he transferred the ownership of Sunway Education Group in entirety together with its subsidiaries worth more than RM720 million to the Jeffrey Cheah Foundation. Sunway Education Group comprises, inter alia, Sunway University, Sunway College, Monash University Malaysia, 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 its foundation's patron, His Royal Highness Sultan of Selangor. To date Jeffrey Cheah Foundation has awarded RM132 million worth of scholarships to more than 13,000 outstanding students.

IN OCTOBER 2013, Tan Sri Dr Jeffrey Cheah was bestowed The Edge Malaysia Outstanding Property Personality Award 2013 for his meritorious contribution to Malaysia's property industry. His stalwart leadership continues to solidify Sunway's position in the market as an innovative, trusted and reputable property player.

IN JULY 2013, Tan Sri Dr Jeffrey Cheah through Jeffrey Cheah Foundation has endowed USD6.2 million in support of the Jeffrey Cheah Professorship of South-East Asia Studies at Harvard University. Tan Sri Dr Jeffrey Cheah is also the first Malaysian to donate a Chair at Harvard University, for the Jeffrey Cheah Professorship, the Jeffrey Cheah Visiting Professorship, the Jeffrey Cheah Fellowship and the Jeffrey Cheah Travel Grants to advance teaching and research on South-East Asia Studies.

IN FEBRUARY 2013, Tan Sri Dr Jeffrey Cheah was conferred the Honorary Assistant Commissioner of Police title by Malaysia's Inspector-General of Police for his commendable efforts in crime awareness and prevention as Chairman of Malaysia Crime Prevention Foundation (Selangor Chapter).

He received 2012 Honorary Gold Award, a top honour from the Royal Rotary Club of Kuala Lumpur, in recognition of his leadership and development of education and research in Malaysia. Prior to that, he was conferred the Honorary Fellow 2012 by the Malaysian Scientific Association (MSA) for his meritorious contribution to the development of science education, as well as for his overall contribution in the advancement of science and technology in Malaysia.

IN DECEMBER 2011, Tan Sri Dr Jeffrey Cheah was appointed to Malaysia's education panel to review the nation's education system by the Minister of Education. He is the Founding Trustee of the Board of Mahathir Science Award Foundation, Razak School of Government and the Perdana Leadership Foundation. He is among Malaysia's leading givers who made Forbes Asia's Heroes of Philanthropy list 2009.

IN 2008, Tan Sri Dr 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 Deputy Prime Minister and Chairman of MCPF Malaysia. He is also the Chairman and Co-Founder of Asian Strategy & Leadership Institute ("ASLI").

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

2012

- Appointed as Permanent Honorary President to the Federation of Hakka Associations Malaysia, in appreciation of his invaluable contributions to the Associations

2007

- Monash University School of Medicine and Health Sciences was named after Tan Sri Dr Jeffrey Cheah in appreciation of his contribution to Monash University Malaysia 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 the Financial Reporting Foundation

1996

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

1990

- Director of National Productivity Centre

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

Tan Sri Dr Jeffrey Cheah was appointed to the Board of Sunway on 22 November 2010 and he also serves as a Member of the Remuneration and Employees' Share Option Scheme Committees.

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



DATUK SERI RAZMAN M HASHIM

*Deputy Executive Chairman,
Non-Independent Executive Director*

Malaysian

Datuk Seri Razman, aged 75, 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 offices 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 ASLI Foundation, Jeffrey Cheah Foundation, SILK 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 CHEE KIN

*President,
Non-Independent Executive Director*

Malaysian

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 and he also serves as a Member of the Employees' Share Option Scheme Committee.

His directorships in other public companies are ASLI Foundation and Gopeng Berhad.



SARENA CHEAH YEAP TI H

*Executive Director,
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 Employees' Share Option Scheme Committee. 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 and Sunway Lagoon Club Berhad.



WONG CHIN MUN

Senior Independent Non-Executive Director

Malaysian

Mr Wong, aged 69, 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 Audit, Remuneration and Employees' Share Option Scheme Committees as well as a Member of the Nomination Committee.

His directorship in other public company is Khind Holdings Berhad.

**LIM SWE GUAN***Independent Non-Executive Director*

Singaporean

Mr Lim, aged 60, 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 a Managing Director of GIC Real Estate Pte Ltd, the real estate investment arm of Government of Singapore Investment Corporation Pte Ltd (now known as GIC Private Limited) 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.

**DATUK SERI YAM KONG CHOY***Independent Non-Executive Director*

Malaysian

Datuk Seri Yam, aged 60, graduated in Building and Management Studies from the University of Westminster, United Kingdom in 1979. He is qualified as a Fellow of the Chartered Institute of Building and also a Fellow of the Royal Institution of Chartered Surveyors.

He had an illustrious career spanning more than 30 years in the construction, real estate and corporate sectors with the last 12 years until 2008 helming 2 different award winning public listed property companies as their Chief Executive Officer.

During his stewardship of these 2 companies and prior to that in top management positions with various organizations, he was actively involved in the development and management of hotels, resorts, shopping malls, golf estates, international schools and various mixed developments not only in Malaysia but also in Australia, United Kingdom and South Africa.

After stepping down from full time employment, in 2009 he established a private equity, corporate and project management consultancy known as Impetus Alliance Advisors Sdn Bhd to provide advisory services to the industry.

He is a director of the British Malaysian Chamber of Commerce, a trustee for the Standard Chartered Foundation and until recently, the only Asian elected onto the Board of Trustees of UK based Chartered Institute of Building. He is the current President of the Real Estate and Housing Developers Association of Malaysia, Chairman of the Malaysian Developers' Council and a member of the Advisory Board to the Mayor and City of Kuala Lumpur. He is also appointed as the Chairman of InvestKL Corporation and serves as a member of the NKEA Steering Committee for the transformation of Greater Kuala Lumpur and Klang Valley apart from being an independent non-executive director of Kwasa Land Sdn Bhd, a wholly owned subsidiary of Employees Provident Fund Board.

Datuk Seri Yam was appointed to the Board of Sunway on 17 July 2013 and he also serves as a Member of the Audit, Nomination and Remuneration Committees.

His directorships in other public company are Construction Labour Exchange Centre Berhad, Malaysia Airports Holdings Berhad, Malaysia Property Incorporated, Paramount Corporation Berhad, Standard Chartered Bank Malaysia Berhad and Standard Chartered Saadiq Berhad.

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

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

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

2. Conflict of Interest

- (a) Dato' Chew Chee Kin is a Director and shareholder of Sunway. He is also a Director and shareholder of Sunway Global Limited, whose principal activities are investment holding and provision of management services. Sunway Global Limited is a 98.8% owned subsidiary of Sunway Holdings Sdn Bhd, which in turn is a wholly-owned subsidiary of Sunway.
- (b) Datuk Seri Razman M Hashim is a Director of Berjaya Land Berhad and its subsidiaries, Selat Makmur Sdn Bhd and FEAB Properties Sdn Bhd, whose principal activities are similar to Sunway Group, which include property development and investment holding.
- (c) Datuk Seri Yam Kong Choy is a Director of Paramount Corporation Berhad, Samalaju Property Development Sdn Bhd and Kwasa Land Sdn Bhd whose principal activity is similar to Sunway Group which include property development.

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 2013 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

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

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

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



LARRY YAP CHIN LEONG

Executive Director - Corporate Services

Bachelor of Science Degree in Mechanical Engineering,
University of Leeds

Masters in Management,
Imperial College, London

Mr Larry Yap joined 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) and Human Resources 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.



DATO' TAN KIA LOKE

*Senior Managing Director –
Property & Construction Divisions*

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

Dato' Tan, a Civil Engineer by profession, joined Sunway Group in 1981. He is the Senior Managing Director of Sunway Construction Sdn Bhd and was appointed as Head of Property and Construction Division effective 1 January 2013 after the merger of Sunway Holdings Berhad and Sunway City Behad in August 2011. The key role is to synergise and enhance the full potential values in the Group's core property and construction collaborations.

In 2006, he was awarded the CEO of the Year by the Malaysian Construction Industry Excellence Award (MCIEA) and he is currently the Honorary Advisor of Master Builders Association Malaysia.

He is also a Board and EXCO Member of Malaysian South-South Corporation Berhad and Malaysian Property Incorporated (MPI), a government company incorporated to promote Malaysian properties abroad.



DATO' NGEOW VOON YEAP

*Managing Director –
Property Investment Division*

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

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

Dato' Ngeow has more than 30 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.

**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

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 appointed as Joint Managing Director of Property Development division, Malaysia/Singapore.

**KWAN FOH KWAI**

*Managing Director –
Construction Division*

Bachelor of Engineering (Civil) (Honours),
University of Malaya

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

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

Mr Kwan is the Immediate Past President of Master Builders Association of Malaysia for the term of 2012 to 2014. He is also a Member of The Institutions of Engineers, Malaysia. He has over 37 years of extensive experience working in the construction industry, both in the public and private sectors. He is a Fellow Member of the Chartered Institute of Building 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.



EVAN CHEAH YEAP SHIN

Executive Director, President's Office;

Chief Executive Officer – China;

Executive Director – Information Technology

Bachelor's Degree in Commerce and Bachelor's Degree in Business Systems,
Monash University

Mr Evan Cheah began his career with the Corporate Finance division of Sunway Group in 2001, and has since taken up various positions in the Trading, Construction and Group Finance divisions of Sunway Group with key roles in investment analysis and due diligence, corporate finance, management accounting and group procurement.

He is currently the Chief Executive Officer, China of Sunway Group, overseeing China Corporate Office and development of new business opportunities in China for Sunway Group.

He has also undertaken additional roles as the Executive Director, President's Office, to assist the President in overseeing three business divisions i.e. Trading & Manufacturing, Building Materials and Quarry divisions on 1 May 2013, and Executive Director - Information Technology on 1 November 2013.

He is a Chartered Financial Analyst Charterholder, a Certified Practising Accountant, and a Member of Malaysian Institute of Accountants.



WONG FOOK CHAI

*Chief Executive Officer –
Trading and Manufacturing Division*

Bachelor of Engineering (Honours),
University of Malaya

Having more than 28 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.

**TEH QUEN CHANG**

*Chief Executive Officer -
Quarry Division*

Bachelor of Science in Agribusiness,
University Pertanian Malaysia;

Masters in Business Administration,
University of Bath, United Kingdom

Mr Teh has more than 23 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 –
Building Materials Division*

Bachelor of Economics (Business Administration),
University of Malaya

Mr Danny Ng has over 26 years of working experience, including 16 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.



LEE WENG KENG

*Chief Executive Officer –
Healthcare Division*

Bachelor of Economics (Honours) Degree,
University of Malaya;

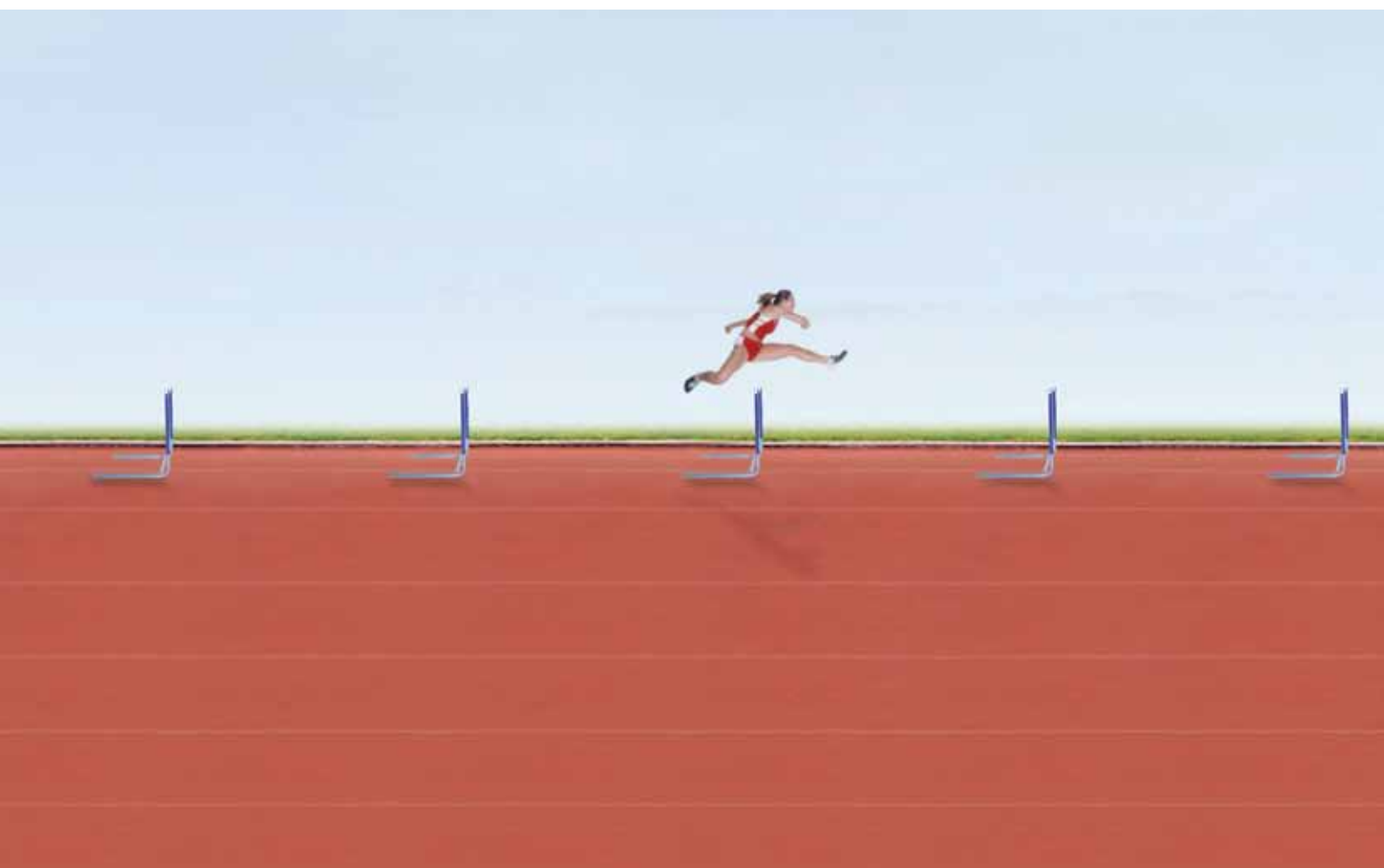
Masters in Business Administration,
Cranfield University, United Kingdom

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

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

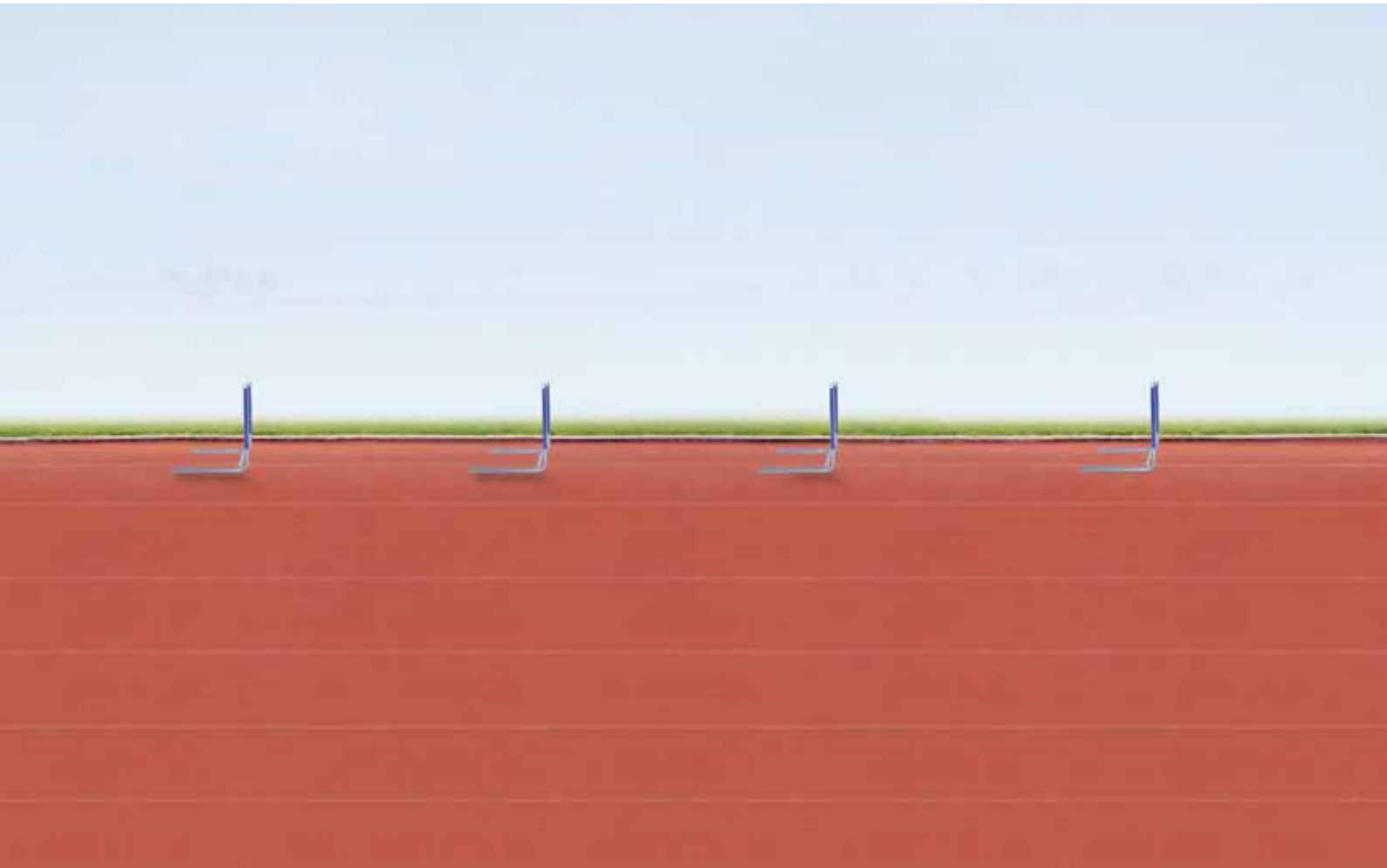
Mr Lee has provided the leadership for growing and developing the business of Sunway Education Group Sdn Bhd. He was appointed Head of Sunway Group Education and Healthcare divisions in 2005 and joined the Board of Directors of Sunway Medical Centre Sdn Bhd in the same year.

SEGMENTAL REVIEW



76	Integrated Properties <ul style="list-style-type: none">• Property Development• Property Investment and Real Estate Investment Trust• Leisure• Hospitality
96	Construction
100	Strategic Investments <ul style="list-style-type: none">• Trading & Manufacturing• Quarry and Building Materials• Healthcare

EVERY HURDLE COUNTS



An athlete's performance does not solely rely on physical ability, but also one's determination to go the distance.

The race is complete only when each and every hurdle is cleared. Similarly, the performance of each and every segment of our corporation counts in order for us to achieve success.

PROPERTY DEVELOPMENT



LAUNCHES
RM1.8 billion

SALES
RM1.8 billion

UNBILLED SALES
RM2.4 billion

LAND BANK
3,388 acres

INTRODUCTION

Sunway's Property Development division is the proud developer of an extensive portfolio of residential, commercial and retail properties, for which it has won multiple awards and garnered regional recognition. With a presence in Malaysia, Singapore, China, India and Australia, Sunway has delivered more than 20,000 properties with a gross development value ("GDV") topping RM20 billion to home buyers and property investors since the division's establishment in 1982.

Sunway pioneered the first integrated development in Malaysia with Sunway Resort City ("SRC"), the Group's 800-acre flagship township development. SRC introduced to Malaysians the "Resort Living Within A City" lifestyle concept, and has been recognised by the Green Building Index as Malaysia's First Green Township. It is also the first township in the country to be awarded The Edge Malaysia Outstanding Property Project Award in 2013.

Sunway upholds a "Build, Own, Manage" business model, which ensures that Sunway remains the largest co-investor in its township developments. With this unique model, continuous improvements are made to the townships in tandem with the communities' growth, epitomising Sunway's unfailing commitment to its communities. This includes investments in a township's accessibility, connectivity and security through its Safe City Initiative. For example, in Sunway Resort City, Sunway has invested in a one kilometer canopy walk throughout the township, a privately funded road and highway expansion, and a partnership with the government to build the nation's first elevated Bus Rapid Transit system.

A significant development in 2013 was a management change resulting in the appointment of Ms. Sarena Cheah and Mr. Ong Pang Yen as joint managing directors of the Property Development division. Together, they led the team through the uncertainties posed by the General Elections and the negativity on the property sector caused by the Budget 2014 cooling measures. Through the team's continuous efforts and strong determination, the division recorded a respectable year, with several noteworthy accomplishments.

ARTIST'S IMPRESSION OF SUNWAY VELOCITY Kuala Lumpur



KEY MILESTONES

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

The Property Development division recorded sales of RM1.8 billion in 2013 on the back of RM1.8 billion of new launches, despite the unaccommodating market environment. Sales throughout the year were driven by new launches as well as ongoing projects launched in prior years.

Klang Valley

Sunway Geo Residences

Sunway Geo Residences is the third phase of the Sunway Geo development, and the first residential phase. It comprises 472 units within two 30-storey condominium blocks with built-ups ranging from 829 to 1,496 square feet for its two to four bedroom units. Facilities include an Olympic-length pool, aqua gym, tennis court, squash court and basketball court. Residents can walk to the Sunway Geo Retail Shops via a secured link bridge, offering absolute convenience and connectivity.

A new feature introduced in this development is the dual key concept, where a studio unit equipped with its own kitchenette and bathroom is attached to the main unit. Both have separate entrances, offering flexibility to the occupants. The dual key units allow multi-generation living within the same unit without compromising privacy. These units are also attractive to investors as the additional studio unit can be rented out separately.

Sunway Geo Residences was developed in partnership with Mitsui Fudosan, Japan's largest property developer by revenue, following a joint venture agreement. It is hoped that the project and joint venture will boost the Sunway brand in the Japanese market and heighten interest among the Japanese community in future Sunway developments, so as to expand the diversity of the international community living in SRC.

Sunway Geo Residences will be a primary beneficiary of the 5.4km Elevated Bus Rapid Transit ("BRT") - Sunway Line and its strategic location within the thriving SRC. Leveraging on these strengths, the residences received overwhelming response at its pre-launch of Tower A in October 2013, with over 200 units being taken up on that day itself. Tower B, which was launched shortly after Tower A, also received emphatic response from the public. Overall, take up for the two towers has reached more than 90%.

ARTIST'S IMPRESSION

*Sunway Geo Retail Shops & Flexi Suites Phase 2*

Following the successful launch of Sunway Geo Phase 1 in 2012, the division launched Phase 2 of the Retail Shops and Flexi Suites, comprising 46 units of shops and 228 units of Flexi Suites in 2013. The Retail Shops and Flexi Suites have been well received by the public and is 85% sold to date. Sunway Geo is an integrated development within Sunway South Quay, which in turn forms part of the thriving SRC.

Sunway Geo has been attracting high interest due to the excellent accessibility and connectivity afforded by the BRT - Sunway Line which will link up key areas in Sunway and Subang Jaya. One of the line's seven halts will be right in front of Sunway Geo. The BRT Sunway Line connects SRC to the upcoming LRT station at USJ 6, Subang Jaya, and the Setia Jaya KTM Komuter station near the Federal Highway, effectively filling in the missing link between the public transportation systems.

The retail shops at Sunway Geo are strategically located at the centre of the boulevard, which is one of the main attractions of the development, and directly below the flexi suites, which attracts a ready catchment for the businesses. All units benefit from excellent frontage on both sides of the development, with inner exposure afforded by the triple volume boulevard and outer exposure by its strategic location at the intersection of Jalan Lagoon Timur and Jalan Lagoon Selatan and facing landmarks like Sunway Medical Centre and Sunway University. The retail units are unique in that each level is serviced by escalators and a spacious corridor, making it different from the traditional shop units.

The flexi suites, on the other hand, are modern office suites designed with flexible space planning in mind. Although each unit has a fixed size starting from 482 square feet, the flexible and modular layout of the units allow easy and convenient combination of space as and when more space is required, making it suitable for a wide range of businesses. Consistent with its modern concept, the development features a roof garden which provides an avenue for relaxation and exercise after a long day at work.

ARTIST'S IMPRESSION



Penang

Sunway Cassia Phase 2

Sunway Cassia is another green tropical haven, tucked away in Batu Maung, Penang. It is an exclusive residential development featuring approximately three acres of green landscaped parks with six different thematic designs within the entire development. Another unique selling point for this development is its strategic location which is only approximately four kilometers from the Second Penang Bridge and five kilometers from the Penang International Airport.

In 2013, the division launched 96 units of 3-storey terrace homes with built-ups above 3,000 square feet. Take up has been encouraging with about 70% of the units already taken up. With the Second Penang Bridge now in operations, this development will likely draw further interest in the upcoming months.

All units have a dedicated walk-in wardrobe and balcony in the master suite, high 12-foot ceilings in the living and dining areas, solar water heaters for the showers in all bathrooms and sink in the kitchen, and sun louvers in the bathroom for privacy and shade.

ARTIST'S IMPRESSION



Johor

Sunway Lenang Heights

Sunway made its debut in Johor with Sunway Lenang Heights, strategically located adjacent to the Ponderosa Golf & Country Club and Taman Molek, a well-established area in Johor Bahru. The site is just 15 minutes from the Causeway CIQ Complex with easy access through the newly completed Eastern Dispersal Link Expressway. It is an exclusive residential development of freehold homes with the first phase comprising 28 units of bungalows and 84 units of semi-detached homes. Sizes range from 4,535 to 5,090 square feet for the bungalows and 2,943 to 3,865 square feet for the semi-detached homes.

Spread over 88 acres, Sunway Lenang Heights features lush landscaping, extensive parks and an ultramodern clubhouse with numerous recreational and entertainment facilities, complemented by nearby golf courses and Taman Molek. To ensure the safety and security of all its residents, the community is gated and guarded with 24-hour patrolling services and CCTV cameras. Each home is further equipped with a home alarm system, panic buttons and a security intercom system.

ARTIST'S IMPRESSION



Ipoh

MontBleu Residence

Situated in Sunway City Ipoh in the state of Perak, the MontBleu Residence offers its residents a heavenly experience everyday with the natural limestone hills and lush greenery enclosing the development. The development spans 11 acres within Sunway City Ipoh, connected by landscaped walkways and greens within a gated and guarded enclave. The added security allows residents in the development to truly enjoy the serenity and tranquility of its entire surroundings. All units have access to a clubhouse with numerous facilities, including a swimming pool, gym, multi-purpose court, barbeque pit, reflexology path, outdoor gym and children's playground. In 2013, 56 new units were launched, of which close to 80% has been sold.

ARTIST'S IMPRESSION



Singapore

Sunway's developments in Singapore are mainly conducted through a joint venture with Hoi Hup Realty Pte Ltd with Sunway having a 30% effective interest in the projects.

Royal Square at Novena

Sunway's first integrated and commercial development in Singapore, Royal Square at Novena was launched in October 2013. The launch comprised 171 units of medical suites and 51 retail units with a total GDV of SGD770 million. The third component of the development which is a hotel will be sold en-bloc upon its completion. For the medical suites and retail units that have been opened for sale, both are approximately 50% sold.

Royal Square is nestled in the vicinity of a number of well-established medical centres including the Tan Tock Seng Hospital, Mount Elizabeth Novena Hospital, Novena Medical Centre, National Skin Centre and National Neuroscience Institute. For this reason, the Novena area is zoned as the medical hub of Singapore and Royal Square's medical suites are set to benefit from their close proximity to these established healthcare facilities. The development also enjoys the benefits of being directly next to the Novena MRT station and just a short distance away from Orchard Road.

ARTIST'S IMPRESSION OF SUNWAY ISKANDAR Johor



Delivered 684 Units, RM2.4 Billion Unbilled Sales Remaining

During the year, a total of 684 units of residential and commercial properties were successfully completed and handed over to buyers and investors. In Klang Valley, this included 242 units of the A'Marine condominium in Sunway South Quay, 145 units of 2-storey terrace homes in Sunway Alam Suria, 107 units of 4- and 5-storey shop offices in Sunway Bangi, and 27 units of 2-storey shop offices in Sunway Monterez. Up north in Ipoh and Penang, the division delivered 130 units of MontBleu townhouses and 33 units of 3-storey terrace homes in Sunway Cassia, respectively. Despite the project completions during the year, the division still closed the year with unbilled sales of RM2.4 billion (2012: RM2.5 billion), aided by the strong sales of RM1.8 billion in 2013. The high unbilled sales will provide earnings visibility and sustainability for the coming two years.

Landbanking To Fuel Future Growth

Eastern Pendas South, Iskandar Malaysia

Sunway clinched the remaining 300 acres of freehold land in Pendas South, Johor in January 2013 for RM183.9 million via its joint venture with Iskandar Assets Sdn Bhd, a wholly-owned subsidiary of Iskandar Investment Berhad. With this acquisition, the division now owns 1,770 acres of contiguous land in Iskandar Malaysia, which differentiates it from other developers in the region. This acquisition is strategic as it allows Sunway control over developments on both sides of the Pendas river and ensures the cleanliness and beauty of the river and riverside can be preserved. This land will form part of Sunway Iskandar, an exclusive, low density, nature-oriented integrated development, with amenities like retail malls, commercial space, theme parks, hospitals, hotels and education institutions.

ARTIST'S IMPRESSION OF SOPHIA HILLS Singapore



Paya Terubong, Penang Island

In December 2013, Sunway acquired 24.5 acres of land in Paya Terubong, Penang for RM267.4 million via an open tender. With this acquisition, Sunway will have a relatively sizable landbank on Penang Island which presents the division with the opportunity to create its landmark integrated development and build its reputation and branding in the region. Sunway proposes to develop an integrated development with a mixture of retail shops, offices and high-rise residential units.

Key features of the land are its Grade A, freehold status and its location, being in close proximity to the city centre, tourist attractions such as the Kek Lok Si Temple and Penang Hill, as well as the Penang Bridge and Penang International Airport.

Mount Sophia, Singapore

Through a joint venture with Hoi Hup Realty and S C Wong Holdings, the division acquired a land parcel at Mount Sophia, Singapore for a total consideration of SGD442.3 million, outbidding the next tenderer by just SGD280,000. The land, measuring 5.9 acres, is a mere 5 minutes from the Dhoby Ghaut MRT station and the Orchard Road shopping belt. With a plot ratio of 1.5 times, the development proposed on the land is an exclusive, low rise condominium with approximately 490 units, with a total GDV of about SGD820 million.

ARTIST'S IMPRESSION OF CITRINE Sunway Iskandar, Johor



FUTURE PLANS

Due to uncertainties in the market in 2013, the division was cautious of its launches and their timing, and placed great emphasis on ensuring that the products launched were sellable and suitable for the market, given the circumstances. This made sure that the take up rates for new launches were solid despite the weak property market and inventory levels were kept low. Moving forward, the division will continue to adopt this strategy and monitor the market closely to ensure that it maintains its position as one of the market leaders.

To further mitigate the risks of the property division, Sunway will diversify its launches geographically in 2014, with approximately 25% each in the Klang Valley, Johor and Singapore, with other regions like Penang and Ipoh contributing the rest.

In Klang Valley, the division looks to launch its second phase of service apartments in Sunway Velocity, dubbed V-Residences 2. The entire development will comprise two residential towers, to be launched in two separate sub-phases. The first launch of about 334 freehold units will have a GDV of approximately RM250.0 million, and is targeted to be opened to the public in the first half of 2014.

Slightly further from the City Centre, Sunway will be offering an exclusive, low density living experience at the peak of Sunway Eastwood in Puchong South. The development comprises 66 units of Park Villas in a gated and guarded community perched on an elevated enclave with a spectacular view of the development's Central Park and its surroundings.

In Johor, Sunway Iskandar's first launch, Citrine at The Lakeview Precinct, will comprise retail suites, offices and service apartments. In line with Sunway Iskandar's philosophy of Nature's Capital City, Citrine seeks to integrate the contemporary architecture of its structure with the timeless beauty of its 7.8-acre emerald lake and lush greenery. Citrine forms part of Sunway's 1,770-acre integrated township in Iskandar, which will be modeled after the highly successful award-winning Sunway Resort City. Surrounding catalytic attractions such as Legoland, Pinewood Iskandar Malaysia Studios and Edu City, as well as the Singapore Second Link are in close proximity, making this development even more compelling.

Further south, in Singapore, the division will be launching two developments. The Sunway-Hoi Hup joint venture will be launching its development on the newly acquired Mount Sophia land in the second half of 2014. The Group will also look to launch its first wholly-owned development in Singapore, Avant Parc at Sembawang, slated to be open for sale in the second half of 2014, and will feature 15 luxury landed homes.

Finally, in China, the division will likely witness the long-awaited launch of the first phase of its project in Tianjin. Barring further unforeseen circumstances, the development should debut its first phase by the third quarter of 2014.

Sunway's property division has always placed emphasis on building for a better tomorrow by creating an integrated development for living, learning, working and leisure. Moving forward, it will strive to outdo itself with even more groundbreaking establishments and continue building sustainable communities.

PROPERTY INVESTMENT AND REAL ESTATE INVESTMENT TRUST



**ASSETS UNDER
MANAGEMENT**
RM6.5 billion

**TOTAL NET LETTABLE
AREA**
7.4 million sq. ft.

INTRODUCTION

One of the early pioneers of the “Build, Own, Manage” model in Malaysia, Sunway has a substantial Property Investment and Real Estate Investment Trust (“REIT”) division that holds a portfolio of established properties for recurring rental income, either directly or via 34.5% owned Sunway REIT. The properties can be divided into 2 broad categories of Retail and Commercial Properties. The total value of Assets Under Management of the division is more than RM6.5 billion with a total net lettable area in excess of 7.4 million square feet.

Retail

In terms of retail properties, the division owns and manages five retail malls in Malaysia namely, Sunway Pyramid Shopping Mall, Sunway Carnival Shopping Mall, Sunway Giza Shopping Mall, Sunway Putra Shopping Mall and the Giant Hypermart in Sunway City Ipoh. Currently the Sunway Putra Shopping Mall is closed for major refurbishment and will re-open with a new concept in 2015. The total retail net lettable area managed by the division is more than 3.0 million square feet.

Commercial

The commercial division holds a diversified portfolio of properties comprising office towers, university campuses, student hostels and accommodation and a medical centre. Amongst the office buildings held by the division include Sunway Tower and Sunway Putra Tower in Kuala Lumpur, Menara Sunway and Sunway Pinnacle in Sunway Resort City and Wisma SunwayMas in Shah Alam. The division also owns and manages Sunway University campus and Monash University Malaysia campus and their respective student accommodation. In total the division manages over 4.4 million of net lettable area under this division.

SUNWAY PYRAMID Bandar Sunway



KEY MILESTONES

Completion of Sunway Pinnacle

Sunway Pinnacle is set to be a new landmark in the Bandar Sunway and Subang vicinity with its completion in December 2013. The imposing 27-storey office tower dominates the local skyline with its gleaming glass façade and pyramid shaped rooftop. In total, the Grade A office tower offers net lettable space of 580,000 square feet.

Targeted at multinationals, large corporates and professional firms which value contemporary yet green offices to suit their corporate image, Sunway Pinnacle has been accredited with the Green Building Index (“GBI”) and Singapore’s Building and Construction Authority (“BCA”) Green Mark Gold certifications. Amongst the energy and water saving features are the use of high performance glazing, efficient chiller plant system and LED lights throughout the building. In addition, the building has a rainwater harvesting system that supplies water for irrigation and sanitary purposes. All building materials were also sourced locally, thereby reducing the carbon footprint during construction, and trees previously on the site were relocated to nearby developments.

Meanwhile, befitting its Multimedia Super Corridor (“MSC”) status, the office tower is a smart building equipped with e-directory, automated temperature control, a computerised visitor management system and destination controlled high-speed lifts. All tenants will also have access to high-speed broadband connectivity through its fibre optic backbone.

Due to these features and its strategic location within the integrated Sunway Resort City development, there have been a number of inquiries on leasing for the tower. As at April 2014, the division has secured tenants for 40% of the tower with quite a few tenants still at the negotiation stage. The secured tenants include prominent multinationals like Pepsi-Cola, Huntsman, Ecolab and Hitachi Sunway. Sunway Pinnacle welcomed its first tenant in March 2014.

OASIS BOULEVARD 5, SUNWAY PYRAMID
Bandar Sunway



Asset Enhancement Initiatives (“AEI”)

The major asset enhancement completed in the year was the creation of new lettable space at Monash University Malaysia campus. Construction of two new academic blocks, Block 4 and Block 5A was completed at an estimated total cost of RM63.5 million creating an additional 230,000 square feet of additional net lettable area. The additional area is fully leased to Monash University Malaysia effective 1 February 2014.

Another AEI completed was at Sunway Pyramid which saw its net lettable area increase by over 20,000 square feet as a result of the completion of Oasis Boulevard Phase 5 (“OB5”) project. The OB5 project entails the construction of new retail space on the north-west exterior of the mall and reconfiguration of existing space next to it. Costing approximately RM40.1 million, the project was completed in December 2013 with the new space now leased by H&M and Padini.

The division is also implementing a massive AEI at Sunway Putra with all three components, namely the mall, office and hotel, all undergoing major refurbishment. Besides architectural improvements, the refurbishment includes an extensive replacement of mechanical and electrical services such as chillers, lifts, building automation system and others. In addition, for the mall, there will be creation of additional net lettable area of over 80,000 square feet and an improved mall layout. The refurbishment of the office tower will entail upgrading and modernisation of the lobby, lift lobbies and washrooms while the hotel will witness upgrades to its rooms. In total, the Sunway Putra refurbishment is estimated to cost RM459.2 million, representing the single largest AEI by the Group.

Managing Tenant Mix

The division employs three key strategies in drawing the crowd to its malls which are Tenant Mix Management, Promotions & Event Management and Technology Management.

In continuous efforts to maintain the appeal of the division’s malls to shoppers, the division’s retail properties welcomed new tenants in 2013. Sunway Pyramid welcomed new high street retail brands like H&M, Victoria’s Secret, H.E. by Mango, Sephora, Swarovski and Thomas Sabo, while new food and beverage outlets include TWG, Korean chains Coffea Coffee and Dubu Dubu and Hong Kong dessert house, Hui Lau Shan. Over in Penang, Sunway Carnival witnessed the opening of Skechers, Digi Store, Lampe Berger and Brewball, amongst others.

Besides the new stores, a number of festivities-related events or promotions are held to give reasons to shoppers to drop by at Sunway’s malls. In 2013, there were the usual decorations and lightings for Chinese New Year, Hari Raya, Diwali and Christmas across all malls, and also special events like “Elefun Holiday” and “Go Green with Leo” targeted to raise awareness on wildlife conservation and Earth preservation, “Fashion Mania” and “Passport to Fashion” to create awareness and spur spending on the latest fashion trends.

ARTIST'S IMPRESSION OF SUNWAY PUTRA PLACE Kuala Lumpur



FUTURE PLANS

To ensure these initiatives are well publicised and reach the mall's target market, the division employs technology to disseminate the news. Sunway Pyramid's social media sites are now followed by close to 500,000 people, one of the largest for a Malaysian shopping mall. Stepping up the ante, in 2013, the division introduced the Sunway Pyramid Mobile App, the first interactive shopping mall app in Malaysia equipped with a Navi trail to guide shoppers to their desired outlets and a car park locator. Shoppers who download the app are also entitled to seasonal deals and promotions by tenants with the e-coupons on their devices. Sunway Carnival followed with a Mobile App of their own later in the year.

The Property Investment and REIT division is well into its Asset Expansion Programme, initiated just after the merger in 2011. Sunway Pinnacle is the first property to be completed following this programme and will be followed by Sunway University's New Academic Block in 2014 and Sunway Pyramid Phase 3 and Sunway Velocity Shopping Mall in 2015. These additions are significant as they will catapult Sunway into one of the leading private landlords in the country with Assets Under Management of more than RM8.0 billion. At the same time, upon completion of Sunway Pyramid Phase 3, Sunway Velocity Shopping Mall and the Sunway Putra Mall refurbishment, the division will be one of the largest shopping mall operators in Malaysia.

Operationally, the division will be spearheading an initiative to generate greater loyalty to Sunway's businesses and tenants of Sunway properties via the Group's first Loyalty Programme, Sunway PALS. Sunway PALS allow members to accumulate points at participating retail outlets in Sunway Pyramid and most other Sunway-owned establishments like Sunway Lagoon, Sunway Medical Centre, Sunway University, Sunway Hotels and even property purchase from Sunway Property. This initiative is expected to expand to the other Sunway malls nationwide and will be an important tool to promote cross selling and customer retention.

LEISURE



TOTAL PARK SIZE

100 acres

VISITORSHIP IN 2013

1.62 million

INTRODUCTION

Sunway's Leisure division comprises two premier multi-park attractions; the Group's signature Sunway Lagoon located in Sunway Resort City and the Lost World of Tambun located in Sunway City Ipoh, Perak.

Sunway Lagoon is an iconic multi-park destination with more than 80 attractions across its Water Park, Amusement Park, Wildlife Park, Extreme Park and Scream Park. It is rated amongst the Top 10 Water Parks Worldwide and Top 5 Water Parks in Asia Pacific by the Themed Entertainment Association ("TEA"). The theme park offers visitors a variety of experiences ranging from adrenaline pumping rides to running for their lives from apocalyptic zombies and from cuddling with exotic animals to cooling down in the water. In addition, Sunway Lagoon also played host to some of the hottest concerts in the country with top acts like Katy Perry, Justin Bieber, Robin Thicke and The Wanted. These artistes were amongst those that have performed at Sunway Lagoon at events such as MTV World Stage or for the Malaysian leg of their respective world tours.

The Lost World of Tambun, meanwhile, offers a different kind of attraction with the park carefully assimilated to the lush greenery and limestone cliffs of its surroundings. Providing the thrill of adventure against the backdrop of a "lost" civilization, the enclave is made up of the Water Park, Amusement Park, Lost World Hot Springs and Spa, Tiger Valley, Lost World Petting Zoo, Tin Valley and Team Building Park, delivering wholesome family fun amidst a panoramic view of Mother Nature.

VUVUZELA

Sunway Lagoon, Bandar Sunway



KEY MILESTONES

Towering Above Others

Maintaining its pole position amongst theme parks in Malaysia, the Leisure division had invested in several new attractions in Sunway Lagoon with the Vuvuzela being opened to the public in May 2013. Built at a cost of RM15.0 million, Vuvuzela is the world's largest water ride. As visitors enter Sunway Lagoon, the trademark red and yellow intertwining stripes of the ride dominates the skyline and challenges them to step onto its launch tower which is eleven storeys or approximately 30 meters high. The ride then takes up to six riders at a time through a thrilling series of twists and turns before plunging them through the core of a 22-meter wide funnel. Since the launch, Vuvuzela has proven to be a favourite amongst the teenage and young adult segment of visitors.

In catering to its younger visitors, Sunway Lagoon unveiled two brand new attractions during the year-end school holidays, Captain Kids' Candyland and Captain Kids' Playland, targeting specifically kids aged 5-12 years old. In both attractions, kids are unleashed into a world of climbing, rolling, sliding and playful exploration accentuated with colourful imagery.

Over at the Lost World of Tambun, two new attractions, the Lost World Haunted Chambers and Lupe's Adventure were introduced during the year. Lupe's Adventure, launched in May 2013, was particularly significant for the park as it became the first roller coaster ride in Perak. The 7-meter tall ride takes guests at a maximum speed of 20 kilometers per hour through a 320-meter course with two 360-degree circuits, providing an exhilarating option for the more adventurous visitors.

Due to its outstanding attractions and service, the Lost World of Tambun received two recognitions in 2013. The first was the listing of the 660-meter long "Lost World Adventure River" as the Longest Man Made River in Malaysia by the Malaysia Book of Records. The second is the receipt of the Brand Laureate Award for Leisure and Hospitality – Resort and Theme Parks category due to its brand excellence and commitment in providing the best visitor experience to its patrons.

MTV WORLD STAGE
Sunway Lagoon, Bandar Sunway



The Hot Spot

Offering unique venues in the form of the Surf Beach and the Amphitheatre, Sunway Lagoon continues to grow as a preferred option for international events, concerts and theatre productions. In 2013, it hosted concerts for international artistes such as Swedish House Mafia and One Republic. Sunway also hosted its fourth MTV World Stage which featured Robin Thicke, Far East Movement, Joe Flizzow and Korean band, EXO.

In December 2013, Sunway Lagoon's latest theatrical production, *Snow White and the Seven Dwarfs - The Musical*, captivated audiences and attracted additional visitors during its run over the year end school holidays. The musical, held at the Amphitheatre, boasts five West End Stars from UK and is the second musical at Sunway Lagoon to feature live musicians. A nine-piece orchestra under the direction of a seasoned conductor provided accompaniment to the popular fairy-tale that is laced with local references and a modern twist.

Lost World of Tambun was similarly proving itself to be a venue of choice and created history as the site of the biggest flash mob in Malaysia. The event, in January 2013, was witnessed by the Malaysia Book of Records and had been officially included in the records. Attracting over 2,300 participants, the flash mob was performed in front of the park's entrance.

Fear Factor

Following the resounding success of Sunway Lagoon's Scream Park, a new attraction, "World War Z", was launched in June 2013 in conjunction with its namesake movie. In this attraction, thrill seekers are transported to KL Ground Zero in the war against zombies and experience for themselves exciting scenes ala World War Z.

Sunway Lagoon hosted its inaugural "Nights of Fright – Festival of Fear" in October 2013, in conjunction with the Halloween season. The five nights of terror builds on the partnership between Sunway Lagoon and New York-based The Sudden Impact! Entertainment Company. Five different fright zones throughout Sunway Lagoon were decorated with seasoned pumpkins and tombstones setting the atmosphere for a fright fest of roaming ghosts, ghouls and creatures from the dark.



SNOW WHITE AND THE SEVEN DWARFS - THE MUSICAL
Sunway Lagoon, Bandar Sunway

LOST WORLD OF TAMBUN Ipoh



FUTURE PLANS

The strategic plan for the Leisure division is to strive in driving increases in visitors and be acknowledged as a global brand with leading, integrated themed attractions that provide wholesome, unique and memorable experiences to park goers given the strength of its sizeable parks within integrated developments.

Consistent with this vision and to commemorate Sunway Group's 40th anniversary, the 'Quack-tastic Tuesday' promotion was launched in January 2014 to make it more affordable for everyone to enjoy Sunway Lagoon. The promotion allows Malaysian visitors to enjoy all the rides and attractions in Sunway Lagoon at only RM 40 per person, a massively discounted price. 'Quack-tastic Tuesday' also serves to support the Visit Malaysia 2014 campaign which encourages Malaysians to travel within the country. This exclusive offer is valid on the first Tuesday of every month, starting from March 2014 till December 2014.

Also in conjunction with Visit Malaysia Year 2014, Sunway Lagoon will continue to introduce new rides, attractions, shows and character walkabouts within the theme park to keep park guests entertained. Upcoming attractions include three dragon boats for team building activities, a 20 minute high dive show at the Surf Beach thrice daily and ongoing education programmes within its Interactive Zoo as part of Sunway Lagoon's Wildlife Programme.

Sunway Lagoon's Wildlife Park is currently being upgraded and it will be further enhanced with the introduction of a white lion and more endangered animals, all kept as part of the wildlife conservation commitment. The second installment of Nights of Fright is also planned for the Halloween season in October 2014.

In addition, the strategic alliance agreement signed with Viacom International Media Networks ("VIMN") Asia in 2013 will establish Sunway Lagoon as the chosen event venue for MTV World Stage Live for the next three years. Fans of top international artistes can continue to look forward to seeing their favourite stars performing at the Surf Beach.

At the Lost World of Tambun, the team is working closely with Tourism Malaysia and Perak Tourism Association to enhance visitorship and promote the gastronomical culture of Ipoh. An extension of the "Ipoh Street", a throwback of Ipoh Old Town, is being planned and will enable visitors to sample more popular dishes from Ipoh.

HOSPITALITY



INTRODUCTION

**NUMBER OF HOTELS AND
RESORTS MANAGED**
12

Sunway International Hotels & Resorts manages the Hospitality division's portfolio of 2,646 guestrooms, suites, luxury villas and serviced residences within 5, 4 and 3-star range hotels and resorts in Malaysia, Cambodia and Vietnam.

NUMBER OF GUESTROOMS
2,646

The flagship hotel, located in Sunway Resort City, is the Sunway Resort Hotel & Spa offering a collection of over 1,000 guestrooms and suites, food and beverage outlets, convention, meeting and exhibition facilities as well as other supporting leisure and business facilities; making this hotel one of the most sought-after destinations by corporate and leisure travellers.

The Group's hotel portfolio further extends to Kuala Lumpur with Sunway Putra Hotel, Penang with Sunway Hotel Seberang Jaya and Sunway Hotel Georgetown, Ipoh with The Banjaran Hotsprings Retreat and Sunway Lost World Hotel, and two properties in Indo China with Sunway Hotel Phnom Penh and Sunway Hotel Hanoi.

The Banjaran Hotsprings Retreat represents a distinct offering catering to the spa and wellness travellers. This 5-star eco-luxury hotsprings spa destination in Ipoh features 25 luxurious villas, a spa and wellness centre and unique wellness facilities which combine to offer bespoke holistic experiences.

Completing the group's portfolio are the meeting, exhibition and convention facilities comprising the Sunway Pyramid Convention Centre in Sunway Resort City and the Sunway Carnival Convention Centre in Seberang Jaya, Penang.

JEFF'S CELLAR

The Banjaran Hotsprings Retreat, Ipoh



KEY MILESTONES

Accolades and Product Innovation

The Hospitality division strives to continuously enhance guests' and patrons' experience in their stay or patronage of Sunway's hospitality properties. In acknowledgement of these efforts, Sunway Resort Hotel & Spa, Sunway Hotel Phnom Penh and The Banjaran Hotsprings Retreat were each presented with a Certificate of Excellence in Trip Advisor Travelers' Choice 2013 Awards. The Banjaran was also named among the Top 10 Small Hotels, Top 25 Luxury Hotels and Top 25 Hotels for Service in Malaysia. The Travelers' Choice Awards are selected by real travelers based on their actual experiences in the various hotels and are reflective of the outstanding level of everyday service rendered by the Hospitality division.

At the Hospitality Asia Platinum Awards ("HAPA") 2013 – 2015 Series, both Sunway Resort Hotel & Spa and Sunway Hotel Seberang Jaya received recognitions. The Club at Sunway Resort Hotel & Spa received two awards for 5-Star Hotel – Exceptional Experience and Hotel of the Year – Extraordinary Stay, while The Villas was accorded 5-Star Resort – Exceptional Experience. Meanwhile, Sunway Hotel Seberang Jaya was awarded for Housekeeping Excellence.

In addition, there were awards accorded to Sunway Resort Hotel & Spa including Outstanding Hotel Partner 2013 by *Booking.com* and Top 5 Family Resorts in Malaysia by the Holidays with Kids Australia's Top 10 Family Resorts 2013 awards. The Banjaran also received the Best Spa Resort in Expatriate Lifestyle's The Best of Malaysia Travel Awards 2013.

Besides affirming the high level of service at the division's properties, these international awards will elevate the brand recognition of the Group's hotels and will assist the division as it pushes to expand its overseas markets and attract more travelers from the targeted countries.

SUNWAY RESORT HOTEL & SPA
Bandar Sunway



Maintaining Exceptional Service and Accommodation Quality

The 202-room Sunway Hotel Seberang Jaya and 250-room Sunway Hotel Georgetown in Penang completed their extensive 15-month renovation programmes in 2013 and unveiled a brand new look each. The upgrading included guestrooms, suites and other touch points and facilities like the Club Lounge, Club Rooms, function and banquet facilities, food and beverage outlets and gyms. The main entrances and lobbies of both hotels were also transformed for a more contemporary, vibrant and welcoming feel.

In Kuala Lumpur, the 618-room Sunway Putra Hotel started its RM123.0 million refurbishment programme. The refurbishment encompasses guest rooms, suites and serviced apartments, function spaces, food and beverage establishments and public areas. The expected completion of the refurbishment in 2015 coincides with the expected re-opening of Sunway Putra Mall and will rejuvenate the entire Sunway Putra development.

Popularising the Banjaran

Since its inception in 2010, The Banjaran Hotsprings Retreat has been bestowed with numerous awards including international recognitions. Its positioning as a natural geothermal hotsprings wellness destination has attracted great interest locally and abroad. In 2013, to make the experience even more compelling for visitors, several packages were launched including for combined stays in a garden villa with a spa and wellness experience. There was also greater focus on exclusive retreat “buy-outs” by corporate groups and private events with the latter incorporating a cave dining experience at Jeff’s Cellar, one of the most unique wine bars in Malaysia with the entire cellar built into a cave chamber.

CREST ROOM

Sunway Putra Hotel, Kuala Lumpur



FUTURE PLANS

In continuing to provide a refreshing experience for guests, the focus in 2014 will be on upgrading facilities and introducing refreshed concepts at Sunway Resort Hotel & Spa. Enhancing Food & Beverage concepts to meet the changing of guests' palates, the hotel is creating purpose-built outlets and gearing towards healthier options and variety. The hotel has drawn on substantive data and consumer insights for the preparation of the refurbishment and upgrading programmes.

Strengthening the hotel's commitment towards accelerating online bookings through its website, Sunway Resort Hotel & Spa will be establishing its own Internet Booking Engine ("IBE"). The IBE will enable enhanced functionality, a simplified reservations process and more dynamic packaging, adding greater appeal and convenience for discerning modern travellers to book directly with the hotel.

The www.sunwayhotels.com website will gain a refreshed feel as well, offering a new online experience with features like Best Rates Guarantee as an added advantage to guests who book online. Additionally, to complement the growth in use of mobile devices, the mobile responsive design will allow for easy reading and navigation of the website through the various mobile platforms.

On the marketing front, Sunway Resort Hotel & Spa is harnessing new markets by continuing to cross-promote and highlight the integration of services and facilities that are seamlessly linked at Sunway Resort City, namely that of the hotel, Sunway Pyramid shopping mall, Sunway Lagoon theme park, Sunway Medical Centre and Sunway University. Similarly, it will work together with all its sister hotels to cross-promote and offer total packages especially for the corporate market. The hotel's immediate focus is on short and medium-haul geographies, particularly emerging markets to tap into new segments, and thereby expand Sunway's network of offerings to these markets.

CONSTRUCTION



**NEW CONTRACTS
SECURED**
RM2.6 billion

**OUTSTANDING
ORDER BOOK**
RM3.9 billion

INTRODUCTION

A leading builder in Malaysia with an unblemished reputation for execution and delivery, Sunway's Construction division has contributed more than 32 years to nation building. The division prides itself as a one-stop construction group with services comprising civil infrastructure and building construction, mechanical, electrical and plumbing ("MEP") engineering, geotechnical and foundation solutions, precast concrete products and machinery rental. With such a comprehensive range of services, the division is a proven design and build contractor which is able to tailor cost effective solutions for clients and take projects from conception to completion.

Sunway's Construction division places great emphasis on quality and has introduced Total Quality Management initiatives throughout the division. In recognition of these efforts, Sunway Construction Sdn Bhd was awarded the inaugural SIRIM Quality Award by SIRIM Berhad. Sunway won the highest category, Category 1, which caters to companies with revenue above RM100.0 million. In addition, the division is accredited with various ISO certifications including ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 indicating the high standards adhered to by the division.

In 2013, Sunway Construction was awarded the "International Achievement Award" at the Malaysian Construction Industry Excellence Awards ("MCIEA") 2012 for the division's successful completion of Rihan Heights, Phase 1A of the Zayed Sports City Development in Abu Dhabi. This award is one of the more prestigious categories at the MCIEA which is organised on an annual basis by the Construction Industry Development Board ("CIDB") and seeks to recognise outstanding overseas construction ventures.

MRT PACKAGE V4 PROJECT SITE Section 17, Petaling Jaya



KEY MILESTONES

Tops at Order Book Replenishment

The division secured RM2.6 billion worth of new contracts in 2013, topping all other local contractors in terms of order book replenishment for the year. There was a good variety in terms of new jobs secured demonstrating the multi-disciplinary abilities of Sunway's Construction division. Amongst the new jobs are the contract for the Elevated Bus Rapid Transit ("BRT") - Sunway Line for RM452.5 million. This is a historically significant job, being the first ever BRT line in Malaysia and possibly becoming the model for future BRT lines. Up to 12 other corridors have been identified by the Land Public Transport Commission ("SPAD") as suitable for the BRT. The project has undergone rapid progress and is more than 30% completed as at March 2014, well on track for completion in September 2015.

Another landmark job secured in 2013 was for the construction of the Afiniti Urban Wellness Centre in Medini Iskandar for RM282.9 million, awarded by Pulau Indah Ventures Sdn Bhd, a joint venture between Khazanah Nasional Berhad and Temasek Holdings. Being a project that is in the limelight due to its significance to bilateral ties, Sunway is honoured to be entrusted with the project.

In central Kuala Lumpur, Sunway Construction secured two major orders totaling RM526.0 million from Cititower Sdn Bhd, a joint venture between KLCC (Holdings) Sdn Bhd and QD Asia Pasific Ltd, for the construction of a basement car park and substructure works for a mixed development adjacent to the Petronas Twin Towers.

Internally, the division has been awarded with the construction of Sunway University's New Academic Block (RM192.0 million), Phase 3 of Sunway Pyramid shopping mall (RM203.0 million) and the refurbishment of Sunway Putra Place (RM258.0 million).

With these new contracts, the outstanding order book for Sunway Construction has risen to RM3.9 billion as at 31 December 2013, amongst the highest for Malaysian contractors.

LEGOLAND WATER PARK Johor



Quality and Timely Deliveries

In 2013, the division completed nearly RM750.0 million worth of projects including Legoland Water Park (RM45.0 million), Pinewood Iskandar Malaysia Studios (RM324.0 million), Universiti Teknologi Mara campus expansion in Shah Alam (RM200.0 million) and Sunway Pinnacle (RM175.0 million).

In fact, Legoland Water Park, a fast track job, was completed in just 9 months after its award in January 2013 allowing for its opening in October 2013. The Water Park, comprising an area of 300,000 square meters is Legoland's first Water Park in Asia.

Beyond just timely delivery, the division had also sought to seek attestation of its workmanship and build quality. Four projects completed in 2012 and 2013 were subject to the Quality Assessment System in Construction ("QLASSIC") verification by CIDB and all received commendable ratings. The Everly Putrajaya building with an annexed office block received an 80% QLASSIC score, Pinewood Iskandar Malaysia Studios received a score of 77%, Phase 1C of Sunway Alam Suria comprising 145 units of 3-storey terrace homes scored 76%, while the extension of Universiti Teknologi Mara campus (UiTM, Zon 1 Phase 2) scored 75%.



SUNWAY PINNACLE Bandar Sunway

SENAI PRECAST PLANT Johor



FUTURE PLANS

The construction sector is expected to remain buoyant in the coming years underpinned by mega projects such as Line 2 and 3 of the Klang Valley MRT, Langat 2 water treatment plant and catalytic developments in Iskandar Malaysia. As such, the Group will be more selective in tendering and accepting new jobs especially in the southern region where there is already signs of a shortage of experienced contractors. The division will also be reserving capacity for projects by the Integrated Properties division to ensure there will be no interruptions to the Group's planned developments especially in Sunway Iskandar. Nonetheless, the division is confident of another record year for order book replenishment in 2014 and is forecasting a target replenishment of RM2.5 billion, the majority of which is expected to be external jobs.

The division's bullishness stems from its strengths accumulated over the years. Following the Group's MRT and LRT jobs, it has made substantial investments in plant and machinery required for elevated rail-based jobs which includes five launchers. These capital expenditure will give it an advantage when tendering for future jobs including Line 2 of the MRT expected to be called in late 2014 or early 2015. Similarly, the geotechnical services unit has a fleet of 28 bored pile machines, which is amongst the largest fleet in the industry and will ensure the division has

sufficient capacity to take jobs in an environment where there is a shortage of bigger machines. The division had also been implementing a plant and fleet renewal programme since 2011 and will be looking at improving the number of assets below five years to 80% from 64% currently. The new machines will ensure greater productivity moving forward and increase customer confidence in execution capabilities.

To differentiate itself further, the division is constantly looking at greater employment of technology in tendering and building. The Virtual Design and Construction ("VDC") technology which the division has been working on in recent years will be continuously improved. In 2014, it will be employed in the construction of Phase 3 of Sunway Pyramid and the division will increasingly use it in tendering for external projects moving forward.

The division will also leverage on the strength of its three key supporting units, namely MEP engineering, geotechnical services and precast concrete to improve margins for the division. With the margins for general construction activity still relatively low, the ability of the Construction division to provide these higher margin services in-house will be a key competitive advantage in tendering for new projects and increasing the division's profitability.

TRADING & MANUFACTURING



INTRODUCTION

REGIONAL PRESENCE

7 countries

DISTRIBUTION POINTS

45

AGENCY LINES

116

CUSTOMER BASE

6,700

The Trading and Manufacturing division celebrated its 30th year in operations in 2013. Achieving steady growth since inception, the division has successfully grown into an international trading house providing world-class products and services in its four major product lines of Hoses & Fittings, Heavy Equipment Parts, Heavy Equipment and Building Materials.

With its replicable business model, the division has established a regional presence and extensive geographical footprint spanning 7 countries in the Asia Pacific region, including Malaysia, Singapore, Indonesia, Thailand, China, Australia and India. Deploying sophisticated Information and Communication Technology (“ICT”) tools, the division is able to serve a customer base of close to 6,700 active customers via its network of 20 (2012: 19) companies across 45 locations. The customers are located in up to 32 different countries and are from a diverse range of industries such as mining, agriculture, quarry, logging, construction, marine, oil and gas and manufacturing.

The division has not only established a strong presence in the countries in which it operates, but also a globally recognised brand name and reputation. Its stable of in-house brands, which includes “Sunflex” and “Totalrubber” hoses and fittings, “Suntrak” undercarriage parts and “Sunguard” oil filters, are renowned for their quality and value. Complementing them are the division’s 116 (2012: 103) agency lines, including for well-established brands like SANY, Furukawa, Airman, Ammann and Lonking for heavy equipment; FP Diesel and DCF Trek for heavy equipment parts; and Copperstate for hoses and fittings.

SUNWAY MARKETING'S WAREHOUSE Singapore



KEY MILESTONES

Network Expansion

During the year, the division set up a new branch in Songkhla, Thailand. This new branch, which will be supplying hoses and fittings with the aim of penetrating the oil and gas industry in the region, brings the total number of branches in Thailand to five. Works on enlarging the Saraburi branch to target the mining and quarry industries was also completed in 2013.

Further, the division plans to enlarge its branches in Rayong and Chonburi to tackle the limitations in manpower, warehouse storage space and inventory management. Currently these branches, although located in the largest industrial areas of Thailand, are supported by the branch in Bangkok which can no longer cope as the respective businesses expand.

Aside from the expansions in Thailand, the warehouse in Senoko, Singapore also underwent an expansion that enabled all its big bore hoses to be stored indoors. Besides ensuring the warehouse's compliance with the Fire Safety Act, this will protect the inventory from being weathered and prevent early stock obsolescence. In China, the division relocated to a bigger warehouse in Shanghai, which is able to accommodate more stock and machinery for hose assembly and testing.

In Indonesia, a new specialty hose manufacturing company, PT Sunway Pacific Flow started its manufacturing operations during the year to tap into the vast resources in Indonesia and establish a stronger foothold in the country's mineral mining activities. The operations will have synergies with the division's existing warehouse in Batam as they are able to share the same premises.

LOCATION	NO. OF DISTRIBUTION POINTS
MALAYSIA	13
SINGAPORE	2
THAILAND	5
INDONESIA	10
CHINA	8
AUSTRALIA	6
INDIA	1

SANY TRUCK MOUNTED CONCRETE PUMP WITH LONGEST BOOM - 48 METERS



Product Range Management

To ensure business sustainability and in line with the division's longer term aim of becoming a regional leader in providing world-class products and services, the division's global sourcing initiatives identified further new products to be introduced to the region.

During the year, the division gained 13 new agency lines for the Hoses & Fittings, Heavy Equipment Parts and Heavy Equipment product lines, bringing the total number of agency lines to 116.

In Singapore, the division was promoted to be the exclusive distributor of KLAW during the year, having been an authorised distributor previously. KLAW specialises in the design and manufacturing of Breakaway Couplings and Emergency Release System which is vital for safe transfer of hazardous and non-hazardous materials. This would aid the division in penetrating the Liquefied Natural Gas market.

Besides acquiring new agencies, Sunway is committed to maintaining its existing agencies and expanding market share of its agencies through new product development. For example, as the exclusive distributor for SANY heavy equipment, the division delivered a truck-mounted concrete pump equipped with a 48-meter placing boom, the longest in Malaysia.



PRODUCT LINE	NEW AGENCY LINES
Hoses & Fittings	AlfaGomma, Ultraclean, Sandvik, Dunlop Hilflex, Superlas, Hydraguard, Polyhose, Doojin, Daechun, Semperit
Heavy Equipment Parts	Bixen (Hydraulic Pumps)
Heavy Equipment	UNIC (Mini Crawler Crane), XCMG (Concrete Pumping Equipment)

In 2012, the division's branch in Singapore was the first vendor in Asia to own the King Crimper machine, which is the largest crimping machine in the world. Using this machine, the division currently has developed the capability of producing 18" ferrules hose end fittings and industrial hose couplings with a 4" die. The division will continue working on expanding its own production of big bore fittings and flanges in order to improve its product range. Similarly, in Indonesia, the division purchased a Finn Power Machine FP160 to enhance its hose assembly line and enable crimping of fittings for big bore hoses in production.

SUNFLEX HOSES

2013 ONE BUILD EXHIBITION Kuala Lumpur



Value-Enhancing Services

In efforts to better serve customers and further increase the division's customer base, the division began embarking on a Mobile Van Service in Singapore in 2008. This service is a 24-hour, 7 days a week service provided to all customers. The mobile servicing fleet in Singapore totaled 11 units in 2013, and will be further expanded in the coming years with the aim of making it the largest mobile fleet operator in Singapore.

In the last quarter of 2012, the division introduced the Mobile Van Service into the Malaysian market with two mobile vans, becoming one of the few hose suppliers in Malaysia to offer such a service. An additional van was added to the fleet in 2013, allowing it to serve even more customers, especially with the MRT projects ongoing. With this initiative, the division also hopes to infiltrate and deepen its presence in the oil and gas industry which ascribes great value to such convenience and low downtime.



SINGUARD OIL FILTERS

FUTURE PLANS

The division recognises that it will need to differentiate itself from its competitors in this increasingly competitive environment in order to expand its business and strengthen its customer base. Maintaining top quality levels is one way in which it achieves this. For example, in Indonesia, the Hoses & Fittings division in Batam was awarded the Quality Management System Certification of ISO 9001:2008 in recognition of its practices of providing goods inspection and testing, and offering attractive product warranty periods to ensure goods quality is maintained.

The division will continue to build upon the strong foundation of its business and take advantage of the replicable nature of its business model and organisational structure to continuously expand geographically. Its international presence will in turn, enable it to source for even more agencies of quality products and open more possibilities in developing and manufacturing in-house proprietary products. All of the above augurs well for the prospects of the division moving forward.

QUARRY AND BUILDING MATERIALS



INTRODUCTION

NUMBER OF QUARRIES

6

NUMBER OF ASPHALT PLANTS

8

NUMBER OF MANUFACTURING FACILITIES

6

The Quarry and Building Materials division is made up of four well established businesses which has attained market leadership positions in their respective industries. The businesses are Quarry, Pavers, Vitrified Clay Pipes (“VCP”) and Spun Pile.

Quarry

Sunway has long been synonymous with the quarry industry in Malaysia. Re-entering the industry in 2005 after a period of absence, the division has quickly rebuilt its capabilities and now operates 6 quarries and 8 asphalt plants all over Peninsular Malaysia. The division mainly produces aggregates used for ready mixed concrete and other construction activities. Another key product of the division is asphalt used for pavement of roads and highways.

Pavers

Founded over 30 years ago, the Pavers business had steadily increased its market share and is now the clear market leader in interlocking concrete pavers in Malaysia. From its three plants strategically located in Nibong Tebal in Penang, Batang Kali in Selangor and Senai in Johor, the division is able to cover the needs of its diversified customer base all over Peninsular Malaysia. As the market leader, it embarks on a series of product development and enhancement to sustain its competitive advantage. Recent products like Neupave include innovative water permeability features and are accredited with Green Label in Singapore and Green Building Index certification in Malaysia. The division is also present in China via its plant in Shanghai.

SUNWAY PAVING SOLUTIONS' FACTORY
Batang Kali, Selangor



KEY MILESTONES

VCP

Based in Klang, Selangor, Sunway's VCP business has an annual production capacity of 42,000 tons and is one of the largest VCP companies in Malaysia by sales volume. The main products of the company are glazed vitrified clay pipes and jacking pipes catering mostly to sewerage needs. VCPs are extremely durable pipes even in extreme climate and conditions and are not prone to cracking or flaking. Sunway's VCP business has started exporting in recent years and is looking to expand its export sales to generate further revenue growth.

Spun Pile

The Spun Pile business is based in Zhuhai, China. With the capacity to produce over 200,000 meters of spun pile per annum and with capabilities to produce large diameter PHC spun piles of up to 1.2 meters and lengths of up to 56 meters, the plant is one of the largest and most advanced in the region.

Resurgence in Profitability

Mirroring the resurgence in construction activities in Malaysia, the performance of the division had improved substantially in 2013, recording strong profit growth across the Quarry, Pavers and VCP businesses. The Quarry division's net profit increased nearly fivefold, the VCP profits doubled while the Pavers business turned from a loss to a profit of RM2.8 million. The growth in profits is due to a combination of an increase in sales volume and average selling price across all divisions. The improvement in profits was also aided by the strategic divestment of non-performing Quarry and Pavers businesses overseas in the prior year which no longer adversely affected current year profits.

SUNWAY QUARRY Paka, Terengganu



R&D to Maintain Competitive Advantage

The Pavers division embarked on various research and development initiatives in recent years. In 2012, it launched a breakthrough product in Neupave, a water permeable paver which solved several of the previous issues associated with paver products. In 2013, the research team completed the development of two other highly innovative products. The first is Geopave, a new design profile with multiple lock spacers that provide better interlocking properties. The division will be marketing this product as a premium paver in 2014.

The second is a yet to be named paver that comes with in-built LED light. The division is in the midst of conducting a feasibility for commercial production of the product and if cleared, this product could be on the market as soon as in late 2014. The Pavers business is committed to its research and development programme as its products are quasi commodities and such innovative products are integral in maintaining its position as market leader and improving margins beyond industry norm.

Widening Export Markets

With most of the division's businesses having reached market leadership in their respective industries and most of the industries near market saturation point, the respective businesses are increasingly looking at export markets to increase sales. In 2013, the VCP business was successful in exporting more than 3,700 tons of VCPs while the Pavers division managed to export 110,000m² of pavers. In Zhuhai, the Spun Pile business had also secured its first export contract to Indonesia worth USD12 million.

While still a relatively small proportion of sales, less than 15% of total sales volume, the division hopes to continue building its brand and number of agents overseas and secure a core foreign customer base. Besides driving revenue growth, export sales will ensure higher capacity utilization reducing overhead costs per ton and improving the division's competitiveness in the local market. Export markets are also crucial in diversifying income streams for the division, protecting the business from drastic drops in revenue should a cyclical downturn unfold domestically. The division's main export markets currently are Singapore, Brunei and Hong Kong.

SPUN PILES
China



FUTURE PLANS

With the increase in construction activities in Malaysia leading to a continued escalation in demand for aggregates, the Quarry business is looking at expanding its presence in 2014 with approvals being sought for new quarries on Penang island and in Semenyih respectively. Moving forward, it will also actively look for suitable quarries in Johor that will cater to the rising number of developments in Iskandar Malaysia including Sunway Iskandar.

Also in 2014, the Pavers business will look at establishing a fourth plant in Marang, Terengganu which will serve the East Coast region requirements and complete its coverage of the Peninsular Market. The plant will be set up in anticipation of several upcoming projects under the East Coast Economic Region initiative as well as the re-development of the Kuantan port and surroundings. The initial capacity for the plant is expected to be 20,000m² and is expected to be operational by first half of 2014.

The VCP business, meanwhile, will look at increasing production capacity at its Klang plant by installing an additional pre-heater for the GFC kiln and a new fast dryer to increase production capacity and output. The division is targeting to increase production by 700 tons per month with this capital expenditure.

HEALTHCARE



INTRODUCTION

**NUMBER OF SPECIALIST
CONSULTATION SUITES**
119

**NUMBER OF OPERATING
THEATRES**
12

NUMBER OF BEDS
358

The Healthcare division mainly consists of the Group's flagship hospital, Sunway Medical Centre ("Sunway Medical"), an ISO 9001:2008, MS ISO 15189 and Malaysian Society for Quality of Health ("MSQH") accredited private hospital which offers a comprehensive range of acute, tertiary level medical services in addition to preventive and wellness care. Sunway Medical has grown considerably over the years to become one of Malaysia's leading private medical centres with 119 specialist consultation suites, 12 operation theatres and 358 hospital beds.

Patients in Sunway Medical have access to Sunway Medical's comprehensive range of medical services, which includes facilities and medical technologies for outpatient and in-patient specialty care, health & wellness programme, and 24-hour emergency services. Specialist consultation suites located within the hospital are allocated for doctors who also have admitting rights to use all inpatient facilities, diagnostic services and operating theatres. Apart from Accident & Emergency, first response and primary care services which are managed by medical doctors, all other doctors are of consultant specialist level. It is a prerequisite for Sunway Medical that all practicing specialists within Sunway Medical possess internationally recognized postgraduate qualifications as well as a stipulated number of years' of experience in their chosen specialty or sub-specialty discipline.

Sunway Medical strives to deliver a customer-centric and integrated approach in providing healthcare services through its multiple Centres of Excellence ("CoE"). CoEs such as the Cardiac and Vascular Centre and Speech and Hearing Centre encourages the development of a niche and specialised approach to suit the increasingly sophisticated needs of its patients.

In playing its role in medical research and development, Sunway Medical is affiliated to the Jeffrey Cheah School of Medicine & Health Sciences, Monash University Malaysia, providing medical education and clinical research facilities to students.

SUNWAY MEDICAL CENTRE
Bandar Sunway



KEY MILESTONES

Capacity Build Up

In 2013, Sunway Medical became the first hospital in Malaysia to acquire a Siemens Flash Speed Dual Source CT Scanner with Stellar Detector. The new equipment is the fastest emergency CT with split-second scanning. Its low radiation dose and noise affords organ-sensitive dose protection and is able to perform pediatric scans without sedation. This permits quicker scans, better results in the diagnoses of bone disorders and guide surgeries, biopsies and radiation therapies. Coupled with the division's investment in the Siemens 3.0 Tesla Magnetic Resonance Imaging ("MRI") in the previous year, Sunway Medical's Radiology department is now equipped with the most complete and advanced imaging equipment in the market.

Besides medical equipment, the division had also sought to optimize the use of its physical space by creating additional clinic space and opening additional wards and beds. During the year, 26 beds, 21 daycare beds and 3 High Dependency Unit beds were added while 36 new clinics were created allowing for new specialist doctors to add on the centre's array of specialties. The twelfth and final operating theatre was also finally commissioned and for the first time since the completion of Phase 2 of Sunway Medical Centre, the hospital is running at its built capacity.

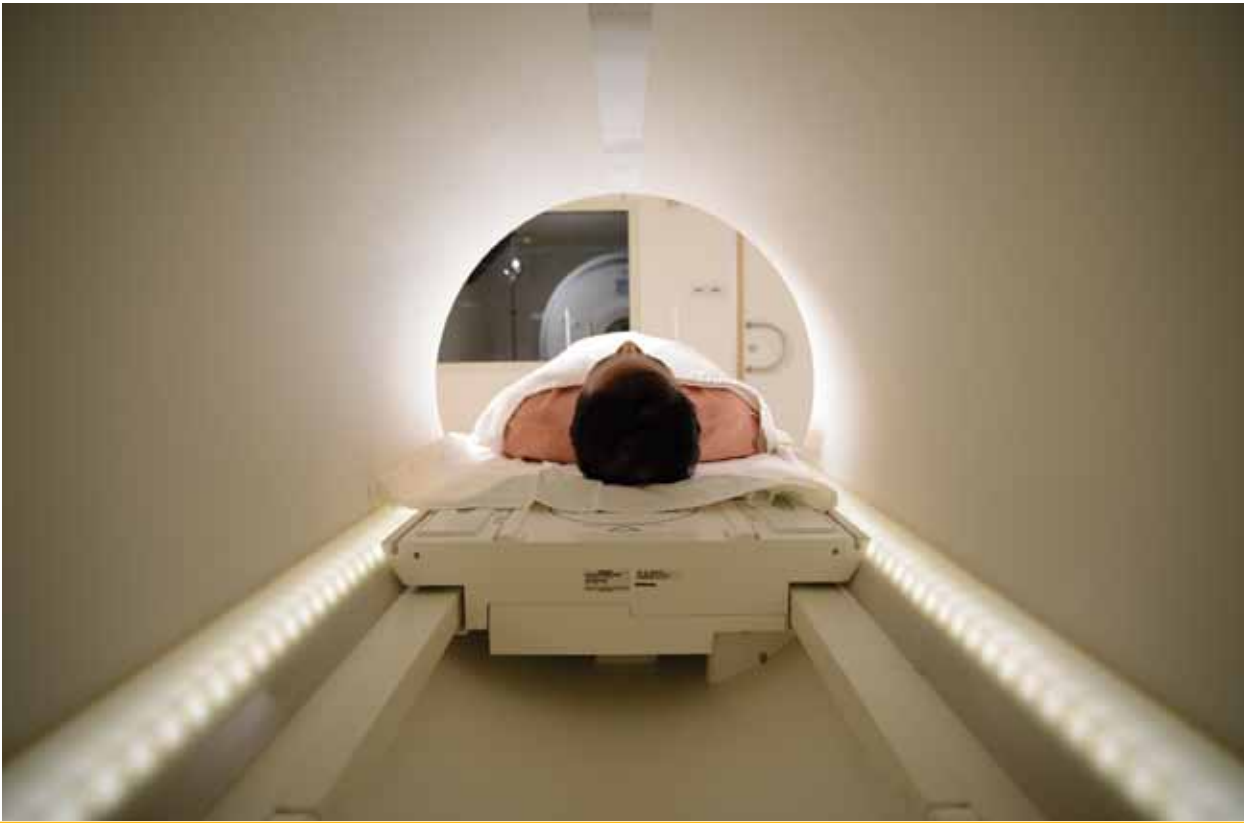
Medical Excellence

Sunway Medical expanded its already multi-discipline medical centre further by unveiling its latest CoE, the Aesthetic and Laser Centre in August 2013. This new CoE will provide both surgical and non-invasive treatments for the skin, face and body. Meanwhile, the Bone & Joint Centre had added the Foot & Ankle and Spine sub-specialties to its portfolio at the end of the year. A major accomplishment by this CoE during the year was its first robotic surgery, an innovative surgical treatment option allowing surgeons to achieve consistent, repeatable precision of the latest techniques in bone and tissue treatment, sparing the need for knee implant surgery.

Another medical milestone for Sunway Medical was the successful performance of Asia's first Sacroiliac ("SI") Joint Fusion Surgery using the DIANA ("Distraction Interference Arthodesis, Neurovascular Anticipating") procedure. SI joints have always been a suspected cause of lower back pain but had been difficult to prove in standard diagnostic tests. The new procedure would prevent friction between surfaces with an implanted screw, allowing patients to start walking by the fourth week following surgery.

In recognition of the division's medical excellence, Sunway Medical's Speech and Hearing Centre won the award of Excellence in Professionalism by Phonak Malaysia, firmly establishing Sunway Medical as the go-to place for fitting hearing aids. The award recognizes Sunway Medical as the best in clinical decisions on fitting, patient management, customer service and support administration.

SIEMENS 3T MRI
Sunway Medical Centre



Fostering Healthy Discipline and Awareness

Subsequent to the successful inaugural Sunway General Practitioners (“GP”) Symposium in July 2012, Sunway Medical organised its second symposium themed ‘Practical Insights on Surgeries: From Head to Toe’ in March 2013. The event saw a total of 164 participants comprising GPs from all over the country attending including allied health technicians from various hospitals. The symposium was headed by a scientific committee comprising Sunway Medical’s consultants whom discussed topics on surgical presentations from head to toe, and included the latest in obesity surgery and dietary needs of the surgical patient. Besides sharing best practices, the event was an important networking event for the doctors and for enhancing the standing of Sunway Medical amongst the local medical fraternity.

In addition, Sunway Medical continued with efforts on diabetes awareness with the second year of its hallmark ‘Let’s Take 5’ campaign. Sunway Medical held roadshows in 27 venues across the country to educate over 2,400 members of the public on the dangers of diabetes. The ‘Let’s Take 5’ campaign highlights the different complications related to diabetes, namely stroke (brain), eye, heart, kidney and foot problems. The 2013 theme was ‘See Diabetes’ with the aim of educating the public on Diabetic Retinopathy, a condition which can cause irreversible blindness if not treated.

In events targeted at more wholesome health consciousness, Sunway Medical opened its doors to members of the public by organising its first Open Day in May 2013. This presented the opportunity to familiarize the public with the CoEs and services offered by Sunway Medical. Visitors enjoyed free health screenings as well as a skin prick test for allergy detection. The Open Day was an educational day for all, and a special chance for hospital staff to further enrich the lives of the community it serves.

In another event in November 2013, Sunway Medical co-launched the one-of-a-kind Healthy Mall initiative with Sunway Pyramid. Sunway Pyramid is now Malaysia’s first “Health Promoting Mall” as accredited by MySihat or the Malaysian Health Promoting Board. This initiative encourages and promotes the wellbeing of its shoppers, employees, tenants and local community towards healthier active lifestyles.

SERVICE EXCELLENCE Sunway Medical Centre



Ensuring Quality and Standards

Ensuring the safety and welfare of patients and staff is of paramount importance in Sunway Medical's round-the-clock operations. The development of a Quality Framework coincides with this culture to provide a strategic overview of the key principles and practices necessary for effective monitoring, minimizing of risks to patients and improving clinical processes and outcomes. As part of the Quality Framework, Sunway Medical organised various Patient Safety and Quality Improvement events. This marked an important milestone in its efforts towards safer healthcare as Sunway Medical embarks on obtaining the Australian Council on Healthcare Standards ("ACHS") accreditation in 2014. The accreditation would be another triumph for Sunway and would greatly complement the current affiliation with the Jeffrey Cheah School of Medicine & Health Sciences, Monash University Malaysia.

FUTURE PLANS

Sunway Medical plans to kick start its 15th Anniversary in 2014 by launching the "Give A Heart Campaign" to increase awareness on heart disease which is ranked as the number one cause of death amongst women. It intends to provide free CT Coronary Angiograms for financially disadvantaged women from June onwards under a year-long campaign. Other events and promotions in conjunction with the celebrations are 15% discount for selected services throughout the year and the opening of Sunway Medical pharmacy, a retail pharmacy that caters to patients and visitors.

Another interesting initiative by Sunway Medical will be the formation of Sunway Medical Kids' Club, set up exclusively for babies who are born in Sunway Medical. Those born from January 2014 onwards are entitled to apply for the Sunway Medical Kids' Club for free and will remain as members until they turn 12 years old. Members are eligible for discounts on vaccination and rooms and will also be invited to related events and activities organised by the hospital.

The most important development for the division in 2014, though, is the expected commencement of construction of Phase 3 of Sunway Medical Centre. The new extension entails a 10-storey building comprising 30,000 square meters of space which will house, amongst others, a new Radiotherapy Centre with 2 radiotherapy bunkers and 1 brachytherapy bunker, in addition to a Nuclear Medicine Centre with PET-CT and SPECT-CT scanners. Other facilities in the extension include Oncology wards and clinics, Gastroenterology & Hepatology clinics, 1 level of outpatient clinics, 5 levels of wards, a Digestive Health Centre and a Dialysis Centre. The entire development is estimated to be completed by 2017.

CORPORATE RESPONSIBILITY



114 Community

119 Marketplace

120 Workplace

124 Environment

SOWING A BETTER TOMORROW



In a capitalist world, it is easy to forget that there are many others who are less fortunate. Sunway seeks not only to help, but also to provide more opportunities to the deserving.

From transforming a wasteland into a resort city, Sunway applies the same principles of making a difference in all its practices for the benefit of all.

CORPORATE RESPONSIBILITY

SUNWAY UNIVERSITY SCHOLARSHIPS CEREMONY



LAUNCH OF JEFFREY CHEAH INSTITUTE ON SOUTHEAST ASIA (JCI)



INTRODUCTION

Sunway understands that for the Group's businesses to be sustainable, the communities it serves must also continue to prosper. Building shared value is how businesses can create competitive advantage and continuously deliver better returns for shareholders by taking impactful actions that address important social and environmental challenges.

At Sunway, building shared values is a fundamental way of doing business. It is not about short-term initiatives, but instead, a full time commitment to finding solutions that can create long-term benefits for the people and the planet as well as contribute to the economy.

It is an approach that is inherent in the products and services that Sunway delivers and how Sunway delivers them – by making a real difference for its stakeholders and the communities that it builds, manages and owns as well as the communities surrounding Sunway.

COMMUNITY

Sunway has positioned itself to build shared values through three pillars: Education, Healthcare and Community Aid, Reach Out and Enrichment (“CARE”) Projects. These are areas where Sunway can make the most impact and where it matters most for both its shareholders and the community.

Education produces a profound impact as it raises income and eradicates inequality. Quality education is one of the most important investments a corporation can make to ensure a brighter future for its communities.

Healthcare is critical to enhancing quality of life for individuals, families, communities, states, and the nation. By focusing on preventive healthcare, Sunway reduces both financial and human costs for everyone.

Community Aid, Reach Out and Enrichment Projects – Because inclusiveness of all members of society is vital to achieve quality results from economic growth. Without greater inclusiveness, sustained growth will not be possible for Sunway's future.

Education

The Group works closely with the Jeffrey Cheah Foundation (“JCF”), one of the largest social enterprises in the country, to propagate quality education in the region with the collaboration forming the core of Sunway's education efforts. The Foundation owns and governs Sunway Education Group's twelve institutions. Annual profits and surpluses from these institutions are ploughed back into the Foundation, to ensure that everyone who deserves a chance at quality education receives it regardless of creed, race or beliefs.

Scholarships for the Deserving

On 27 September 2013, the Jeffrey Cheah Foundation held its annual Scholarships and Awards Ceremony, awarding RM 17.2 million, the highest amount awarded in a year to date, to a total of 2,016 students. This brought the total amount of scholarships disbursed since 1997 to more than RM132 million.

Jeffrey Cheah Institute on Southeast Asia

The Jeffrey Cheah Foundation, in 2013, contributed USD\$6.2 million to Harvard University, one of the world's most prestigious institutions of higher learning to establish two Jeffrey Cheah Chairs and the Jeffrey Cheah Travel Grant for Southeast Asia Studies. To complement this development, Sunway University established the Jeffrey Cheah Institute on Southeast Asia (“JCI”). The institute will serve to support the best and the brightest faculty and students from around the world to advance knowledge and research focused on Southeast Asia.

Public School Restorations and Upgrade

The Jeffrey Cheah Foundation supports public schools through restoration projects and helping to fund new buildings and facilities. In total, JCF has donated more than RM 12.5 million to date since 1995. The first school restoration project was undertaken at a cost of RM 3 million, which was to complete building works for SMK Bandar Sunway which was abandoned by its previous contractor.

In 2013, the Foundation funded the construction of a multipurpose facility at a cost of RM150,000 to benefit close to 900 children in SK Bandar Sunway for the purpose of conducting sporting activities. Another RM50,000 was donated to Kuen Cheng Girls' School to fund the construction of a classroom.

JOB TRAINING PROGRAMME BY THE HEARTS OF GOLD FOUNDATION



Teach For Malaysia Partnership

The Jeffrey Cheah Foundation partners Teach for Malaysia (“TFM”), an independent, not-for-profit organisation, that enlists Malaysia’s most promising future leaders in their mission to end education inequality. In 2013, JCF renewed the a corporate partnership agreement, sponsoring RM150,000 to assist the organisation in achieving its mission to reduce the gap between rural and urban schools. This is the second year that the JCF has contributed to TFM.

Education for Everyone

The Jeffrey Cheah Foundation hosted a charity recital featuring the International Ensemble of the Perak Society of Performing Arts entitled “Mozart on Silk Road” to share the beauty and discipline of music with a wider audience beyond the confines of the university community. This is in alignment to the spirit of the Foundation which believes that music and arts are inextricably linked to education, enriching and nurturing lives towards the total development of individuals.

The year also saw a group of 38 learning disabled students from the special-needs class of SMK Bandar Sunway (called the Hearts of GOLD Foundation) graduate from the Sunway Job Training Programme. On October 31, 2013, Deputy Minister of Education II, YB Kamalanathan A/L Panchanathan presented graduation certificates to the students who graduated with Sunway Group’s Deputy Chairman, Datuk Seri Razman M. Hashim. The Sunway Job Training Programme is specially designed to help the learning disabled to learn valuable job skills in order to be self-sustaining. Sunway started the Job Training Programme in 2006, under the endorsement of the Ministry of Education Malaysia.

Taking the partnership with Hearts of Gold Foundation a step further, Sunway University’s newly-established Sunway Institute for Social Entrepreneurship (SISE) developed a business plan to set up a social enterprise for a group of learning disabled students. The social enterprise set-up aims to create a viable business model that will generate enough profits for the special needs students under the Hearts of Gold Foundation to sustain themselves. In support of this, JCF pledged RM100,000 in 2013 as the “angel investor” for this social enterprise set-up.

LAUNCH OF SMOKE-FREE CAMPAIGN



Healthcare

Let’s Take 5

In 2013, Sunway Medical Centre undertook a nationwide diabetes awareness campaign, marking the second year of its hallmark “Let’s Take 5” campaign, a five-year community healthcare education programme to create awareness on the different complications related to diabetes, namely stroke (brain), eye, heart, kidney, and foot. Sunway Medical’s theme for this year was “See Diabetes” which aims to educate the public on diabetic retinopathy, which can cause irreversible blindness if not treated. In conjunction with the campaign, on World Diabetes Day 1-3 November, a total of 300 people a day were given free diabetes screenings. Apart from the health screenings, a cooking demonstration on healthier meals was conducted, along with Facebook interaction with doctors; health talks, contests and other activities.

Blue Ribbon Campaign in Malaysia’s 1st Smoke Free Township

Sunway also renewed its pledge against smoking in conjunction with the launch of the Blue Ribbon campaign by the Ministry of Health Malaysia at Sunway Medical Centre aimed at creating awareness on the health hazards of secondhand smoke. Sunway had started participating in the Blue Ribbon Campaign in 2008 and is in the midst of transforming Sunway Resort City into Malaysia’s first 100% smoke-free township by 2018, freeing the surrounding community from the harmful effects of tobacco smoke. Sunway Medical Centre, Monash University Malaysia and Sunway Education in the Sunway Group have received the Blue Ribbon Certificate Award for being smoke-free establishments.

Currently, the Group is activating the first phase of the campaign which consists of proactive efforts to advocate quitting smoking amongst the company’s 13,000 employees. A series of health screenings was conducted in September 2013 enabling 160 employees to be screened for lung health test, BMI and waist circumference to determine their health levels. SunMed also conducted regular health talks to employees of Sunway Group on the dangers of tobacco smoking, as part of Sunway Group’s move towards becoming a Smoke-Free township.

SUNWAY PYRAMID
- MALAYSIA'S FIRST HEALTH PROMOTING MALL



SunMed Open Day

On May 2013, SunMed opened its doors to members of the public on its inaugural Open Day in May 2013. Free health screenings as well as free skin prick test for allergy detection were held along with counseling sessions for those in the high-risk categories and a blood donation drive. The Amazing SunMed Drive Hunt saw 40 teams participating in a healthcare knowledge challenge.

Sunway Medical Centre has a dedicated community health team comprising state registered nurses who regularly conduct free health screenings at various communities and corporations. The health screening consists of checks on Body Mass Index, high blood pressure, glucose, cholesterol, vision and hearing with free health advice by nurses and dietitians.

Malaysia's First Health Promoting Mall

On 19 November 2013, Sunway Pyramid was accredited as Malaysia's first Health Promoting Mall ("HPM") by MySihat or the Malaysian Health Promoting Board. This is an initiative to promote shopping malls as a recreational setting that encourages the wellbeing of its shoppers, visitors, employees, tenants, and local community towards healthier and active lifestyles. Sunway Medical Centre participated in the launch by conducting free health check-ups for its visitors.

SunMed Kids' Club

Sunway Medical Centre also sponsored the painting and refurbishment of Ruman Kanak-kanak Impian in Petaling Jaya in December 2013. The home provides shelter to nearly 30 children of various ages who come from single-parent families. In addition, the children were also given their first SunMed Kids' Club memberships. Kids' Club members are entitled to special promotions at the hospital and are invited to participate in special activities organised by the hospital. Currently membership of SunMed Kids' Club is limited to children delivered at Sunway Medical Centre from 2013 onwards.

SUNWAY'S AUXILIARY POLICE ON PATROL



Community through C.A.R.E Projects

Community Safety and Crime Prevention

Safety for residents and visitors has always been one of the priorities of the Sunway Group. The Group's security force today has a total of 800 personnel, of whom 350 are Auxiliary Police who have completed intensive training at the Malaysian Police Training Centre. Sunway has one of the largest contingents of auxiliary police in the country.

Sunway conducts 24-hour joint-patrolling sessions alongside police personnel in Sunway Resort City (SRC) and other Sunway developments. In addition, SRC is equipped with 2,047 CCTVs that are linked to the police station and Menara Sunway security control room.

In partnership with the Malaysian Crime Prevention Foundation, Selangor Chapter and the Royal Malaysian Police, an "Ops Selamat - United Against Crime," campaign was undertaken in conjunction with the Chinese New Year festive celebrations in 2013 to educate the public to take charge of their personal safety. This was followed by the "Balik Kampung - Rumah Selamat Keluarga Sejahtera" campaign, for the Hari Raya festive season, which was augmented by professional talks on shopping safely and a mini-exhibition on crime prevention. Both campaigns are carried out during the festive season to remind the communities of opportunistic crimes and equip the public with crime prevention tips. During these campaigns, "Leave Home Forms" are handed out to help ensure effective patrolling by the PDRM or Royal Malaysian Police during the holiday period.

The Founder and Chairman of the Sunway Group, Tan Sri Dr Jeffrey Cheah, who is the Chairman of the Malaysian Crime Prevention Foundation, Selangor Chapter and an Honorary Assistant Commissioner of Police personally champions Sunway Group's community safety and crime prevention efforts.

CANOPY WALKWAY CONNECTING MONASH UNIVERSITY AND SUNWAY UNIVERSITY



Improving Accessibility

Where necessary, the Sunway Group contributes to improve upon public infrastructure so that connectivity is ensured for everyone.

Sunway is working to enhance accessibility for 500,000 residents in the Sunway, USJ and Subang areas with the construction of the nation's first Elevated Bus Rapid Transit (BRT)-Sunway Line in March 2013. A public-private partnership between Syarikat Prasarana Negara Berhad (Prasarana) and Sunway, the project cost is shared between project owner Prasarana contributing RM452.5 million and Sunway contributing RM99.0 million. Eco-friendly electric buses will ply a 5.4km-long elevated and dedicated road linking Setia Jaya KTM station and the future LRT Line Station in USJ 6 with 3 of the 2 bus halts in Sunway Resort City. Completion of BRT-Sunway Line is slated for June 2015.

Commuters of the BRT alighting at stations in Sunway Resort City will be linked to a 2-kilometre elevated, covered Canopy Walk costing RM10 million that will link the BRT to Sunway Pyramid, Sunway University and Monash University Malaysia within Sunway Resort City. The section from Sunway University to Monash University has already been constructed in 2013. The entire length of the walk is patrolled by Sunway's security personnel and guarded by a total of 35 CCTV units.

In addition, Sunway Group is working on road upgrade projects on three major roads and highways to ease traffic congestion in Bandar Sunway, Subang and USJ. Sunway Group together with the Petaling Jaya City Council, Subang Jaya City Council and the Malaysia Highway Authority has initiated these works in three phases.

The first phase was the construction of the Kesas link which provides direct access in and out of Sunway South Quay from Kesas Highway. This was completed in 2013. The ingress into Sunway South Quay will only be opened once the elevated BRT along Jalan Lagoon Selatan is completed. The cost of this road works is RM40 million. The second phase which is the elevated road linking Sunway South Quay to the New Pantai Expressway. Work has not started and is expected to start in the next few years.

FRIENDS OF CRUYFF COURT ISKANDAR



The third phase is the road widening of the road along the New Pantai Expressway from Sunway Pyramid all the way to Persiaran Kewajipan junction costing RM36.0 million. Works for this phase started in 2013 and is targeted to complete by May 2015. These upgrading works is expected to help alleviate traffic congestion significantly around the Sunway Resort City vicinity.

Equalizing Opportunities for the Less Privileged

Sunway understands that inclusiveness of all members of society is vital to achieve equitable economic growth. Without greater inclusiveness, sustained growth will not be possible for the future. Besides Group-wide activities, Sunway Group's various business units create and participate in their own community and volunteer activities so that they can make a difference for the people and the causes that matter most.

Cruyff Court, Iskandar Malaysia

In July 2013, Sunway became the leading sponsor of the first Cruyff Court in Southeast Asia in Iskandar Malaysia with a donation amounting to RM300,000. Championed by the Johan Cruyff Foundation, the Cruyff Court initiative intends to provide sporting opportunities for children with disabilities, and children living in areas with lack of space for sport and games. The Cruyff Court Iskandar was established as a joint collaboration between the Johan Cruyff Foundation, Iskandar Investment Berhad and Khazanah Nasional Berhad. On 19 November 2013, children with learning disabilities from two schools came together for the Cruyff Court Iskandar-Sunway Special Kids Carnival 2013 as part of an initiative to encourage community-building, foster self-confidence, and to remove misconceptions about children with special needs through the medium of sports. The Carnival saw 50 children with various learning disabilities from the Special Education Class, SMK Bandar Sunway and Sekolah Kanak-kanak Istimewa Johor Bahru participate in an entire day of fun.

Festive Celebrations

Every year, Sunway celebrates being part of a multi-ethnic and multi-cultural society by organising events that celebrate the various festive occasions. Often, the Group has also chosen to share the festive cheer with the less privileged by inviting them to join in the celebrations.

PINK EXCAVATOR FOR CANCER RESEARCH (PIXCR) HANDOVER CEREMONY



For example, in conjunction with Deepavali, Sunway Resort Hotel & Spa together with Sunway Pyramid Shopping Mall hosted a sumptuous dinner spread for single mothers from the Bandar Sunway Malaysia Hindu Sangam Community and their children at Fuzion. Also in celebrating Deepavali, Sunway invited 75 Indian pupils and their parents from the low income community of SK Bandar Sunway to join in Diwali celebrations at Sunway Resort City. The children were treated to a fun outing at the Wildlife Park of Sunway Lagoon where they had a chance to touch and feed animals and were given ice-cream and smoothies sponsored by Bubba Gump. The children were also presented with grocery giveaways from the public through the Some Of uS ("SOS") Food Drive community project facilitated by Sunway Pyramid. Staff of Sunway Group through Kelab Sukan Sunway, made personal contributions of RM100 each towards the purchase of new school uniforms, shoes and socks for each child.

In the spirit of Christmas, Sunway Pyramid organised SOS Wings of Hope, a fund-raising event for Children's Wish Society of Malaysia. More than RM60,000 was channeled to the Children's Wish Society of Malaysia to help the non-profit organisation fulfill terminally ill children's last wishes. Sunway has played a part in fulfilling some unique wishes including for a boy who wanted to be a pilot to experience a helicopter ride, a child who wanted to become a policeman to have the PDRM 'certify' him as a police and also a teenager who wanted to sing in a concert performed during the Faerie Dreams Launch at Sunway Pyramid. The campaign reached out to millions of shoppers who were touched by the campaign and left their thoughts and messages on the campaign on Sunway Pyramid's social media sites.

PIXCR

In October 2013, a pink Cat 320D hydraulic excavator commissioned by Sime Darby Industrial Sdn Bhd was rented by Sunway Construction. Known as the PInk eXcavator for Cancer Research, or PIXCR, a portion of the rental charges from PIXCR were channeled towards the Cancer Research Initiatives Foundation ("CARIF"). In addition, Sime Darby Industrial Sdn Bhd will make an equivalent contribution matching the rental rate contribution to CARIF.

DIWALI CELEBRATIONS WITH SK BANDAR SUNWAY STUDENTS



Sponsored Outings at Sunway Lagoon

As a premier theme park in Malaysia, Sunway Lagoon is a highly desired destination especially amongst the young. In 2013, Sunway Lagoon agreed to several sponsored outings to enable some of the less fortunate to also enjoy the theme park.

One such event was in support of Kiwanis Malaysia, where Sunway Lagoon sponsored 600 underprivileged children and their helpers for Kiwanis Malaysia's 15th Annual Children Party. This event is held once a year whereby Kiwanis Malaysia's volunteers will bring the organisation's underprivileged children out for a day of fun in the theme park. Sunway Lagoon has been supporting the event since 1998. Another memorable occasion was when the theme park granted a wish of an 8 year-old girl who is suffering from Hydrocephalus through the "Make-A-Wish Foundation Malaysia." In the spirit of giving, Sunway Lagoon granted Qarysha's wish by sponsoring her and her family for a day out at Sunway Lagoon. Apart from that, Sunway Lagoon also played host to 60 children from City Care Home by giving their children an educational tour of animals in the Wildlife Park in support of YB Hannah Yeoh's efforts in promoting wildlife conservation.

In the month of December 2013, Sunway Lagoon sponsored thousands of children and caretakers from more than 20 charity homes to watch the stage play – Snow White and the Seven Dwarfs, The Musical. The children were from various homes within the Klang Valley including the tuition centre for underprivileged kids under YB Hannah Yeoh's office, Angsana Home, Ozanam Home, Sunbeam Home, Precious Home, The Pure Life Society, Ti Ratana Welfare Home, House of Peace, Assunta Children's Society, Padmasambhava Children Loving Association, Hilla Community, Kiwanis, Persatuan Rumah Kids, Persatuan Anak-Anak Yatim Dan Ibu Tunggal, Rumah Juara Puchong, Precious Children Home, Taska Permata Children, Sunway Medical Centre Cochlear Implant Patients & Family, Sunway Medical Centre Dialysis Patients & Family, Sunway Medical Centre Medical Oncology Patients & Family, Pertubuhan Kebajikan Agathian Malaysia, House of joy, Rumah Kanak-Kanak Impian, Rumah Shalom, Pusat Penjagaan Kanak-Kanak Cacat Taman Megah, Women's Aid Organisation and City Revival.

SUNWAY'S BOOTH AT MALAYSIA PROPERTY EXPO (MAPEX)



TOTAL QUALITY MANAGEMENT CONFERENCE 2013



MARKETPLACE

Sunway is an established name in each of the industry that it is in, backed by a strong track record and powered by the passion and dedication of its staff. Sunway understands the need to be aware of the emerging trends, globalization and fast-evolving technology which are rapidly diminishing differentiation between products and services. For a company to remain competitive, it must be agile to continuously be relevant to its consumers.

Sunway has shifted its focus from being product-focused to a customer-centric organisation, where it prioritizes delivering greater value to the customer, making it convenient and more delightful for customers to buy and be more loyal to the brand. Sunway is currently embedding customer-centricity as a continuous process even more deeply into its operations, delivery and culture.

Product and Services Information

Total Quality and Environment Management System (TQEMS) is an approach adopted by Sunway 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 TQEM, 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 service are of quality meeting international standards, 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 ISO14001 are as follows:

Construction division

- Sunway Construction Sdn Bhd
- Sunway Engineering Sdn Bhd
- Sunway Concrete Products Sdn Bhd
- 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 PKNS Sdn Bhd
(formerly known as 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

Total Quality Management ("TQM")

Sunway held its inaugural TQM Conference in December 2013. TQM represented Sunway's investment in developing its staff as the Group moves forward toward continuous improvement and becoming a more customer-centric organisation. Themed "Customer Satisfaction – Our Culture, Our Shared Commitment" the conference highlights that the key driver for TQM is a renewed focus on the customer from top management and cascading downwards.

Innovations such as Virtual Design Construction (VDC) and Sunway PALS are examples of Sunway's move towards customer-centricity and TQM will be an ecosystem for further innovation that Sunway will leverage on for its customers. With TQM, Sunway will have a more strategic approach to continuous improvement, enhancing decision making and improving communications within the organisation as well as a viable platform for career and leadership development.

Sunway is highly committed to this initiative as it is guided by Yabe Akira, Director, Special Projects who will lead Sunway towards making TQM a part of its DNA.

BALLOTING FOR SUNWAY GEO RESIDENCES



SUNWAY'S LEADING WITH PASSION CAMPAIGN



Marketing and Communications

The Group seeks to be responsible in its marketing practices and not make inaccurate representations in its communication with customers and marketing materials.

For example, Sunway Integrated Properties ensures that its marketing and communication materials undergo a stringent review to meet all applicable laws and standards regulated by the local government and regulatory agencies. The Group division also complies with APDL (Housing Developers License and Advertising Permit) requirements for brochures, advertising permits and sale and purchase agreements. Any marketing materials produced by Sunway that profiles a client or its project is submitted to the client for approval and usage.

Customer Feedback and Privacy

Sunway aims to earn a loyal customer following through providing superior services and quality products. The Group regularly engages its customers and explores how it can satisfy customers changing needs. In collecting this data as well as other personal information of customers and suppliers, the Group respects their privacy by following the Group's Code of Conduct and Ethics. Moving forward, the Group will also abide by the Personal Data Protection Act which is effective from 2014.

Suppliers

The main objective of the Group's procurement division is to identify and engage suppliers who are reliable for quality products and services in the most cost effective manner. To achieve this, the Group employs a variety of sourcing tools including Ariba and eSourcing. For 2013, the biggest achievement for the procurement teams across the whole group would be the savings from eSourcing tender activities, where a total of RM34.8mil savings was made for the year.

In July 2013, the Sunway Berhad Board of Directors approved the implementation of Integrity Pact ("IP") by all the Procurement departments within the Sunway Group with immediate effect. The introduction of the IP is aimed at ensuring transparency and fairness within every stage of the procurement cycle.

The implementation of the Integrity Pact is one of the initiatives to ensure transparency and fairness in the procurement process of the Sunway Group. This is to ensure that the procurement processes will be carried out more efficiently; in that the product is obtained at a competitive price and in accordance to specifications, by avoiding high cost and the distortionary impact of corruption in the procurement process.

WORKPLACE

Sunway believes that fostering excellent human resource 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. All employees at Sunway are treated with respect and fair and respected manner. Diversity and inclusion is interwoven into the Group's key business strategies, service delivery, policies, procedures, practices, mission, vision and values.

The Group encourage differences on age, gender, ethnicity, religion, language, abilities, physical appearance and cultural background.

Sunway aims to create a culture that respects and values each other's differences, promotes equality and diversity, and encourages individuals to grow and develop in order to realise their full potential. Diversity and inclusion are closely tied to the Group's core values and strategic business goals, so they are embedded into every facet of the business.

As part of Sunway's continuous effort to strengthen employer branding and strive to be the employer of choice, Group Human Resources has actively embarked on various initiatives which includes tapping into alternative talent pool such as returning mothers to workforce, retirees and OKU.

SUNWAY WOMEN FORUM



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.

Women's Initiatives

Sunway has embarked on a drive to implement holistic initiatives to address women and their multiple roles with a goal to attract, retain and develop more women employees to take up senior management positions in Sunway.

Sunway has rolled out several initiatives which include mother's room, designated car parking bay for pregnant employees, introduced flexible working arrangements, extended maternity leave, and partnership with REAL Kids in setting up a kindergarten and child-care centre.

In recognition of these efforts, Sunway Group recently received a Special Mention in the MaSRA (ACCA Malaysia Sustainability Reporting Awards) 2013 Award.

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.

SUNWAY'S ANNUAL FAMILY DAY



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)

GST TRAINING FOR SUNWAY STAFF



TOP MANAGEMENT SITE WALK



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 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 occupational safety and health to be equally important to other management functions. It is the management's responsibility to provide the framework to promote, stimulate and encourage the highest standard of occupational safety and health at the workplace.

All employees, tenants, occupants, visitors including sub-contractors and their workers must ensure that the Group's occupational safety and health regulations are complied with and work towards achieving a safety and healthy working environment.

All project sites are well represented with a working OSH committee which is chaired by the person in charge. The participation of management and employees in the OSH committee is of paramount importance. Their role in the OSH committee is to identify unsafe acts and conditions at the work place and to make proactive decisions in order to achieve continuous OSH improvements at the workplace.

ENVIRONMENTAL, SAFETY AND HEALTH CAMPAIGN



Sunway is committed in providing its employees a safe and healthy workplace including those involved in daily business activities. In this regard, Sunway will continue to strive towards zero life loss and is committed to complying with provisions to the OSH Act of 1994, its regulations and all the approved codes of practice by:

- Identifying the hazards, accessing the risks and controlling them.
- Ensuring that all departmental heads of business units are also committed to striving for continuous improvement in accordance with the occupational safety and health standards in their respective organisations.
- Ensuring that all business units comply with the occupational safety and health regulations and it's approving codes of practice.
- Sunway shall also maintain all occupational safety and health documents and conduct periodic on its effectiveness.

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 Sdn. Bhd.

Quality, Environmental, Safety and Health Management System ("QESH")

In 2009, Sunway Construction developed and implemented an integrated management system, the Quality, Environmental, Safety and Health Management System ("QESH") to optimize resources and standardize processes throughout the whole organisation in both local and overseas projects. As QESH Management System meets the requirements of international standards, the Company's products are well defined at every stage of construction in terms of environmental, safety and health requirements, and can better satisfy the requirements and expectations of its clients. Among the main objectives of QESH are:

- To strive towards a ZERO life loss at all work sites.
- To achieve a monthly inspection score of 70% and above.
- To achieve 2.5 million manhours without loss time accident company wide.

SUNWAY SAFETY MERIT SYSTEM (SSMS)
- BRT PROJECT

Sunway Construction's commitment to health and safety can also be seen through implementation of various programmes at every level of the organisation. Safety Week, an event which was initially proposed by the top management of the company, is now carried out annually company-wide. It resonates with the international call on workplace safety and aims to ensure Environmental, Safety & Health awareness are deeply driven into the daily operations of Sunway Construction.

Sunway Safety Merit System ("SSMS") is another project initiated by the ESH team which aims to gauge the standards of Environmental, Safety & Health at all project sites through periodical inspections conducted by the Inspectorate Team. In addition to these company-wide initiatives, awareness programmes and trainings on subject matters like 5S: Sort, Set-in-order, Shine, Sustain and Standardize and ESH good practices are periodically carried out at project site level.

As a result of the commitment to good ESH practice, it is noteworthy that Rihan Heights, Sunway Construction's key project in Abu Dhabi had successfully achieved 10 million man hours without loss time injury ("WLTI"). With the experience gained through working with international ESH standards and requirements at Rihan Heights, various good practices are now imprinted at all the project sites.

Central Labour Quarters

Sunway Construction relies on the contribution of its work force, which includes its foreign workers. As a responsible employer, the Company undertakes to provide adequate necessities in safeguarding the welfare of these silent contributors. As such, proper rest areas, toilets and canteen are made available on site. Central Labour Quarters ("CLQ") is one of the facilities provided at specific sites when needs arise and where all workers will be settled at centralized lodgings. With the CLQs, makeshift construction workers' quarters are eliminated, petty crimes and other unsavoury activities are curbed as well. These CLQs are not only equipped with basic facilities such as double bunk beds, wardrobes, fans and etc, clinics, cafeteria and centralized kitchen are also available. Over and above, there is 24-hour security at the CLQs and strict identification process is practiced and monitored by the CLQ enforcement team, which is essential to addressing insecurities of the public.

RECYCLING FACILITIES LOCATED ALL OVER SRC



SUNWAY STAFF AT THE RECYCLING CENTRE



ENVIRONMENT

Sunway believes in being accountable for the impact it makes to the environment. Guided by the Lifestyles of Health & Sustainability (“LOHAS”) philosophy, Sunway takes a proactive approach towards environmental management that aims to minimize 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 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.

Environment Management System

The Group’s key units, Sunway Integrated Properties and Sunway Construction are both accredited with ISO14001 Environmental Management System, an internationally recognized standard for environmental management systems. Achieving this certification is 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.

Accredited Professionals

Sunway Construction is the pioneer builder in Malaysia to have attained the prestigious 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 individuals in Sunway Integrated Properties and Sunway Engineering who are trained to be Green Building Index (“GBI”) facilitators.

Green Township and Developments

Sunway is committed to green developments as exemplified by its flagship development Sunway Resort City (“SRC”) which was recognized as Malaysia’s First Green Township. SRC was awarded the Silver Award by GBI in 2012. GBI requires that a minimum of 15% of the township to be green.

In addition, two developments were accredited by BCA in the year. In August, A’marine received the provisional BCA Green Mark Gold Award while Sunway Nexis was granted the provisional BCA Green Mark Certified Award in October.

Sunway Montana’s Clubhouse, namely The Club, was the first in its category to be submitted for LEED Platinum certification in 2013 and received the award in early January 2014. The LEED certification identified Sunway Montana The Club as a showcase example of sustainable design, demonstrating leadership in transforming the building industry. The clubhouse’s design enables a 40% reduction in annual energy cost, and 48% reduction in water use.

Sunway Pinnacle, an MSC-status compliant office tower, was double accredited in 2013 with the GBI and BCA Green Mark certifications. The building is energy and water efficient through the use of high performance glazing, efficient chiller plant system, fitting of LED lights throughout and rainwater harvesting for irrigation and sanitary fittings. The building also uses low VOC paint and adhesives/sealants. To further incentivize sustainable practices, preferred parking spaces will be allocated for hybrid cars and carpoolers.

Waste Management

Construction waste such as steel bars, ready-mixed concrete and timber materials are the main by-products which can be found at every construction site. If not managed, these wastes can potentially be neglected during project progress stage which results in high disposal cost at the end of the project and/ or cause devastating damage to the environment.

Sunway Construction undertakes to minimize waste generation through proper planning, strict supervision and effective communication between project team members during progress stage. In addition to waste minimization effort, the Company manages its construction waste based on 3R concept – Reduce, Reuse and Recycle.

EARTH HOUR 2013



In general, waste segregation is practiced at site in parallel to the 3R theory. For example, usage of drip tray is mandatory for any temporary or permanent storage of oil/chemical at all project sites to avoid spillage on the ground which may lead to severe consequences. In addition, all waste oil/chemical must be discarded separately as 'scheduled waste'. Scheduled waste is stored and disposed by a licensed vendor according to Department of Environment's requirements and regulations.

At construction sites, it is also important to manage surface run off and silt by channeling the earth and dirt to the perimeter drainage system and further divert them to sedimentation ponds/silt trap located downstream in order to separate the solids from water. The sediment free water is then reuse for general washing, cleaning and wetting the road.

Green Retreat

At The Banjaran Hotsprings Retreat, water conservation is achieved by utilizing geothermal hot spring water for irrigation of the landscape. The jacuzzis in the villas, water features and the pool use natural geothermal hot spring water from the surrounding areas. Water-saving push-valve taps, shower heads and low flush toilet systems are installed to conserve energy.

Other green initiatives include use of solar powered outdoor lighting throughout the resort, a natural steam cave for guests and use of energy efficient VRV air-conditioning system.

Green Mall

Sunway Pyramid shopping mall is a keen advocate of green initiatives. Amongst them include the country's first Car Park Guiding System in a shopping mall. The system makes it easier for drivers to locate an empty car park bay and reducing congestion and emission of carbon monoxide within the car park. Other practices are dimming of car park lights during non-mall operation hours and installation of sensors at escalators to reduce electricity consumption when not in use.

In 2013, Sunway Pyramid's Chiller Retrofitting Project that was completed the prior year was nominated as amongst the Top 5 Best Performers in Energy Saving under the SAVE Program by Sustainable Energy Development Authority ("SEDA") Malaysia.

ELEFUN - PYGMY ELEPHANT CONSERVATION PROJECT



Meanwhile to create awareness on the importance of environmental preservation, Sunway Pyramid has been the official venue for WWF Malaysia's Earth Hour event for several years. At the same time, it also organises the Leo's Go Green Outreach campaign that focuses on educating children of the importance of energy conservation.

Biodiversity Conservation

The Elefun School Holidays, a Pygmy Elephant Conservation Project was held by Sunway Pyramid in memorial of 14 Pygmy Elephants which died at the Gunung Rara forest reserve and 10 others which have wandered off and ventured into the villagers' plantations. The Pygmy Elephant Project created awareness for the plight endangered Pygmy Elephants in partnership with the non-profit organisation, Borneo Conservation Trust.

Recycling and Other Environmental Initiatives

Sunway continued with its recycling programme which commenced in 2003 to cultivate a recycling culture among Sunway staff. Recycling collection centres have been set up and materials are recycled on a monthly basis. Approximately 300,000kg of recyclable wastes in Menara Sunway is recycled every year. In addition, recycling bins in sets of three for paper, plastic and aluminum can be found throughout Sunway malls, Sunway Medical Centre and Sunway education institutions. In Sunway Pyramid alone, daily collection of rubbish from tenants amount to around 800-1,000kg per day and all recyclable rubbish collected are sent to recycling centres. Sunway Pyramid shopping mall has also designated Tuesday and Saturday as no plastic bag days for under its Bring Your Own Bag ("BYOB") programme in an effort to encourage shoppers to go green.

GOVERNANCE WITH INTEGRITY



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GETTING THE STEPS RIGHT



A system cannot work without stability and cooperation.

The true strength of Sunway's success is the emphasis it places on systems, processes and good governance. These are based on our strong beliefs in ethics, principles and integrity. With them, Sunway can continue to grow sustainably with unwavering commitment to good business practices.

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.

BOARD CHARTER

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 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

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.

BOARD CHARTER

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.

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.

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

A. 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.

B. 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 recognizes the intrinsic value of good corporate governance and is committed to ensure that high standards of corporate governance is upheld and 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

Roles and Responsibilities

The Board is responsible for formulating and reviewing the Group's strategic direction and management of the Group. In discharging its roles and responsibilities, the Board is guided by its Board Charter which outlines the duties and responsibilities of the Board and the delegated day-to-day management of the Group to the President. This formal structure of delegation is further cascaded by the President to the management team. The President and management remain accountable to the Board for the authority that is delegated and for the performance of the Group.

Amongst the key responsibilities of the Board are:

- 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.
- Identifying principal risks of the Group and ensuring the implementation of appropriate systems to mitigate and manage these risks. The Board through the Group Risk Management Department, 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.

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 issues 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 the results on a quarterly basis.

In relation to the Independent Non-Executive Directors, they are actively engaged in the following:-

- Independent performance monitoring of the operations of the Group;
- 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 also delegates certain responsibilities to the Board Committees, all of which operate within defined terms of reference.

Board Composition

The Board consists of 7 members, 3 or 1/3 are Independent Non-Executive Directors. The Board composition reflects a balance of Executive and Non-Executive Directors with a mix of suitably qualified and experienced professionals in the fields of accountancy, banking and finance, economics, real estate development and property management. This combination of different professions and skills working together enables the Board to effectively lead and control the Company. 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. A brief profile of each Director is presented on pages 62 to 67 of the Annual Report.

Pursuant to Recommendation 2.2 of the Malaysian Code on Corporate Governance 2012, the Board had formulated a diversity and inclusion policy. The Group is committed to encouraging diversity and inclusion in the workplace. The Group aims to create a culture that respects and values each other's differences, promotes equality and diversity, and encourages individuals to grow and develop in order to realize their full potential. Diversity and inclusion are closely tied to the Group's core values of integrity, humility and excellence which are embedded into every facet of the Group's business and goals. Nonetheless, the Board will also prioritize selection criteria based on an effective mix of competencies, skills as well as relevant experience and knowledge in order to strengthen the Board.

The Board has also appointed Mr Wong Chin Mun as Senior Independent Non-Executive Director, to whom concerns relating to the affairs of the Group may be directed at.

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 128 to 134.

The Board has a formalized 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 135 to 137.

Board Meetings and Supply of Information

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

The board papers provided include inter alia, financial results, business plan and budget, progress report on the Company's developments, 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.

The Board met 7 times during the financial year ended 31 December 2013 and the details of attendance of the Directors are tabulated below:-

CORPORATE GOVERNANCE STATEMENT

NAME OF DIRECTORS	NUMBER OF MEETINGS ATTENDED	PERCENTAGE OF ATTENDANCE (%)
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	6/7	86
Datuk Seri Razman M Hashim	7/7	100
Dato' Chew Chee Kin	7/7	100
Sarena Cheah Yean Tih	7/7	100
Wong Chin Mun	7/7	100
Lim Swe Guan	7/7	100
Datuk Seri Yam Kong Choy*	2/2*	100

* reflects the number of meetings held during the time the Director held office

Board Appointment Process

A formal policy on selection process and assessment criteria for appointment of a new director is in place.

The policy details the processes and criteria for selection and assessment of potential candidates for election to the Board. It also sets out the criteria for assessment of the appropriateness of the board mix and composition. The Policy was approved and adopted by the Board on the recommendation of the Nomination Committee. Based on the Policy, the Board has delegated the responsibility for recommending a potential candidate to fill a board vacancy to the Nomination Committee but the ultimate decision on the appointment of a candidate is solely that of the Board as a whole.

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 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 Article 107 of the Company's Articles of Association, Sarena Cheah Yean Tih and Lim Swe Guan will retire by rotation at the coming Annual General Meeting of the Company. Datuk Seri Yam Kong Choy, who is appointed as a Director during the financial year, will also retire at the said Annual General Meeting pursuant to Article 90 of the Company's Articles of Association. Sarena Cheah Yean Tih, Lim Swe Guan and Datuk Seri Yam Kong Choy 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 before recommending 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 into the minutes of the Board Meetings.

1. Audit Committee

The members of the Audit Committee are Independent Non-Executive Directors, namely Wong Chin Mun as Chairman, Lim Swe Guan and Datuk Seri Yam Kong Choy. 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 152 to 155 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 3 wholly Independent Non-Executive Directors. The Chairman of this Committee is Lim Swe Guan. The other members of the Committee are Wong Chin Mun and Datuk Seri Yam Kong Choy.

The main role of the Nomination Committee is to ensure that the Board comprises Directors with appropriate skills, knowledge, expertise and experience, as well as to ensure a proper balance of Executive Directors and Independent Non-Executive Directors. In discharging its responsibilities, the Nomination Committee has developed criteria used for recruitment and annual Board assessment. In evaluating the suitability of the Board members, the Nomination Committee considers, inter alia, the competency, experience, commitment, contribution and integrity of the candidates. In case of candidates proposed for appointment as Independent Non-Executive Directors, the Nomination Committee would also assess the candidate's independence in accordance with the Main Market Listing Requirements of Bursa Securities.

The terms of reference of the Nomination Committee are set out on page 148 of the Annual Report.

During the financial year, 4 meetings were held for the following purposes:-

- (a) 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. The performance and contribution of Datuk Seri Razman for the financial year 2013 were discussed.
- (b) 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. The performance indicators of Sarena Cheah Yean Tih were tabled at the Meeting and discussed with the Group Human Resource Executive Director. Lim Swe Guan abstained from all deliberation on his proposed re-election as retiring Director. His performance as an Independent Director was assessed based on the Independent Non-Executive Directors evaluation survey and peer review.
- (c) to assess the appointment of Datuk Seri Yam Kong Choy as an Independent Non-Executive Director of the Company and to recommend his appointment to the Board for approval.
- (d) to adopt and discuss the evaluation result of the Board effectiveness assessment as well as Director's peers review for 2012. The Report on the evaluation of Board effectiveness was tabled for discussion. Areas needed improvements were highlighted to the Board and management for action.

- (e) to approve and adopt new evaluation criteria for assessment of Board Effectiveness for year 2013.
- (f) to approve and recommend to the Board, the Policy on Selection of new Directors and Assessment of Members of the Board of Directors and Board Composition.

MEETINGS AND ATTENDANCE

The Nomination Committee held 4 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
Lim Swe Guan	4/4
Wong Chin Mun	4/4
Datuk Seri Yam Kong Choy	1/1*

* reflects the number of meetings held during the time the Director held office

3. Remuneration Committee

The Remuneration Committee comprises mainly Non-Executive Directors namely Wong Chin Mun as Chairman, Lim Swe Guan and Datuk Seri Yam Kong Choy. 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 149 of the Annual Report.

During the financial year, 3 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;
- (b) to endorse the new grade and position of the Executive Directors; and
- (c) to review and to approve the terms of employment contracts for the Deputy Executive Chairman and President.

The Executive Director and Senior Manager of Human Resource Services attended the said meetings at the invitation of the Committee.

CORPORATE GOVERNANCE STATEMENT

4. Employees' Share Option Scheme ("ESOS") Committee

The ESOS Committee comprising Wong Chin Mun as Chairman, Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, Dato' Chew Chee Kin, Sarena Cheah Yean Tih and Yap Chin Leong, is responsible for implementing, allocating and administering the ESOS in accordance with such powers and duties conferred upon it under the By-Laws of the ESOS. The terms of reference of the ESOS Committee are set out on pages 150 and 151 of the Annual Report.

During the financial period, 2 meetings were held to consider and approve the following:-

- (a) to confirm the terms of reference of the ESOS Committee;
- (b) to approve the by-laws of the ESOS, allocation policy and actual allocation of options to the eligible employees of the Group; and

- (c) to approve the option price allocated to the eligible employees of the Company.

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.

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

	EXECUTIVE DIRECTORS RM	NON-EXECUTIVE DIRECTORS RM	TOTAL RM
Fees	-	332,493	332,493
Other Emoluments	-	77,507	77,507
Salaries and other Remuneration	10,685,595	-	10,685,595
Bonus	6,958,871	-	6,958,871
Benefits-in-kind	161,001	-	161,001
Total	17,805,467	410,000	18,215,467

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

RANGE OF REMUNERATION	EXECUTIVE DIRECTORS	NON- EXECUTIVE DIRECTORS	TOTAL
Below RM200,000	-	4	4
RM400,000 to RM450,000	1	-	1
RM1,000,000 to RM1,050,000	1	-	1
RM3,400,000 to RM3,450,000	1	-	1
RM12,900,000 to RM12,950,000	1	-	1
Total:	4	4	8

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

Corporate Responsibility and Sustainability

The Board is committed to build sustainable businesses and acknowledges the importance of the environmental, social and governance aspects on the Group's businesses. Details of the Group's corporate responsibility initiatives are set out on pages 114 to 125 of the Annual Report.

Company Secretary

The Board has unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. 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 updates the Board on new statutes, regulations and directives issued by regulatory authorities.

REINFORCE INDEPENDENCE

Board Performance Evaluation

The Nomination Committee is entrusted with the responsibility of carrying out the evaluation process of the Board's performance as a whole as well as the performance of its Committees. The evaluation of Board effectiveness is conducted annually by way of survey questionnaires (self and peer assessment) covering areas such as Board composition, Board roles and responsibilities, legal and regulatory compliance, trainings, conduct at meetings, engagement and communication with management and stakeholders as well as the effectiveness of Board Committees. It is also used as a tool to recognize the Board's strengths and to identify the areas for improvement to the Board and its Committees.

Upon completion of the evaluation forms by the Directors, the results are compiled into a report which would then be tabled to the Nomination Committee and thereafter, to the Board for further deliberation.

Independence Assessment of Independent Directors

The Board measures the independence of its Directors based on the criteria as stipulated by the Main Market Listing Requirements of Bursa Securities. The Directors should be independent and free from any business or other relationships that could interfere with the exercise of independent judgment or the ability to act in the best interest of the Group and are willing to express their opinions to the Board free of concern about their position or the position of any third party.

The Nomination Committee has conducted an annual assessment on the Independent Non-Executive Directors and its results were presented to the Board. The Independent Non-Executive Directors have also provided annual confirmation of their independence to the Nomination Committee and the Board. The Board is generally satisfied with the level of independence demonstrated by the Independent Non-Executive Directors as well as their ability to act in the best interest of the Company.

Presently, none of the Independent Non-Executive Directors has reached the 9-year cumulative tenure in the Company.

FOSTER COMMITMENT

Directors' Commitment

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities. The attendance record of the Directors at the Board Meetings is disclosed in this statement.

The Director must advise the Board and the Company Secretary of his/her appointment as director in other public listed company outside the Group. The Company Secretary will monitor the number of directorships and the changes, if any, of each Director.

In compliance with Paragraph 15.06 of the Main Market Listing Requirements of Bursa Securities, the Directors of the Company holds not more than 5 directorships in public listed companies. This enables them to discharge their duties effectively by ensuring that their commitment, resources and time are more focused.

Training and Development of Directors

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, strategic planning and implementation of new regulations by the Government.

CORPORATE GOVERNANCE STATEMENT

Training Programmes, Seminars and Workshops attended by Directors

NAME OF DIRECTORS	COURSE/TITLE / ORGANISER	DATE
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	• 13th Annual Forbes Global CEO Conference (Forbes Asia)	3 September 2013 to 5 September 2013
	• Sunway Managers Conference 2013 - Leading with Passion, Living it out (Sunway Group)	23 November 2013
Datuk Seri Razman M Hashim	• Corporate Governance Guide - Towards Boardroom Excellence (Bursa Malaysia Berhad)	14 June 2013
	• Sunway Managers Conference 2013 - Leading with Passion, Living it out (Sunway Group)	23 November 2013
Dato' Chew Chee Kin	• Sunway Managers Conference 2013 - Leading with Passion, Living it out (Sunway Group)	23 November 2013
Sarena Cheah Yean Tiht	• The Business of Innovation - Peak Performance: Sustaining a Winning Mindset - Thinking Outside The Box (The London Speaker Bureau)	9 April 2013
	• Sunway Managers Conference 2013 - Leading with Passion, Living it out (Sunway Group)	23 November 2013
Wong Chin Mun	• 1st VIP CSR Roundtable Discussion - Behind the steering wheel to sustainable business practices (Malaysian - German Chamber of Commerce and Industry)	30 April 2013
	• Competitive laws and their impact on your business (Vistage Malaysia Sdn Bhd)	10 May 2013
	• Better Times Ahead for Malaysia? - Predictions, Trends and Outlook for 2013-2020 (Perdana Leadership Foundation/ Federation of Malaysian Manufacturers)	18 June 2013
	• 2013 Nexia International Asia Pacific Conference, Kuala Lumpur* - Opening keynote - "Fine tuning your business for success" (Nexia SSY Chartered Accountants)	19 July 2013
	• The Dilemma of Businessmen - Will, Trust and Foundation (Vistage Malaysia Sdn Bhd)	11 October 2013
	• Neuromarketing Strategy Workshop (Vistage Malaysia Sdn Bhd)	28 & 29 October 2013

NAME OF DIRECTORS	COURSE TITLE / ORGANISER	DATE
Lim Swe Guan	• Nominating Committee Programme (Bursa Malaysia Berhad)	21 May 2013
	• Sunway Managers Conference 2013 - Leading with Passion, Living it out (Sunway Group)	23 November 2013
Datuk Seri Yam Kong Choy	• Global Research Briefing (Standard Chartered Bank Malaysia Berhad)	7 January 2013
	• Greater Kuala Lumpur & Smart Cities Summit - Gearing up for sustainable growth through smart initiatives (Asian Strategy & Leadership Institute)	25 February 2013
	• Financial Freedom Through Property Investment - The 2013 Market Outlook* (Malaysian Institute of Estate Agent)	7 March 2013
	• Director's Training in Syariah Banking (Standard Chartered Saadiq Berhad)	19 March 2013
	• Business Times Insight Series - Affordable Housing (The New Straits Times Press (Malaysia) Berhad)	29 March 2013
	• Conference on Challenges of Global Mega Projects - Advancing Engineering & Technology For Project Excellence:- (1) The Future Of Cities; (2) Modifying The Earned Value Concept In Order To Manage And Control Mega Projects: A Client Perspective (Chartered Institute of Building)	5 June 2013
	• 13th Annual Forbes Global CEO Conference (Forbes Asia)	3 September 2013 to 5 September 2013
	• Julius Baer Next Generation Summit 2013 (Forbes Asia)	6 September 2013
	• Novus Malaysia 2013 Convention - Challenges of Young Professionals for the Built Environment* (Chartered Institute of Building)	27 October 2013
	• Internal Rate Base Model Training (Standard Chartered Bank Malaysia Berhad)	12 November 2013
	• Sunway Managers Conference 2013 - Leading with Passion, Living it out (Sunway Group)	23 November 2013
	• Project Management and Claims and the Impact of Construction Industry Payment and Adjudication Act 2012 (Malaysia Airports Holdings Berhad)	4 December 2013
	• Goods and Services Tax on Real Property and Construction in Malaysia (Real Estate and Housing Developers' Association Institute)	10 December 2013

*Attended as speaker

CORPORATE GOVERNANCE STATEMENT

UPHOLDING INTEGRITY IN FINANCIAL REPORTING

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.

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.

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 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.

The Audit Committee has considered the provision of non-audit services provided by the External Auditors during the financial year and concluded that the provision of these services did not compromise the External Auditors' independence and objectivity as the amount of fees paid for these services were not significant as compared to the total fees paid to the External Auditors.

RECOGNISE AND MANAGE RISKS

Internal Controls

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 Group Risk Management Department 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 156 and 158 of the Annual Report provides an overview of the state of risk management and internal controls within the Group.

ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

Corporate Disclosure Policy

The Company has in place a Corporate Disclosure Policy which serves as a guide to enhance awareness among the employees of corporate disclosure requirements. The Policy outlines the Company's approach toward the determination and dissemination of material information, the circumstances under which the confidentiality of information will be maintained, response to market rumours and adverse or inaccurate publicity and restrictions on insider trading.

The Company has put in place an internal policy on confidentiality to ensure that confidential information is handled properly by Directors, employees and relevant parties to avoid leakages and improper use of such information. The Board is mindful that information which is expected to be material must be announced immediately.

Leverage on Information Technology for Effective Dissemination of Information

The Company's website at www.sunway.com.my, incorporates a section for "Investor Relations" which provides all relevant information on the Group such as quarterly and annual financial statements, announcements, investor presentations, share price and financial information, and it is accessible by the public. Annual Report and circulars to shareholders are also made available at this website for review.

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

As part of the effort in strengthening its relationship with the shareholders, the Company is committed to continuously disclose and disseminate comprehensive and timely information to its shareholders as well as to the general investing public. The Group believes that by maintaining consistent and extensive communication with its shareholders, its mutual relationship with its shareholders would be strengthened. This would also enhance the shareholders' understanding of the Group as well as their ability in making informed investment decisions.

The Board also recognizes the importance of shareholders' participation in general meetings and encourages such participation. 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.

The annual report of the Company is also another main channel of communication between the Group and its shareholders as well as stakeholders. The annual report communicates comprehensive information of the financial results and activities undertaken by the Group. The annual report in the form of CD-ROM together with an executive summary would be sent to the shareholders.

Investor Relations Activities

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 58 meetings with investors and research analysts. The Company had also participated in domestic and overseas roadshows, and investor conferences in Singapore, Hong Kong, Japan, Taiwan and Malaysia.

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.

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
Assistant General Manager – Corporate Finance
Tel No: (603) 5639 8671
Fax No: (603) 5639 9566
Email: clementc@sunway.com.my

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 page 1 of this Statement. Notwithstanding the non-compliance, 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 23 April 2014.



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.

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.
- (g) To advise on and monitor, a suitable performance related formula i.e. whether the formula is based on individual performance, company profit performance, earnings per share, etc.
- (h) To provide an objective and independent assessment of the benefits granted to Executive Directors.
- (i) To introduce any policy or guidelines which would enable the smooth administration and effective discharge of the Committee's duties and responsibilities.
- (j) To furnish a report to the Board of any findings of the Committee.

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

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.

TERMS OF REFERENCE OF EMPLOYEES' SHARE OPTION SCHEME COMMITTEE

The expressions used in these Terms of Reference, except where the context otherwise requires, shall have the same meaning in the By-Laws for the Employees' Share Option Scheme.

1. MEMBERSHIP

- (a) The Committee shall be appointed by the Board and shall be composed of not fewer than three (3) in number.
- (b) The members of the Committee shall elect a chairman from among their number.
- (c) 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.
- (d) The Board shall have the discretion as it deems fit to rescind and/or revoke the appointment of any person(s) in the Committee.

2. FUNCTIONS

Pursuant to By-Law 23, the Committee shall administer the Employees' Share Option Scheme ("Scheme") in such manner as it shall in its discretion deem fit and with such powers and duties as are conferred upon it by the Board including the powers to:-

- (a) Subject to the provisions of the Scheme, construe and interpret the Scheme and option(s) granted under it, to define the terms therein and to recommend to the Board to establish, amend and revoke rules and regulations relating to the Scheme and its administration. The Committee, in the exercise of this power may correct any defect, supply any omission, or reconcile any inconsistency in the Scheme or in any agreement providing for an option(s) in a manner and to the extent it shall deem necessary to expedite and make the Scheme fully effective.
- (b) Determine all questions of policy and expediency that may arise in the administration of the Scheme; and
- (c) Generally exercise such powers and do all acts and things and enter into any transactions, agreements, deeds, documents or arrangements, make rules, regulations or impose terms and conditions or delegate part of its power relating to the Scheme, which the Committee may in its discretion consider to be necessary or desirable for giving full effect to the Scheme.

3. POWERS AND AUTHORITY

3.1 Pursuant to By-Law 3, the Committee has the discretion:

- (a) To decide on any other eligibility criteria for purposes of selecting an Eligible Person from time to time;
- (b) To select any Eligible Person to participate in the Scheme whose decision shall be binding and final;
- (c) To approve the participation of an Eligible Person in more than one share option scheme implemented by any company within the Sunway Group;
- (d) To decide whether an Executive Director or an employee of the Sunway Group who during the Duration of the Schedule becomes an Eligible Person is eligible to participate in the Scheme.

3.2 Pursuant to By-Law 4.1, the Committee has the discretion to offer such number of options to eligible employees in accordance with the Scheme after taking into consideration, inter alia, the eligible employees' position within the Sunway Group, fulfillment of the eligibility criteria stated in By-Law 3, work performance, and/or such other factors as the Committee deems fit.

3.3 Pursuant to By-Law 9.6, the Committee shall have the right at its discretion by notice in writing to that effect served on the relevant Grantee:-

- (a) To suspend the right of any Grantee who is found to have contravened the written policies and guidelines of the Sunway Group and/or the terms and conditions of the Grantee's employment (whether or not such contravention may give rise to a disciplinary proceeding being instituted) to exercise his/her Vested Option(s). In addition to this right of suspension, the Committee may impose such terms and conditions as the Committee shall deem appropriate in its discretion, on the right of exercise of his/her Vested Option(s) having regard to the nature of the contravention provided always that in the event such contravention would result in the dismissal or termination of service of such Grantee, the Vested Option(s) shall immediately cease without notice, upon pronouncement of the dismissal or termination of service of such Grantee; or

- (b) To suspend the right of any Grantee who is being subjected to disciplinary proceedings (whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such Grantee or may be found to have had no basis or justification) to exercise his/her Vested Option(s) pending the outcome of such disciplinary proceedings. In addition to this right of suspension, the Committee may impose such terms and conditions as the Committee shall deem appropriate in its discretion, on the right of exercise of his/her Vested Option(s) having regard to the nature of the charges made or brought against such Grantee, provided always that:
- (i) in the event such Grantee is found not guilty of the charges which gave rise to such disciplinary proceedings, the Committee shall reinstate the right of such Grantee to exercise his/her Vested Option(s);
 - (ii) in the event such Grantee is found guilty resulting in the dismissal or termination of service of such Grantee, the Vested Option(s) shall immediately cease without notice, upon pronouncement of the dismissal or termination of service of such Grantee notwithstanding that such dismissal or termination may be subsequently challenged by the Grantee in any other forum;
 - (iii) in the event such Grantee is found guilty but not dismissed or whose services were not terminated, the Committee shall have the right, independent of the findings, to determine at its discretion whether or not the Grantee may continue to exercise his/her Vested Option(s) and if so, to impose such terms and conditions as it deems appropriate, on such exercise;
 - (iv) in the event that no decision is made and/or disciplinary proceedings are not concluded prior to the expiry of the Option Period or any other shorter period available to the Grantee to exercise the Grantee's Vested Option (as the case may be), the Vested Option of such Grantee shall immediately lapse on the expiry of the Option Period or such shorter period available to the Grantee to exercise the Grantee's Vested Option, without notice;
 - (v) notwithstanding whether or not disciplinary proceedings have been initiated against a Grantee, the Committee shall at its discretion determine whether or not the Grantee may continue to exercise his/her Vested Option.
- 3.4 By-Law 22.1 stipulates that the Committee may at any time and from time to time recommend to the Board any additions, amendment to and/or modification of any of the provisions of the By-Laws as it shall in its discretion deems fit. The Board shall have the power by resolution to add, amend and/or modify any of the provisions of the By-Laws upon such recommendation.
- 3.5 By-Law 22.2 provides that the approval of the shareholders of the Company in general meeting shall not be required in respect of additions or amendments to or deletions of the By-Laws provided that no addition, amendment or deletion shall be made to the By-Laws (including matters specified in the Listing Requirements to be contained in the By-Laws or such other matters as may be determined by Bursa Securities from time to time), which would render the rights of any Grantee or group of Grantees more favourable.
- 3.6 Such other authorities as governed by the By-Laws and/or are conferred upon the Committee by the Board from time to time.
- #### 4. MEETINGS
- (a) Meetings of the Committee may be called at any time by the chairman of the Committee.
 - (b) The quorum for the meeting shall be two (2) members.
 - (c) Where necessary and appropriate, any decision of the Committee can be made by a majority of the members via a Circular Resolution.
- #### 5. REPORTING
- The chairman of the Committee shall report the proceedings of each Committee Meeting to the Board.
- #### 6. SECRETARY
- The secretary to the Committee shall be the 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 2013 were as follows:-

1. Wong Chin Mun - Chairman
(Senior Independent Non-Executive Director)
(Appointed as Chairman on 17 July 2013)
2. Lim Swe Guan
(Independent Non-Executive Director)
3. Datuk Seri Yam Kong Choy
(Independent Non-Executive Director)
(Appointed on 17 July 2013)
4. Datuk Low Seng Kuan
(Independent Non-Executive Director)
(Resigned on 16 May 2013)

MEETINGS AND ATTENDANCE

The Audit Committee held 10 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
Wong Chin Mun	9/10
Lim Swe Guan	9/10
Datuk Seri Yam Kong Choy	4/4*

*reflects the number of meetings held during the time the Director held office

The Chief Financial Officer, President and Internal Auditors were invited to the meetings held. The External Auditors were present at 3 of the total meetings held.

TERMS OF REFERENCE

1. MEMBERSHIP

- 1.1 The Audit Committee shall be appointed by the Board of Directors from amongst the Directors of the Company and shall consist of not less than 3 members.

- 1.2 All members of the Committee must be non-executive Directors, a majority of whom are independent directors as defined in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

- 1.3 The members of the Committee should be financially literate and shall include at least 1 person:-

- (a) who is a member of the Malaysian Institute of Accountants; OR
- (b) who must have at least 3 years' working experience and:
 - (i) have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - (ii) is a member of 1 of the Associations of Accountants specified in Part II of the First Schedule of the Accountants Act 1967; OR
- (c) who must have at least 3 years' post qualification experience in accounting or finance and:
 - (i) has a degree/ masters/ doctorate in accounting or finance; or
 - (ii) is a member of any professional accountancy organisation which has been admitted as a full member of the International Federation of Accountants; OR
- (d) who must have at least 7 years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.

- 1.4 No Alternate Director shall be appointed as a member of the Committee.

- 1.5 The members of the Committee shall elect a Chairman from amongst their number, who shall be an independent director.

- 1.6 If a member of the Committee resigns, dies or for any reason ceases to be a member resulting in the non-compliance of paragraphs 1.1, 1.2 or 1.3 above, the Board must fill the vacancy within 3 months.

- 1.7 The terms of office and performance of the Committee and each of its members shall be reviewed by the Board at least once every 3 years. However, the appointment terminates when a member ceases to be a Director.

2. MEETINGS

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

AUDIT COMMITTEE REPORT

- (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 the Malaysian Code on Corporate Governance 2012; and

(ii) the extent of compliance with the best practices set out in the Malaysian Code on Corporate Governance 2012, 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 2013 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.
- (j) Reviewed and approved the Circular to Shareholders in respect of the proposed 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' 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.
- (n) Assessed and evaluated on the performance, independence and suitability of the External Auditors for its re-appointment as Auditors of the Company.
- (o) Reviewed and approved the acquisition by Harmony Impulse Sdn Bhd of the remaining freehold land located within the eastern portion of the land held under HSD 452656, PTD 2398, Mukim of Tanjung Kupang, District of Johor Bahru measuring approximately 300 acres from Iskandar Assets Sdn Bhd which is a related party transaction.

AUDIT COMMITTEE'S TRAINING

The details of training programmes and seminars attended by each Committee Member during the financial year ended 31 December 2013 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 2013, 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 2013 amounted to RM3.43 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 is committed in maintaining a sound and effective internal control and risk management systems in the Group to ensure good corporate governance. The Board affirms its responsibility by continuously reviewing the adequacy and integrity of the Group's systems of internal control and management information systems including systems for compliance with applicable laws, rules, directives, guidelines and risk management.

Notwithstanding, the Group's risk management and internal control systems are designed to manage rather than eliminate the risks threatening the achievement of its business objectives. It follows, therefore, that these systems 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 key risks affecting the achievement of objectives and strategies throughout the period. The management assists the Board during implementation of these policies and procedures on risk and control by identifying risks and assessing the potential impacts of the risks, and monitors the risk through suitable internal controls. The Board reviews this process on a half yearly basis and is of the view that risk management and internal control systems 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 Chief Financial Officer that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management and internal control systems 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 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 it has an effective risk management framework which will allow the Group 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.

Risk Governance

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

Risk management is a priority and is implemented through consultation with the Board, President, Directors 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 Reporting Platform

To provide assurance to the Board on the Group's adequacy and effectiveness of risk management, Group Risk Management Department ("GRMD"), under the purview of the Chief Financial Officer's Office has implemented a quarterly risk template in identifying all major risks of the respective Business Units under the Group. The risk templates, duly signed off by the respective Heads of the Business Units, provide a detailed assessment of the business and operational risks.

The quarterly risks from all Business Units are consolidated and updated to the Chief Financial Officer and President, highlighting all major risks and mitigating controls carried out by the respective Business Units. The Board of Directors will meet and deliberate on the top risks identified at least twice a year while ad-hoc or any new critical risks are to be escalated to the Board immediately for deliberation.

Further details of the Group's Enterprise Risk Management framework are set out on pages 159 to 161 of the Annual Report.

Assurance Mechanisms

The Audit Committee ("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 152 to 155 of the Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 the following key elements:

- Clear Group vision, mission, corporate philosophy and strategic direction which are communicated to employees at all levels.
- The Board retains control over the Group's internal control system with appropriate management reporting mechanisms which enable the Board to review the Group's progress.
- Board approves 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 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 resource matters and business plan.
- Communication of policies and guidelines in relation to human resource 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 AC.

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.

The Board has also received assurance from the President and 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 Group's risk management framework.

This Statement on Internal Control was approved by the Board of Directors on 23 April 2014.



**TAN SRI DATO' SERI DR JEFFREY
CHEAH FOOK LING, AO**
Executive Chairman

ENTERPRISE RISK MANAGEMENT

OVERVIEW

The Board acknowledges risk management as an integral process in achieving the Group's business objectives. The Group has continuously reviewed its risk management processes and policies to ensure that it is always consistent with the business and market environments faced by the Group.

Sunway Group's risk management framework comprises processes and policies which aim to address the risks faced by the Group. The framework is consistent with ISO 31000 Risk Management Principles and Guidelines, the Malaysian Code of Corporate Governance and the 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 be assured that their interest is protected.

Continuous risk assessment is fundamental to the Group's risk management processes. Business Units are tasked with reporting major risks on a quarterly basis to the management as it aims for a holistic approach towards risk management. The respective Business Units being risk owners of their immediate sphere are also responsible to develop the appropriate response strategies to mitigate the risks. Risk management discipline hence, ensures that risk assessment is an on-going process whereby risks and risk control measures are regularly reviewed and adjusted accordingly. The continuous risk assessment process therefore, represents the cornerstone of an effective ERM program for the Group.

Reporting Platform

In order to provide assurance to the Board on the Group's adequacy and effectiveness of risk management, Group Risk Management Department ("GRMD"), under the purview of the Chief Financial Officer's ("CFO") Office has implemented a quarterly risk template to identify all major risks of the respective Business Units under the Group. The risk templates, duly signed off by the respective Heads of Business Units, provide a detailed assessment of the business and operational risks.

The objectives of the risk template are as follows:

- Provide assurance to the Board that a sound risk assessment and internal control system is in place and in accordance with requirements of regulatory bodies;
- Provide guiding risk management principles to Heads of Business Units to govern the actions of their operating personnel pertaining to risks;
- Ensure the risk management processes are applied systematically across the Group to identify, assess, treat and manage risks that threaten resources or the achievement of objectives;
- Provide the management a summary of major and inherent risks affecting Business Units and to ensure inherent risks are adequately managed;
- Integrate ERM into the Group's businesses.

The quarterly risks from all Business Units are consolidated and updated to the Group CFO and President, highlighting all major risks and mitigating controls carried out by the respective Business Units.

BOARD OF DIRECTORS

The Board will meet and deliberate on the top risks identified at least twice a year while ad-hoc or any new critical risks are to be escalated to the Board immediately for deliberation.

The Board

President & Group Chief Financial Officer

Business Units

- Integrated Property
- Construction
- Trading & Manufacturing
- Quarry & Building Materials
- Healthcare
- Leisure
- Hospitality

Support Functions

- Strategy & Development
- Finance
- Human Resource
- Group IA
- Procurement
- Legal
- IT
- Corporate Communication

GROUP RISK MANAGEMENT DEPARTMENT (“GRMD”)

GRMD is accountable for the effectiveness of the risk management system and is independently distinguished from risk owners - the respective Heads of Business Units due to the latter being such person with vital insight of respective businesses, able to actively influence the identified risks through decisions and actions.

Consequently, GRMD undertakes the role of assisting Business Units by identifying, quantifying, managing and mitigating critical risks in addition to monitoring and reporting of action plans prepared by Business Units. In line with the Group’s governance initiatives, GRMD also collaborates with other corporate functions including Group Internal Audit, Group Procurement, Group Human Resources, Group Information Technology, Group Finance, Group Strategy & Development and Group Legal.



Identifying risk parameters

Ensuring that all risks are identified and controlled within the tolerance level.

Managing risk exposures

Ensuring that effective internal controls and mitigation plans are in place.

Consider risk factors

Continuous cultivation of culture of identifying and managing risks within the Group.

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, 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.

KEY RISK MANAGEMENT INITIATIVES

Quarterly Risk Template

Submission of major risks summary by respective Business Units to ensure adequate management and mitigation steps are undertaken to assure the Board of a sound risk management system to safeguard the Group's interests.

Implementation and Monitoring

Action plans identified in the quarterly risk templates by the respective Business Units are followed-up by GRMD. The respective Business Unit is required to identify the root causes, timeframe for action and staff responsibilities. These action plans are to be followed up to ensure that the risks are well mitigated to an acceptable level or closed.

Risk Awareness and Training

During the year, GRMD conducted risk awareness and training sessions for 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 enable them to proactively and effectively identify and manage risks in their respective units.

Compliance

In managing compliance risks in particular, risks arising from breach of laws and regulations, GRMD is involved in the Group's initiatives in developing awareness, implementation and compliance to new regulations in relation to Competition Act, Personal Data Protection Act and the Goods and Services Tax as announced by the Malaysian Government during Budget 2014.

CONCLUSION

Commitment and discipline in managing 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 program 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, the risk management function can move forward in enhancing the appreciation of risk management and creating a well-balance risk and reward culture across the Group.

ADDITIONAL COMPLIANCE INFORMATION

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

1. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

- (a) On 28 October 2013, Sunway had announced that it has received authorization from the Securities Commission ("SC") to establish a commercial paper/medium term note programme for the issuance of commercial papers ("CPs") and/or medium term notes ("MTNs") of up to RM2.0 billion ("New CP/MTN Programme") in nominal value via SC's letter dated 25 October 2013.

Sunway had on 28 November 2013, made the first issuance of RM500 million in aggregate nominal value of CPs under the new CP/MTN Programme. The proceeds raised were used to repay outstanding CPs under Sunway's existing CP/MTN Programme ("Existing CP/MTN Programme") of up to RM500 million in nominal value. Upon the maturity of the remaining series of MTNs issued under the Existing CP/MTN Programme on 29 November 2013, the Existing CP/MTN Programme was terminated on even date.

During the financial year ended 31 December 2013, Sunway had 57 issuances of CPs totaling RM2.65 billion under the Existing CP/MTN Programme at various interest rates and a total repayment of RM2.85 billion had been made. Sunway had also repaid RM85 million of the MTNs under the Existing CP/MTN Programme during the same financial year.

Under the New CP/MTN Programme, Sunway had 5 issuance of CPs totaling RM840 million and had repaid RM240 million. As at 31 December 2013, the total outstanding CPs amounted to RM600 million.

The proceeds raised from the New CP/MTN Programme were utilized to repay the existing CPs and MTNs and to finance the investment activities, capital expenditure, working capital requirements and/or other general corporate purposes.

- (b) On 5 April 2013, Sunway had announced a proposal to undertake a renounceable rights issue of up to 594,552,301 new ordinary shares of RM1.00 each in Sunway ("Rights Shares") at an issue price of RM1.70 per Rights Share, on the basis of 1 Rights Share for every 3 existing ordinary shares of RM1.00 each in Sunway held by the shareholders of Sunway ("Rights Issue"). Bursa Malaysia Securities Berhad had, vide its letter dated 5 June 2013, approved the Rights Issue.

On 6 August 2013, Sunway had issued and allotted 430,868,877 Rights Shares to the existing shareholders of Sunway, raising RM732,477,091 of new capital for the Company.

The gross proceeds raised from the Rights Issue were utilized for capital expenditure, repayment of existing borrowings, working capital of Sunway Group and to defray the expenses incurred in relation to the Rights Issue.

The unutilized proceeds amounting to RM175,769,000 had been placed with the licensed financial institutions and money market funds.

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

- (a) Sunway had on 3 September 2013, implemented an Employees' Share Option Scheme ("ESOS"). A total of 133,564,000 options had been granted to the eligible employees and executive directors of Sunway at an exercise price of RM2.76 under the ESOS. During the financial year ended 31 December 2013, a total of 34,200 options over ordinary shares were exercised pursuant to the ESOS. The aggregate maximum allocation of ESOS to Executive Directors and senior management of the Group shall not exceed 50%. As at 31 December 2013, the actual allocation of share options to the Executive Directors and senior management is 28.97%.
- (b) On 16 July 2013, an additional 31,232,424 warrants had been allocated to the existing warrantholders of Sunway in accordance with the Deed Poll dated 28 June 2011 pursuant to the Rights Issue. During the financial year ended 31 December 2013, a total of 115,678 warrants were exercised pursuant to Sunway's Warrants 2011/2016.
- (c) Sunway did not issue any other convertible securities during the financial year ended 31 December 2013.

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 2013.

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 2013.

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 2013 amounted to RM167,000.

6. VARIATION IN RESULTS

There was no variance of 10% or more between the audited results for the financial year ended 31 December 2013 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 2013.

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

Save as disclosed below, there were no material contracts (not being contracts entered into in the ordinary course of business) entered into by Sunway and/or its subsidiaries involving directors' and major shareholders' interests during the financial year ended 31 December 2013:-

- (a) Supplemental Subscription and Shareholders' Agreement dated 23 January 2013 between Sunway City Sdn Bhd ("SunCity") (a wholly-owned subsidiary of Sunway), Iskandar Assets Sdn Bhd ("IASB") (a wholly-owned subsidiary of Iskandar Investment Berhad) and Sunway Iskandar Development Sdn Bhd (formerly known as Harmony Impulse Sdn Bhd) ("SIDSB") (a 60% owned subsidiary of Sunway) to amend the Subscription and Shareholders' Agreement entered between SunCity, IASB and SIDSB on 4 December 2012 to document the additional equity to be injected by SunCity and IASB into SIDSB

to finance part of the purchase price of the land held under HSD 452656, PTD 2398, Mukim of Tanjung Kupang, District of Johor Bahru measuring approximately 300 acres ("the Second Plot").

- (b) Supplemental Agreement to the Sale and Purchase Agreement on the purchase of a portion of the land held under HSD 452656, PTD 2398, Mukim of Tanjung Kupang, District of Johor Bahru measuring approximately 366.32 acres between SIDSB and 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 RM183,882,441.60.

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

In accordance with By-Law 4.2 of the ESOS By-Laws, Sunway had appointed the Group Internal Audit to verify the allocation of options over ordinary shares to the Group's eligible employees in compliance with the criteria set out in the ESOS By-Laws, as part of Sunway's annual audit.

With the assistance of Group Internal Audit's audit verification, the Audit Committee is satisfied that the allocation of options over ordinary shares pursuant to Sunway's ESOS during the financial year ended 31 December 2013, has complied with the criteria set out in the ESOS By-Laws.

10. SHARE BUY-BACK

Sunway has not purchased any of its own shares during the financial year ended 31 December 2013.

11. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

The details of the recurrent related party transactions are disclosed in Note 53 of the Notes to the Financial Statements.

INVESTOR RELATIONS (“IR”)

Aided by strong tailwinds in the form of the continued progress of Iskandar Malaysia, Sunway received strong interest from fund managers and analysts at the turn of the year as its status as a proxy for Iskandar Malaysia became more apparent.

However, epitomising the fickleness of financial markets, the ebullience at the start of 2013 moderated as the year drew to a close with the property cooling measures announced in Budget 2014 affecting investor interest in the property sector. Such volatility in perception and sentiment of investors are the very reason for the existence of Sunway’s Investor Relations team. The team is committed to communicating the Group’s performance, strategies and prospects in both good or uncertain times, ensuring investors and shareholders are well informed of the Group’s competitive advantages in whatever the macro environment and are able to make informed and timely investment decisions.

In carrying out its IR activities, Sunway is mindful of the core principles required of the IR function which is transparent, timely and two-way communication with shareholders and the broader investing community while acting within regulatory guidelines for information disclosure. In line with this, the IR team drew up a comprehensive plan and had carried out the following initiatives to inspire and re-affirm investor interest in 2013.

In house Meetings

Sunway hosted 58 one-on-one and small group meetings with the investing community in 2013 (2012: 35), a record number of meetings for the Group since the merger, signalling the strong interest we had received in 2013. It is noteworthy that there was a significant increase in meetings with foreign investors whom had developed a strong interest in Iskandar Malaysia from the government initiatives and had chosen to get a better understanding of the region’s development through Sunway and its management.

Large Group Meetings and Conferences

Sunway was a firm favourite at Investor Conferences throughout the region in 2013 and was invited to participate at events in Singapore, Hong Kong, Japan, Taiwan and Malaysia. The Group participated in 9 conferences in 2013 as compared to 8 in 2012. Sunway is grateful to the organisers of these conferences who provided an opportunity for Sunway to showcase the merits of its investment case and the qualities of its townships to investors regionally.

In addition to conferences, where multiple corporates congregate to present their respective investment case, management was also invited to attend a number of non-deal roadshows, luncheon and group meetings dedicated to the Sunway Group, providing more time for the Group to elaborate on its strategies and to a more targeted group of investors.

SUNWAY’S INVESTOR RELATIONS CALENDAR

DATE	ORGANISER	EVENT	VENUE
23 Jan 2013	J.P.Morgan	Corporate Presentation	Johor
21 Feb 2013	RHB Research Institute	Corporate Luncheon	Kuala Lumpur
25 Mar 2013	Maybank	Corporate Luncheon	Kuala Lumpur
15 Apr 2013	KAF Seagroatt & Campbell	KAF Corporate Luncheon	Kuala Lumpur
16 Apr 2013	HwangDBS Vickers Research	HwangDBS Vickers Research Lunch Presentation	Kuala Lumpur
16 May 2013	UOB KayHian	Non-deal roadshow	Singapore
22 May 2013	MIDF Research	MIDF Corporate Luncheon Talk	Kuala Lumpur
30 Jul-2 Aug 2013	Bank of America Merrill Lynch	Non-deal roadshow	Hong Kong
3-4 Sept 2013	Bank of America Merrill Lynch	Non-deal roadshow	Singapore
7-8 Oct 2013	Bank of America Merrill Lynch	Non-deal roadshow	Japan

Site Visits

With many investors not familiar with the location of Sunway's land bank in Johor, the IR team had organised and participated in 9 site visits to the Group's land in Medini Iskandar in 2013. The site visits comprised an introduction presentation, a drive through the land offering investors an opportunity to view the natural terrain and surroundings and a brief stop at the site of the future Show Village for the development which offers vantage views of the Straits of Johor, Second Link to Singapore and the Pendas River. In addition, we had also organised 6 site visits to our projects in Klang Valley for foreign investors who are not familiar with Sunway's developments.

Widening Analyst Coverage

As a leading property-construction conglomerate in Malaysia, Sunway is well followed by the local financial institutions. In 2013, the IR team had succeeded in increasing the coverage by foreign research houses with initiation reports by J.P.Morgan and Bank of America Merrill Lynch. Another local research house, Kenanga Research, had also initiated coverage in November 2013. Meanwhile, OSK Investment Bank had its coverage merged with RHB Research Institute's following their merger.

As of 1 March 2014, Sunway is covered by 14 analysts (2012: 11), with all but two having a "Buy" call on Sunway and collectively, having an average target price of RM3.52, representing the strong confidence in the stock among the investing community.

Research Institutions

- Affin Investment Bank
- AmResearch
- Bank of America Merrill Lynch
- CIMB Investment Bank
- Hong Leong Investment Bank
- HwangDBS Vickers Research
- J.P.Morgan
- KAF Seagroatt & Campbell Securities
- Kenanga Research
- Maybank Investment Bank
- MIDF Research
- RHB Research Institute
- TA Securities
- UOB KayHian



SUNWAY'S CONFERENCE CALENDAR

DATE	ORGANISER	EVENT	VENUE
19-20 Mar 2013	UOB KayHian	ASEAN Corporate Day 2013	Taiwan
15 May 2013	HSBC Singapore	HSBC 3rd Annual ASEAN Conference - ASEAN Tigers	Singapore
6-7 Jun 2013	Citibank	Citi's ASEAN Investor Conference 2013	Singapore
11 Jun 2013	Nomura	Nomura Investment Forum Asia	Singapore
13-14 Jun 2013	Bursa Malaysia & Maybank	Invest Malaysia 2013	Kuala Lumpur
26 Jun 2013	RHB Research Institute	RHB Corporate Access	Singapore
28 Jun 2013	Citibank	Citibank Conference	Hong Kong
5 Sept 2013	Deutsche Bank	dbAccess Malaysia & Singapore Corporate Day	Singapore
17-18 Oct 2013	RHB Research Institute	Invest Malaysia Hong Kong 2013	Hong Kong

INVESTOR RELATIONS

Quarterly Financials and Annual Report

The IR team believes it is imperative that shareholders and investors be provided with regular updates on the company's performance, and the quarterly results announcements and Annual Report represent the best medium for such disclosure on a timely basis.

Although the quarterlies and the Annual Report are statutory requirements, Sunway believes in disclosing more than just the required if it is necessary to provide better insight of the Group. Such dedication to transparent and comprehensive disclosures has long been recognised at the National Annual Corporate Report Awards ("NACRA"). In 2013, Sunway's Annual Report received the Industry Excellence Award – Properties and Hotel Category for the seventh consecutive time, retaining an award it has won since 2006.

Briefing Packs

The IR team sends IR Briefing Packs to analysts for all major announcements by the Group which typically includes release of quarterly results, new construction orders, acquisition of new land bank and corporate exercises like rights issue or company acquisitions. The packs seek to provide more concise information as compared to the more detailed announcements to Bursa Malaysia and specifically addresses key information that analysts typically require.

In 2013, we also introduced the Sunway Flashnote, a one page brief to update busy investors on selected events concerning the Group. With a shorter presentation, there is a greater chance that the key messages are taken in by the investors and hence stimulate investment decisions.

Sunway Berhad

Estimate Change **BUY**

Equity Research / Real Estate Research
20 August 2013

Bank of America Merrill Lynch

Jeffrey Ng +65 9078 0415
jeffrey.ng@bam.com

On track to beat expectations

Weakness presents buying opportunity
Sunway (SWB) was not spared from the Ringgit depreciation sell-down. The current weakness, in our view, offers an excellent entry, as its balance sheet has been strengthened and we are just a quarter away from its maiden Iskandar launch. Furthermore, it offers a net yield of 3%, based on 30% dividend target. We

UOB KayHian

UOBKH Highlights

Sunway (SWB) MK/BUY/RM2.74/Target: RM2.98

Wins carpark project

HongLeong Investment Bank

HLB Research
PP 34412013 (01412)

Sunway (BUY ↑; EPS ↔)

INDUSTRY: OVERWEIGHT

EARNINGS EVALUATION

2Q results: Property shines

Results

- 1H FY13 core earnings (adjusted for RM0.2m derivative gain and RM59.7m SurplusIT revaluation gain) surged by 42% to RM201.0m (15.55 sen/share), making up 51% and 52% of ours and consensus estimates respectively.

Deviations

- Largely in line.

Dividends

- Net dividend of 5 sen/share declared as opposed to none declared in the previous corresponding period. Going forward, investors will see semi-annual dividend payout.

Share price

KLGI Expected share price return 17.3%
Expected dividend return 3.8%
Expected total return 16.2%

Share price

Jared Seon
jseon@hlb.hongleong.com.my
(603) 2168 1073

TA SECURITIES
A MEMBER OF THE TA GROUP

Sunway Berhad

Outperformance Driven by Strong Progress Billings

RESULTS UPDATE
Friday, 30 Aug 2013
REARCS 1.76/76
Sector: Property
TP: RM3.83(+38.8%)
Last Traded: RM2.25

J.P.Morgan

Sunway Bhd

Here comes 'The Sun': Initiating with Overweight

Asia Pacific Equity Research
26 July 2013

Initiation Overweight
SWAY.KL, SWB MK
Price: M33.30
Price Target: M54.06

RHB Research
RHB Research Institute Sdn Bhd
A member of the RHB Banking Group
Company No. 233077-H

Corporate Highlights

Results Note

Sunway Berhad

Maiden Dividend Declared

01 March 2013

Share Price : RM2.49
Fair Value : RM3.25
Recommend : Buy (Maintained)

Table 5.1 Investment Statistics (SUNWAY Code: 5211)

FYE	Turnover (RMm)	Net Profit # (RMm)	EPS # (RM)	Growth (%)	PER (X)	C.EPS* (RM)	P/CF (X)	P/NTA (X)	ROE (%)	Net Georing (%)	NDY (%)
2012	1,870.8	200.8	17.1	7.7	9.2	-	11.8	1.0	16.7	40.2	7.4

KAF

Sunway

Wins BRT award

Sunway has been awarded the BRT-Sunway line worth RM62m by Prasariti, beating its order book by RM3.3m. Despite the share price rising 10% ytd, close to listing price of RM2.85, valuations remain compelling at 11.7x FY12P PE and 1x PB. Re-SPEIT status, the stock trades at a mere 7.5x FY12P PE and 0.8x PB. Buy.

Buy

Price RM2.70
Target price RM3.75

IR Portal and E-mail

To facilitate information dissemination to all shareholders including individual shareholders who may have limited access to newsfeeds, the IR team maintains an IR section on the Group's website, www.sunway.com.my, which can also be accessed directly via <http://ir.chartnexus.com/sunway/>. Most analyst reports are uploaded on the IR portal within 48 hours after any major announcements providing investors with the different views that the investing community have on the Group's actions.

Other information available on the website include the Group's quarterly and annual financial information, financial calendar and an interactive stock chart. For ease of communication between the stakeholders and the Group's management team, an IR e-mail, irsunwayberhad@sunway.com.my had been established and investors can choose to contact the Group via this e-mail or through the contacts of the IR team provided on the IR portal.

Sustaining Interest and Reaching Out to New Investors

Moving forward, the IR team endeavours to continue efforts to expand the shareholding base and increase liquidity of the Sunway shares. But beyond just reaching-out initiatives, the IR team opines that it is equally important to maintain regular communication with shareholders through timely disclosures with detailed analysis of past performance and sufficient narratives on future strategies and prospects. The team will also actively participate in Malaysia Investor Relations Association activities to ensure adherence to the latest IR practices and maintain its standing within the IR fraternity.

SUNWAY BHD
PROPERTY DEVELOPMENT
(6888-KL, SUNWAY KL)
20 March 2013

AmResearch
Company report

Thomas Iwan
iwan-guan@amresearchgroup.com
+603 6336 2339

Construction division keeps up strong start to the year
Price: RM2.74
Fair Value: RM2.60
HOLD

Reference for report: Company Update

Company Focus
Sunway Berhad
Research: S&P 441 / Research: 000113-01

Malaysia Equity Research & Investment Services
27th Jan 2013

HOLD RM2.32 RECD: 1,435.50
Risk Factor: 1) Growth rate of 14%
Reason for Report: Land acquisition programme (2012) & Corporate Update (2013)

Another Iskandar deal

- Acquires 300 acres Eastern Pendas South Iskandar land for RM184m
- Set up more accounts for 66% and 59% of Sunway's landbank and 60%, respectively

Analyst: S&P 441 / Tel: +603 2711 2336

Equity Beat — **midf RESEARCH**

20 March 2013 | Corporate Update
Sunway Berhad
Mixed development contract in KLANG

Unchanged Target Price (TP): RM3.50
Maintain BUY

Maybank IB Research
Malaysia
Company Update
8 April 2013

Sunway
Rights Issue To Shore Up Balance Sheet

Hold (unchanged)

Share price: MYR3.16
Target price: MYR2.65 (prior review)

Cash call to beef up balance sheet. The latest fund-raising exercise is expected to ease the increase in Sunway's gearing arising from its acquisition of Sunway City Iskandar.

kenanga RESEARCH
Quick Bites
18 December 2013

Sunway Berhad
Penang Expansion

OUTPERFORM →
Price: RM2.64
Target Price: RM3.00

News

- SUNWAY's wholly-owned subsidiary, Sunway City (Penang), has proposed to acquire (in fact, comprising of 4 pieces of freehold land in Petai Township, Pulau Pinang) for a total consideration of RM275m or RM251 per plot. The purchase consideration is derived from a successful bidding in an open tender, which the tendered lowest price was fixed at RM250 per plot (which is 20% lower than the purchase price). The project has a potential GGV of a RM1.5b.

Comments

- Land cost is considered for being 18% of the GGV as it is within the industry average range of 15%-20%. The acquisition will be financed by internally generated funds and bank borrowings, with no preference, debt and dividend risk.

Share Price Performance
KLD KLD Price
1,800.00
2,000.00

Construction MALAYSIA
10th Jan 2013

Sunway Bhd
10QY13 RESULTS NOTE

Market Cap: US\$1,632m
Avg Daily Turnover: US\$1.63m
Free Float: 40.1%
Price Target: 15.2%

All fired up in 1Q
Sunway piled in a strong start to the year. Its unseasoned core 1Q13 earnings made up 81% of our full year forecast but beat consensus by 12%. We down the numbers in line as future quarters should perform better. Construction was the star performer, followed by property.

Property
2 December 2013
AFFIN INVESTMENT BANK
HOLD (14 DECEMBER 2012)

Results Note
Sunway Bhd
SMB MK
RM2.65
BUY (maintain)

A good set of results, above expectations
Strong 9M13 core net profit of RM325m, above expectations
Sunway reported a strong 9M13 core net profit of RM325m (+27.6% yoy) on higher revenue (+18.7% yoy), lower net interest expenses and higher associates/JCE earnings contributions (+18.0% yoy). The group's property development business reported a stronger 9M13 core earnings (EBIT plus JCE earnings) of RM258.8m (+28.1% yoy) on stronger property sales and higher progress billings from key projects. The group's construction business also reported stronger 9M13 earnings on higher progress billings from the MRT job and writeback of

FINANCIALS



170 Financial Statements

372 List of Material Properties

INCREASING RETURNS



Knowledge and equity are key essentials for progress.

With each milestone achieved, we continue to step up our game while at the same time providing continuous transparency and clarity in all our businesses.

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 2013.

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 54 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit net of tax	1,763,335	156,702
Profit attributable to:		
Owners of the parent	1,490,371	156,702
Non-controlling interests	272,964	-
	1,763,335	156,702

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 the adoption of FRS 10: Consolidated Financial Statements and the disposal of 20% equity interest in Sunway REIT Management Sdn. Bhd., as disclosed in Note 2.2 to the financial statements.

DIVIDENDS

The dividends paid by the Company since 31 December 2012 were as follows:

	RM'000
In respect of financial year ended 31 December 2012:	
Interim single-tier dividend of 6% per ordinary share of RM1 each, paid on 30 April 2013	77,550
In respect of financial year ended 31 December 2013:	
Interim single-tier dividend of 5% per ordinary share of RM1 each, paid on 1 October 2013	86,174

On 27 February 2014, the Board of Directors declared an interim single-tier dividend of 5% for each ordinary share of RM1 each of the Company for the financial year ended 31 December 2013. The total dividend payable amounts to RM86,176,000. The dividend will be accounted for in the equity as an appropriation of retained earnings in the financial year ending 31 December 2014.

The Board of Directors do not propose any final dividend for the financial year ended 31 December 2013.

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
Wong Chin Mun
Lim Swe Guan
Sarena Cheah Yean Tih
Datuk Seri Yam Kong Choy (Appointed on 17 July 2013)
Datuk Low Seng Kuan (Resigned on 16 May 2013)

In accordance with Article 107(1) of the Company's Articles of Association, Sarena Cheah Yean Tih and Lim Swe Guan retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election. Datuk Seri Yam Kong Choy retires pursuant to Article 90 of the Company's Articles of Association at the forthcoming Annual General Meeting and being eligible, offers himself 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, other than as may arise from the share options granted under the Employees' Share Option Scheme.

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 53 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 ordinary 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	Allotted*	Acquired	Sold	As at
	1.1.2013				31.12.2013
The Company					
Direct interest:					
Tan Sri Dato' Seri Dr. Jeffrey					
Cheah Fook Ling, AO	54,363,105	18,121,034	2,099,000	-	74,583,139
Datuk Seri Razman M Hashim	792,032	276,610	-	-	1,068,642
Dato' Chew Chee Kin	2,402,619	989,939	113,000	(162,000)	3,343,558
Sarena Cheah Yean Tih	432,956	144,318	-	-	577,274
Wong Chin Mun	59,428	19,809	-	-	79,237
Deemed interest:					
Tan Sri Dato' Seri Dr. Jeffrey					
Cheah Fook Ling, AO ^a	585,558,103	203,652,699	58,400,000	-	847,610,802
Dato' Chew Chee Kin ^b	257,142	89,814	-	-	346,956
Sarena Cheah Yean Tih ^c	639,388,226	221,596,073	60,499,000	-	921,483,299
	Number of ordinary shares of HKD1 each				
	As at	Acquired	Sold		As at
	1.1.2013				31.12.2013
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 1.1.2013	Allocation^	Acquired	Sold	As at 31.12.2013
The Company					
Direct interest:					
Tan Sri Dato' Seri Dr. Jeffrey					
Cheah Fook Ling, AO	9,940,556	1,201,811	-	-	11,142,367
Datuk Seri Razman M Hashim	120,405	14,556	-	-	134,961
Dato' Chew Chee Kin	668,223	93,748	550,200	(443,000)	869,171
Sarena Cheah Yean Tih	86,590	10,468	-	-	97,058
Wong Chin Mun	11,885	1,436	-	-	13,321
Deemed interest:					
Tan Sri Dato' Seri Dr. Jeffrey					
Cheah Fook Ling, AO ^d	113,422,425	13,712,768	-	-	127,135,193
Dato' Chew Chee Kin ^b	281,028	33,976	-	(281,028)	33,976
Sarena Cheah Yean Tih ^e	123,256,386	14,901,692	-	-	138,158,078

	Number of options over ordinary shares of RM1 each			
	Granted on	Vested	Exercised	Vested as at
	3.9.2013			31.12.2013
The Company				
Direct interest:				
Tan Sri Dato' Seri Dr. Jeffrey				
Cheah Fook Ling, AO	17,200,000	4,300,000	-	4,300,000
Datuk Seri Razman M Hashim	500,000	125,000	-	125,000
Dato' Chew Chee Kin	4,500,000	1,125,000	-	1,125,000
Sarena Cheah Yean Tih	1,600,000	400,000	-	400,000

	Number of options over ordinary shares of HKD1 each			
	As at 1.1.2013	Granted	Exercised	As at 31.12.2013
Related corporation				
Sunway Global Limited				
Direct interest:				
Dato' Chew Chee Kin	14,215,770	-	-	14,215,770

* Allotment of ordinary shares by Sunway Berhad on 6 August 2013 due to acceptance of provisional rights shares pursuant to the renounceable rights issue on the basis of 1 rights share for every 3 existing ordinary shares of RM1 each held in Sunway Berhad ("Rights Issue").

[^] Allocation of additional warrants in Sunway Berhad on 6 August 2013 in accordance with the Deed Poll dated 28 June 2011 pursuant to the Rights Issue.

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 spouse.

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 Active Equity Sdn. Bhd., Jef-San Enterprise Sdn. Bhd., Sungei Way Corporation Sdn. Bhd. and children.

e 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.

DIRECTORS' REPORT (CONTD.)

DIRECTORS' INTERESTS (CONTD.)

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 directors in office at the end of the financial year did not have any interests in ordinary shares, warrants and options over ordinary shares in the Company or its related corporations during the financial year.

ISSUE OF SHARES

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM1,292,505,004 to RM1,723,523,759 by way of issuance of:

- (i) 115,120 new ordinary shares of RM1 each pursuant to the exercise of Warrants 2011/2016 at an exercise price of RM2.80 per ordinary share for cash;
- (ii) 430,868,877 new ordinary shares of RM1 each pursuant to the renounceable rights issue on the basis of 1 rights share for every 3 existing ordinary shares of RM1 each held in the Company ("Rights Issue") at a price of RM1.70 per ordinary share for cash;
- (iii) 558 ordinary shares of RM1 each pursuant to the exercise of Warrants 2011/2016 at an exercise price of RM2.50 per ordinary share for cash; and
- (iv) 34,200 new ordinary shares of RM1 each pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM2.76 per ordinary share for cash.

The new ordinary shares issued during the financial year rank *pari passu* in all respects with the existing ordinary shares of the Company.

EMPLOYEES' SHARE OPTION SCHEME

The Sunway Berhad's Employees' Share Option Scheme ("the Scheme") was implemented on 3 September 2013 and is governed by the by-laws approved by the shareholders on 27 June 2013. The Scheme is for eligible employees (including Executive Directors) of the Company and its subsidiaries.

The main features of the Scheme are:

- (a) The total number of new shares to be offered shall not exceed 10% of the issued and paid-up share capital of the Company at the time of the offer of options under the Scheme;
- (b) Only eligible Executive Directors and employees of the Company and of the Group will be eligible to participate in the Scheme;
- (c) The price payable upon exercise of an option granted under the Scheme shall be the higher of:
 - (i) the 5-day volume weighted average market price of the underlying shares as at the date of the offer, and at the discretion of the committee appointed by the Board to administer the Scheme ("Committee"), with either a:
 - premium; or
 - discount of not more than 10% (or such lower or higher limit in accordance with any prevailing guidelines, rules or regulations issued by Bursa Malaysia Securities Berhad or any other relevant authorities); or
 - (ii) the par value of the Company's shares;
- (d) The duration of the Scheme is 6 years from the date of its commencement;
- (e) The number of options to be offered to an eligible employee in accordance with the Scheme shall be determined based on, *inter alia*, the eligible employee's position within the Group, fulfillment of the eligibility criteria, work performance and/or such other factors as the Committee deems fit and the offer shall be valid for acceptance by an employee for a period of 30 days from the date of offer; and
- (f) The eligible employees shall be entitled to exercise such number of the vested options within the option period and he/she shall have no right to exercise all or any of the options that have been granted but not vested to him/her.

Options exercisable in a particular year but not exercised shall be carried forward to subsequent years within the option period provided that no options shall be exercised beyond the date of expiry of the Scheme.

DIRECTORS' REPORT (CONTD.)

EMPLOYEES' SHARE OPTION SCHEME (CONTD.)

Details of the share options granted, vested and exercised under the Scheme are as follows:

(a) Options granted

Grant Date	Number of share options '000	Rejected '000	Forfeited '000	Exercised '000	Balance as at 31.12.2013 '000	Exercise price RM/Option	Exercise period
3.9.2013	133,564	(3,260)	(1,496)	(34)	128,774	2.76	3.9.2013 - 2.9.2019

(b) Options vested

Vesting date	Vested '000	Exercised '000	Forfeited '000	Exercisable as at 31.12.2013 '000
3.9.2013	29,993	(34)	(306)	29,653

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the list of option holders and their holdings except for the options holders holding 1,600,000 and above, which are as follows:

	Number of options over ordinary shares of RM1 each			
	Granted on 3.9.2013	Vested	Exercised	Vested as at 31.12.2013
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	17,200,000	4,300,000	-	4,300,000
Dato' Chew Chee Kin	4,500,000	1,125,000	-	1,125,000
Dato' Tan Kia Loke	2,000,000	500,000	-	500,000
Wong Fook Chai	1,600,000	400,000	-	400,000
Chong Chang Choong	1,600,000	400,000	-	400,000
Evan Cheah Yean Shin	1,600,000	400,000	-	400,000
Sarena Cheah Yean Tih	1,600,000	400,000	-	400,000
Yap Chin Leong	1,600,000	400,000	-	400,000
Kwan Foh Kwai	1,600,000	400,000	-	400,000
Dato' Ngeow Voon Yean	1,600,000	400,000	-	400,000
Lee Weng Keng	1,600,000	400,000	-	400,000
Ong Pang Yen	1,600,000	320,000	-	320,000

DIRECTORS' REPORT (CONTD.)

WARRANTS

In the previous financial years, the Company had issued 258,501,000 free warrants on the basis of one (1) free warrant for every five (5) ordinary shares of RM1 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 each in the Company at an exercise price of RM2.80 per ordinary share for every warrant held.

On 6 August 2013, the Company issued 31,232,424 additional warrants in accordance with the Deed Poll dated 28 June 2011 pursuant to the Rights Issue. Consequently, the exercise price of the warrants has been adjusted to RM2.50 per ordinary share.

During the financial year, 115,678 new ordinary shares of RM1 each were issued pursuant to the exercise of warrants for the equivalent numbers by the registered holders.

OTHER STATUTORY INFORMATION

- (a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (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.

DIRECTORS' REPORT (CONTD.)**OTHER STATUTORY INFORMATION (CONTD.)**

- (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 59 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 23 April 2014.



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 181 to 370 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 2013 and of their financial performance and cash flows for the year then ended.

The information set out in Note 61 on page 371 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 23 April 2014.

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, Tan Poh Chan, 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 181 to 371 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 Tan Poh Chan
at Petaling Jaya in the State of Selangor
Darul Ehsan on 23 April 2014

Before me,

Tan Poh Chan



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 2013 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 181 to 370.

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 2013 and of their financial performance and cash flows 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 54 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.

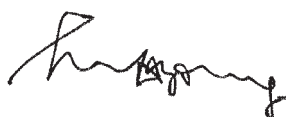
**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SUNWAY BERHAD (CONTD.)**
(Incorporated in Malaysia)

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 61 on page 371 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



Yap Seng Chong
No. 2190/12/15(J)
Chartered Accountant

Kuala Lumpur, Malaysia
23 April 2014

INCOME STATEMENTS

For the financial year ended 31 December 2013

		Group		Company	
	Note	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000
Revenue	4	4,721,429	4,128,839	222,292	181,427
Cost of sales	5	(3,220,590)	(2,686,014)	(65,546)	(56,244)
Gross profit		1,500,839	1,442,825	156,746	125,183
Other income	6	1,283,411	328,955	29,623	1,755
Administrative expenses		(556,161)	(485,810)	(17,220)	(4,870)
Selling and marketing expenses		(163,082)	(136,659)	-	-
Other expenses		(254,805)	(306,333)	(822)	(2,098)
Operating profit		1,810,202	842,978	168,327	119,970
Finance income	7	37,550	24,185	61,140	48,068
Finance costs	7	(137,983)	(172,072)	(49,488)	(47,820)
Share of results of associates		13,645	568	-	-
Share of results of joint ventures		176,959	143,987	-	-
Profit before tax	8	1,900,373	839,646	179,979	120,218
Income tax expense	11	(137,038)	(115,382)	(23,277)	(22,793)
Profit net of tax		1,763,335	724,264	156,702	97,425
Attributable to:					
Owners of the parent		1,490,371	438,810	156,702	97,425
Non-controlling interests		272,964	285,454	-	-
		1,763,335	724,264	156,702	97,425
Earnings per share attributable to owners of the parent (sen per share):					
Basic	12	94.51	29.88		
Diluted	12	93.83	29.88		

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 2013

	Group		Company	
	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000
Profit net of tax	1,763,335	724,264	156,702	97,425
Other comprehensive income to be reclassified to profit or loss in subsequent periods*:				
Foreign currency translation	20,319	982	-	-
(Loss)/gain on fair value changes	-	-	(6,331)	4,462
Cash flow hedge reserve - fair value gains/(losses)				
- Fair value of derivatives	74,058	(16,062)	37,495	(17,595)
- Amount recycled to profit or loss	(72,958)	32,268	(38,400)	27,250
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	21,419	17,188	(7,236)	14,117
Other comprehensive income not to be reclassified to profit or loss in subsequent periods*:				
Share of revaluation surplus on land from associate	3,524	-	-	-
Other comprehensive income/(loss) for the year net of tax	24,943	17,188	(7,236)	14,117
Total comprehensive income for the year	1,788,278	741,452	149,466	111,542
Total comprehensive income attributable to:				
Owners of the parent	1,512,583	458,974	149,466	111,542
Non-controlling interests	275,695	282,478	-	-
	1,788,278	741,452	149,466	111,542

* There is no tax effect arising from each of the components 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 2013

			Group	
	Note	31.12.2013 RM'000	31.12.2012 RM'000 (Restated)	1.1.2012 RM'000 (Restated)
Assets				
Non-current assets				
Property, plant and equipment	14	866,202	1,562,783	1,580,370
Biological assets	15	981	613	416
Investment properties	16	1,802,958	4,779,089	4,205,251
Rock reserves	17	7,183	7,444	8,379
Land held for property development	18	886,805	598,912	1,017,292
Investments in associates	21	1,392,713	54,634	81,671
Investments in joint ventures	22	912,182	516,452	265,896
Goodwill	23	319,444	318,077	326,497
Deferred tax assets	38	37,741	33,718	33,308
Trade receivables	27	2,305	3,899	7,013
Derivatives	42	22,955	2,058	33,600
Other investments	24	1,839	1,802	1,849
		6,253,308	7,879,481	7,561,542
Current assets				
Property development costs	25	1,174,981	991,529	669,334
Inventories	26	615,822	650,308	451,840
Trade receivables	27	1,114,107	1,149,123	934,380
Other receivables	28	119,495	184,165	184,703
Other investments	24	70,000	-	-
Amounts due from associates	29	5,945	21,014	-
Amounts due from joint ventures	30	215,998	230,556	211,001
Tax recoverable		55,120	47,827	67,588
Derivatives	42	19,281	12,203	-
Cash and bank balances	31	1,448,818	1,197,490	841,473
		4,839,567	4,484,215	3,360,319
Assets of disposal group classified as held for sale	32	8,686	-	-
Total assets		11,101,561	12,363,696	10,921,861

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2013 (contd.)

			Group	
	Note	31.12.2013 RM'000	31.12.2012 RM'000 (Restated)	1.1.2012 RM'000 (Restated)
Equity and liabilities				
Current liabilities				
Trade payables	39	1,150,160	1,150,716	1,015,203
Other payables	40	820,605	694,084	683,125
Amounts due to associates	29	1,596	30	15,065
Amounts due to joint ventures	30	79,428	-	-
Borrowings	33	1,990,173	2,946,558	1,221,276
Hire purchase and finance lease liabilities	37	10,573	8,402	9,008
Derivatives	42	142	197	1,554
Tax payable		21,357	21,015	27,098
		4,074,034	4,821,002	2,972,329
Non-current liabilities				
Borrowings	33	790,483	1,677,302	2,584,967
Other payables	40	294,610	296,046	343,411
Long term liabilities	34	17,653	21,953	82,774
Advances by minority shareholders of subsidiaries	35	136,454	130,033	123,215
Hire purchase and finance lease liabilities	37	4,233	11,102	18,812
Deferred tax liabilities	38	73,994	53,246	56,556
Derivatives	42	66	1,700	182
		1,317,493	2,191,382	3,209,917
Liabilities of disposal group classified as held for sale	32	64,835	-	-
Total liabilities		5,456,362	7,012,384	6,182,246
Equity attributable to owners of the parent				
Share capital	43	1,723,524	1,292,505	1,292,505
Share premium	44	2,628,404	2,326,509	2,326,509
Equity contribution	45	51,654	51,654	35,376
Merger reserve	46	(1,192,040)	(1,192,040)	(1,192,040)
Reserves	47	2,094,269	736,187	283,077
Reserve of disposal group classified as held for sale	32	22,488	-	-
		5,328,299	3,214,815	2,745,427
Non-controlling interests		316,900	2,136,497	1,994,188
Total equity		5,645,199	5,351,312	4,739,615
Total equity and liabilities		11,101,561	12,363,696	10,921,861

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2013

		Company	
	Note	31.12.2013 RM'000	31.12.2012 RM'000
Assets			
Non-current assets			
Property, plant and equipment	14	2,816	3,178
Investments in subsidiaries	19	3,646,592	3,623,065
Investments in joint ventures	22	800	-
Other investments	24	26,747	21,278
		3,676,955	3,647,521
Current assets			
Other investments	24	70,000	-
Other receivables	28	582	948
Amounts due from subsidiaries	20	1,414,164	1,293,661
Amounts due from joint ventures	30	1,697	-
Tax recoverable		-	110
Derivatives	42	6,947	12,203
Cash and bank balances	31	435,492	10,797
		1,928,882	1,317,719
Total assets		5,605,837	4,965,240
Equity and liabilities			
Current liabilities			
Other payables	40	25,430	22,915
Amounts due to subsidiaries	36	516	11,057
Borrowings	33	1,094,100	1,144,004
Tax payable		158	-
		1,120,204	1,177,976
Non-current liability			
Borrowings	33	-	60,000
Total liabilities		1,120,204	1,237,976

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2013 (contd.)

	Note	Company	
		31.12.2013 RM'000	31.12.2012 RM'000
Equity and liabilities (contd.)			
Equity attributable to owners of the parent			
Share capital	43	1,723,524	1,292,505
Share premium	44	2,628,404	2,326,509
Reserves	47	133,705	108,250
Total equity		4,485,633	3,727,264
Total equity and liabilities		5,605,837	4,965,240

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 2013

Attributable to owners of the parent																		
Non-distributable																		
	Share capital (Note 43) RM'000	Share premium (Note 44) RM'000	Equity contribution from non-controlling interests (Note 45) RM'000	Merger reserve (Note 46) RM'000	Capital reserve (Note 47) RM'000	Capital redemption reserve (Note 47) RM'000	Statutory reserve (Note 47) RM'000	Revaluation reserve (Note 47) RM'000	Share option reserve (Note 47) RM'000	Equity contribution reserve (Note 47) RM'000	Cash flow hedge reserve (Note 47) RM'000	Furniture and fittings reserve (Note 47) RM'000	Foreign currency translation reserve (Note 47) RM'000	Other reserves, total (Note 47) RM'000	Distributable retained earnings (Note 47) RM'000	Reserve of disposal group classified as held for sale (Note 32) RM'000	Equity attributable to owners of the parent, total RM'000	Equity, total RM'000
At 1 January 2013 (as previously stated)	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	3,957,503
Effects of adopting FRS 10	-	-	-	-	-	-	-	-	-	-	1,505	-	-	1,505	(363,331)	-	(361,826)	1,393,809
At 1 January 2013 (restated)	1,292,505	2,326,509	51,654	(1,192,040)	34,137	98,963	879	22,357	3,170	21,712	(131)	1,697	(17,641)	165,143	571,044	-	3,214,815	2,136,497
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,490,371	-	1,490,371	272,964
Other comprehensive income	-	-	-	-	-	-	-	3,524	-	-	1,100	-	17,588	22,212	-	-	22,212	2,731
Total recognised income and expense for the year	-	-	-	-	-	-	-	3,524	-	-	1,100	-	17,588	22,212	1,490,371	-	1,512,583	275,695
Reserve attributable to reserve classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	(22,488)	(22,488)	-	22,488	-	-
Transfer to furniture & fittings reserve	-	-	-	-	-	-	-	-	-	-	-	3,591	-	3,591	(3,591)	-	-	-
Transactions with owners	-	-	-	-	-	-	-	-	-	-	-	3,591	(22,488)	(18,897)	(3,591)	22,488	-	-
Issuance of ordinary shares pursuant to exercise of ESOS	34	79	-	-	-	-	-	-	(19)	-	-	-	-	(19)	-	-	94	94
Issuance of ordinary shares pursuant to rights issue	430,869	301,608	-	-	-	-	-	-	-	-	-	-	-	-	-	-	732,477	732,477
Issuance of ordinary shares pursuant to exercise of warrants	116	208	-	-	-	-	-	-	-	-	-	-	-	-	-	-	324	324
New ESOS granted	-	-	-	-	-	-	-	-	39,732	-	-	-	-	39,732	-	-	39,732	39,732
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(180,588)	180,588
Dividends paid by the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(163,724)	-	(163,724)	(163,724)
Redemption of redeemable preference shares in a subsidiary	-	-	-	-	99	-	-	-	-	-	-	-	-	99	(99)	-	-	-
Capital reduction in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,364)	(5,364)
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(27)	(27)
Effects of a former subsidiary becoming an associate	-	-	-	-	-	-	-	-	-	-	338	-	-	338	-	-	338	(1,857,597)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	713
Acquisition of equity interest from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	431,019	301,895	-	-	-	99	-	-	39,713	-	338	-	-	40,150	(172,163)	-	(8,340)	(60,769)
At 31 December 2013	1,723,524	2,628,404	51,654	(1,192,040)	34,137	99,062	879	25,881	42,883	21,712	1,307	5,288	(22,541)	208,608	1,885,661	22,488	5,328,299	5,645,199

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2013 (contd.)

Attributable to owners of the parent																		
Non-distributable																		
	Share capital (Note 43) RM'000	Share premium (Note 44) RM'000	Equity contribution from non-controlling interests (Note 45) RM'000	Merger reserve (Note 46) RM'000	Capital reserve (Note 47) RM'000	Capital redemption reserve (Note 47) RM'000	Statutory reserve (Note 47) RM'000	Revaluation reserve (Note 47) RM'000	Share option reserve (Note 47) RM'000	Equity contribution reserve (Note 47) RM'000	Cash flow hedge reserve (Note 47) RM'000	Furniture and fittings reserve (Note 47) RM'000	Foreign currency translation reserve (Note 47) RM'000	Other reserves, total (Note 47) RM'000	Distributable retained earnings (Note 47) RM'000	Equity attributable to owners of the parent, total RM'000	Non-controlling interests RM'000	Equity, total RM'000
2012 Group																		
At 1 January 2012	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
(as previously stated)																		
Effects of adopting FRS 10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(271,516)	(271,516)	1,666,839	1,395,323
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	161,257	2,745,427	1,994,188	4,739,615
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	438,810	438,810	285,454	724,264
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	13,649	-	6,515	20,164	-	20,164	(2,976)	17,188
Total recognised income and expense for the year	-	-	-	-	-	-	-	-	-	-	13,649	-	6,515	20,164	438,810	458,974	282,478	741,452
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
Redemption of redeemable preference shares in a subsidiary	-	-	-	-	-	23,442	-	-	-	-	-	-	-	23,442	(23,442)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(181,738)	(181,738)
Acquisition of equity interest from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,966)	(5,966)	(28,773)	(34,739)
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(930)	(930)
Total transactions with owners	-	-	16,278	-	-	23,442	-	-	-	69	-	-	-	23,511	(29,375)	10,414	(140,169)	(129,755)
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	(131)	1,697	(17,641)	165,143	571,044	3,214,815	2,136,497	5,351,312

STATEMENTS OF CHANGES IN EQUITY
For the financial year ended 31 December 2013 (contd.)

	Non-distributable						
	Share capital (Note 43) RM'000	Share premium (Note 44) RM'000	Share options reserves (Note 47) RM'000	Cash flow hedge reserve (Note 47) RM'000	Fair value reserve (Note 47) RM'000	Distributable retained earnings (Note 47) RM'000	Equity, total RM'000
Company							
At 1 January 2012	1,292,505	2,326,509	-	(11,702)	-	8,410	3,615,722
Profit for the year	-	-	-	-	-	97,425	97,425
Other comprehensive income	-	-	-	9,655	4,462	-	14,117
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
Profit for the year	-	-	-	-	-	156,702	156,702
Other comprehensive income	-	-	-	(905)	(6,331)	-	(7,236)
Total comprehensive income	-	-	-	(905)	(6,331)	156,702	149,466
Issuance of ordinary shares pursuant to:							
Exercise of ESOS	34	79	(19)	-	-	-	94
Rights issue	430,869	301,608	-	-	-	-	732,477
Exercise of warrants	116	208	-	-	-	-	324
ESOS granted	-	-	39,732	-	-	-	39,732
Dividends paid by the Company	-	-	-	-	-	(163,724)	(163,724)
At 31 December 2013	1,723,524	2,628,404	39,713	(2,952)	(1,869)	98,813	4,485,633

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 2013

	Group		Company	
	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000
Cash flows from operating activities				
Profit before tax	1,900,373	839,646	179,979	120,218
Adjustments for:				
Finance income	(37,550)	(24,185)	(61,140)	(48,068)
Finance expense	137,983	172,072	49,488	47,820
Dividend income	-	-	(152,109)	(124,225)
Distribution of income from real estate investment trust	-	-	(1,359)	(652)
Allowance for impairment on amounts due from trade receivables, other receivables, associates and joint ventures	56,574	22,118	-	-
Bad debts written off	1,231	272	-	-
Biological assets written off	82	72	-	-
Cash flow hedge recycled to profit or loss	(72,958)	32,268	(38,400)	27,250
Depreciation and amortisation	137,046	137,975	643	343
Fair value adjustment of financial instruments	(219)	(256)	-	-
Fair value adjustment of investment properties	(359,566)	(227,949)	-	-
Effect of a former subsidiary becoming an associate	(661,254)	-	-	-
Effect of a former subsidiary becoming a joint venture	(108,370)	-	-	-
Gain on derecognition of financial instruments	(13)	-	-	-
Gain on disposal of land held for property development	(7)	-	-	-
(Gain)/loss on disposal of property, plant and equipment, net	(16,619)	(3,176)	2	-
Net cash generated from/(used in) operating activities carried forward	976,733	948,857	(22,896)	22,686

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2013 (contd.)

	Group		Company	
	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000
Net cash generated from/(used in)				
operating activities brought forward	976,733	948,857	(22,896)	22,686
Gain on disposal of subsidiaries	(30,889)	(404)	(27,800)	-
Gain on hedged instruments	(489)	(124)	-	-
Gain on liquidation of subsidiaries	(240)	(168)	-	-
Impairment losses on:				
- Property, plant and equipment	1,353	16,137	-	-
- Land held for property development	-	2,967	-	-
- Goodwill	24	8,420	-	-
- Investments in associates	-	4,049	-	-
- Investments in joint ventures	1,074	18,456	-	-
Inventories written off	1,783	201	-	-
Loss on disposal of associates	-	219	-	-
Net unrealised foreign exchange losses/(gains):				
- Hedged items	72,958	(32,268)	38,400	(27,250)
- Others	(2,717)	(5,886)	(2)	(1)
Property, plant and equipment written off	1,512	3,084	-	-
Reversal of allowance for impairment of trade receivables and other receivables	(3,579)	(19,894)	-	-
Share of profit of associates	(13,645)	(568)	-	-
Share of profit of joint ventures	(176,959)	(143,987)	-	-
Share options granted under ESOS	39,732	-	11,384	-
Write down of inventories to net realisable value	8,512	3,951	-	-
Write up of inventories to net realisable value	(1,319)	(2,185)	-	-
Operating cash flows before working capital changes carried forward	873,844	800,857	(914)	(4,565)

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2013 (contd.)

	Group		Company	
	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000
Operating cash flows before working capital changes brought forward	873,844	800,857	(914)	(4,565)
Changes in working capital:				
Property development costs	(81,114)	98,094	-	-
Land held for property development	(33,114)	16,673	-	-
Inventories	25,776	(200,435)	-	-
Trade receivables	(2,105)	(331,658)	-	-
Other receivables	344,610	148,240	366	487
Trade payables	(2,899)	94,205	-	-
Other payables	(56,056)	(52,129)	2,515	7,206
Long term payables	2,002	(27,470)	-	-
Disposal group held for sale	59,368	-	-	-
Cash flow generated from operations	1,130,312	546,377	1,967	3,128
Interest received	36,798	18,257	61,140	46,341
Dividend received from joint ventures and associates	53,628	107,682	-	-
Dividend received from subsidiaries	-	-	153,468	124,877
Tax refunded	24,246	28,313	-	-
Tax paid	(151,606)	(133,598)	(23,009)	(22,565)
Net cash flow generated from operating activities	1,093,378	567,031	193,566	151,781
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	18,416	26,526	-	-
Proceeds from disposal of land held for development	951	-	-	-
Deposit paid on acquisition of land	-	(858)	-	-
Deposit paid on acquisition of equity interest from non-controlling interests	-	(9,247)	-	-
Acquisition of equity interest from non-controlling interest	(60,769)	-	-	-
Acquisition of land	(58,897)	(42,969)	-	-
Acquisition of property, plant and equipment (Note a)	(157,174)	(168,761)	(283)	(2,821)
Acquisition of biological assets	(514)	(340)	-	-
Acquisition and additional investment in subsidiaries	(10,582)	(24,486)	(24,527)	(375)
Acquisition of other investment	(32)	-	(11,800)	(11,425)
Acquisition and subsequent expenditure of investment properties and investment properties under construction (Note b)	(455,252)	(203,401)	-	-
Effect of a former subsidiary becoming an associate	(70,209)	-	-	-
Investments in joint ventures	(162,353)	(227,901)	-	-
Investments in associates	(2,531)	-	-	-
Net cash flow from disposal of subsidiaries	31,479	780	28,000	-
Advances to subsidiaries	-	-	(102,696)	(289,237)
Advances from/(to) associates and joint ventures	107,526	(40,744)	(1,697)	-
Other investments in cash funds	(70,000)	-	(70,000)	-
Interest received	-	7,474	-	-
Capital repayment from an associate	-	6,094	-	-
Net cash used in investing activities	(889,941)	(677,833)	(183,003)	(303,858)

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2013 (contd.)

	Group		Company	
	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000
Cash flows from financing activities				
Drawdown of term loans	1,338,309	819,438	-	-
Drawdown of revolving credits	293,651	771,921	-	-
Drawdown of other bank borrowings	70,163	804,064	-	-
Drawdown of commercial papers	315,000	1,785,707	400,000	677,000
Drawdown of medium term notes	600,000	-	-	-
Repayment of term loans	(1,680,966)	(1,923,349)	(420,551)	-
Repayment of revolving credits	(303,256)	(612,800)	-	-
Repayment of other bank borrowings	(88,325)	(410,250)	-	-
Repayment of commercial papers	(676,995)	(477,000)	-	(477,000)
Repayment of medium term notes	(80,000)	-	(85,000)	-
Repayment of hire purchase and finance lease liabilities	(9,397)	(17,043)	-	-
Interest paid	(125,440)	(180,397)	(49,488)	(47,820)
Proceeds from issuance of shares pursuant to rights issue	732,477	-	732,477	-
Proceeds from issuance of shares pursuant to exercise of warrants	324	-	324	-
Proceeds from issuance of shares pursuant to exercise of ESOS	94	-	94	-
Advances from non-controlling interests of subsidiaries	6,421	-	-	-
Capital repayment to non-controlling interests	(5,364)	-	-	-
Dividend paid	(163,724)	-	(163,724)	-
Dividends paid to non-controlling interests of subsidiaries	(180,588)	(181,738)	-	-
Net cash generated from financing activities	42,384	378,553	414,132	152,180

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2013 (contd.)

	Group		Company	
	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000
Net increase in cash and cash equivalents	245,821	267,751	424,695	103
Effects of foreign exchange rates changes	10,966	(3,485)	-	-
Cash and cash equivalents at beginning of financial year	1,102,312	838,046	10,797	10,694
Cash and cash equivalents at end of financial year (Note 31)	1,359,099	1,102,312	435,492	10,797

Note a:

Additions of property, plant and equipment (Note 14)	161,873	198,933	283	2,821
Additions via deferred payment	-	(4,149)	-	-
Additions via hire purchase and finance lease liabilities	(4,699)	(26,023)	-	-
Cash outflow for acquisition of property, plant and equipment	157,174	168,761	283	2,821

Note b:

Additions of investment properties and investment properties under construction	456,941	203,401	-	-
Additions via deferred payment	(1,689)	-	-	-
Cash outflow for investment properties	455,252	203,401	-	-

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 2013

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. During the financial year, the address of the registered office of the Company has changed to Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan due to change in postcode and district of Bandar Sunway.

The principal place of business is located at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang 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 54.

The financial statements for the financial year ended 31 December 2013 were authorised for issue in accordance with a resolution of the directors on 23 April 2014.

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 2013 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 2013, 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 2013.

Description	Effective for annual periods beginning on or after
Amendments to FRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 3 Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)	1 January 2013
FRS 127 Consolidated and Separate Financial Statements (IAS 27 revised by IASB in December 2003)	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 (IAS 19 as amended by IASB in June 2011)	1 January 2013
FRS 127 Separate Financial Statements (IAS 27 as amended by IASB in May 2011)	1 January 2013
FRS 128 Investment in Associates and Joint Venture (IAS 28 as amended by IASB in May 2011)	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
Annual Improvements 2009–2011 Cycle	1 January 2013
Amendments to FRS 1: Government Loans	1 January 2013
Amendments to FRS 10, FRS 11 and FRS 12: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**2.2 *Changes in accounting policies (contd.)***

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:

FRS 10: Consolidated Financial Statements

FRS 10 replaces part of FRS 127 Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112 Consolidation - Special Purpose Entities.

Under FRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its investment with the investee, and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns. Under FRS 127 Consolidated and Separate Financial Statements, control was defined as the power to govern the financial and operating policies of an entity so as to obtain the benefits from its activities.

FRS 10 includes detailed guidance to explain when an investor that owns less than 50 percent of the voting shares in an investee has control over the investee. FRS 10 requires the investor to take into account all relevant facts and circumstances, particularly the size of the investor's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.

The application of FRS 10 affected the accounting for the Group's equity interest in Sunway Real Estate Investment Trust ("Sunway REIT"), which was previously treated as an associate of the Group and accounted for using the equity method of accounting as discussed below:

As at 1 January 2013, the Group holds 37.04% of equity interest in Sunway REIT and the remaining equity interests are held by various institutional and retail investors. Sunway Berhad is the majority shareholder, with 100% of voting shares in Sunway REIT Management Sdn. Bhd. ("SRM"), the manager of Sunway REIT ("REIT Manager").

The obligations of the REIT Manager pursuant to the Sunway REIT Deed, amongst others, are making recommendations for acquisitions and divestments of property assets within the investment policy and investment limits, preparing the annual operating budget for Sunway REIT for the management and operations of Sunway REIT, making decisions on the tenancy mix of its assets, proposing enhancements and refurbishments of existing assets, develop a sound and effective capital management strategy to optimise yield. The SRM is remunerated with a market-based fee.

The REIT Manager may retire upon giving six months' written notice to the Trustee. Otherwise, the REIT Manager may only be removed under certain events of default which include its cessation, its failure to act as a management company or where it has failed to remedy a breach of its duties, upon which the unit holders may by way of a special resolution at a general meeting remove the REIT Manager.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Changes in accounting policies (contd.)

FRS 10: Consolidated Financial Statements (contd.)

Based on the above and the requirements of FRS 10, and based on its dominant role in management of assets and decision making (in consultation with the Trustee) pursuant to the Deed, the Group has determined that it has control over Sunway REIT.

The change in accounting of the Group's investment in Sunway REIT has been applied retrospectively in accordance with FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors, as if Sunway REIT had been consolidated from the date when the Group obtained control of Sunway REIT on the basis of the requirements of FRS 10.

The above change in accounting policy has affected the amounts reported in the Group's consolidated financial statements, as shown in Note 2.2 (i) to Note 2.2 (iii) below.

FRS 12: Disclosures 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 provides guidance on how to measure fair value under FRS. FRS 13 defines fair value as an exit price. As a result of the guidance in FRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. FRS 13 also requires additional disclosures.

Application of FRS 13 has not materially impacted the fair value measurements of the Group. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined. Fair value hierarchy is provided in Note 56.

FRS 127: Separate Financial Statements

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, joint ventures and associates in separate financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 *Changes in accounting policies (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.

Impact of change in accounting policies

- (i) Impact of the application of the above new standards on the financial position of the Group as at 1 January 2012 and 31 December 2012

	31.12.2012 as previously stated RM'000	FRS 10 adjustments RM'000	31.12.2012 as restated RM'000
Non-current assets			
Property, plant and equipment	804,698	758,085	1,562,783
Biological assets	613	-	613
Investment properties	1,242,519	3,536,570	4,779,089
Rock reserves	7,444	-	7,444
Land held for property development	598,912	-	598,912
Investments in associates	1,023,761	(969,127)	54,634
Investments in joint ventures	516,452	-	516,452
Goodwill	318,077	-	318,077
Deferred tax assets	33,718	-	33,718
Trade receivables	3,899	-	3,899
Derivatives	2,058	-	2,058
Other investments	1,802	-	1,802
	4,553,953	3,325,528	7,879,481
Current assets			
Property development costs	991,529	-	991,529
Inventories	650,308	-	650,308
Trade receivables	1,135,979	13,144	1,149,123
Other receivables	181,215	2,950	184,165
Amounts due from associates	21,014	-	21,014
Amounts due from joint ventures	230,556	-	230,556
Tax recoverable	47,827	-	47,827
Derivatives	12,203	-	12,203
Cash and bank balances	1,158,890	38,600	1,197,490
	4,429,521	54,694	4,484,215
Total assets	8,983,474	3,380,222	12,363,696

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 *Changes in accounting policies (contd.)*

Impact of change in accounting policies (contd.)

- (i) Impact of the application of the above new standards on the financial position of the Group as at 1 January 2012 and 31 December 2012 (contd.)

	31.12.2012 as previously stated RM'000	FRS 10 adjustments RM'000	31.12.2012 as restated RM'000
Equity and liabilities			
Current liabilities			
Trade payables	1,148,488	2,228	1,150,716
Other payables	623,332	70,752	694,084
Amounts due to associates	30	-	30
Borrowings	1,764,753	1,181,805	2,946,558
Hire purchase and finance lease liabilities	8,402	-	8,402
Derivatives	197	-	197
Tax payable	31,015	(10,000)	21,015
	3,576,217	1,244,785	4,821,002
Non-current liabilities			
Borrowings	972,177	705,125	1,677,302
Other payables	260,451	35,595	296,046
Long term liabilities	21,953	-	21,953
Advances by minority shareholders of subsidiaries	130,033	-	130,033
Hire purchase and finance lease liabilities	11,102	-	11,102
Deferred tax liabilities	53,246	-	53,246
Derivatives	792	908	1,700
	1,449,754	741,628	2,191,382
Total liabilities	5,025,971	1,986,413	7,012,384
Equity attributable to owners of the parent			
Share capital	1,292,505	-	1,292,505
Share premium	2,326,509	-	2,326,509
Equity contribution from non-controlling interests	51,654	-	51,654
Merger reserve	(1,192,040)	-	(1,192,040)
Reserves	1,098,013	(361,826)	736,187
	3,576,641	(361,826)	3,214,815
Non-controlling interests	380,862	1,755,635	2,136,497
Total equity	3,957,503	1,393,809	5,351,312
Total equity and liabilities	8,983,474	3,380,222	12,363,696

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 *Changes in accounting policies (contd.)***Impact of change in accounting policies (contd.)**

- (i) Impact of the application of the above new standards on the financial position of the Group as at 1 January 2012 and 31 December 2012 (contd.)

	1.1.2012 as previously stated RM'000	FRS 10 adjustments RM'000	1.1.2012 as restated RM'000
Non-current assets			
Property, plant and equipment	960,567	619,803	1,580,370
Biological assets	416	-	416
Investment properties	888,896	3,316,355	4,205,251
Rock reserves	8,379	-	8,379
Land held for property development	1,017,292	-	1,017,292
Investments in associates	1,015,303	(933,632)	81,671
Investments in joint ventures	265,896	-	265,896
Goodwill	326,497	-	326,497
Deferred tax assets	33,308	-	33,308
Trade receivables	7,013	-	7,013
Derivatives	33,600	-	33,600
Other investments	1,849	-	1,849
	4,559,016	3,002,526	7,561,542
Current assets			
Property development costs	669,334	-	669,334
Inventories	451,840	-	451,840
Trade receivables	782,382	151,998	934,380
Other receivables	325,762	(141,059)	184,703
Amounts due from associates	-	-	-
Amounts due from joint ventures	211,001	-	211,001
Tax recoverable	67,588	-	67,588
Cash and bank balances	776,705	64,768	841,473
	3,284,612	75,707	3,360,319
Total assets	7,843,628	3,078,233	10,921,861

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 *Changes in accounting policies (contd.)*

Impact of change in accounting policies (contd.)

- (i) Impact of the application of the above new standards on the financial position of the Group as at 1 January 2012 and 31 December 2012 (contd.)

	1.1.2012 as previously stated RM'000	FRS 10 adjustments RM'000	1.1.2012 as restated RM'000
Equity and liabilities			
Current liabilities			
Trade payables	1,053,593	(38,390)	1,015,203
Other payables	593,497	89,628	683,125
Amounts due to associates	15,065	-	15,065
Borrowings	311,004	910,272	1,221,276
Hire purchase and finance lease liabilities	9,008	-	9,008
Derivatives	1,554	-	1,554
Tax payable	27,098	-	27,098
	2,010,819	961,510	2,972,329
Non-current liabilities			
Borrowings	1,914,870	670,097	2,584,967
Other payables	343,411	-	343,411
Long term liabilities	31,471	51,303	82,774
Advances by minority shareholders of subsidiaries	123,215	-	123,215
Hire purchase and finance lease liabilities	18,812	-	18,812
Deferred tax liabilities	56,556	-	56,556
Derivatives	182	-	182
	2,488,517	721,400	3,209,917
Total liabilities	4,499,336	1,682,910	6,182,246
Equity attributable to owners of the parent			
Share capital	1,292,505	-	1,292,505
Share premium	2,326,509	-	2,326,509
Equity contribution from non-controlling interests	35,376	-	35,376
Merger reserve	(1,192,040)	-	(1,192,040)
Reserves	554,593	(271,516)	283,077
	3,016,943	(271,516)	2,745,427
Non-controlling interests	327,349	1,666,839	1,994,188
Total equity	3,344,292	1,395,323	4,739,615
Total equity and liabilities	7,843,628	3,078,233	10,921,861

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 *Changes in accounting policies (contd.)***Impact of change in accounting policies (contd.)**

- (ii) Impact of application of the above new standards on the income statements of the Group for the year

FRS 10 adjustments

	2013 RM'000	2012 RM'000
Increase in revenue	206,016	279,624
Increase in cost of sales	(81,671)	(104,921)
Increase in other operating income	856,471	108,658
Increase in administrative expenses	(1,876)	(28,671)
Decrease in other operating expenses	86,914	84,792
Increase in finance costs	(55,806)	(72,515)
Increase in finance income	1,473	1,476
Decrease in share of results of associates	(125,024)	(151,739)
(Increase)/decrease in income tax expense	(10,000)	10,000
Increase in profit for the year	876,497	126,704
Increase in profit for the year attributable to:		
Owners of the parent	661,254	(91,815)
Non-controlling interests	215,243	218,519
	876,497	126,704

- (iii) Impact of the application of the above new standards on the cash flows of the Group for the year

FRS 10 adjustments

	2013 RM'000	2012 RM'000
Net cash inflow from operating activities	404,256	177,358
Net cash outflow from investing activities	(73,378)	(307,999)
Net cash (outflow)/inflow from financing activities	(141,216)	104,468
Net cash inflow/(outflow)	189,662	(26,173)

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (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
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
Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Amendments to FRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to FRSs 2010–2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011–2013 Cycle	1 July 2014
FRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be announced
FRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced
FRS 9 Financial Instruments: Hedge Accounting and amendments to FRS 9, FRS 7 and FRS 139	To be announced

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

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to FRS 9: Mandatory Effective Date of FRS 9 and Transition Disclosures, issued in March 2012, moved the mandatory effective date to 1 January 2015. Subsequently, on 14 February 2014, it was announced that the new effective date will be decided when the project is closer to completion. 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 not have an impact on classification and measurements of the Group's financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 *Standards and interpretations issued but not yet effective (contd.)*

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 three years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

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 2015. 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 2015.

2.4 *Fair value measurement*

The Group measures non-financial assets such as investment properties, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability; or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Fair value measurement (contd.)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted AFS financial assets, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, such as properties and AFS financial assets, and significant liabilities, such as contingent consideration. Selection criteria of external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.5 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.

The Group controls an investee if and only if the Group has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting rights of an investee, the Group considers the following in assessing whether or not the Group's voting rights in an investee are sufficient to give it power over the investee:

- (i) The contractual arrangement with the other vote holders of the investee;
- (ii) Rights arising from other contractual arrangements; and
- (iii) The Group's voting rights and potential voting rights.

Subsidiaries are consolidated when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**2.5 Basis of consolidation (contd.)**

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

Business Combinations

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 2.12. 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 came under common control.

2.6 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 2013 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.7 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.

2.8 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 2013 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.8 *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.

2.9 *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 2013 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.10 *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 2.8 up to the date of change in use.

2.11 *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.

2.12 *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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.12 Goodwill (contd.)

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 2.7.

2.13 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.

2.14 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.

2.15 Subsidiaries

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.16 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. Unrealised profits arising from transactions with associates are eliminated.

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.

2.17 Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Investments in joint ventures are accounted for in the consolidated financial statements using the equity method of accounting as described in Note 2.16.

Where necessary, adjustments have been made to the financial statements of joint ventures to ensure consistency of accounting policies with those at the Group.

In the Company's separate financial statements, investments in joint ventures 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.

2.18 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.18 Financial assets (contd.)

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.

(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's 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 losses.

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.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.19 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.20 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.

2.21 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.

(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.

2.22 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.23 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.24 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)***2.25 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.

The Group and the Company do not have any fair value hedges and net investment hedges except for cash flow hedges.

Cash flow hedges

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.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.26 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.

2.27 Employee benefits

(a) 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.

(b) Employee share option scheme

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**2.28 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.

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 2.29(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.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.29 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 under development is accounted for by the stage of completion method as described in Note 2.21(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 2.11.

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.30 *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 taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, 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.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.31 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 58, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.32 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.

2.33 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.

2.34 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 of the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

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 the Group 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.

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 2013 is RM319,444,000 (2012: RM318,077,000). Further details are disclosed in Note 23.

(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.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTD.)

3.2 Key sources of estimation uncertainty (contd.)

(b) Depreciation of property, plant and equipment (contd.)

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.

(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 2013, the total carrying value of recognised tax losses and capital allowances of the Group is RM88,112,000 (2012: RM114,580,000) and the unrecognised tax losses, capital allowances and investment tax allowances of the Group is RM560,528,000 (2012: RM551,502,000). Further details are provided for in Note 38.

(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 27.

(f) Investment property and investment property under construction ("IPUC")

Investment property includes: (i) completed investment property; and (ii) IPUC.

In the previous financial years, 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 RM781,124,000 (2012: RM364,990,000). Further details are disclosed in Note 16.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTD.)

3.2 Key sources of estimation uncertainty (contd.)

(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 41.

(h) Impairment of investments in associates and joint ventures

The Group reviews its investments in associates and investments in joint ventures 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 joint ventures and associates operate. During the financial year, the Group recognised impairment loss of investments in associates and joint ventures amounting to RM Nil (2012: RM4,049,000) and RM1,074,000 (2012: RM18,456,000) respectively. The carrying amount of investments in associates and joint ventures as at 31 December 2013 are RM1,392,713,000 (2012: RM54,634,000) and RM912,182,000 (2012: RM516,452,000) respectively. Further details are disclosed in Note 21 and Note 22 respectively.

(i) Employee share options

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions, sensitivity analysis and the carrying amounts are disclosed in Note 43.

4. REVENUE

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
	(Restated)			
Property development:				
- sale of properties under development	1,055,540	746,519	-	-
- sale of completed properties	110,456	160,597	-	-
- sale of long term leasehold lands	-	3,182	-	-
Construction contracts	1,591,133	1,274,864	-	-
Sale of goods and services	1,604,044	1,526,510	-	-
Rental income	338,867	395,589	-	-
Management fees from real estate investment trust fund	1,431	-	-	-
Rendering of services, subscription fees and others	18,175	17,883	-	-
Lease and hire purchase	706	908	-	-
Time sharing fees	1,077	2,787	-	-
Dividend income from subsidiaries	-	-	152,109	124,225
Distribution of income from real estate investment trust	-	-	1,359	652
Management fees from subsidiaries	-	-	68,824	56,550
	4,721,429	4,128,839	222,292	181,427

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

5. COST OF SALES

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
	(Restated)			
Property development costs:				
- current year (Note 25)	(733,240)	(469,047)	-	-
- over recognised in prior year	32,566	9,198	-	-
Cost of completed properties sold	(72,052)	(85,773)	-	-
Construction contract cost	(1,318,446)	(1,035,440)	-	-
Cost of goods sold and services rendered	(1,046,425)	(997,212)	(65,546)	(56,244)
Lease and hire purchase	(530)	(619)	-	-
Cost of time sharing business operations	(792)	(1,298)	-	-
Cost of land sold	-	(902)	-	-
Property operating expenses	(81,671)	(104,921)	-	-
	(3,220,590)	(2,686,014)	(65,546)	(56,244)

6. OTHER INCOME

Included in other income are the following:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
	(Restated)			
Fair value gain of investment properties (Note 16)	325,849	232,073	-	-
Fair value gain of investment properties under construction (Note 16)	36,051	-	-	-
Gain upon former subsidiary becoming an associate	661,254	-	-	-
Gain upon former subsidiary becoming a joint venture	108,370	-	-	-
Forfeiture income	1,961	3,515	-	-
Gain on disposal of assets held for resale	-	139	-	-
Gain on disposal of subsidiaries	30,889	404	27,800	-
Gain on disposal of property, plant and equipment	16,715	4,066	-	-
Gain on liquidation of subsidiaries	240	168	-	-
Rental income				
- equipment	12,391	11,237	-	-
- land and buildings	11,343	9,511	-	-
- others	11,372	9,042	-	-
Fair value gain of derivative financial instruments	219	256	-	-
Gain on derecognition of financial assets and financial liabilities	13	-	-	-
Gain on hedged instruments	489	124	-	-
Bad debts recovered	118	27	-	-
Reversal of allowance for impairment				
- trade receivables (Note 27)	3,493	19,890	-	-
- other receivables (Note 28)	86	4	-	-
Write up of inventories to net realisable value (Note 26)	1,319	2,185	-	-
Income receivable from back to back loan (Note 52)	-	-	821	1,754
Foreign exchange gain				
- realised	8,656	6,535	-	-
- unrealised	4,593	7,071	2	1

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

7. FINANCE INCOME AND COSTS

	Group		Company	
	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000
Finance income				
Interest income from:				
Advances to subsidiaries (Note 52)	-	-	54,353	48,004
Accretion of interest	752	1,438	-	-
Deposits with licensed banks	14,678	12,342	-	-
Placement in cash funds	16,920	3,821	6,186	-
Others	5,200	6,584	601	64
	37,550	24,185	61,140	48,068
Finance costs				
Interest expense to:				
Hire purchase and finance lease liabilities	(1,609)	(2,142)	-	-
Advances from subsidiaries (Note 52)	-	-	(576)	(58)
Bank overdrafts	(76)	(509)	-	-
Revolving credits	(10,760)	(19,004)	-	-
Commercial papers and medium term notes	(47,806)	(25,013)	(6,803)	(6,803)
Term loans	(60,185)	(101,897)	(42,109)	(40,959)
Bankers' acceptance	(1,441)	(2,034)	-	-
Unwinding of discount	(12,543)	(12,118)	-	-
Amortisation of loan expense	(2,773)	(8,336)	-	-
Others	(790)	(1,019)	-	-
	(137,983)	(172,072)	(49,488)	(47,820)

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

8. PROFIT BEFORE TAX

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Employee benefits expense (Note 9)	649,043	532,085	70,311	50,405
Non-executive directors' remuneration (Note 10)	410	380	410	380
Auditors' remuneration:				
- statutory audits	3,248	3,130	295	214
- other services	167	123	-	-
Bad debts written off	1,231	272	-	-
Hire of plant and machinery	1,007	1,192	-	-
Depreciation/amortisation:				
- property, plant and equipment (Note 14)	136,721	136,969	643	343
- biological assets (Note 15)	64	71	-	-
- rock reserves (Note 17)	261	935	-	-
Foreign exchange loss/(gain):				
- realised	11,978	18,352	-	1
- unrealised (others)	1,876	1,185	-	-
- unrealised (hedged items)	72,958	(32,268)	38,400	(27,250)
Cash flow hedge reserve recycled to profit or loss	(72,958)	32,268	(38,400)	27,250
Impairment losses on:				
- property, plant and equipment (Note 14)	1,353	16,137	-	-
- land held for property development (Note 18)	-	2,967	-	-
- goodwill (Note 23)	24	8,420	-	-
- investments in associates	-	4,049	-	-
- investments in joint ventures	1,074	18,456	-	-
Write down of inventories to net realisable value (Note 26)	8,512	3,951	-	-
Loss on disposal of:				
- property, plant and equipment	96	890	2	-
- associate	-	219	-	-
Written off of:				
- property, plant and equipment	1,512	3,084	-	-
- biological assets	82	72	-	-
- inventories	1,783	201	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

8. PROFIT BEFORE TAX (CONTD.)

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
	(Restated)			
Allowance for impairment:				
- trade receivables (Note 27)	31,240	4,011	-	-
- other receivables (Note 28)	956	11,670	-	-
- amounts due from associates	24,378	-	-	-
- amounts due from joint ventures	-	6,437	-	-
Rental expense:				
- land and buildings	10,677	12,576	-	-
- plant and equipment	1,776	1,548	-	-
- others	549	479	-	-
Fair value loss of investment properties (Note 16)	2,334	4,124	-	-
Direct operating expenses arising from investment properties that generated rental income	13,691	15,928	-	-

9. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Wages, salaries and bonuses	499,951	432,551	48,722	42,475
Social security contributions	4,534	3,966	135	106
Contributions to defined contribution plan	47,316	41,285	7,408	6,356
ESOS	38,348	-	11,384	-
Other benefits	58,894	54,283	2,662	1,468
	649,043	532,085	70,311	50,405

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM25,511,000 (2012: RM15,821,000) as further disclosed in Note 10.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

10. DIRECTORS' REMUNERATION

	Group/Company	
	2013 RM'000	2012 RM'000
Executive directors' remuneration:		
Other emoluments	17,644	15,821
ESOS	7,867	-
Total executive directors' remuneration (excluding benefits-in-kind) (Note 9)	25,511	15,821
Estimated money value of benefits-in-kind	161	210
Total executive directors' remuneration (Note 53)	25,672	16,031
Non-executive directors' remuneration (Note 8):		
Fees	332	300
Other emoluments	78	80
Total non-executive directors' remuneration	410	380
Total directors' remuneration including benefits-in-kind	26,082	16,411

The details of remuneration receivable by directors of the Company during the financial year are as follows:

	Company	
	2013 RM'000	2012 RM'000
Executive:		
Salaries, bonus and other emoluments	14,827	13,412
Contribution to defined contribution plan	2,817	2,409
ESOS	7,867	-
Total executive directors' remuneration (excluding benefits-in-kind) (Note 9)	25,511	15,821
Estimated money value of benefits-in-kind	161	210
	25,672	16,031
Non-executive:		
Fees	332	300
Other emoluments	78	80
	26,082	16,411

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (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	
	2013	2012
Executive directors:		
RM400,000 - RM450,000	1	1
RM800,000 - RM850,000	-	1
RM1,000,000 - RM1,050,000	1	-
RM3,150,000 - RM3,200,000	-	1
RM3,400,000 - RM3,450,000	1	-
RM11,600,000 - RM11,650,000	-	1
RM12,900,000 - RM12,950,000	1	-
Non-executive directors:		
Below RM200,000	4	3

11. INCOME TAX EXPENSE

	Group		Company	
	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000
Current income tax:				
Malaysian income tax	110,340	110,188	23,242	22,465
Foreign tax	13,979	13,897	-	-
	124,319	124,085	23,242	22,465
(Over)/underprovision in prior years:				
Malaysian income tax	(2,819)	(4,922)	35	(10)
Foreign tax	(1,091)	(200)	-	-
	(3,910)	(5,122)	35	(10)
Deferred tax (Note 38):				
Relating to origination and reversal of temporary differences	18,731	(11,303)	-	343
(Over)/underprovision in prior year	(2,102)	7,722	-	(5)
	16,629	(3,581)	-	338
Total income tax expense	137,038	115,382	23,277	22,793

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

11. INCOME TAX EXPENSE (CONTD.)

Domestic current income tax is calculated at the Malaysian statutory tax rate of 25% (2012: 25%) of the estimated assessable profit for the year. The Malaysian corporate income tax rate is expected to reduce from 25% to 24% with effect from year of assessment 2016 as announced in the 2014 Budget.

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	
	2013	2012
	RM'000	RM'000
		(Restated)
Profit before tax	1,900,373	839,646
Taxation at Malaysian statutory tax rate of 25% (2012: 25%)	475,093	209,912
Different tax rates in other countries	(2,404)	(5,014)
Deferred tax recognised at different tax rates	(45,064)	(2,322)
Income not subject to tax	(4,192)	(4,664)
Expenses not deductible for tax purposes	41,888	58,599
Utilisation of previously unrecognised tax losses, unabsorbed capital allowances and other deductible temporary differences	(1,456)	(2,400)
Deferred tax assets not recognised in respect of current year's tax losses, unabsorbed capital allowances and other deductible temporary differences	9,498	3,305
Deferred tax assets recognised on previously unrecognised tax losses, unabsorbed capital allowances and other deductible temporary differences	(4,277)	(4)
Effect of share of profit of associates	(3,411)	(142)
Effect of share of profit of joint ventures	(39,818)	(35,997)
Tax effect on gain arising from change in control (Note a)	(192,406)	-
Sunway REIT income not subject to tax (Note b)	(90,401)	(108,491)
Overprovision of income tax in prior year	(3,910)	(5,122)
(Over)/underprovision of deferred tax in prior year	(2,102)	7,722
Income tax expense for the year	137,038	115,382

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

11. INCOME TAX EXPENSE (CONTD.)

Note (a):

During the financial year, the Group has completed the disposal of 20% equity interest in SRM and pursuant to the establishment of a joint venture arrangement, the Group has accounted for its interest in SRM and Sunway REIT as a joint venture and an associate respectively. As a result, the Group recognised the gains from remeasurement of its retained interest in SRM and Sunway REIT of RM108,370,000 and RM661,254,000 respectively. Refer to Note 59 for further details.

Note (b):

Sunway REIT is fully exempt from tax for a year of assessment if they distribute to their unit holders 90% or more of their total income in the basis period for that year of assessment.

	Company	
	2013 RM'000	2012 RM'000
Profit before tax	179,979	120,218
Taxation at Malaysian statutory tax rate of 25% (2012: 25%)	44,995	30,055
Income not subject to tax	(26,383)	(8,592)
Expenses not deductible for tax purposes	4,910	950
Under/(over)provision of income tax in prior year	35	(10)
Overprovision of deferred tax in prior year	-	(5)
Utilisation of previously unrecognised unabsorbed capital allowances and other deductible temporary differences	(280)	-
Deferred tax asset not recognised in respect of current year's tax losses	-	395
Income tax expense for the year	23,277	22,793

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 outstanding during the financial year.

	Group	
	2013	2012 (Restated)
Profit attributable to owners of the parent (RM'000)	1,490,371	438,810
Weighted average number of ordinary shares in issue ('000)	1,576,976	1,468,819
Basic earnings per share (sen)	94.51	29.88

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

12. EARNINGS PER SHARE (CONTD.)

(b) Diluted

For the diluted earnings per share calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has two categories of dilutive potential ordinary shares: options over ordinary shares granted to directors and employees and warrants. The terms of the options over ordinary shares and unexercised warrants are set out in Note 43(a), 43(b) and 43(c) to the financial statements respectively.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to owners of the parent and the weighted average number of ordinary shares outstanding during the financial period have been adjusted for the dilutive effects of all potential ordinary shares, arising from share options granted to directors and employees and warrants.

	Group	
	2013	2012
Profit attributable to owners of the parent (RM'000)	1,490,371	438,810
Weighted average number of ordinary shares in issue ('000)	1,576,976	1,468,819
Effect of dilution of share options and warrants ('000)	11,359	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,588,335	1,468,819
Diluted earnings per share (sen)	93.83	29.88

13. DIVIDENDS PAID AND PROPOSED

	Group	
	2013	2012
	RM'000	RM'000
Dividends on ordinary shares declared and paid:		
Interim dividend for 2012: RM0.06 per share (2011: nil)	77,550	-
First interim dividend for 2013: RM0.05 per share (2012: nil)	86,174	-
	163,724	-
Dividends declared on ordinary shares:		
Second interim dividend for 2013: RM0.05 per share (2012: RM0.06 per share)	86,176	77,550

Dividends declared on ordinary shares are to be paid on 30 April 2014 and accordingly, the amounts have not been recognised as a liability as at 31 December 2013.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

14. PROPERTY, PLANT AND EQUIPMENT

Group	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
At 31 December 2013										
Cost										
At 1 January 2013 (as previously stated)	61,452	490,598	15,298	13,245	916,086	63,327	158,489	24,564	32,651	1,775,710
Effect of adopting FRS 10	-	741,680	15,693	4,389	66,190	71	225,939	-	-	1,053,962
At 1 January 2013 (as restated)	61,452	1,232,278	30,991	17,634	982,276	63,398	384,428	24,564	32,651	2,829,672
Additions	-	13,959	1,504	1,024	88,861	7,038	16,352	1,877	31,258	161,873
Disposals/write-offs	-	(2,325)	-	-	(3,222)	(2,664)	(3,000)	-	(14)	(11,225)
Reclassifications	-	11,640	3,846	(823)	(5,332)	208	4,267	-	(13,806)	-
Transfer to investment properties (Note 16)	-	(82)	(328)	-	-	-	(1,497)	-	-	(1,907)
Transfer to investment properties under construction (Note 16)	-	-	-	-	-	-	-	-	(713)	(713)
Acquisition of subsidiaries	-	15	-	-	219	22	239	5,132	-	5,627
Attributable to disposal group classified as held for sale (Note 32)	-	(538)	(1,042)	-	(13,277)	(3,029)	(161)	-	-	(18,047)
Effect of former subsidiaries becoming associate/joint venture	-	(741,680)	(15,693)	(4,689)	(66,273)	(71)	(227,210)	-	-	(1,055,616)
Exchange differences	-	7,788	730	69	12,731	425	1,419	-	-	23,162
At 31 December 2013	61,452	521,055	20,008	13,215	995,983	65,327	174,837	31,573	49,376	1,932,826
Accumulated depreciation										
At 1 January 2013 (as previously stated)	-	97,780	3,342	3,599	567,663	44,376	104,514	6,313	-	827,587
Effect of adopting FRS 10	-	70,248	3,193	2,269	41,003	55	179,109	-	-	295,877
At 1 January 2013 (as restated)	-	168,028	6,535	5,868	608,666	44,431	283,623	6,313	-	1,123,464
Depreciation charge for the year (Note 8)	-	23,818	1,090	1,523	72,065	7,196	30,036	993	-	136,721
Disposals/write-offs	-	(2,067)	-	-	(785)	(2,198)	(2,866)	-	-	(7,916)
Reclassifications	-	8,267	349	(352)	(11,876)	136	3,478	-	(2)	-
Transfer to investment properties (Note 16)	-	(68)	(273)	-	-	-	-	-	-	(341)
Attributable to disposal group classified as held for sale (Note 32)	-	(353)	-	-	(11,504)	(2,848)	(94)	-	-	(14,799)
Effect of former subsidiaries becoming associate/joint venture	-	(82,636)	(3,704)	(2,688)	(43,763)	(68)	(194,000)	-	-	(326,859)
Exchange differences	-	1,824	64	41	5,055	284	1,121	-	-	8,389
At 31 December 2013	-	116,813	4,061	4,392	617,858	46,933	121,298	7,306	(2)	918,659
Accumulated impairment losses										
At 1 January 2013	-	66,265	-	226	70,088	123	124	-	6,599	143,425
Impairment loss for the year (Note 8)	-	-	-	-	1,150	-	203	-	-	1,353
Attributable to disposal group classified as held for sale (Note 32)	-	-	-	-	(6)	(23)	-	-	-	(29)
Exchange differences	-	(19)	-	-	3,226	11	(2)	-	-	3,216
At 31 December 2013	-	66,246	-	226	74,458	111	325	-	6,599	147,965
Net carrying amount	61,452	337,996	15,947	8,597	303,667	18,283	53,214	24,267	42,779	866,202

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

14. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Group (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
At 31 December 2012										
Cost										
At 1 January 2012 (as previously stated)	54,568	642,834	29,846	5,894	854,513	53,882	157,342	24,659	50,209	1,873,747
Effect of adopting FRS 10	-	569,360	1,554	4,389	66,181	71	210,838	-	-	852,393
At 1 January 2012 (as restated)	54,568	1,212,194	31,400	10,283	920,694	53,953	368,180	24,659	50,209	2,726,140
Additions	6,884	33,683	5,053	1,377	60,863	16,228	38,062	674	36,109	198,933
Disposals/write-offs	-	(10,618)	(1,054)	(242)	(12,529)	(6,553)	(23,707)	(768)	(75)	(55,546)
Reclassifications	-	177	(476)	6,249	16,306	(59)	2,405	(1)	(24,601)	-
Transfer to investment properties (Note 16)	-	(947)	(3,787)	-	-	-	-	-	-	(4,734)
Transfer to investment properties under construction (Note 16)	-	-	-	-	-	-	-	-	(28,991)	(28,991)
Exchange differences	-	(2,211)	(145)	(33)	(3,058)	(171)	(512)	-	-	(6,130)
At 31 December 2012	61,452	1,232,278	30,991	17,634	982,276	63,398	384,428	24,564	32,651	2,829,672
Accumulated depreciation										
At 1 January 2012 (as previously stated)	-	102,472	5,442	3,304	523,184	42,682	102,605	5,800	-	785,489
Effect of adopting FRS 10	-	39,342	867	1,830	37,693	41	152,817	-	-	232,590
At 1 January 2012 (as restated)	-	141,814	6,309	5,134	560,877	42,723	255,422	5,800	-	1,018,079
Depreciation charge for the year (Note 8)	-	25,701	1,192	871	63,516	5,336	38,890	1,463	-	136,969
Disposals/write-offs	-	(5,005)	(592)	(140)	(8,878)	(3,658)	(10,070)	(769)	-	(29,112)
Reclassifications	-	6,237	(352)	25	(5,717)	181	(193)	(181)	-	-
Exchange differences	-	(719)	(22)	(22)	(1,132)	(151)	(426)	-	-	(2,472)
At 31 December 2012	-	168,028	6,535	5,868	608,666	44,431	283,623	6,313	-	1,123,464
Accumulated impairment loss										
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
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	997,985	24,456	11,540	303,522	18,844	100,681	18,251	26,052	1,562,783

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

14. 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 2013				
Cost				
At 1 January 2013	229	2,618	677	3,524
Additions	103	164	16	283
Disposals	(2)	-	-	(2)
At 31 December 2013	330	2,782	693	3,805
Accumulated depreciation				
At 1 January 2013	39	307	-	346
Depreciation charge for the year (Note 8)	94	549	-	643
At 31 December 2013	133	856	-	989
Net carrying amount	197	1,926	693	2,816
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

- (a) The net carrying amount of property, plant and equipment held under hire purchase and finance lease liabilities is as follows:

	Group	
	2013 RM'000	2012 RM'000
Motor vehicles	718	1,884
Equipment, furniture and fittings	884	2,372
Plant and machinery	31,581	42,240
	33,183	46,496

- (b) Property, plant and equipment of the Group with net carrying amount of RM178,135,000 (2012: RM147,863,000) are pledged as securities for borrowings as disclosed in Note 33.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

15. BIOLOGICAL ASSETS

	Group	
	2013	2012
	RM'000	RM'000
Cost		
At beginning of financial year	859	608
Additions	514	340
Write-offs	(104)	(89)
At end of financial year	1,269	859
Accumulated depreciation		
At beginning of financial year	246	192
Depreciation charge for the year (Note 8)	64	71
Write-offs	(22)	(17)
At end of financial year	288	246
Net carrying amount	981	613

Biological assets consist of animals used in a petting zoo operated by subsidiaries.

16. INVESTMENT PROPERTIES

	Group	
	2013	2012
	RM'000	RM'000
		(Restated)
Investment properties	1,021,834	4,414,099
Investment properties under construction	781,124	364,990
	1,802,958	4,779,089

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

16. INVESTMENT PROPERTIES (CONTD.)

	Group	
	2013	2012
	RM'000	RM'000
		(Restated)
Investment properties		
At valuation		
At beginning of financial year (as previously stated)	877,529	815,910
Effect of adopting FRS 10	3,536,570	3,316,355
At beginning of financial year (as restated)	4,414,099	4,132,265
Additions from acquisition	836	580
Additions from subsequent expenditure	73,380	42,154
Transfers from:		
- land held for property development (Note 18)	1,352	-
- property, plant and equipment (Note 14)	1,566	4,734
- investment properties under construction	3,360	565
- property development cost (Note 25)	-	5,824
Fair value adjustment:		
- gain (Note 6)	325,849	232,073
- loss (Note 8)	(2,334)	(4,124)
Exchange differences	97	28
Reversal of overprovision	(14,725)	-
Effects of a former subsidiary becoming an associate	(3,781,646)	-
At end of financial year	1,021,834	4,414,099

The investment properties consist of the following:

	Group	
	2013	2012
	RM'000	RM'000
		(Restated)
Long term leasehold land	336,100	1,454,371
Freehold land	13,840	68,840
Buildings	671,894	2,890,888
	1,021,834	4,414,099

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 RM558,618,000 (2012: RM518,160,000) are pledged as securities for borrowings as disclosed in Note 33.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

16. INVESTMENT PROPERTIES (CONTD.)

The carrying values of the properties as at 31 December 2013 and 31 December 2012 are based on valuation carried out by Raine & Horne International Zaki + Partners and CH Williams Talhar & Wong Sdn. Bhd.. Fair value is determined primarily based on income and comparison approaches.

	Group	
	2013	2012
	RM'000	RM'000
Investment properties under construction		
At cost		
At beginning of financial year	364,990	72,986
Additions from acquisition	2,121	-
Additions from subsequent expenditure	380,604	160,667
Additions of freehold land during the year	-	87,550
Transfers from/(to):		
- property, plant and equipment (Note 14)	713	28,991
- land held for property development (Note 18)	5	15,361
- investment properties	(3,360)	(565)
Fair value adjustment:		
- gain (Note 6)	36,051	-
At end of financial year	781,124	364,990

The investment properties under construction consist of the following:

	Group	
	2013	2012
	RM'000	RM'000
Long term leasehold land	59,201	28,629
Freehold land	87,550	87,549
Buildings	634,373	248,812
	781,124	364,990

17. ROCK RESERVES

	Group	
	2013	2012
	RM'000	RM'000
At beginning of financial year	7,444	8,379
Amortisation during the financial year (Note 8)	(261)	(935)
At end of financial year	7,183	7,444

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

18. 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 2013				
Cost				
At 1 January 2013	372,464	55,312	174,103	601,879
Additions	374,890	1,028	16,614	392,532
Transfers (to)/from property development costs (Note 25)	(76,455)	(43,756)	17,873	(102,338)
Transfers to investment properties (Note 16)	-	(1,352)	-	(1,352)
Transfers to investment properties under construction (Note 16)	-	(5)	-	(5)
Disposals	(42)	(599)	(303)	(944)
Reclassification	(5,747)	21,404	(15,657)	-
At 31 December 2013	665,110	32,032	192,630	889,772
Accumulated impairment losses				
At 1 January/31 December 2013	(599)	-	(2,368)	(2,967)
Carrying amount	664,511	32,032	190,262	886,805
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 25)	(323,742)	(64,408)	(40,057)	(428,207)
Transfers to investment properties under construction (Note 16)	-	(15,361)	-	(15,361)
Disposals	-	(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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

18. LAND HELD FOR PROPERTY DEVELOPMENT (CONTD.)

Freehold land and related development costs of the Group with carrying amount of RM12,911,000 (2012: RM19,163,000) are pledged to financial institutions as securities for borrowings as disclosed in Note 33.

Leasehold land and related development costs of the Group with carrying amount of RM58,457,000 (2012: RM90,573,000) are pledged to financial institutions as securities for borrowings as disclosed in Note 33.

19. INVESTMENTS IN SUBSIDIARIES

	Company	
	2013 RM'000	2012 RM'000 (Restated)
At cost		
Unquoted ordinary shares	365,782	342,255
Unquoted preference shares	3,280,810	3,280,810
	3,646,592	3,623,065

Pursuant to the adoption of FRS 10, the Group has performed an assessment of its investee companies, which are not already accounted for as subsidiaries and concluded that it has control over Sunway REIT after assessing a range of factors affecting the investee companies against the 3 elements of control as set out under FRS 10 and as further explained in Note 2.2 and Note 2.5 respectively. Accordingly, the Group is required to consolidate the financial position and financial results of Sunway REIT and the adjustments have been made retrospectively. The financial effects from the consolidation of Sunway REIT are disclosed in Note 2.2.

During the financial year, the Group completed the following acquisitions:

- (a) On 31 January 2013, Sunway Marketing (S) Pte. Ltd. and PT Sunway Flowtech, both wholly-owned subsidiaries of Sunway Holdings Sdn. Bhd. ("SHSB"), a wholly-owned subsidiary of the Company, had incorporated a limited company known as PT Sunway Pacific Flow;
- (b) On 1 April 2013, Sunway South Quay Sdn. Bhd., a 60% owned subsidiary of Sunway City Sdn. Bhd. ("SunCity"), which in turn is a wholly-owned subsidiary of the Company, acquired 100% equity interest in Prosper Revenue Sdn. Bhd. for a total consideration of RM2 cash;
- (c) On 13 May 2013, SunCity, a wholly-owned subsidiary of the Company, acquired 100% equity interest in Sunway Southern Management Sdn. Bhd. (formerly known as Prosper Generation Sdn. Bhd.) for RM2 cash;
- (d) On 22 November 2013, SunCity, a wholly-owned subsidiary of the Company, acquired 100% equity interest in Winning Desire Sdn. Bhd. for a total consideration of RM2 cash;

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

During the financial year, the Group completed the following acquisitions: (contd.)

- (e) On 4 December 2013, SunCity, a wholly-owned subsidiary of the Company, acquired 100% equity interest in Deco Style Sdn. Bhd. and its 80% owned subsidiary, Sunway Design Sdn. Bhd. for a total consideration of RM12,300,000; and
- (f) On 16 December 2013, SHSB, a wholly-owned subsidiary of the Company, acquired 60% equity interest in Twinners (Malaysia) Sdn. Bhd. for a total consideration of RM4,500,000 cash.

During the financial year, the Group subscribed for or acquired additional shares in the following companies:

- (a) On 11 January 2013, the Company had acquired 8,936,582 ordinary shares of RM1 each representing 6.82% equity interest in Sunway Medical Centre Sdn. Bhd. ("SMC"), a 91.63% owned subsidiary of SunCity from its minority interests for RM22,341,455 cash. Subsequently, on 26 February 2013, the Company acquired additional 774,223 ordinary shares of RM1 each representing 0.59% equity interest in SMC from its minority interest for RM1,935,558 cash; and
- (b) On 28 May 2013, Sunway Construction Sdn. Bhd. ("SunCon"), a wholly-owned subsidiary of SHSB which in turn is a wholly-owned subsidiary of the Company, had acquired the remaining 177,100 ordinary shares of RM1 each in Sunway Engineering Sdn. Bhd. ("SWE"), an 82.60% owned subsidiary of SunCon from Sincere Bid (M) Sdn. Bhd. for a total purchase consideration of RM35,975,512. As a result, SWE becomes a wholly-owned subsidiary of SunCon.

During the financial year, the Group completed the following disposal:

- (a) On 8 October 2013, Sunway Global Ltd., a 98.75% owned subsidiary of SHSB, which in turn is a wholly-owned subsidiary of the Company, disposed of its 100% equity interest in Sunway Building Materials (Dongguan) Co. Ltd. to Hong Kong Cheung Hung Metal & Plastic Products Co. Ltd. for RMB7,500,000 cash (equivalent to approximately RM3,975,000) at a gain on disposal of RM3,796,000. Further details are disclosed in Note 59; and
- (b) On 14 November 2013, the Company disposed of its 20% equity interest in SRM (previously a wholly owned subsidiary of the Company) to Millennium Pavilion Sdn. Bhd. ("MPSB") for a total consideration of RM28,000,000 resulting in a gain on disposal for the Group and the Company of RM27,093,000 and RM27,800,000 respectively. The Company has also entered into a Shareholders Agreement to establish the joint venture arrangement with MPSB which resulted in the Company having joint control over SRM. As a result, the Group ceases to consolidate SRM and has accounted for its interests in SRM and Sunway REIT as a joint venture and an associate respectively.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

The above acquisitions and disposal of the subsidiaries did not have any material effect on the financial results and financial position of the Group except for the effects arising from the disposal of 20% equity interest in SRM. Pursuant to the establishment of a joint venture arrangement between the shareholders of SRM, SRM and Sunway REIT ceased to be subsidiaries of the Group.

The financial effects of SRM and Sunway REIT ceasing to be subsidiaries of the Group are as follows:

(a) **SRM**

Statement of financial position

	Group
	14.11.2013
	RM'000
Property, plant and equipment	834
Trade receivables	4,747
Cash and bank balances	496
Other payables	(654)
Tax payable	(778)
Deferred tax liabilities	(108)
Net assets	4,537
Share of net assets disposed of	907
Total disposal proceeds	(28,000)
Gain on disposal to the Group	(27,093)

Income statement

	Group
	2013
	RM'000
Gain on disposal of 20% equity interest in SRM	27,093
Gain on re-measurement of retained interest in SRM (Note 58)	108,370

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(b) **Sunway REIT**

Income statement

	Group
	2013
	RM'000
Gain on re-measurement of retained interest in Sunway REIT (Note 58)	661,254

Statement of cash flows

The effect of Sunway REIT becoming an associate on cash flows is as follows:

	Group
	2013
	RM'000
Effect of a former subsidiary becoming an associate	(70,209)

During the financial year, the following subsidiaries of the Group had been dissolved:

- (a) On 1 July 2013, Sunway Pipe Inspection and Repair Services Centre Sdn. Bhd. was dissolved;
- (b) On 22 October 2013, Amalan Insaf (M) Sdn. Bhd. was dissolved; and
- (c) On 15 November 2013, Sunway Mall Sdn. Bhd. was dissolved.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

Summarised information of companies with non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination. The non-controlling interests of the other companies are not material to the Group.

(i) Summarised statements of financial position

At 31 December 2013

	Sunway South Quay Sdn. Bhd. Group RM'000	Sunway PKNS Sdn. Bhd. ^a Group RM'000	Sunway Seme- nyih Sdn. Bhd. RM'000	Sunway Guang- hao Real Estate (Jiang- yin) RM'000	Eastern Glory Group RM'000	Sunway Velocity Mall Sdn. Bhd. RM'000	Sunway REIT RM'000	Sunway Engi- neering Sdn. Bhd. RM'000	Total RM'000
Non-current assets	457,961	160,041	121,367	226	10,310	259,497	-	-	1,009,402
Current assets	382,210	207,808	13,358	170,099	18,653	1,631	-	-	793,759
Total assets	840,171	367,849	134,725	170,325	28,963	261,128	-	-	1,803,161
Non-current liabilities	271,627	2,813	-	72	-	5,000	-	-	279,512
Current liabilities	372,288	110,781	360	72,131	455	168,456	-	-	724,471
Total liabilities	643,915	113,594	360	72,203	455	173,456	-	-	1,003,983
Net assets	196,256	254,255	134,365	98,122	28,508	87,672	-	-	799,178
Equity attributable to									
owners of the Parent	140,794	152,767	95,499	72,228	5,697	51,726	-	-	518,711
Non-controlling interests	55,462	101,488	38,866	25,894	22,811	35,946	-	-	280,467
Total equity	196,256	254,255	134,365	98,122	28,508	87,672	-	-	799,178

a Sunway PKNS Sdn. Bhd. (formerly known as Sunway Damansara Sdn. Bhd.)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(i) Summarised statements of financial position (contd.)

At 31 December 2012

	Sunway South Quay Sdn. Bhd. Group RM'000	Sunway PKNS Sdn. Bhd. ^a Group RM'000	Sunway Seme- nyih Sdn. Bhd. RM'000	Sunway Guang- hao Real Estate (Jiang- yin) RM'000	Eastern Glory Group RM'000	Sunway Velocity Mall Sdn. Bhd. RM'000	Sunway REIT RM'000	Sunway Engi- neering Sdn. Bhd. RM'000	Total RM'000
Non-current assets	441,728	158,368	121,320	414	1,795	171,187	4,961,932	47,430	5,904,174
Current assets	325,173	251,571	13,634	150,088	61,948	985	54,720	228,368	1,086,487
Total assets	766,901	409,939	134,954	150,502	63,743	172,172	5,016,652	275,798	6,990,661
Non-current liabilities	278,983	2,198	-	65	132	-	741,628	27	1,023,033
Current liabilities	350,735	125,450	400	60,492	300	84,410	1,254,786	103,385	1,979,958
Total liabilities	629,718	127,648	400	60,557	432	84,410	1,996,414	103,412	3,002,991
Net assets	137,183	282,291	134,554	89,945	63,311	87,762	3,020,238	172,386	3,987,670
Equity attributable to									
owners of the Parent	104,440	169,517	95,631	64,442	22,202	51,775	1,264,605	130,148	1,902,760
Non-controlling interests	32,743	112,774	38,923	25,503	41,109	35,987	1,755,633	42,238	2,084,910
Total equity	137,183	282,291	134,554	89,945	63,311	87,762	3,020,238	172,386	3,987,670

a Sunway PKNS Sdn. Bhd. (formerly known as Sunway Damansara Sdn. Bhd.)

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(ii) Summarised statements of comprehensive income

At 31 December 2013

	Sunway South Quay Sdn. Bhd. Group RM'000	Sunway PKNS Sdn. Bhd.^a Group RM'000	Sunway Seme- nyih Sdn. Bhd. RM'000	Sunway Guang- hao Real Estate (Jiang- yin) RM'000	Eastern Glory Group RM'000	Sunway Velocity Mall Sdn. Bhd. RM'000	Sunway REIT RM'000	Sunway Engi- neering Sdn. Bhd. RM'000	Total RM'000
Revenue	385,085	184,142	-	6,617	-	-	-	-	575,844
Profit/(loss) for the year	56,797	79,764	(189)	(1,153)	7,957	(90)	-	-	143,086
Other comprehensive income	-	-	-	2,811	1,023	-	-	-	3,834
Total comprehensive income/(loss)	56,797	79,764	(189)	1,658	8,980	(90)	-	-	146,920
Profit/(loss) attributable to:									
- owners of the Parent	34,078	47,810	(132)	(749)	3,581	(53)	-	-	84,535
- non-controlling interests	22,719	31,954	(57)	(404)	4,376	(37)	-	-	58,551
Total comprehensive income/(loss) attributable to:									
- owners of the Parent	34,078	47,810	(132)	1,078	4,041	(53)	-	-	86,822
- non-controlling interests	22,719	31,954	(57)	580	4,939	(37)	-	-	60,098

a Sunway PKNS Sdn. Bhd. (formerly known as Sunway Damansara Sdn. Bhd.)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(ii) Summarised statements of comprehensive income (contd.)

At 31 December 2012

	Sunway South Quay Sdn. Bhd. Group RM'000	Sunway PKNS Sdn. Bhd. ^a Group RM'000	Sunway Seme- nyih Sdn. Bhd. RM'000	Sunway Guang- hao Real Estate (Jiang- yin) RM'000	Eastern Glory Group RM'000	Sunway Velocity Mall Sdn. Bhd. RM'000	Sunway REIT RM'000	Sunway Engi- neering Sdn. Bhd. RM'000	Total RM'000
Revenue	197,682	150,691	581	107,092	-	-	406,242	327,209	1,189,497
Profit/(loss) for the year	24,571	76,266	444	2,671	16,357	(11)	433,962	48,314	602,574
Other comprehensive (loss)/income	-	-	-	(2,844)	(409)	-	4,062	-	809
Total comprehensive income/(loss)	24,571	76,266	444	(173)	15,948	(11)	438,024	48,314	603,383
Profit/(loss) attributable to:									
- owners of the Parent	14,743	45,760	311	1,736	7,360	(7)	212,886	39,907	322,696
- non-controlling interests	9,828	30,506	133	935	8,997	(4)	221,076	8,407	279,878
Total comprehensive income/(loss) attributable to:									
- owners of the Parent	14,743	45,760	311	(112)	7,177	(7)	216,948	39,907	324,727
- non-controlling interests	9,828	30,506	133	(61)	8,771	(4)	221,076	8,407	278,656

a Sunway PKNS Sdn. Bhd. (formerly known as Sunway Damansara Sdn. Bhd.)

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(iii) Summarised statements of cash flows

At 31 December 2013

	Sunway South Quay Sdn. Bhd. Group RM'000	Sunway PKNS Sdn. Bhd. ^a Group RM'000	Sunway Seme- nyih Sdn. Bhd. RM'000	Sunway Guang- hao Real Estate (Jiang- yin) RM'000	Eastern Glory Group RM'000	Sunway Velocity Mall Sdn. Bhd. RM'000	Sunway REIT RM'000	Sunway Engi- neering Sdn. Bhd. RM'000	Total RM'000
Net cash generated from/ (used in):									
- Operating activities	147,445	103,083	(803)	(12,949)	7,792	(9)	-	-	244,559
- Investing activities	(6,775)	31,219	366	(15)	9,995	(4,350)	-	-	30,440
- Financing activities	(59,004)	(127,100)	-	-	(44,602)	5,000	-	-	(225,706)
Net increase/(decrease) in cash and cash equivalents	81,666	7,202	(437)	(12,964)	(26,815)	641	-	-	49,293
Effects of foreign exchange rates changes	-	-	-	2,573	(2,897)	-	-	-	(324)
Cash and cash equivalents at beginning of the year	10,288	121,539	13,395	31,104	48,144	153	-	-	224,623
Cash and cash equivalents at end of the year	91,954	128,741	12,958	20,713	18,432	794	-	-	273,592

a Sunway PKNS Sdn. Bhd. (formerly known as Sunway Damansara Sdn. Bhd.)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(iii) Summarised statements of cash flows (contd.)

At 31 December 2012

	Sunway South Quay Sdn. Bhd. Group RM'000	Sunway PKNS Sdn. Bhd. ^a Group RM'000	Sunway Seme- nyih Sdn. Bhd. RM'000	Sunway Guang- hao Real Estate (Jiang- yin) RM'000	Eastern Glory Group RM'000	Sunway Velocity Mall Sdn. Bhd. RM'000	Sunway REIT RM'000	Sunway Engi- neering Sdn. Bhd. RM'000	Total RM'000
Net cash generated from/ (used in):									
- Operating activities	(15,317)	23,330	642	(59,392)	24,801	(15)	272,071	(3,289)	242,831
- Investing activities	(1,109)	(4,508)	15	-	(8,495)	(66,489)	(344,193)	28	(424,751)
- Financing activities	20,846	41,463	676	26,518	(9,353)	66,407	45,954	(2,358)	190,153
Net increase/(decrease) in cash and cash equivalents	4,420	60,285	1,333	(32,874)	6,953	(97)	(26,168)	(5,619)	8,233
Effects of foreign exchange rates changes	-	-	-	88	3	-	-	(225)	(134)
Cash and cash equivalents at beginning of the year	5,868	61,254	12,062	63,890	41,188	250	64,769	10,948	260,229
Cash and cash equivalents at end of the year	10,288	121,539	13,395	31,104	48,144	153	38,601	5,104	268,328

a Sunway PKNS Sdn. Bhd. (formerly known as Sunway Damansara Sdn. Bhd.)

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

20. AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2013	2012
	RM'000	RM'000
Interest bearing amounts	1,365,235	1,280,224
Non-interest bearing amounts	48,929	13,437
Total amounts due from subsidiaries	1,414,164	1,293,661

The amounts due from subsidiaries are unsecured, repayable on demand and non-interest bearing except for amounts of RM1,365,235,000 (2012: RM1,280,224,000) which bear interest at rates ranging from 2.95% to 4.35% (2012: 1.50% to 4.98%) per annum.

21. INVESTMENTS IN ASSOCIATES

	Group	
	2013	2012
	RM'000	RM'000
		(Restated)
Unquoted shares at cost	13,103	13,103
Quoted shares at cost	1,531,408	190,367
Share of post-acquisition distributable reserves	(25,659)	(19,173)
Share of non-distributable reserves	25,557	22,033
	1,544,409	206,330
Less: Accumulated impairment losses	(151,696)	(151,696)
	1,392,713	54,634
Market value of quoted shares	1,275,823	24,957

The financial year end of the associates are coterminous with those of the Group, except for Pyramid Bowl Sdn. Bhd. which has a financial year end of 31 March, Aktiv-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 for the year ended 31 December 2013 have been used.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

21. INVESTMENTS IN ASSOCIATES (CONTD.)

The Group's share of revenue, profit, assets and liabilities of associates are as follows:

	2013 RM'000	2012 RM'000 (Restated)
Assets and liabilities		
Current assets	53,883	26,172
Non-current assets	1,849,765	34,873
Total assets	1,903,648	61,045
Current liabilities	(31,730)	(3,710)
Non-current liabilities	(479,205)	(2,701)
Total liabilities	(510,935)	(6,411)
Results		
Revenue	149,086	5,327
Profit for the year	13,645	568

Details of the associates are as follows:

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2013 %	2012 %
(a) Associate of Sunway City Sdn. Bhd. Aktif-Sunway Sdn. Bhd. #	Malaysia	Dissolved	-	20
(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 2013 (contd.)

21. INVESTMENTS IN ASSOCIATES (CONTD.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2013 %	2012 %
(f) Associate of SunwayMas Sdn. Bhd.				
Varich Industries Sdn. Bhd. # (In liquidation)	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	34.49	-

Audited by firms of auditors other than Ernst & Young
@ Inclusive of 0.74% held by Sunway Berhad

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

21. INVESTMENTS IN ASSOCIATES (CONTD.)

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts.

(i) Summarised statements of financial position

	Gopeng		Sunway REIT		Total	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Non-current assets	196,894	174,618	5,251,439	-	5,448,333	174,618
Current assets	111,927	116,494	81,612	-	193,539	116,494
Total assets	308,821	291,112	5,333,051	-	5,641,872	291,112
Non-current liabilities	11,765	10,290	1,382,809	-	1,394,574	10,290
Current liabilities	2,202	2,511	434,692	-	436,894	2,511
Total liabilities	13,967	12,801	1,817,501	-	1,831,468	12,801
Net assets	294,854	278,311	3,515,550	-	3,810,404	278,311

(ii) Summarised statements of comprehensive income

	Gopeng		Sunway REIT		Total	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue	10,201	14,896	72,918	-	83,119	14,896
Profit before tax from continuing operations	4,102	2,462	40,024	-	44,126	2,462
Profit for the year from continuing operations representing total comprehensive income	21,907	2,085	40,024	-	61,931	2,085

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

21. INVESTMENTS IN ASSOCIATES (CONTD.)

- (iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associates

	Gopeng		Sunway REIT		Total	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Net assets at 1 January	278,311	287,088	-	-	278,311	287,088
Effect of a former subsidiary becoming an associate	-	-	3,886,921*	-	3,886,921	-
Profit for the year	21,907	2,085	40,024	-	61,931	2,085
Dividend paid during the year	(5,380)	(13,181)	(58,429)	-	(63,809)	(13,181)
Depreciation transfer on land, net of tax	16	-	-	-	16	-
Disposal of an associate	-	2,319	-	-	-	2,319
Net assets at 31 December	294,854	278,311	3,868,516*	-	4,163,370	278,311
Interest in associates as at year end	19.30%	19.30%	34.49%	-		
Carrying value of Group's interest in associates	56,907	53,714	1,334,251	-	1,391,158	53,714

- * Includes effects of remeasurement gain on the Group's retained interest in the associate as at the date of the former subsidiary becoming an associate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

21. INVESTMENTS IN ASSOCIATES (CONTD.)

Aggregate information of associates that are not individually material are as follows:

	2013 RM'000	2012 RM'000
The Group's share of (loss)/profit before tax	(71)	43
The Group's share of (loss)/profit after tax, representing total comprehensive income	(70)	49

22. INVESTMENTS IN JOINT VENTURES

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Unquoted shares at cost	571,744	296,643	800	-
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	343,322	221,619	-	-
	931,712	534,908	800	-
Less: Accumulated impairment losses	(19,530)	(18,456)	-	-
	912,182	516,452	800	-

Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	Principal activities	Proportion of ownership interest	
			2013 %	2012 %
Joint venture with Sunway Berhad				
Sunway REIT Management Sdn. Bhd.	Malaysia	Managing and administering real estate investment trust	80	-
Joint ventures 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

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

22. INVESTMENTS IN JOINT VENTURES (CONTD.)

Name of joint ventures	Country of incorporation	Principal activities	Proportion of ownership interest	
			2013 %	2012 %
Joint ventures with Sunway City Sdn. Bhd. Group (contd.)				
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	58.73	49.76
Sunway Iskandar Sdn. Bhd.	Malaysia	Property development	45.5	38
Sunway Iskandar Development Sdn. Bhd. (formerly known as Harmony Impulse Sdn. Bhd.)	Malaysia	Property development	60	60
Joint ventures 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 work	70	70
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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

22. INVESTMENTS IN JOINT VENTURES (CONTD.)

Name of joint ventures	Country of incorporation	Principal activities	Proportion of ownership interest	
			2013 %	2012 %
Joint ventures with Sunway Holdings Sdn. Bhd. Group (contd.)				
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
Hoi Hup Sunway Yuan Ching Pte. Ltd. #	Singapore	Real estate developer	30	30
Hoi Hup Sunway Novena Pte. Ltd. #	Singapore	Real estate developer	30	30
SunGeo - Awangsa J.V. #	Unincorporated	Piling and substructure works	50.8	50.8
Fableplus Sdn. Bhd. - Sunway Engineering Joint Venture #	Unincorporated	Provision of mechanical and engineering works	30	30
Hoi Hup Sunway Mount Sophia Pte Ltd #	Singapore	Real estate developer	30	-
Sunway Geotechnics (M) Sdn. Bhd. - Bauer (Malaysia) Sdn. Bhd. Joint Venture	Unincorporated	Bored piling works, installation of plunge in column and associated ancillary works	50	-

Audited by firms of auditors other than Ernst & Young

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

22. INVESTMENTS IN JOINT VENTURES (CONTD.)

Summarised information of joint ventures that are material to the Group is set out below. The summarised information represents the amounts in the financial statements of the joint ventures (translated to Ringgit Malaysia, where applicable, based on exchange rates as at the end of the reporting period) and not the Group's share of those amounts. The other joint ventures are not material to the Group.

- (i) Summarised statements of financial position

	Hoi Hup Group RM'000	Sunway Iskandar Sdn. Bhd. RM'000	Tianjin Eco-City Sunway Property Development Co. Ltd. RM'000	Sunway Iskandar Development (formerly known as Harmony Impulse Sdn. Bhd.) RM'000	Sunway REIT Management Sdn. Bhd. RM'000	Total RM'000
At 31 December 2013						
Non-current assets	280	862,963	346	82,798	805	947,192
Cash and cash equivalents	585,390	1,535	95,761	109	91	682,886
Other current assets	4,165,658	13,475	233,929	-	5,148	4,418,210
Current assets	4,751,048	15,010	329,690	109	5,239	5,101,096
Total assets	4,751,328	877,973	330,036	82,907	6,044	6,048,288
Current liabilities (excluding trade and other payables and provisions)	651,567	-	-	-	-	651,567
Trade and other payables and provisions	2,267,066	2,567	13,083	852	2,695	2,286,263
Total current liabilities	2,918,633	2,567	13,083	852	2,695	2,937,830
Non-current liabilities	903,623	471,926	-	-	116	1,375,665
Total liabilities	3,822,256	474,493	13,083	852	2,811	4,313,495
Net assets	929,072	403,480	316,953	82,055	3,233	1,734,793
At 31 December 2012						
Non-current assets	202	850,970	467	-	-	851,639
Cash and cash equivalents	964,402	113	25,695	5	-	990,215
Other current assets	3,325,992	-	153,870	38,863	-	3,518,725
Current assets	4,290,394	113	179,565	38,868	-	4,508,940
Total assets	4,290,596	851,083	180,032	38,868	-	5,360,579
Current liabilities (excluding trade and other payables and provisions)	6,230	-	-	-	-	6,230
Trade and other payables and provisions	2,374,278	485,814	4,116	5	-	2,864,213
Total current liabilities	2,380,508	485,814	4,116	5	-	2,870,443
Non-current liabilities	1,517,726	6,651	-	-	-	1,524,377
Total liabilities	3,898,234	492,465	4,116	5	-	4,394,820
Net assets	392,362	358,618	175,916	38,863	-	965,759

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

22. INVESTMENTS IN JOINT VENTURES (CONTD.)

(ii) Summarised statements of comprehensive income

	Hoi Hup Group RM'000	Sunway Iskandar Sdn. Bhd. RM'000	Tianjin Eco-City Sunway Property Development Co. Ltd. RM'000	Sunway Iskandar Development (formerly known as Harmony Impulse Sdn. Bhd.) RM'000	Sunway REIT Management Sdn. Bhd. RM'000	Total RM'000
At 31 December 2013						
Revenue	1,282,910	-	-	-	4,346	1,287,256
Depreciation and amortisation	(43)	(27)	(144)	-	(29)	(243)
Interest income	1,327	-	1,433	-	-	2,760
Interest expense	-	-	-	(18)	-	(18)
Profit/(loss) before tax	620,906	(7,894)	(6,654)	(278)	2,471	608,551
Income tax (expense)/benefit	(105,554)	1,553	-	-	(611)	(104,612)
Profit/(loss) after tax	515,352	(6,341)	(6,654)	(278)	1,860	503,939
Other comprehensive income	21,358	-	31,064	-	-	52,422
Total comprehensive income/(loss)	536,710	(6,341)	24,410	(278)	1,860	556,361
Dividend received from the joint venture during the year	-	-	-	-	2,531	2,531
At 31 December 2012						
Revenue	927,642	-	-	-	-	927,642
Depreciation and amortisation	(65)	(2)	(76)	-	-	(143)
Interest income	1,216	176	1,358	-	-	2,750
Interest expense	(342)	(3)	-	-	-	(345)
Profit/(loss) before tax	221,500	(1,382)	(4,562)	-	-	215,556
Income tax expense	(37,655)	-	-	-	-	(37,655)
Profit/(loss) after tax	183,845	(1,382)	(4,562)	-	-	177,901
Other comprehensive income	10,083	-	1,751	-	-	11,834
Total comprehensive income/(loss)	193,928	(1,382)	(2,811)	-	-	189,735
Dividend received from the joint venture during the year	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

22. INVESTMENTS IN JOINT VENTURES (CONTD.)

- (iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in joint ventures.

	Hoi Hup Group RM'000	Sunway Iskandar Sdn. Bhd. RM'000	Tianjin Eco-City Sunway Property Development Co. Ltd. RM'000	Sunway Iskandar Development (formerly known as Harmony Impulse Sdn. Bhd.) RM'000	Sunway REIT Management Sdn. Bhd. RM'000	Total RM'000
At 31 December 2013						
Net assets at 1 January	392,362	358,618	175,916	38,863	-	965,759
Effect of a former subsidiary becoming a joint venture	-	-	-	-	4,537	4,537
Capital injection	-	51,203	116,627	43,470	-	211,300
Profit/(loss) for the year	515,352	(6,341)	(6,654)	(278)	1,860	503,939
Effect of translation to closing foreign exchange rates	21,358	-	31,064	-	-	52,422
Dividend paid during the year	-	-	-	-	(3,164)	(3,164)
Net assets at 31 December	929,072	403,480	316,953	82,055	3,233	1,734,793
Alignment to group accounting policies	227,527	-	-	-	-	227,527
	1,156,599	403,480	316,953	82,055	3,233	1,962,320
Interest in joint ventures as at year end	30%	45.5%	58.73%	60%	80%	
	346,980	183,583	186,146	49,233	2,586	768,528
Remeasurement gain	-	-	-	-	108,371	108,371
Carrying value of Group's interest in joint ventures	346,980	183,583	186,146	49,233	110,957	876,899
At 31 December 2012						
Net assets at 1 January	198,434	-	37,527	-	-	235,961
Capital injection	-	360,000	141,200	38,863	-	540,063
Profit/(loss) for the year	183,845	(1,382)	(4,562)	-	-	177,901
Effect of translation to closing foreign exchange rates	10,083	-	1,751	-	-	11,834
Net assets at 31 December	392,362	358,618	175,916	38,863	-	965,759
Alignment to group accounting policies	353,200	-	-	-	-	353,200
	745,562	358,618	175,916	38,863	-	1,318,959
Interest in joint ventures as at year end	30%	38%	49.76%	60%	-	
Carrying value of Group's interest in joint ventures	223,669	136,275	87,536	23,318	-	470,798

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

22. INVESTMENTS IN JOINT VENTURES (CONTD.)

Aggregate information of joint ventures that are not individually material are as follows:

	2013 RM'000	2012 RM'000
The Group's share of profit before tax	44,096	30,430
The Group's share of profit after tax, representing total comprehensive income	42,424	22,372

The details of goodwill included within the Group's carrying amount of investments in joint ventures are as follows:

	2013 RM'000	2012 RM'000
Cost		
Arising from investment in a joint venture and as at 31 December	10,748	10,748

During the financial year, the Group subscribed additional shares in the following companies:

- (a) On 3 June 2013, SunCity subscribed additional 495,000 ordinary shares of RM1 each at an issue price of RM4.44 each and 49,005,000 Non-Convertible Non-Cumulative Redeemable Preference Shares of RM0.01 each ("NCNCRPS") at an issue price of RM1 each in Sunway Iskandar Sdn. Bhd. amounting to RM51,202,800, satisfied by cash;
- (b) On 20 December 2013, SunCity subscribed additional 329,619 ordinary shares of RM1 each at par and 32,638,260 NCNCRPS of RM0.01 each at an issue price of RM1 each in Sunway Iskandar Development Sdn. Bhd. (formerly known as Harmony Impulse Sdn. Bhd.) amounting to RM32,967,879, satisfied by RM5,940 cash and capitalizing the advances granted by SunCity amounted to RM32,961,939; and
- (c) On 22 April 2013, Sunway City (S'pore) Pte. Ltd., a wholly-owned subsidiary of SunCity which in turn is a wholly-owned subsidiary of the Company, subscribed additional registered capital in Tianjin Eco-City Sunway Property Development Co. Ltd., amounting to RMB174,137,850 (equivalent to RM84,481,200), satisfied by cash.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

23. GOODWILL

	Group	
	2013	2012
	RM'000	RM'000
Cost		
At beginning of financial year	338,337	338,337
Acquisition of subsidiary	1,391	-
At end of financial year	339,728	338,337
Accumulated impairment losses		
At beginning of financial year	(20,260)	(11,840)
Impairment loss recognised in profit or loss (Note 8)	(24)	(8,420)
At end of financial year	(20,284)	(20,260)
Net carrying amount	319,444	318,077

During the financial year, an impairment of RM24,000 was recognised in relation to Sunway Dimension Stones Sdn. Bhd. and Sunway Construction India Pte. Ltd. as the business operations have been dormant.

In the previous financial year, an impairment loss of RM8,420,000 was recognised due to Sunway Pyramid Sdn. Bhd. ceased operations.

Allocation of goodwill

Goodwill has been allocated to the Group's CGUs, according to business segments as follows:

	2013	2012
	RM'000	RM'000
Property investment *	185,329	185,329
Construction	74,080	74,104
Quarry	40,647	40,647
Trading and manufacturing	8,673	8,673
Property development	247	247
Others	10,468	9,077
	319,444	318,077

* The property investment segment includes property investment, leisure and hospitality.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

23. GOODWILL (CONTD.)

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 2013			
Gross margin	14.7	7.6	35.4
Growth rate	4.1	-	22.9
Discount rate	12.0	14.0	10.0
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

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.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

24. OTHER INVESTMENTS

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
				(Restated)
Non-current				
At cost:				
Unquoted ordinary shares	3,446	3,459	-	-
Corporate membership	134	84	-	-
	3,580	3,543	-	-
Less: Accumulated impairment losses	(1,741)	(1,741)	-	-
	1,839	1,802	-	-
At fair value:				
Quoted shares				
- Available for sale investment	-	-	26,747	21,278
Total other investments	1,839	1,802	26,747	21,278
Current				
Placement of cash fund	70,000	-	70,000	-

The average maturity of placement in cash fund of the Company is 365 days and the weighted average interest rate is 2.69% per annum.

25. PROPERTY DEVELOPMENT COSTS

	Group	
	2013	2012
	RM'000	RM'000
Cumulative property development costs		
At beginning 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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

25. PROPERTY DEVELOPMENT COSTS (CONTD.)

	Group	
	2013	2012
	RM'000	RM'000
Cumulative property development costs (contd.)		
Costs incurred during the year:		
- Freehold land	44,177	1,544
- Long term leasehold land	12,436	38,439
- Development costs	798,086	542,877
	854,699	582,860
Exchange differences:		
- Long term leasehold land	5,036	(1,430)
- Development costs	27,362	(3,900)
	32,398	(5,330)
Reclassification:		
- Freehold land	962	6,438
- Long term leasehold land	(23,004)	(41,810)
- Development costs	22,042	35,372
	-	-
Transfers to:		
Investment properties (Note 16):		
- Long term leasehold land	-	(2,873)
- Development costs	-	(2,951)
	-	(5,824)
Transfers from/(to):		
Land held for property development (Note 18):		
- Freehold land	76,455	323,742
- Long term leasehold land	43,756	64,408
- Development costs	(17,873)	40,057
	102,338	428,207
Transfers to:		
Inventories:		
- Freehold land	(853)	(6,027)
- Long term leasehold land	(1,322)	(48,236)
- Development costs	(41,010)	(157,644)
	(43,185)	(211,907)

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

25. PROPERTY DEVELOPMENT COSTS (CONTD.)

	Group	
	2013	2012
	RM'000	RM'000
Cumulative property development costs (contd.)		
Reversal of completed projects:		
- Freehold land	(23,927)	(53,344)
- Long term leasehold land	(22,465)	(137,063)
- Development costs	(150,078)	(1,137,604)
	(196,470)	(1,328,011)
Written off:		
- Development costs	(2,363)	-
At end of financial year:		
- Freehold land	538,093	441,279
- Long term leasehold land	210,106	195,669
- Development costs	1,800,500	1,164,334
	2,548,699	1,801,282
Accumulated impairment losses		
At beginning of financial year		
- Development costs	(1,561)	(1,623)
Exchange differences		
- Development costs	(177)	62
Written off		
- Development costs	1,738	-
At end of financial year	-	(1,561)
Cumulative costs recognised in profit or loss		
At beginning of financial year	(808,192)	(1,670,330)
Recognised during the year (Note 5)	(733,240)	(469,047)
Reversal of completed projects	196,470	1,328,011
Written off	625	-
Exchange differences	(29,381)	3,174
At end of financial year	(1,373,718)	(808,192)
Property development costs at end of financial year	1,174,981	991,529

Interest expense capitalised during the financial year under development costs of the Group amounted to RM17,124,000 (2012: RM9,240,000).

Freehold land and related development costs of the Group amounting to RM769,687,000 (2012: RM642,778,000) are pledged to financial institutions as securities for borrowings as disclosed in Note 33.

Leasehold land and development costs of the Group amounting to RM317,124,000 (2012: RM176,584,000) are pledged to financial institutions as securities for borrowings as disclosed in Note 33.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

26. INVENTORIES

	Group	
	2013 RM'000	2012 RM'000
At cost		
Properties held for sale	336,511	389,338
Trading inventories	139,793	135,880
Food and beverages	2,932	2,969
Consumables	8,854	10,624
Raw materials	13,478	13,481
Work in progress	2,418	3,966
Finished goods	77,283	74,552
	581,269	630,810
Net realisable value		
Properties held for sale	37,762	19,498
	619,031	650,308
Attributable to disposal classified as group held for sale (Note 32)	(3,209)	-
	615,822	650,308

The reversal of write down of inventories to net realisable value of RM1,319,000 (2012: RM2,185,000) was made during the year when the related inventories were sold above their carrying amounts (Note 6).

A write down of inventories to net realisable value of RM8,512,000 (2012: RM3,951,000) was made during the year (Note 8).

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

27. TRADE RECEIVABLES

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Non-current				
Finance lease receivables	1,998	3,062	-	-
Hire purchase receivables	307	837	-	-
	2,305	3,899	-	-
Current				
Trade receivables	1,005,402	965,284	-	-
Retention sums (Note 41)	159,273	149,243	-	-
Finance lease receivables	2,689	3,363	-	-
Hire purchase receivables	589	1,279	-	-
Amounts due from customers on contracts (Note 41)	32,850	62,672	-	-
Accrued billings in respect of property development costs	30,612	62,570	-	-
	1,231,415	1,244,411	-	-
Less: Allowance for impairment	(116,587)	(95,288)	-	-
	1,114,828	1,149,123	-	-
Attributable to disposal group classified as held for sale (Note 32)	(721)	-	-	-
	1,114,107	1,149,123	-	-
Total trade receivables	1,116,412	1,153,022	-	-
Total trade receivables	1,116,412	1,153,022	-	-
Other receivables (Note 28)	119,495	184,165	582	948
Add: Amounts due from subsidiaries (Note 20)	-	-	1,414,164	1,293,661
Add: Amounts due from associates	5,945	21,014	-	-
Add: Amounts due from joint ventures	215,998	230,556	-	-
Less: Amounts due from customers on contracts (Note 41)	(32,850)	(62,672)	-	-
Less: Prepayments (Note 28)	(33,096)	(26,453)	(557)	(789)
Less: Accrued billings in respect of property development costs	(30,612)	(62,570)	-	-
Add: Cash and bank balances (Note 31)	1,448,818	1,197,490	435,492	10,797
Total loans and receivables	2,810,110	2,634,552	1,849,681	1,304,617

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

27. TRADE RECEIVABLES (CONTD.)

The repayment terms of finance lease and hire purchase receivables are as follows:

	Group	
	2013	2012
	RM'000	RM'000
Finance lease receivables:		
Not later than 1 year	2,798	3,971
Later than 1 year and not later than 5 years	2,119	3,465
Later than 5 years	-	68
	4,917	7,504
Less: Unearned interest	(230)	(1,079)
	4,687	6,425
Representing finance lease receivables:		
Not later than 1 year	2,689	3,363
Later than 1 year and not later than 5 years	1,998	2,998
Later than 5 years	-	64
	4,687	6,425
Hire purchase receivables:		
Not later than 1 year	622	1,370
Later than 1 year and not later than 5 years	323	889
	945	2,259
Less: Unearned interest	(49)	(143)
	896	2,116
Representing hire purchase receivables:		
Not later than 1 year	589	1,279
Later than 1 year and not later than 5 years	307	837
	896	2,116

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

27. TRADE RECEIVABLES (CONTD.)

	Group	
	2013 RM'000	2012 RM'000 (Restated)
The currency exposure profile of trade receivables are as follows:		
Ringgit Malaysia ("RM")	957,172	949,321
Singapore Dollar ("SGD")	69,170	109,279
Renminbi ("RMB")	43,165	37,783
Trinidad and Tobago Dollar ("TTD")	9,619	14,469
Indian Rupee ("IR")	12,033	12,348
Australian Dollar ("AUD")	9,113	10,020
Indonesian Rupiah ("INR")	8,928	8,811
Thai Baht ("THB")	4,209	3,784
United Arab Emirates Dirham ("AED")	15	3,484
Vietnam Dong ("VND")	751	1,571
United States Dollar ("USD")	1,344	1,230
Macao Pataca ("MOP")	893	922
	1,116,412	1,153,022

Included in trade receivables are the following amounts due from related parties:

	Group	
	2013 RM'000	2012 RM'000
Sunway Technology Sdn. Bhd. Group	590	507
Sunway REIT (RHB Trustee Bhd)	2	-
Akitek Akiprima Sdn. Bhd.	-	1
Jef-San Enterprise Sdn. Bhd.	-	8

The amounts due from related parties are unsecured and non-interest bearing. The relationship with the related parties is as disclosed in Note 53. 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 (2012: 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 2013 (contd.)

27. TRADE RECEIVABLES (CONTD.)

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2013 RM'000	2012 RM'000 (Restated)
Neither past due nor impaired	811,516	799,066
1 to 30 days past due not impaired	147,801	148,615
31 to 60 days past due not impaired	39,343	50,628
61 to 90 days past due not impaired	28,357	28,445
91 to 120 days past due not impaired	31,390	55,695
More than 120 days past due not impaired	58,726	69,035
	305,617	352,418
Impaired	116,587	96,826
	1,233,720	1,248,310

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.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

27. TRADE RECEIVABLES (CONTD.)

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 2013			
Trade receivables			
- nominal amounts	396	116,191	116,587
Less: Allowance for impairment	(396)	(116,191)	(116,587)
	-	-	-
As at 31 December 2012 (Restated)			
Trade receivables			
- nominal amounts	7,896	88,930	96,826
Less: Allowance for impairment	(6,375)	(88,913)	(95,288)
	1,521	17	1,538

Movement in allowance for impairment accounts:

	Group	
	2013 RM'000	2012 RM'000 (Restated)
At beginning of financial year	95,288	120,718
Charge for the year (Note 8)	31,240	4,011
Reversal of impairment losses (Note 6)	(3,493)	(19,890)
Written off	(2,011)	(9,106)
Exchange differences	133	(445)
Effects of a former subsidiary becoming an associate	(4,570)	-
At end of financial year	116,587	95,288

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

28. OTHER RECEIVABLES

	Group		Company	
	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000
Current				
Deposits	21,096	27,162	3	159
Prepayments (Note 27)	33,096	26,453	557	789
Receivables	78,289	142,245	22	-
	132,481	195,860	582	948
Less: Allowance for impairment	(12,565)	(11,695)	-	-
	119,916	184,165	582	948
Attributable of disposal group classified as held for sale (Note 32)	(421)	-	-	-
	119,495	184,165	582	948

Included in receivables are the following amounts due from related parties:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Sunway Technology Sdn. Bhd. Group	9	118	-	-
Sunway REIT (RHB Trustee Bhd)	256	-	-	-

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	
	2013 RM'000	2012 RM'000
At beginning of financial year	11,695	3,929
Charge for the year (Note 8)	956	11,670
Reversal of impairment losses (Note 6)	(86)	(4)
Written off	-	(3,900)
At end of financial year	12,565	11,695

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

29. 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.

30. AMOUNTS DUE FROM/(TO) JOINT VENTURES

The amounts due from/(to) joint ventures of the Group and of the Company are unsecured, non-interest bearing and the term of repayment is on demand.

31. CASH AND BANK BALANCES

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Cash at banks and on hand	393,705	470,959	1,421	517
Deposits with:				
Licensed banks	200,076	160,456	-	10,280
Other financial institutions	18,510	26,614	-	-
Placement in cash fund	837,643	539,461	434,071	-
	1,449,934	1,197,490	435,492	10,797
Less: Attributable to disposal group classified as held for sale (Note 32)	(1,116)	-	-	-
Cash and bank balances	1,448,818	1,197,490	435,492	10,797

Included in cash at banks of the Group are amounts of RM100,756,000 (2012: RM117,354,000) 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 2.86% (2012: 4.33%) and nil (2012: 2.69%) per annum respectively.

The average maturity of deposits with licensed banks and other financial institutions of the Group and of the Company are 20 days (2012: 56 days) and nil (2012: 30 days) respectively.

The average maturity of placement in cash fund of the Group and of the Company are 14 days (2012: 1 day) and 15 days (2012: nil) respectively. The weighted average interest rate of placement in cash fund of the Group and of the Company are 3.11% (2012: 3.17%) and 3.17% (2012: nil) per annum respectively.

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the reporting date:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Cash and bank balances	1,448,818	1,197,490	435,492	10,797
Bank overdrafts (Note 33)	(89,719)	(95,178)	-	-
Total cash and cash equivalents	1,359,099	1,102,312	435,492	10,797

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

32. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 18 May 2012, Sunway Holdings (Vietnam) Sdn. Bhd. ("SWHV"), a wholly-owned subsidiary of Sunway Holdings Sdn. Bhd. ("SHSB") which in turn is a wholly-owned subsidiary of the Company entered into an Equity Sale and Purchase Agreement ("ESPA 1") with Hatay Trading Production Construction Joint Stock Company for the disposal of 86% equity interest in Sunway Hatay Construction & Building Materials JV Co. Limited ("Sunway Hatay").

As at the end of the previous financial year, significant and substantive conditions precedent to the completion of the ESPA 1, which amongst others include obtaining the necessary approvals from the authorities in Vietnam, were unfulfilled. Management was unable to ascertain whether the sale would qualify for recognition as a completed sale within one year from the date of classification, and accordingly, the assets and liabilities of Sunway Hatay were not classified as held for sale as at 31 December 2012. During the current financial year, all conditions precedent to the completion of the ESPA 1 were duly fulfilled. Notwithstanding that all conditions precedent have been met, the sale has not qualified for recognition as there are certain significant costs to be incurred in respect of the transaction which cannot be measured reliably as at the reporting date. Such costs are currently being negotiated with the buyer which management expects to finalise by the next financial year. Accordingly, as at 31 December 2013, management has classified the assets and liabilities of Sunway Hatay as held for sale in accordance with the requirements of FRS 5.

On 28 November 2013, SWHV has entered into an Equity Sale and Purchase Agreement ("ESPA 2") with Huong Phong Tourism-Manufacturing-Trading Company Limited for the disposal of 70% equity interest in Sungei Way Ocean Joint Venture Company Limited ("Sungei Way Ocean").

As at 31 December 2013, certain conditions precedent of ESPA 2 were unfulfilled. However, management expects these conditions precedent to be met and completed during the financial year ending 31 December 2014. Accordingly, management has classified the assets and liabilities of Sungei Way Ocean as held for sale in accordance with the requirements of FRS 5.

The assets and liabilities of the companies classified as held for sale and the related reserves as at 31 December 2013 are as follows:

	Note	Group RM'000
Assets		
Non-current asset		
Property, plant and equipment	14	3,219
Current assets		
Inventories	26	3,209
Trade receivables	27	721
Other receivables	28	421
Cash and bank balances	31	1,116
		5,467
Assets of disposal group classified as held for sale		8,686
Liabilities		
Current liabilities		
Trade payables	39	459
Other payables	40	64,376
Liabilities of disposal group classified as held for sale		64,835
Reserve		
Foreign currency reserve		22,488

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

33. BORROWINGS

	Group		Company	
	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000
Short term borrowings				
Secured:				
Bank overdrafts	88,720	91,284	-	-
Bankers' acceptance	14,092	10,685	-	-
Term loans	884,647	1,099,125	494,100	919,004
Revolving credits	293,216	157,821	-	-
Commercial papers	-	1,106,805	-	-
Bills discounting	13,257	1,179	-	-
	1,293,932	2,466,899	494,100	919,004
Unsecured:				
Bank overdrafts	999	3,894	-	-
Bankers' acceptance	14,042	38,259	-	-
Term loans	77,039	58,076	-	-
Revolving credits	-	145,000	-	-
Block discount creditors	4,161	9,430	-	-
Commercial papers	600,000	200,000	600,000	200,000
Medium term notes	-	25,000	-	25,000
	696,241	479,659	600,000	225,000
	1,990,173	2,946,558	1,094,100	1,144,004
Long term borrowings				
Secured:				
Term loans	739,077	1,084,718	-	-
Unrated medium term notes	-	400,000	-	-
Medium term notes	5,000	-	-	-
	744,077	1,484,718	-	-
Unsecured:				
Term loans	45,914	127,931	-	-
Medium term notes	-	60,000	-	60,000
Block discount creditors	492	4,653	-	-
	46,406	192,584	-	60,000
	790,483	1,677,302	-	60,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

33. BORROWINGS (CONTD.)

	Note	Group		Company	
		2013	2012	2013	2012
		RM'000	RM'000	RM'000	RM'000
(Restated)					
Total borrowings					
Bank overdrafts	31	89,719	95,178	-	-
Term loans	(a)	1,746,677	2,369,850	494,100	919,004
Revolving credits	(b)	293,216	302,821	-	-
Medium term notes	(c)	5,000	85,000	-	85,000
Unrated medium term notes	(d)	-	400,000	-	-
Commercial papers		600,000	1,306,805	600,000	200,000
Bankers' acceptance		28,134	48,944	-	-
Block discount creditors	(e)	4,653	14,083	-	-
Bills discounting		13,257	1,179	-	-
		2,780,656	4,623,860	1,094,100	1,204,004

The weighted average interest rates per annum of borrowings that were effective as at reporting date were as follows:

	Group		Company	
	2013 %	2012 % (Restated)	2013 %	2012 %
Bank overdrafts	5.69	4.29	-	-
Term loans	3.99	4.37	3.76	4.49
Revolving credits	4.31	4.38	-	-
Medium term notes	4.37	4.08	-	4.08
Unrated medium term notes	-	3.97	-	-
Commercial papers	3.47	3.58	3.47	3.47
Bankers' acceptance	3.07	3.65	-	-
Block discount creditors	4.99	6.13	-	-
Bills payable	1.20	1.20	-	-

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.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

33. BORROWINGS (CONTD.)

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.

The currency profile of borrowings are as follows:

	Group		Company	
	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000
Ringgit Malaysia ("RM")	1,522,394	3,100,659	600,000	437,504
US Dollar ("USD")	1,158,927	1,396,777	494,100	766,500
Singapore Dollar ("SGD")	66,953	60,093	-	-
Renminbi ("RMB")	30,750	52,996	-	-
Australian Dollar ("AUD")	632	4,784	-	-
Trinidad and Tobago Dollar ("TTD")	-	4,318	-	-
Macau Pataca ("MOP")	-	4,233	-	-
Indonesian Rupiah ("INR")	1,000	-	-	-
	2,780,656	4,623,860	1,094,100	1,204,004

(a) The maturity of the term loans is as follows:

	Group		Company	
	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000
Not later than 1 year	961,686	1,157,201	494,100	919,004
Later than 1 year and not later than 2 years	86,079	317,126	-	-
Later than 2 years and not later than 3 years	349,134	530,979	-	-
Later than 3 years and not later than 4 years	79,166	34,365	-	-
Later than 4 years and not later than 5 years	50,123	84,222	-	-
Later than 5 years	220,489	245,957	-	-
	1,746,677	2,369,850	494,100	919,004

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

33. BORROWINGS (CONTD.)

- (b) The maturity of the revolving credits is as follows:

	Group	
	2013 RM'000	2012 RM'000
Not later than 1 year	293,216	302,821

- (c) The maturity of the medium term notes is as follows:

	Group		Company	
	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000
Not later than 1 year	-	25,000	-	25,000
Later than 1 year and not later than 2 years	-	30,000	-	30,000
Later than 2 years and not later than 3 years	-	30,000	-	30,000
Later than 5 years	5,000	-	-	-
	5,000	85,000	-	85,000

- (d) The maturity of the unrated medium term notes is as follows:

	Group		Company	
	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000
Later than 4 years and not later than 5 years	-	400,000	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

33. BORROWINGS (CONTD.)

(e) The maturity of the block discount creditors is as follows:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Not later than 1 year	4,161	9,430	-	-
Later than 1 year and not later than 2 years	492	4,161	-	-
Later than 2 years and not later than 3 years	-	492	-	-
	4,653	14,083	-	-

The secured borrowings of the Group are secured by legal charges as follows:

	Note	2013	2012
		RM'000	RM'000
Property, plant and equipment	14	178,135	147,863
Investment properties	16	558,618	518,160
Land held for development	18	71,368	109,736
Property development costs	25	1,086,811	819,362
		1,894,932	1,595,121

34. LONG TERM LIABILITIES

	Group	
	2013	2012
	RM'000	RM'000
Deferred income at end of financial year	19,367	23,874
To be recognised within 1 year (Note 40)	(1,714)	(1,921)
To be recognised after 1 year	17,653	21,953

Deferred income represents deferred timeshare membership fees which are to be recognised over the membership period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

35. ADVANCES BY MINORITY SHAREHOLDERS OF SUBSIDIARIES

Included in advances by minority shareholders of subsidiaries was contribution of RM136,384,000 (2012: RM129,274,000) 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% (2012: 5.50%) per annum shall be paid from the Distributable Profits of SSQSB to the extent practicable.

36. AMOUNTS DUE TO SUBSIDIARIES

	Company	
	2013 RM'000	2012 RM'000
Interest bearing amounts	-	10,225
Non-interest bearing amounts	516	832
Total amounts due to subsidiaries (Note 39)	516	11,057

The amounts due to subsidiaries are unsecured, interest free and repayable on demand. Interest bearing amounts in prior year were unsecured, bore interest at rates ranging from 1.50% to 3.07% per annum and were fully settled during the financial year.

37. HIRE PURCHASE AND FINANCE LEASE LIABILITIES

	Group	
	2013 RM'000	2012 RM'000
Future minimum lease payments:		
Not later than 1 year	11,248	9,403
Later than 1 year and not later than 2 years	4,066	8,238
Later than 2 years and not later than 3 years	247	3,165
Later than 3 years and not later than 4 years	60	5
Total future minimum lease payments	15,621	20,811
Less: Future finance charges	(815)	(1,307)
Present value of finance lease liabilities	14,806	19,504

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

37. HIRE PURCHASE AND FINANCE LEASE LIABILITIES (CONTD.)

	Group	
	2013 RM'000	2012 RM'000
Analysis of present value of finance lease liabilities:		
Not later than 1 year	10,573	8,402
Later than 1 year and not later than 2 years	3,957	7,978
Later than 2 years and not later than 3 years	217	3,120
Later than 3 years and not later than 4 years	59	4
	14,806	19,504
Less: Amount due within 12 months	(10,573)	(8,402)
Amount due after 12 months	4,233	11,102

The hire purchase and finance lease liabilities of the Group attract interest at rates ranging from 1.90% to 7.94% (2012: 2.55% to 8.70%) per annum.

38. DEFERRED TAX

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
At beginning of financial year	19,528	23,248	-	(338)
Recognised in profit or loss (Note 11)	16,629	(3,581)	-	338
Acquisition of subsidiaries	36	-	-	-
Effects of a former subsidiary becoming a joint venture	(108)	-	-	-
Exchange differences	168	(139)	-	-
At end of financial year	36,253	19,528	-	-
Presented after appropriate offsetting as follows:				
Deferred tax assets	(37,741)	(33,718)	-	-
Deferred tax liabilities	73,994	53,246	-	-
	36,253	19,528	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

38. DEFERRED TAX (CONTD.)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group:

	Unused 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 2012	(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)
Recognised in profit or loss	6,617	-	(4,839)	(4,561)	38	738	(2,007)
Acquisition of subsidiaries	-	-	-	-	36	-	36
Effect of a former subsidiary becoming a joint venture	-	-	-	-	-	33	33
Exchange differences	-	-	-	-	-	101	101
At 31 December 2013	(22,028)	(15,845)	(9,025)	(8,596)	(82)	(8,090)	(63,666)

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 2012	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
Recognised in profit or loss	-	2,366	(3,470)	16,138	3,602	18,636
Effect of a former subsidiary becoming a joint venture	-	(141)	-	-	-	(141)
Exchange differences	-	50	-	-	17	67
At 31 December 2013	5,276	32,667	-	57,722	4,254	99,919

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

38. DEFERRED TAX (CONTD.)

Deferred tax asset of the Company:

	Unabsorbed capital allowances RM'000
At 1 January 2012	(338)
Recognised in profit or loss	321
At 31 December 2012/31 December 2013	(17)

Deferred tax liability of the Company:

	Property, plant and equipment RM'000
At 1 January 2012	-
Recognised in profit or loss	17
At 31 December 2012/31 December 2013	17

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Unused tax losses	266,263	246,629	-	616
Unabsorbed capital allowances	53,627	54,019	-	202
Unused investment tax allowances	240,638	250,854	-	-
Other deductible temporary differences	148,473	142,441	1,060	1,363
	709,001	693,943	1,060	2,181

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

38. DEFERRED TAX (CONTD.)

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 Malaysian Income Tax Act, 1967 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 or capital allowances were ascertained with those on the first day of the basis period in which the unabsorbed losses or 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.

39. TRADE PAYABLES

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Trade payables	890,597	950,556	-	-
Amounts due to customers on contracts (Note 41)	121,593	116,092	-	-
Amounts due to contractors and consultants	113,934	51,346	-	-
Progress billings in respect of property development costs	24,495	32,722	-	-
	1,150,619	1,150,716	-	-
Less: Attributable to disposal group classified as held for sale (Note 32)	(459)	-	-	-
Total trade payables	1,150,160	1,150,716	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

39. TRADE PAYABLES (CONTD.)

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Total trade payables	1,150,160	1,150,716	-	-
Total other payables (Note 40)	1,115,215	990,130	25,430	22,915
Add: Amounts due to subsidiaries (Note 36)	-	-	516	11,057
Add: Amounts due to associates	1,596	30	-	-
Add: Amounts due to joint ventures	79,428	-	-	-
Add: Advances by minority shareholders of subsidiaries	136,454	130,033	-	-
Less: Amounts due to customers on contracts (Note 41)	(121,593)	(116,092)	-	-
Less: Progress billings in respect of property development costs	(24,495)	(32,722)	-	-
Less: Deferred income (Note 40)	(1,714)	(1,921)	-	-
Add: Hire purchase and finance lease liabilities (Note 37)	14,806	19,504	-	-
Add: Total borrowings (Note 33)	2,780,656	4,623,860	1,094,100	1,204,004
Total financial liabilities carried at amortised cost	5,130,513	6,763,538	1,120,046	1,237,976

Included in trade payables are the following amount due to a related party:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Sunway Technology Sdn. Bhd. Group	710	25	-	-

The amount due to related party is unsecured and non-interest bearing. The relationship with the above related party is as disclosed in Note 53.

The normal trade credit terms granted to the Group range from 1 day to 180 days (2012: 1 day to 180 days).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

40. OTHER PAYABLES

	Note	Group		Company	
		2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000
Non-current					
Payables	(a)	294,610	296,046	-	-
Current					
Payables	(a), (b)	331,727	362,174	229	519
Amounts due to contractors and consultants	(b)	26,243	585	-	-
Accruals		504,065	269,616	25,201	22,396
Refundable deposits		21,232	59,788	-	-
Deferred income	(c), 34, 39	1,714	1,921	-	-
		884,981	694,084	25,430	22,915
Attributable to disposal group classified as held for sale	32	(64,376)	-	-	-
		820,605	694,084	25,430	22,915
Total other payables (Note 39)		1,115,215	990,130	25,430	22,915

(a) Included in payables is an amount of RM295,028,000 (2012: RM269,798,000) 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 other payables is the following amount due to a related party:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Sunway Technology Sdn. Bhd. Group	-	200	-	-

The relationship with the above related party is as disclosed in Note 53.

(c) Deferred income of the Group represents deferred timeshare membership fees.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

41. CONSTRUCTION CONTRACTS

	Group	
	2013 RM'000	2012 RM'000
Costs incurred to date	6,036,102	4,843,683
Accrued profits to date	1,008,062	691,308
Total costs and accrued profits to date	7,044,164	5,534,991
Progress billings to date	(7,132,907)	(5,588,411)
	(88,743)	(53,420)
Amounts due from customers on contracts (Note 27)	(32,850)	(62,672)
Amounts due to customers on contracts (Note 39)	121,593	116,092
	-	-
Advances received on contracts (included in payables)	31,282	31,282
Retention sums (Note 27)	159,273	149,243

42. DERIVATIVES

	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000
Group			
As at 31 December 2013			
Non-hedging derivatives:			
Non-current			
Interest rate swap	10,921	-	(66)
Hedging derivatives:			
Cash flow hedges			
Non-current			
Cross currency swap	384,128	22,955	-
Current			
Forward currency contract	9,840	510	(142)
Cross currency swap	718,470	18,771	-
	728,310	19,281	(142)
Total derivatives	1,123,359	42,236	(208)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

42. DERIVATIVES (CONTD.)

	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000
Group			
As at 31 December 2012			
Non-hedging derivatives:			
Non-current			
Interest rate swap	18,184	-	(204)
Hedging derivatives:			
Cash flow hedges			
Non-current			
Cross currency swap	555,243	2,058	(1,496)
Current			
Cross currency swap	828,875	12,203	(197)
Total derivatives	1,402,302	14,261	(1,897)
Company			
As at 31 December 2013			
Hedging derivatives:			
Cash flow hedges			
Current			
Cross currency swap	484,200	6,947	-
As at 31 December 2012			
Hedging derivatives:			
Cash flow hedges			
Current			
Cross currency swap	752,250	12,203	-

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% (2012: 4.06%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

42. DERIVATIVES (CONTD.)

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 RM219,000 (2012: net gain of RM256,000) arising from fair value changes of derivatives.

43. SHARE CAPITAL

		Group/Company			
		Number of shares of RM1 each		Amount	
		Note	2013 '000	2012 '000	2013 RM'000
Authorised					
Ordinary shares of RM1 each:					
At beginning/end of financial year			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	1,292,505
Issued during the financial year:					
- pursuant to rights issue	(a)	430,869	-	430,869	-
- pursuant to exercise of warrants	(a), (b)	116	-	116	-
- pursuant to ESOS	(a), (c)	34	-	34	-
At end of financial year			1,292,505	1,723,524	1,292,505

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

43. SHARE CAPITAL (CONTD.)

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.

- (a) During the financial year, the Company increased its issued and paid-up ordinary share capital from RM1,292,505,004 to RM1,723,523,759 by way of issuance of:
- (i) 115,120 new ordinary shares of RM1 each pursuant to the exercise of Warrants 2011/2016 at an exercise price of RM2.80 per ordinary share for cash;
 - (ii) 430,868,877 new ordinary shares of RM1 each pursuant to the renounceable rights issue on the basis of 1 rights share for every 3 existing ordinary shares of RM1 each held in the Company ("Rights Issue") at a price of RM1.70 per ordinary share for cash;
 - (iii) 558 ordinary shares of RM1 each pursuant to the exercise of Warrants 2011/2016 at an exercise price of RM2.50 per ordinary share for cash; and
 - (iv) 34,200 new ordinary shares of RM1 each pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM2.76 per ordinary share for cash.

The new ordinary shares issued during the financial year rank *pari passu* in all respects with the existing ordinary shares of the Company.

- (b) In the previous financial years, the Company had issued 258,501,000 free warrants on the basis of one (1) free warrant for every five (5) ordinary shares of RM1 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 each in the Company at an exercise price of RM2.80 per ordinary share for every warrant held.

On 6 August 2013, the Company issued 31,232,424 additional warrants in accordance with the Deed Poll dated 28 June 2011 pursuant to the Rights Issue. Consequently, the exercise price of the warrants has been adjusted to RM2.50 per ordinary share.

During the financial year, 115,678 new ordinary shares of RM1 each were issued pursuant to the exercise of warrants for the equivalent numbers by the registered holders.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

43. SHARE CAPITAL (CONTD.)

- (c) The Sunway Berhad's Employees' Share Option Scheme ("the Scheme") was implemented on 3 September 2013 and is governed by the by-laws approved by the shareholders on 27 June 2013. The Scheme is for eligible employees (including Executive Directors) of the Company and its subsidiaries.

The main features of the Scheme are:

- (i) The total number of new shares to be offered shall not exceed 10% of the issued and paid-up share capital of the Company at the time of the offer of options under the Scheme;
- (ii) Only eligible Executive Directors and employees of the Company and of the Group will be eligible to participate in the Scheme;
- (iii) The price payable upon exercise of an option granted under the Scheme shall be the higher of:
 - the 5-day volume weighted average market price of the underlying shares as at the date of the offer, and at the discretion of the committee appointed by the Board to administer the Scheme ("Committee"), with either a:
 - > premium; or
 - > discount of not more than 10% (or such lower or higher limit in accordance with any prevailing guidelines, rules or regulations issued by Bursa Malaysia Securities Berhad or any other relevant authorities); or
 - the par value of the Company's shares;
- (iv) The duration of the Scheme is 6 years from the date of its commencement;
- (v) The number of options to be offered to an eligible employee in accordance with the Scheme shall be determined based on, inter alia, the eligible employee's position within the Group, fulfillment of the eligibility criteria, work performance and/or such other factors as the Committee deems fit and the offer shall be valid for acceptance by an employee for a period of 30 days from the date of offer; and
- (vi) The eligible employees shall be entitled to exercise such number of the vested options within the option period and he/she shall have no right to exercise all or any of the options that have been granted but not vested to him/her.

Options exercisable in a particular year but not exercised shall be carried forward to subsequent years within the option period provided that no options shall be exercised beyond the date of expiry of the Scheme.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

43. SHARE CAPITAL (CONTD.)

Details of share options granted, vested and exercised under the Scheme are as follows:-

(a) Options granted

Grant Date	Number of share options '000	Rejected '000	Forfeited '000	Exercised '000	Balance as at 31.12.2013 '000	Exercise price RM/Option	Exercise period
3.9.2013	133,564	(3,260)	(1,496)	(34)	128,774	2.76	3.9.2013 - 2.9.2019

(b) Options vested

Vesting date	Vested '000	Exercised '000	Forfeited '000	Exercisable as at 31.12.2013 '000
3.9.2013	29,993	(34)	(306)	29,653

Share options exercised during the financial year resulted in the issuance of 34,200 ordinary shares at an option price of RM2.76 each.

The fair value of share options measured at grant date and the assumptions used are as follows:

	2013
Exercise price of option offered (RM)	2.76
Weighted average share price (RM)	2.84
Expected life (years)	4
Expected volatility (%)	30.99%
Expected dividend yield (%)	3.40%

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the options were incorporated into the measurement of fair value.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

44. SHARE PREMIUM

	Note	Group/Company	
		2013 RM'000	2012 RM'000
At beginning of financial year		2,326,509	2,326,509
Arising from issuance of new ordinary shares:			
- pursuant to rights issue	43 (a)	301,608	-
- pursuant to exercise of warrants	43 (b)	208	-
- pursuant to ESOS	43 (c)	79	-
At end of financial year		2,628,404	2,326,509

45. EQUITY CONTRIBUTION FROM NON-CONTROLLING INTERESTS

The equity contribution represents advances from the minority shareholder to a subsidiary of the Group, namely Sunway Velocity Mall Sdn. Bhd. ("SVMSB"), where the terms and conditions, including whether any interest is to be paid thereon, and if so the rate of such interest, and the manner and time for repayment are to be decided by SVMSB.

Accordingly, the contribution has been classified and presented as an equity instrument.

46. 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 SunCity and SHSB as at the acquisition date. Further details on the merger exercise are disclosed in Note 48.

47. RESERVES

		Group		Company	
	Note	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000
Non-distributable reserves:					
Capital reserve	(a)	34,137	34,137	-	-
Capital redemption reserve	(b)	99,062	98,963	-	-
Statutory reserve	(c)	879	879	-	-
Revaluation reserve	(d)	25,881	22,357	-	-
Share option reserve	(e)	42,883	3,170	39,713	-
Equity contribution reserve	(f)	21,712	21,712	-	-
Cash flow hedge reserve	(g)	1,307	(131)	(2,952)	(2,047)
Furniture and fittings reserve	(h)	5,288	1,697	-	-
Foreign currency translation reserve	(i)	(22,541)	(17,641)	-	-
Fair value reserve	(j)	-	-	(1,869)	4,462
Total non-distributable reserves		208,608	165,143	34,892	2,415
Distributable reserve:					
Retained earnings		1,885,661	571,044	98,813	105,835
		2,094,269	736,187	133,705	108,250

The movement in each category of reserves is disclosed in the statements of changes in equity.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

47. RESERVES (CONTD.)

The nature of each category of reserve are as follows:

(a) **Capital reserve**

Capital reserve represents 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 not distributable.

According to the Articles of Association of the subsidiaries, when distributing net profit of each year, the subsidiaries shall set aside 10% of its after tax profits for the statutory common reserve fund (except where the fund has reached 50% of the subsidiaries' registered capital) and 5% to 10% of after tax profits for the statutory common welfare fund. These reserves cannot be used for purposes other than those for which they are created and are not distributable as cash dividends.

(d) **Revaluation reserve**

Revaluation reserve represents increase in the fair value of land of an associated company.

(e) **Share option reserve**

The share option reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options.

(f) **Equity contribution reserve**

Equity contribution reserve represents the Group's share of joint ventures' and certain subsidiaries' other reserves. The other reserves arose from the difference between the fair value of the consideration received as advances from shareholders and the fair value of these advances.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

48. MERGER EXERCISE

On 18 August 2011, the Company acquired the entire businesses and undertakings, including all assets and liabilities of SHSB and SunCity (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 years to effect the above transaction has been reflected in the share capital of the Company as shown in Note 43. 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.

49. OPERATING LEASE AGREEMENTS

(a) The Group 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.

Prior to 31 October 2013, Sunway REIT was accounted for as a subsidiary of the Group due to the adoption of FRS 10. All lease agreements between Sunway REIT and the Group have been eliminated. Subsequent to the disposal of 20% equity interest in SRM and the establishment of a joint venture arrangement, the Group has accounted for SRM and Sunway REIT as a joint venture and an associate respectively.

The future minimum lease payments payable under the above non-cancellable operating leases and other non-cancellable operating leases of the Group contracted for as at the reporting date but not recognised as payables, are as follows:

	Group	
	2013 RM'000	2012 RM'000 (Restated)
Not later than 1 year	77,753	15,771
Later than 1 year and not later than 5 years	281,704	26,595
Later than 5 years	161,246	24,062
	520,703	66,428

(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	
	2013 RM'000	2012 RM'000 (Restated)
Not later than 1 year	54,664	270,797
Later than 1 year and not later than 5 years	189,059	381,002
Later than 5 years	338,825	370,890
	582,548	1,022,689

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 2013 (contd.)

50. CAPITAL COMMITMENTS

	Group	
	2013	2012
	RM'000	RM'000
		(Restated)
Capital expenditure:		
Approved and contracted for property, plant and equipment and investment properties	71,745	112,137
Approved but not contracted for property, plant and equipment and investment properties	635,582	1,213,986
	707,327	1,326,123

51. CONTINGENT LIABILITIES

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Unsecured:				
Guarantees given to third parties in respect of trade and contracts	2,125,176	2,984,633	566,416	1,198,447

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 RM47 million).

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

51. CONTINGENT LIABILITIES (CONTD.)

At the hearing on 2 February 2009, the arbitrator recorded SunCon's filing of the Statement of Defence and Counterclaim. In the counterclaim, SunCon is seeking for Rs781,394,628.61 (approximately equivalent to RM42 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.

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.

52. SIGNIFICANT INTER-COMPANY TRANSACTIONS

	Note	Company	
		2013	2012
		RM'000	RM'000
Dividends receivable from subsidiaries	4	152,109	124,225
Distribution of income from real estate investment trust	4	1,359	652
Interest receivable from subsidiaries	(i), 7	54,353	48,004
Management fees receivable from subsidiaries	4	68,824	56,550
Income receivable from back to back loan	6	821	1,754
IT and related expenses payable to a subsidiary		(1,274)	(1,245)
Insurance expenses payable to a subsidiary		(691)	(581)
Secretarial fees and share registration fees payable to a subsidiary		(614)	(463)
Accounting services fees payable to a subsidiary		(195)	(182)
Hotel and related expenses payable to a subsidiary		(261)	(113)
Parking and related services payable to subsidiaries		(2)	(86)
Air ticket and related services payable to a subsidiary		(152)	(79)
Interest payable to subsidiaries	(ii), 7	(576)	(58)
Medical services expenses payable to a subsidiary		(229)	(41)
Subscription and related expenses payable to a subsidiary		(7)	(28)

(i) The interest receivable arose from the amounts due from subsidiaries. Further details are disclosed in Note 20.

(ii) The interest payable arose from the amounts due to subsidiaries. Further details are disclosed in Note 36.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

53. 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	
		2013 RM'000	2013 RM'000 (Restated)
(a) Sunway Technology Sdn. Bhd. Group ("STSB Group")	Information systems products and consultancy fees	(2,176)	(891)
	Sales of financial and IT related services	93	121
	Rental of office equipment, motor vehicles and other related services	63	-
(b) Perbadanan Kemajuan Negeri Selangor ("PKNS") Group	Dividends paid	(43,240)	(30,000)
(c) Akitek Akiprima Sdn. Bhd.	Procurement of architectural related services	(106)	(262)
(d) Sunway Real Estate Investment Trust ("Sunway REIT") (RHB Trustee Bhd)	Lease of Sunway Resort Hotel & Spa	(10,785)	-
	Lease of Sunway Hotel Seberang Jaya	(670)	-
	Lease of Sunway Putra Hotel	(1,322)	-
	Leasing/rental of properties in respect of:		
	Sunway Medical Centre building	(3,167)	-
	Menara Sunway and accommodation for security staff	(3,389)	-
	Rental and management of car parks and related services	(2,757)	-
	Management services	1,431	-
	Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	13,893	-
(e) Jef-San Enterprise Sdn. Bhd.	Management services	-	1
	Financial and IT related services	-	1
	Provision of medical services	12	2
(f) Infra-Melia Sdn. Bhd.	Rendering of recreational club facilities, theme park, timesharing services and related services	11	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

53. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

(ii) The above parties are deemed related to the Group as follows:

- (a) Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling and Evan Cheah Yean Shin are directors of STSB Group. Evan Cheah Yean Shin is also a director in several subsidiaries of STSB. 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% shareholdings and by virtue of her spouse's interest in STSB Group. Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng and Evan Cheah Yean Shin are the spouse and child of Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling respectively.

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling is a director and major shareholder of the Company as well as director 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 PKNS Sdn. Bhd. (formerly known as 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 PKNS Sdn. Bhd. (formerly known as Sunway Damansara Sdn. Bhd.).
- (c) 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.

- (d) 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 2013 (contd.)

53. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

(ii) The above parties are deemed related to the Group as follows: (contd.)

- (e) 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.

- (f) Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng and Sarena Cheah Yean Tih are directors and major shareholders of Infra-Melia Sdn. Bhd..

Information regarding outstanding balances arising from related party transactions as at 31 December 2013 are disclosed in Note 27, Note 28, Note 39 and Note 40.

(iii) The remuneration of the directors and other members of key management during the financial year are as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Short-term employee benefits	27,787	25,354	15,349	14,002
Post-employment benefits:				
- Defined contribution plan	5,006	4,150	2,817	2,409
ESOS	13,882	-	9,090	-
	46,675	29,504	27,256	16,411

(iv) Included in the total key management personnel are:

	Group/Company	
	2013 RM'000	2012 RM'000
Directors' remuneration (Note 10)	25,672	16,031

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES

Details of the subsidiaries are as follows:

			% of ownership interest held by				
Name of companies		Country of incorporation	Principal activities	Group		Non-controlling interest	
				2013 %	2012 %	2013 %	2012 %
(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	-	-
	Sunway Treasury Sdn. Bhd.	Malaysia	Provision of financial services to the Group	100	100	-	-
	Sunway Lagoon Club Berhad (held in trust by Sunway City Sdn. Bhd.)	Malaysia	Recreational club facilities	84.07	84.07	15.93	15.93
	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 Sdn. Bhd. (formerly known as Sunway Medical Centre Berhad) (held in trust by Sunway City Sdn. Bhd.)	Malaysia	Operator of a medical centre	99.52	92.12	0.48	7.88
	Sunway Real Estate Investment Trust @	Malaysia	Investment in real estate	-	37.04	-	62.96

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group	Non-controlling interest		
			2013 %	2012 %	2013 %	2012 %
(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 Sdn. Bhd. (formerly known as Sunway Medical Centre Berhad)						
SunMed@Home Sdn. Bhd.	Malaysia	Dormant	99.52	92.12	0.48	7.88
SunMed Clinics Sdn. Bhd.	Malaysia	Provision of medical consultation services and facility services	99.52	92.12	0.48	7.88
(c) Subsidiary of Sunway Real Estate (China) Ltd.						
Sunway Guanghao Real Estate (Jiangyin) Co. Ltd. #	China	Property development	65	65	35	35
(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	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2013 %	2012 %	2013 %	2012 %
(d) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
SunwayMas Sdn. Bhd.	Malaysia	Property and housing development	100	100	-	-
Sunway VCP 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	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group	Non-controlling interest	2013	2012
			2013	2012	2013	2012
			%	%	%	%
(d) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
Sunway Risk Management Sdn. Bhd.	Malaysia	General and life insurance agency providing insurance underwriting and consultancy services	100	100	-	-
Sunway Management Sdn. Bhd.	Malaysia	Share registration and secretarial services	100	100	-	-
Sunway Land Sdn. Bhd. (In Liquidation)	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	Dormant	100	100	-	-
Shahawan (M) Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Galaxy Avenue Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway BPO Sdn. Bhd.	Malaysia	Provision of financial, accounting and information technology services	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2013 %	2012 %	2013 %	2012 %
(d) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
Sunway Shared Services Sdn. Bhd. (formerly known as Sunway ITSSC Sdn. Bhd.)	Malaysia	Provision of financial, accounting and information technology services	100	100	-	-
Sunway Supply Chain Enterprise Sdn. Bhd.	Malaysia	General traders dealing in timber, plywood, metal products, information and communication technology equipment, general plant and machineries and other general merchandise	100	100	-	-
Sunway Juarasama Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
ABS Land & Properties Berhad (In Liquidation)	Malaysia	Dormant	100	100	-	-
Sunway Quarry Industries Sdn. Bhd.	Malaysia	Manufacturing and supplying of premix, quarry operations to carry out contract works for civil projects	100	100	-	-
Sunway Pipeplus Technology Sdn. Bhd.	Malaysia	Trading 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	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2013 %	2012 %	2013 %	2012 %
(d) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
Sunway Quarry (Kuala Kangsar) Sdn. Bhd.	Malaysia	To sell or otherwise deal in stones, aggregates, premix or other construction related products	100	100	-	-
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	100	-	-
Sunway Credit Sdn. Bhd.	Malaysia	Provision of finance through hire purchase	100	100	-	-
Fortuna Gembira Enterpris Sdn. Bhd.	Malaysia	Investment holding	100	100	-	-
Twinnors (Malaysia) Sdn. Bhd. #	Malaysia	Quarry concession holder	60	-	40	-
Sunway Cavity Wall Panel Sdn. Bhd.	Malaysia	Manufacturing and marketing of cavity wall panel	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2013 %	2012 %	2013 %	2012 %
(d) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
Sunway Cavity Wall Panel (S) Pte. Ltd. #	Singapore	Manufacturing and marketing of cavity wall panel	100	100	-	-
Sunway Quarry Industries (Melaka) Sdn. Bhd. #	Malaysia	Granite quarrying	100	100	-	-
Sunway Captive Insurance Ltd.	Malaysia	To carry on business as a captive insurer	100	100	-	-
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	0.10	0.10

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2013 %	2012 %	2013 %	2012 %
(d) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
PT Sunway Quarry Indonesia #	Indonesia	Dormant	95	95	5	5
Amalan Insaf (M) Sdn. Bhd. #	Malaysia	Struck off pursuant to Section 308 of the Companies Act, 1965	-	100	-	-
Sunway Global Limited #	Hong Kong	Investment holding and provision of management services	98.75	98.75	1.25	1.25
(e) Subsidiary of Sunway Leasing Sdn. Bhd.						
SWL Nominees (Tempatan) Sdn. Bhd.	Malaysia	Provision of shares nominee services	100	-	-	-
(f) 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	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

			% of ownership interest held by				
Name of companies		Country of incorporation	Principal activities	Group		Non-controlling interest	
				2013 %	2012 %	2013 %	2012 %
(f)	Subsidiaries of Sunway Construction Sdn. Bhd. (contd.)						
	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	100	82.60	-	17.40
	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	20	20
	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	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group	2012	Non-controlling interest	
					2013	2012
			2013 %	%	%	%
(f) Subsidiaries of Sunway Construction Sdn. Bhd. (contd.)						
Sunway Creative Stones Sdn. Bhd.	Malaysia	Trading of construction materials and general contract work	70	70	30	30
Sunway GD Piling Sdn. Bhd.	Malaysia	Dormant	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	30	30
Sun-Block (Batang Kali) Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway Transit System Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway Precast Industries Sdn. Bhd.	Malaysia	Manufacturing precast concrete building components and undertaking of precast concrete building contracts	100	100	-	-
Sunway Dimension Stones Sdn. Bhd.	Malaysia	Investment properties	100	-	-	-
Sunway Construction (S) Pte. Ltd. #	Singapore	Dormant	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group 2013 %	2012 %	Non-controlling interest 2013 %	2012 %
(g) Subsidiary of Sunway Industrial Products Sdn. Bhd.						
Sunway Concrete Products (S) Pte. Ltd. #	Singapore	Manufacturing and sale of precast concrete building components	100	100	-	-
(h) 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	-	-
(i) Subsidiary of Sunway Developments Pte. Ltd.						
Sunway Land Pte. Ltd. #	Singapore	Real estate developers and building contractor NEC ⁺	100	100	-	-
(j) Subsidiary 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	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2013 %	2012 %	2013 %	2012 %
(k) Subsidiaries of Sunway Machineries Services Sdn. Bhd.						
Sunway PMI-Pile Construction Sdn. Bhd. (In Liquidation)	Malaysia	Dormant	99.40	99.40	0.60	0.60
Sunway SK Sdn. Bhd.	Malaysia	Construction of building and civil works	100	100	-	-
(l) Subsidiary of Sunway Engineering Sdn. Bhd.						
Sunway Smartek Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
(m) Subsidiary of Sunway Geotechnics (M) Sdn. Bhd.						
Sunway Geotechnics (S) Pte. Ltd. #	Singapore	Providing geotechnical services and related products	100	100	-	-
(n) 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	-	-
Sunway Rawang Heights Sdn. Bhd.	Malaysia	Property development	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

			% of ownership interest held by			
Name of companies	Country of incorporation	Principal activities	Group		Non-controlling interest	
			2013 %	2012 %	2013 %	2012 %
(n) Subsidiaries of SunwayMas Sdn. Bhd. (contd.)						
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	20	20
Sunway Termuning Sdn. Bhd.	Malaysia	Property and housing development	80	80	20	20
Virgo Rhythm Sdn. Bhd.	Malaysia	Property and housing development	100	100	-	-
Sunway Eastwood Sdn. Bhd.	Malaysia	Property and housing development	70	70	30	30
Geneba Dua Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway PJ51A Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Daksina Harta Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
(o) Subsidiary of Sunway Quarry Industries Sdn. Bhd.						
Sunway Quarry Industries (Taiping) Sdn. Bhd.	Malaysia	Quarry operation	100	100	-	-
(p) Subsidiaries of Sunway Marketing Sdn. Bhd.						
Sunway Marketing (East Malaysia) Sdn. Bhd.	Malaysia	Trading in hoses and fittings and industrial products	85	85	15	15
Sunway Hose Centre Sdn. Bhd.	Malaysia	Trading in hoses and fittings and hose assembly	85	85	15	15

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2013 %	2012 %	2013 %	2012 %
(p) Subsidiaries of Sunway Marketing Sdn. Bhd. (contd.)						
Sunway Architectural Products Sdn. Bhd.	Malaysia	Trading in architectural and finishing products	85	85	15	15
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	40	40
Sunway Enterprise (1988) Sdn. Bhd.	Malaysia	Trading and hiring of heavy machinery and spares	100	100	-	-
Sunway Hydraulic Industries Sdn. Bhd.	Malaysia	Importation and trading of hydraulic fittings	100	100	-	-
(q) Subsidiaries of Sunway Marketing (S) Pte. Ltd.						
PT Sunway Marketing Indonesia #	Indonesia	Dormant	100	100	-	-
Sunway Marketing (Shanghai) Pte. Ltd. #	China	Dormant	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2013 %	2012 %	2013 %	2012 %
(q) Subsidiaries of Sunway Marketing (S) Pte. Ltd. (contd.)						
PT Sunway Trek Masindo #	Indonesia	Trading in hose and fittings, hose assembly and heavy equipment parts	100	100	-	-
Sunway Marketing (Thailand) Ltd. #	Thailand	Trading in hose and fittings, hose assembly and heavy equipment parts	100	100	-	-
Sunway TotalRubber Ltd. (formerly known as 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	100	100	-	-
PT Sunway Pacific Flow #	Indonesia	Manufacturing of specialty hoses	100	-	-	-
(r) 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	14	14

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2013 %	2012 %	2013 %	2012 %
(r) Subsidiaries of Sunway Holdings (Vietnam) Sdn. Bhd. (contd.)						
Sungei Way Ocean Joint Venture Ltd. #	Vietnam	Quarrying and production of building stones	70	70	30	30
Realty Investments (HB) Inc. #	Panama	Investment holding	100	100	-	-
(s) Subsidiary of Realty Investments (HB) Inc.						
Hang Bai Office Complex JVC #	Vietnam	Dormant	74	74	26	26
(t) Subsidiary of Sunway VCP Sdn. Bhd.						
Sunway Pipe Inspection and Repair Services Centre Sdn. Bhd.	Malaysia	Struck off pursuant to Section 308 of the Companies Act, 1965	-	100	-	-
(u) Subsidiaries of Sunway Paving Solutions Sdn. Bhd.						
Sun-Block (Senai) Sdn. Bhd. (In Liquidation)	Malaysia	Dormant	100	100	-	-
Sun-Block (Beranang) Sdn. Bhd. (In Liquidation)	Malaysia	Dormant	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by				
			Group		Non-controlling interest		
			2013 %	2012 %	2013 %	2012 %	
(v) Subsidiary of ABS Land & Properties Berhad							
Coral-White Sdn. Bhd.	Malaysia	Wound-up pursuant to creditors' voluntary winding-up	-	100	-	-	
(w) Subsidiaries of Sunway Global Limited							
Sunway Building Materials (Shanghai) Co. Ltd. #	China	Manufacturing, sale and marketing of interlocking pavers	98.75	98.75	1.25	1.25	
Sunway Building Materials (Dongguan) Co. Ltd. #	China	Manufacturing, sale and marketing of interlocking pavers	-	98.75	-	1.25	
Sunway Spun Pile (Zhuhai) Co. Ltd. #	China	Design, manufacture and sale of pretensioned spun concrete piles	79	79	21	21	
Sunway GD Foundation Engineering Co. Ltd. #	Macau	To carry out foundation and construction works	59.25	59.25	40.75	40.75	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2013 %	2012 %	2013 %	2012 %
(w) Subsidiaries of Sunway Global Limited (contd.)						
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	77	77	23	23
Sunway Trading (Shanghai) Pte. Ltd. #	China	Trading and distribution of hoses and couplings, machineries, spare parts and related items	98.75	98.75	1.25	1.25
Sunway Daechang Forging (Anhui) Co. Ltd. #	China	Manufacturing and assembling of undercarriage components, trading, providing design, consultancy services, repair and maintenance	59.25	59.25	40.75	40.75

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

			% of ownership interest held by			
Name of companies	Country of incorporation	Principal activities	Group		Non-controlling interest	
			2013 %	2012 %	2013 %	2012 %
(x)	Subsidiaries of Sunway Enterprise (1988) Sdn. Bhd.					
PT Sunway Indoquip #	Indonesia	Trading and hiring of heavy machinery and spares	100	100	-	-
Heng Ngai Knitting Manufacturer Sdn. Bhd. (In Liquidation)	Malaysia	Dormant	100	100	-	-
(y)	Subsidiaries of Sunway GD Foundation Engineering Co. Ltd. #					
Shanghai Xinhetai Construction Ltd. #	China	To undertake the business of foundation engineering	41.48	41.48	58.52	58.52
Splendid Era Sdn. Bhd. #	Malaysia	To carry out foundation and construction works and renting of machineries	59.25	59.25	40.75	40.75
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	59.25	59.25	40.75	40.75

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by				
			Group		Non-controlling interest		
			2013 %	2012 %	2013 %	2012 %	
(y)	Subsidiaries of Sunway GD Foundation Engineering Co. Ltd. # (contd.)						
	PT Sunway Construction Engineering #	Indonesia	To carry out foundation and construction works	32.59	32.59	67.41	67.41
(z)	Subsidiary of Shanghai Xinhetai Construction Ltd.						
	Shanghai Sunway Geotechnics Engineering Co. Ltd. #	China	Undertake geotechnical and foundation engineering through contracting construction projects, installation, leasing and renting of machineries and equipment, marketing and distribution of building materials related products	41.48	41.48	58.52	58.52
(aa)	Subsidiary of Sunway Trading (Shanghai) Pte. Ltd.						
	Sunway International Trading (Tianjin) Pte. Ltd. #	China	Trading in hoses and fittings and providing technical consultancy advisory services	98.75	98.75	1.25	1.25

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by				
			Group		Non-controlling interest		
			2013 %	2012 %	2013 %	2012 %	
(ab) Subsidiaries of Sunway TotalRubber Ltd. (formerly known as TotalRubber Ltd.)							
Sunway TotalRubber Services Franchising Pty. Ltd. (formerly known as 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	20	20	
SunwayTrek Australia Pty. Ltd. #	Australia	Importer and distributor of heavy equipment parts	100	100	-	-	
(ac) 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	Hotelier	100	100	-	-	
Sunway City (Penang) Sdn. Bhd.	Malaysia	Property development, provision of property management services and investment holding	100	100	-	-	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group	2012	Non-controlling interest	
					2013	2012
			2013 %	%	%	%
(ac) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Konsep Objektif (M) Sdn. Bhd.	Malaysia	Investment holding	70	70	30	30
Sunway Pyramid Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
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	-	-
Sunway Travel Sdn. Bhd.	Malaysia	Travel and tour businesses and investment holding	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	Investment holding	100	100	-	-
Sunway FSSC Sdn. Bhd.	Malaysia	Provision of financial, accounting and information technology services	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2013 %	2012 %	2013 %	2012 %
(ac) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Sunway City (Cambodia) Sdn. Bhd.	Malaysia	Investment holding	76	76	24	24
Sunway City (Ipoh) Sdn. Bhd.	Malaysia	Property development and investment holding	79.02	79.02	20.98	20.98
Sunway PKNS Sdn. Bhd. (formerly known as Sunway Damansara Sdn. Bhd.)	Malaysia	Property development and investment holding	60	60	40	40
Sunway Leisure Sdn. Bhd.	Malaysia	Ice rink operator and car park management	100	100	-	-
Sunway Semenyih Sdn. Bhd.	Malaysia	Property development	70	70	30	30
Sunway Tunas Sdn. Bhd.	Malaysia	Property development	100	100	-	-
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	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group	2012	Non-controlling interest	
					2013	2012
			2013 %	%	%	%
(ac) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Sunway Facility Management Sdn. Bhd.	Malaysia	Building facilities management and provision of management services	100	100	-	-
Sunway IFM Sdn. Bhd.	Malaysia	Building facilities management	100	100	-	-
Sunway City (JB) Sdn. Bhd.	Malaysia	Property development	80	80	20	20
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	-	-
Sunway International Vacation Club Berhad	Malaysia	Management of timeshare memberships	100	100	-	-
Sunway MUSC Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Sunway Healthy Lifestyle Sdn. Bhd.	Malaysia	Management of healthcare programmes	100	100	-	-
Sunway Residence Sdn. Bhd.	Malaysia	Property investment and hotel operation	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2013 %	2012 %	2013 %	2012 %
(ac) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Sunway Leisure Services Sdn. Bhd.	Malaysia	Operation of travel and tour businesses and 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	Deregistered by the Companies Registry of Hong Kong	-	100	-	-
Sunway City India Private Limited #	India	Property development and investment holding	100	100	-	-
Sunway REM Sdn. Bhd. (formerly known as Sunway Tower 2 Sdn. Bhd.)	Malaysia	Dormant	100	100	-	-
Sunway Ambience Sdn. Bhd.	Malaysia	Property investment	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group	2012	Non-controlling interest	
					2013	2012
			2013 %	%	%	%
(ac) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Sunway Rahman Putra Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway Pals Loyalty Sdn. Bhd. (formerly known as Sunway Direct Sdn. Bhd.)	Malaysia	Customer loyalty schemes	100	100	-	-
Sunway Pinnacle Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
SunCity Vietnam Sdn. Bhd.	Malaysia	Investment holding	100	100	-	-
Sunway Labuan Investment Ltd.	Malaysia	Investment holding	100	100	-	-
Sunway Forum Hotel Sdn. Bhd. (formerly known as Sunway Pyramid Hotel Sdn. Bhd.)	Malaysia	Hotel operator	100	100	-	-
Sunway Kiara Sdn. Bhd. (formerly known as Warisan Kerjasama Sdn. Bhd.)	Malaysia	Dormant	100	100	-	-
Sunway 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	-	-
Sunway Supercar Resort Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway Putra Hotel Sdn. Bhd.	Malaysia	Hotelier	100	100	-	-
Sunway Mall Sdn. Bhd.	Malaysia	Struck off pursuant to Section 308 of the Companies Act, 1965	-	100	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2013 %	2012 %	2013 %	2012 %
(ac) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Sunway Velocity Mall Sdn. Bhd.	Malaysia	Property investment	59	59	41	41
Pena Enterprise Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway Mall Parking Sdn. Bhd.	Malaysia	Car park operator	100	100	-	-
Sunway Parking Services Sdn. Bhd.	Malaysia	Car park management	100	100	-	-
Logic Square Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Ekuiti Meranti (M) Sdn. Bhd.	Malaysia	Investment holding	100	100	-	-
Sunway D'Mont Kiara Sdn. Bhd.	Malaysia	Property development	88	88	12	12
Sunway Southern Management Sdn. Bhd. (formerly known as Prosper Generation Sdn. Bhd.)	Malaysia	Management company	100	-	-	-
Deco Style Sdn. Bhd. #	Malaysia	Specialist contractor in renovation of commercial projects	100	-	-	-
Sunway Design Sdn. Bhd. #	Malaysia	An interior decorator and contractor	80	-	20	-
Winning Desire Sdn. Bhd.	Malaysia	Dormant	100	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group	2012	Non-controlling interest	
					2013	2012
			2013 %	%	%	%
(ad) Subsidiaries of Sunway City (Penang) Sdn. Bhd.						
Fame Parade Sdn. Bhd.	Malaysia	Letting, management of departmental stores and property development	100	100	-	-
Era Primision Sdn. Bhd.	Malaysia	Letting, management of departmental stores and property development	100	100	-	-
Commercial Parade Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway Hotel (Seberang Jaya) Sdn. Bhd.	Malaysia	Hotelier	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	100	-	-
(ae) Subsidiary of Konsep Objektif (M) Sdn. Bhd.						
Sunway Hotel Phnom Penh Ltd. #	Cambodia	Hotel business	52.5	52.5	47.5	47.5
(af) Subsidiaries of Sunway Lagoon Sdn. Bhd.						
Eastern Glory Enterprises Limited *	British Virgin Islands	Investment holding	45	45	55	55
Sunway Townhouse Sdn. Bhd.	Malaysia	Property development and letting of property	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2013 %	2012 %	2013 %	2012 %
(af) Subsidiaries of Sunway Lagoon Sdn. Bhd. (contd.)						
Sunway South Quay Sdn. Bhd.	Malaysia	Property development	60	60	40	40
Frontier Acres Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
(ag) Subsidiaries of Sunway South Quay Sdn. Bhd.						
Sunway Monash-U Residence Sdn. Bhd.	Malaysia	Property investment	60	60	40	40
Prosper Revenue Sdn. Bhd.	Malaysia	Property development	60	-	40	-
(ah) 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	Dormant	100	100	-	-
(ai) Subsidiary of SunCity Vietnam Sdn. Bhd.						
Hochimex Nominee Company Limited #	Hong Kong	Investment holding	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2013 %	2012 %	2013 %	2012 %
(aj) Subsidiary of Hochimex Nominee Company Limited						
Sunway Hotel Hanoi Liability Limited Company with One Member #	Vietnam	Hotel business	100	100	-	-
(ak) Subsidiary of Sunway City (Cambodia) Sdn. Bhd.						
Sunway City Cambodia Limited #	Cambodia	Dormant	60.8	60.8	39.2	39.2
(al) Subsidiaries of Sunway City (Ipoh) Sdn. Bhd.						
Kinta Sunway Resort Sdn. Bhd.	Malaysia	Property investment and hotel owner and operator	79.02	79.02	20.98	20.98
Objektif Ekuiti (M) Sdn. Bhd.	Malaysia	Dormant	79.02	79.02	20.98	20.98
Peluang Klasik (M) Sdn. Bhd.	Malaysia	Dormant	79.02	79.02	20.98	20.98
Sunway Lost World Water Park Sdn. Bhd.	Malaysia	Development and operation of a water theme park	79.02	79.02	20.98	20.98
Lagoon Fantasy Sdn. Bhd.	Malaysia	Dormant	79.02	79.02	20.98	20.98
Semangat Kancil (M) Sdn. Bhd.	Malaysia	Dormant	79.02	79.02	20.98	20.98

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

			% of ownership interest held by				
Name of companies		Country of incorporation	Principal activities	Group		Non-controlling interest	
				2013 %	2012 %	2013 %	2012 %
(al)	Subsidiaries of Sunway City (Ipoh) Sdn. Bhd. (contd.)						
	Ganda Antik Sdn. Bhd.	Malaysia	Dormant	79.02	79.02	20.98	20.98
	Sunway Hotel Services (Ipoh) Sdn. Bhd.	Malaysia	Dormant	79.02	79.02	20.98	20.98
	Sunway Lost World Hotel Sdn. Bhd.	Malaysia	Hotel business	79.02	79.02	20.98	20.98
(am)	Subsidiaries of Sunway PKNS Sdn. Bhd. (formerly known as Sunway Damansara Sdn. Bhd.)						
	Imbasan Intisari Sdn. Bhd.	Malaysia	Property development	60	60	40	40
	Tidal Elegance Sdn. Bhd.	Malaysia	Property development	60	60	40	40
	Park Symphony Sdn. Bhd.	Malaysia	Property development	60	60	40	40
	Pan Unicreation Sdn. Bhd.	Malaysia	Dormant	60	60	40	40
	Winning Excellence Sdn. Bhd.	Malaysia	Dormant	60	60	40	40
	Laudable Generations Sdn. Bhd.	Malaysia	Dormant	60	60	40	40
	Contemporary Deal Sdn. Bhd.	Malaysia	Dormant	60	60	40	40
	Contemporary Factor Sdn. Bhd.	Malaysia	Dormant	60	60	40	40
	Petikan Tropika Sdn. Bhd.	Malaysia	Dormant	60	60	40	40
	Sunway Giza Mall Sdn. Bhd.	Malaysia	Letting and management of a shopping complex	60	60	40	40
	Sunway Giza Parking Sdn. Bhd.	Malaysia	Property investment	60	60	40	40

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

54. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2013 %	2012 %	2013 %	2012 %
(am) Subsidiaries of Sunway						
PKNS Sdn. Bhd. (formerly known as Sunway Damansara Sdn. Bhd.) (contd.)						
Sumber Dorongan Sdn. Bhd.	Malaysia	Dormant	60	60	40	40
Anggaran Salju Sdn. Bhd.	Malaysia	Dormant	60	60	40	40
Bisikan Seni Sdn. Bhd.	Malaysia	Property development	60	60	40	40
Emerald Freight Sdn. Bhd.	Malaysia	Property development	60	60	40	40
Sunway Monterez Sdn. Bhd.	Malaysia	Property development	60	60	40	40
(an) Subsidiaries of Eastern Glory Enterprises Limited						
Hartford Lane Pty. Ltd. #	Australia	Trustee	45	45	55	55
International Theme Park Pty. Ltd. #	Australia	Investment holding	45	45	55	55
(ao) Subsidiaries of International Theme Park Pty. Ltd.						
Sunway Australia Unit Trust #	Australia	Unit trust	45	45	55	55
Sydney Theme Park Pty. Limited # (In liquidation)	Australia	Dormant	45	45	55	55
(ap) 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'.

* Sunway Lagoon Sdn. Bhd. controls the composition of the board of directors of Eastern Glory Enterprises Limited.

¥ Deregistered by the Companies Registry of Hong Kong with effect from 8 January 2013.

@ Inclusive of 36.53% held by Sunway REIT Holdings Sdn. Bhd.. The Group has deemed Sunway REIT a subsidiary of the Group in prior year as explained in Note 2.2.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

55. 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	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Fixed rate instruments				
Financial assets	220,895	95,131	-	10,280
Financial liabilities	(931,667)	(1,121,029)	(494,100)	(85,000)
	(710,772)	(1,025,898)	(494,100)	(74,720)
Variable rate instruments				
Financial assets	1,006,090	748,754	1,869,306	1,280,224
Financial liabilities	(1,863,795)	(3,522,335)	(600,000)	(1,129,229)
	(857,705)	(2,773,581)	1,269,306	150,995

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 33% (2012: 24%) of the Group's borrowings are at fixed rates of interest.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

55. FINANCIAL INSTRUMENTS (CONTD.)

(b) Interest rate risk (contd.)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.

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
<u>25 basis points increase</u>				
Variable rate instruments	(2,144)	(6,934)	3,173	377
<u>25 basis points decrease</u>				
Variable rate instruments	2,144	6,934	(3,173)	(377)

(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 12% (2012: 16%) of the Group's sales are denominated in foreign currencies whilst almost 13% (2012: 16%) of costs are denominated in the respective functional currencies of the Group entities.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

55. FINANCIAL INSTRUMENTS (CONTD.)

(c) Foreign currency risk (contd.)

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 RM175 million (2012: RM166 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.

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 Company, with all other variables held constant.

	Group		Company	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	Profit	Profit	Profit	Profit
	net of tax	net of tax	net of tax	net of tax
	RM'000	RM'000	RM'000	RM'000
SGD/RM				
- strengthened 0.4% (2012: 1%)	87	264	1	-
- weakened 0.4% (2012: 1%)	(87)	(264)	(1)	-
USD/RM				
- strengthened 1% (2012: 2%)	11,711	(5,019)	5,001	-
- weakened 1% (2012: 2%)	(11,711)	5,019	(5,001)	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

55. FINANCIAL INSTRUMENTS (CONTD.)

(c) Foreign currency risk (contd.)

	Group		Company	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	Profit	Profit	Profit	Profit
	net of tax	net of tax	net of tax	net of tax
	RM'000	RM'000	RM'000	RM'000
RMB/RM				
- strengthened 2% (2012: 0.1%)	405	(45)	-	-
- weakened 2% (2012: 0.1%)	(405)	45	-	-
IR/RM				
- strengthened 1% (2012: 2%)	106	264	-	-
- weakened 1% (2012: 2%)	(106)	(264)	-	-
TTD/RM				
- strengthened 7% (2012: 3%)	(753)	367	-	-
- weakened 7% (2012: 3%)	753	(367)	-	-
AUD/RM				
- strengthened 2% (2012: 4%)	707	1,239	-	-
- weakened 2% (2012: 4%)	(707)	(1,239)	-	-
AED/RM				
- strengthened 7% (2012: 2%)	259	148	-	-
- weakened 7% (2012: 2%)	(259)	(148)	-	-
INR/RM				
- strengthened 26% (2012: 4%)	(856)	177	-	-
- weakened 26% (2012: 4%)	856	(177)	-	-

(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.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

55. FINANCIAL INSTRUMENTS (CONTD.)

(d) Liquidity risk (contd.)

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 2013				
Financial liabilities:				
Trade payables (excluding amounts due to customers on contracts, progress billings in respect of property development costs)	1,004,072	-	-	1,004,072
Amounts due to associates	1,596	-	-	1,596
Amounts due to joint ventures	79,428	-	-	79,428
Advances by minority shareholders of subsidiaries	-	146,773	-	146,773
Other payables (excluding deferred income)	818,891	174,745	119,865	1,113,501
Borrowings	2,031,314	824,432	5,255	2,861,001
Derivatives- settled net	142	66	-	208
Total undiscounted financial liabilities	3,935,443	1,146,016	125,120	5,206,579

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

55. 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 2012				
Financial liabilities:				
Trade payables (excluding amounts due to customers on contracts, progress billings in respect of property development costs)	1,001,902	-	-	1,001,902
Amounts due to associates	30	-	-	30
Advances by minority shareholders of subsidiaries	-	147,461	-	147,461
Other payables (excluding deferred income)	692,163	221,518	74,528	988,209
Borrowings	2,968,740	1,532,998	245,958	4,747,696
Derivatives - settled net	197	1,700	-	1,897
Total undiscounted financial liabilities	4,663,032	1,903,677	320,486	6,887,195

(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 2013 (contd.)

55. 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 2013		Group 2012	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	957,172	85.73%	949,321	82.33%
Singapore	69,170	6.20%	109,279	9.48%
China	43,165	3.86%	37,783	3.28%
Trinidad and Tobago	9,619	0.86%	14,469	1.25%
India	12,033	1.08%	12,348	1.07%
Australia	9,113	0.82%	10,020	0.87%
Indonesia	8,928	0.80%	8,811	0.76%
Thailand	4,209	0.38%	3,784	0.33%
United Arab Emirates	15	0.00%	3,484	0.30%
Vietnam	751	0.07%	1,571	0.14%
United States of America	1,344	0.12%	1,230	0.11%
Others	893	0.08%	922	0.08%
	1,116,412	100.00%	1,153,022	100.00%
By segment:				
Property development	271,376	24.31%	277,704	24.08%
Property investment	27,215	2.44%	44,486	3.86%
Construction	592,937	53.11%	603,151	52.31%
Trading and marketing	103,023	9.23%	101,896	8.84%
Quarry	49,148	4.40%	65,073	5.64%
Others	72,713	6.51%	60,712	5.27%
	1,116,412	100.00%	1,153,022	100.00%

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

55. 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 2013		
Financial assets		
Finance lease receivables (Non-current)	1,998	2,116
Hire purchase receivables (Non-current)	307	309
Financial liabilities		
Finance lease and hire purchase obligations (Non-current)	4,233	4,034
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

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

55. FINANCIAL INSTRUMENTS (CONTD.)

(f) Fair values (contd.)

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)	27
Other receivables (current)	28
Amounts due from/(to) associates	29
Amounts due from/(to) joint ventures	30
Borrowings (current)	33
Borrowings (non current - variable rate)	33, 55(b)
Advances by minority shareholders of subsidiaries	35
Trade payables (current)	39
Other payables (current)	40

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

55. FINANCIAL INSTRUMENTS (CONTD.)**(f) Fair values (contd.)**

The Company provides financial guarantees to financial institutions for borrowings amounting to RM1,514,416,000 (2012: RM941,456,000) 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) non-current borrowings at fixed rate because of the lack of market information of comparable instruments with similar characteristic and risk profile.

56. FAIR VALUE MEASUREMENT

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 (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2

Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3

Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

56. FAIR VALUE MEASUREMENT (CONTD.)

The following table provides the fair value measurement hierarchy of the Group's assets:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
At 31 December 2013				
Investment properties (Note 16):				
Commercial properties	-	332,295	333,647	665,942
Education properties	-	158,948	401,200	560,148
Hotel properties	-	94,161	-	94,161
Leisure properties	-	1,723	12,107	13,830
Residential properties	-	379,327	-	379,327
Other properties	-	89,550	-	89,550
	-	1,056,004	746,954	1,802,958

At 31 December 2012

Investment properties (Note 16):				
Commercial properties	-	239,969	144,348	384,317
Education properties	-	80,827	350,218	431,045
Hotel properties	-	42,936	-	42,936
Leisure properties	-	1,723	11,770	13,493
Residential properties	-	356,613	-	356,613
REIT properties	-	-	3,536,567	3,536,567
Other properties	-	14,118	-	14,118
	-	736,186	4,042,903	4,779,089

Fair value reconciliation of investment properties measured at Level 3

At 31 December 2013	Leisure RM'000	Commercial RM'000	Education RM'000	REIT RM'000	Total RM'000
At 1 January 2013	11,770	144,348	350,218	3,536,567	4,042,903
Re-measurement					
recognised in profit or loss	320	37,166	13,373	170,872	221,731
Additions from acquisition	17	-	17,006	-	17,023
Additions from subsequent expenditure	-	152,128	31,807	74,207	258,142
Transfers	-	5	(11,204)	-	(11,199)
Effect of a former subsidiary becoming an associate	-	-	-	(3,781,646)	(3,781,646)
At 31 December 2013	12,107	333,647	401,200	-	746,954

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

56. FAIR VALUE MEASUREMENT (CONTD.)

At 31 December 2013	Leisure RM'000	Commercial RM'000	Education RM'000	REIT RM'000	Total RM'000
Group					
Unrealised gains for the period included in profit or loss (recognised in other operating expenses)	320	37,166	13,373	170,872	221,731

Description of valuation techniques used and key inputs to valuation on investment properties measured at Level 3:

Property category	Valuation technique	Significant unobservable inputs	Range (Weighted Average)
Commercial	Investment method	Estimated rental value per square feet per month	RM2.61 - RM87.50
		Estimated rental value per parking bay per month	RM122.18
		Estimated outgoings per square feet per month	RM1.63 - RM67.69
		Estimated outgoings per parking bay per month	RM32.54
		Void allowance	3.0%
		Market yield rate	6.5% - 8.0%
		Discount rate	7.0%

Comparison method

Under the comparison method, a property's fair value is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold. All investment properties valued using the comparison method are categorised as Level 2 in the fair value hierarchy.

Investment method

A property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. As an accepted method within the income approach to valuation, the investment method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the real property.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

56. FAIR VALUE MEASUREMENT (CONTD.)

Investment method (contd.)

The duration of the cash flow and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related lease up periods, re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. In the case of investment properties, periodic cash flow is typically estimated as gross income less vacancy, non recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating incomes, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increases/(decreases) in estimated rental value and outgoings per annum in isolation would result in a significant higher/(lower) fair value of the properties. Significant increases/(decreases) in market yield and discount rate in isolation would result in a significantly lower/(higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate.

Comparison/cost method

The comparison/cost method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property.

The land is valued by reference to transactions of similar lands in surrounding with adjustments made for differences in location, terrain, size and shape of the land, tenure, title restrictions, if any and other relevant characteristics.

Completed buildings are valued by reference to the current estimates on constructional costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction, finishes contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of obsolescence and existing physical condition of the building.

Buildings under construction are valued by reference to the total development costs incurred to date plus profits.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

56. FAIR VALUE MEASUREMENT (CONTD.)

The following table provides the fair value hierarchy for financial instruments:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
At 31 December 2013				
Financial asset				
Derivatives	-	42,236	-	42,236
Financial liability				
Derivatives	-	(208)	-	(208)
At 31 December 2012				
Financial asset				
Derivatives	-	14,261	-	14,261
Financial liability				
Derivatives	-	(1,897)	-	(1,897)
Company				
At 31 December 2013				
Financial assets				
Derivatives	-	6,947	-	6,947
Quoted shares	26,747	-	-	26,747
	26,747	6,947	-	33,694
At 31 December 2012				
Financial assets				
Derivatives	-	12,203	-	12,203
Quoted shares	21,278	-	-	21,278
	21,278	12,203	-	33,481

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

57. 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 monitor 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	
		2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000
Borrowings	33	2,780,656	4,623,860	1,094,100	1,204,004
Less: Cash and bank balances	31	(1,448,818)	(1,197,490)	(435,492)	(10,797)
Net debt		1,331,838	3,426,370	658,608	1,193,207
Equity attributable to owners of the parent		5,328,299	3,214,815	4,485,633	3,727,264
Gearing ratio		25%	107%	15%	32%

58. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

58. SEGMENT INFORMATION (CONTD.)

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: (contd.)

- (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.

58. 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:

At 31 December 2013										
Revenue										
Sales to external customers	1,167,078	578,275	1,621,656	586,784	197,716	-	363,904	-	206,016	4,721,429
Inter-segment sales	131	34,244	219,603	195,422	5,542	312,511	37,513	(804,966)	-	-
Total revenue	1,167,209	612,519	1,841,259	782,206	203,258	312,511	401,417	(804,966)	206,016	4,721,429
Results										
Operating profit/(loss)	228,973	109,917	30,870	46,735	21,164	(9,837)	24,642	-	1,357,030	1,809,494
Fair value gain on derivatives	-	-	-	-	-	-	-	-	708	708
Finance income	2,617	1,840	1,632	-	778	18,864	10,346	-	1,473	37,550
Finance costs	(9,810)	(64,444)	(1,604)	(3,318)	-	-	(3,001)	-	(55,806)	(137,983)
Share of results of associates	2	78,674	-	(80)	-	-	376	-	(65,327)	13,645
Share of results of joint ventures	125,114	1,488	50,357	-	-	-	-	-	-	176,959
Profit before tax	346,896	127,475	81,255	43,337	21,942	9,027	32,363	-	1,238,078	1,900,373
Income tax expense	(53,357)	(25,675)	(23,842)	(10,104)	(6,206)	(2,051)	(6,429)	-	(9,374)	(137,038)
Net profit for the year	293,539	101,800	57,413	33,233	15,736	6,976	25,934	-	1,228,704	1,763,335
Non-controlling interests	(50,057)	(3,097)	2,044	(699)	-	292	907	-	(222,354)	(272,964)
Attributable to owners of the parent	243,482	98,703	59,457	32,534	15,736	7,268	26,841	-	1,006,350	1,490,371
C										

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

58. SEGMENT INFORMATION (CONTD.)

Business segments (contd.)

	Property development RM'000	Property investment RM'000	Trading and manufacturing RM'000	Quarry RM'000	Investment holdings RM'000	Others RM'000	Eliminations RM'000	Non-core items RM'000	Note	Total RM'000
At 31 December 2013 (contd.)										
Assets										
Segment assets	3,243,839	2,323,449	415,205	165,936	911,449	148,279	-	-		8,487,807
Investments in associates	2	1,336,008	(88)	-	-	56,791	-	-		1,392,713
Investments in joint ventures	783,099	110,956	-	-	-	-	-	-		912,182
Unallocated assets										308,859
Total assets										11,101,561
Liabilities										
Segment liabilities	1,452,572	331,722	188,158	50,739	2,142,161	195,986	-	-		5,281,583
Unallocated liabilities										174,779
Total liabilities										5,456,362
Other segment information										
Capital expenditure	4,565	494,222	5,302	6,815	472	31,190	-	-	B	619,328
Depreciation and amortisation	2,167	52,555	2,086	8,762	932	14,819	-	-		137,046

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

58. SEGMENT INFORMATION (CONTD.)

Business segments (contd.)

At 31 December 2012										
	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 (Restated)	Non-core items RM'000 (Restated)	Note Total RM'000 (Restated)
Revenue										
Sales to external customers	910,198	585,159	1,274,864	558,709	196,898	6,992	316,396	-	279,623	4,128,839
Inter-segment sales	100	78,289	183,454	128,496	4,418	189,733	49,291	(760,400)	126,619	A -
Total revenue	910,298	663,448	1,458,318	687,205	201,316	196,725	365,687	(760,400)	406,242	4,128,839
Results										
Operating profit/(loss)	187,021	120,738	36,846	45,023	12,156	(37,100)	16,853	-	461,061	842,598
Fair value gain on derivatives	-	-	-	-	-	-	-	-	380	380
Finance income	4,533	7,034	7,284	636	514	-	2,708	-	1,476	24,185
Finance costs	(2,906)	(76,914)	(3,406)	(4,066)	(497)	(5,418)	(6,350)	-	(72,515)	(172,072)
Share of results of associates	5	75,275	-	-	-	-	511	-	(75,223)	568
Share of results of joint ventures	119,347	-	24,640	-	-	-	-	-	-	143,987
Profit/(loss) before tax	308,000	126,133	65,364	41,593	12,173	(42,518)	13,722	-	315,179	839,646
Income tax (expense)/benefit	(60,251)	(28,042)	(17,953)	(11,324)	(8,920)	11,075	(5,641)	-	5,674	(115,382)
Net profit/(loss) for the year	247,749	98,091	47,411	30,269	3,253	(31,443)	8,081	-	320,853	724,264
Non-controlling interests	(44,603)	(1,706)	(6,950)	100	-	1,212	(784)	-	(232,723)	(285,454)
Attributable to owners of the parent	203,146	96,385	40,461	30,369	3,253	(30,231)	7,297	-	88,130	C 438,810

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

58. SEGMENT INFORMATION (CONTD.)

Business segments (contd.)

At 31 December 2012 (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	Non-core items RM'000	Note	Total RM'000
Assets											
Segment assets	2,646,567	6,390,741	1,241,084	370,489	186,749	365,238	279,641	-	-	-	11,480,509
Investments in associates	850	903	-	-	-	-	52,881	-	-	-	54,634
Investments in joint ventures	503,430	-	13,022	-	-	-	-	-	-	-	516,452
Unallocated assets											312,101
Total assets											12,363,696
Liabilities											
Segment liabilities	1,308,813	2,356,155	969,049	146,584	60,711	1,655,986	440,825	-	-	-	6,938,123
Unallocated liabilities											74,261
Total liabilities											7,012,384
Other segment information											
Capital expenditure	6,148	274,270	79,751	4,850	4,081	2,821	30,753	-	-	B	402,674
Depreciation and amortisation	1,362	60,587	30,661	5,520	12,066	532	27,247	-	-	-	137,975

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

58. 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 parent 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 2013					
Malaysia	4,146,257	1,685,344	1,561,612	1,290,121	7,006,765
Singapore	294,327	177,421	167,038	167,038	845,581
China	112,962	(14,344)	(14,981)	(10,376)	355,004
India	53	(3,470)	(3,504)	(3,504)	33,554
Australia	57,782	8,469	8,302	3,804	57,687
Abu Dhabi	18,157	39,735	39,735	39,352	30,092
Other countries	91,891	7,218	5,133	3,936	159,124
	4,721,429	1,900,373	1,763,335	1,490,371	8,487,807
At 31 December 2012					
Malaysia	3,456,321	686,799	586,884	311,686	10,135,713
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
	4,128,839	839,646	724,264	438,810	11,480,509

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:

	2013 RM'000	2012 RM'000 (Restated)
Property, plant and equipment	161,873	198,933
Biological assets	514	340
Investment properties	456,941	203,401
	619,328	402,674

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

58. SEGMENT INFORMATION (CONTD.)

Note Nature of eliminations to arrive at amounts reported in the consolidated financial statements (contd.)

C Non-core items are the results arising from the non-operational activities. Details breakdown as below:

At 31 December 2013									
Revenue	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	Total RM'000	
Consolidation adjustment due to adoption of FRS 10	-	206,016	-	-	-	-	-	206,016	
Results									
Consolidation adjustment due to adoption of FRS 10	-	225,243	-	-	-	-	-	225,243	
Fair value gain on remeasurement of the retained interest upon change in control:									
- in a jointly venture (Note 19)	-	108,370	-	-	-	-	-	108,370	
- in an associate (Note 19)	-	661,254	-	-	-	-	-	661,254	
Fair value gain/(loss) from investment properties	(1,835)	187,097	3,132	-	-	-	-	188,394	
Fair value gain arising from investment properties from Sunway REIT prior to becoming an associate	-	59,697	-	-	-	-	-	59,697	
Gain on disposal of SRM	-	27,093	-	-	-	-	-	27,093	
Net gain on disposal of assets to Sunway REIT	-	-	-	-	-	-	5,667	5,667	
Fair value gain on derivatives/gain on derecognition of financial assets/liabilities	-	-	369	-	-	339	-	708	
Share-based payment arising from ESOS	(2,714)	(5,836)	(7,730)	(2,116)	(1,278)	(11,579)	(7,095)	(38,348)	
Profit before tax	(4,549)	1,262,918	(4,229)	(2,116)	(1,278)	(11,240)	(1,428)	1,238,078	
Income tax (expense)/benefit:									
- Consolidation adjustment due to adoption of FRS 10	-	(10,000)	-	-	-	-	-	(10,000)	
- Others	(46)	1,027	(360)	-	-	-	5	626	
Net (loss)/profit for the year	(4,595)	1,253,945	(4,589)	(2,116)	(1,278)	(11,240)	(1,423)	1,228,704	
Non-controlling interests:									
- Consolidation adjustment due to adoption of FRS 10	-	(215,243)	-	-	-	-	-	(215,243)	
- Others	-	(7,071)	-	-	-	-	(40)	(7,111)	
Attributable to owners of the parent	(4,595)	1,031,631	(4,589)	(2,116)	(1,278)	(11,240)	(1,463)	1,006,350	

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

58. SEGMENT INFORMATION (CONTD.)

Note Nature of eliminations to arrive at amounts reported in the consolidated financial statements (contd.)

C Non-core items are the results arising from the non-operational activities. Details breakdown as below: (contd.)

	Property development RM'000	Property investment RM'000	Construction RM'000	Trading and manufacturing RM'000	Investment holdings RM'000	Others RM'000	Total RM'000
At 31 December 2012 (restated)							
Revenue							
Consolidation adjustment due to adoption of FRS 10	-	279,624	-	-	-	-	279,624
Results							
Consolidation adjustment due to adoption of FRS 10	-	116,704	-	-	-	-	116,704
Fair value (loss)/gain from investment properties	(488)	17,398	4,066	2,781	-	-	23,757
Fair value gain arising from investment properties from Sunway REIT prior to becoming an associate	-	76,516	-	-	-	-	76,516
Net gain on disposal of assets to Sunway REIT	-	-	-	-	-	97,822	97,822
Fair value gain on derivatives/gain on derecognition of financial assets/liabilities	-	-	16	-	364	-	380
(Loss)/profit before tax	(488)	210,618	4,082	2,781	364	97,822	315,179
Income tax (expense)/benefit:							
- Consolidation adjustment due to adoption of FRS 10	-	10,000	-	-	-	-	10,000
- Others	(58)	5,732	-	-	-	(10,000)	(4,326)
Net (loss)/profit for the year	(546)	226,350	4,082	2,781	364	87,822	320,853
Non-controlling interests:							
- Consolidation adjustment due to adoption of FRS 10	-	(218,519)	-	-	-	-	(218,519)
- Others	-	(1,809)	-	-	-	(12,395)	(14,204)
Attributable to owners of the parent	(546)	6,022	4,082	2,781	364	75,427	88,130

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

59. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Renounceable rights issue of up to 594,552,301 new ordinary shares of RM1.00 each in Sunway Berhad ("Rights Shares") and 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 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 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 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 renounee(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 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.

The 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

59. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTD.)

Renounceable rights issue of up to 594,552,301 new ordinary shares of RM1.00 each in Sunway Berhad (“Rights Shares”) and establishment of an Employees’ Share Option Scheme (“ESOS”) (contd.)

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 numbers 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 ESOS, which is 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 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 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

59. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTD.)

Renounceable rights issue of up to 594,552,301 new ordinary shares of RM1.00 each in Sunway Berhad ("Rights Shares") and establishment of an Employees' Share Option Scheme ("ESOS") (contd.)

The Board believes the implementation of the ESOS would align the interests of the Eligible Persons with the Company's effort to enhance its shareholders' value.

On 20 May 2013, the Board had decided to amend the total number of ESOS Shares to an amount not exceeding the aggregate of 10% of the total issued and paid-up share capital of Sunway, instead of 15%, which was disclosed in the earlier announcement.

On 21 May 2013, the Company submitted an additional listing application for the following and this was approved by Bursa Securities vide its letter dated 5 June 2013 (which was received on 6 June 2013):

- (i) listing of up to 568,702,201 Rights Shares;
- (ii) listing of such number of ESOS Shares, representing up to 10% of the issued and paid-up ordinary share capital of Sunway (excluding treasury shares);
- (iii) listing of up to 31,252,439 additional Sunway Warrants arising from the Rights Issue; and
- (iv) listing of up to 31,252,439 additional Sunway Shares arising from the exercise of Additional Sunway Warrants.

The above approval are subject to the following conditions:

- (1) The Company and RHB Investment Bank must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities ("Listing Requirements") pertaining to the implementation of the Rights Issue;
- (2) The Company and RHB Investment Bank to inform Bursa Securities upon the completion of the Proposed Rights Issue;
- (3) The Company to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue is completed;
- (4) RHB Investment Bank is required to submit a confirmation to Bursa Securities of full compliance of the ESOS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in general meeting;
- (5) The Company is required to furnish Bursa Securities on a quarterly basis a summary of the total number of ESOS Shares listed as at the end of each quarter together with a details computation of listing fees payable; and
- (6) The Company is to comply with Paragraph 6.56(1) of the Listing Requirements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

59. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTD.)

Renounceable rights issue of up to 594,552,301 new ordinary shares of RM1.00 each in Sunway Berhad (“Rights Shares”) and establishment of an Employees’ Share Option Scheme (“ESOS”) (contd.)

In addition, the Controller of Foreign Exchange of Bank Negara Malaysia has taken note, vide its letter dated 5 June 2013 (which was received on 6 June 2013), of the issuance of Additional Sunway Warrants to be issued to the non-resident holders pursuant to adjustments in accordance with the provisions of the Deed Poll as a result of the Proposed Rights Issue and any Additional Sunway Warrants to be issued from time to time arising from any adjustments made pursuant to the provisions of the Deed Poll.

As at the close of acceptance, excess application and payment for the Rights Issue at 5.00 p.m. on 30 July 2013, the Company had received valid acceptances and excess applications for a total of 571,048,371 Rights Shares. This represents an over subscription of approximately 32.53% over the total number of Rights Shares available under the Rights Issue. Accordingly, the excess Rights Shares will be allocated in accordance with the basis as stated in the abridged prospectus dated 15 July 2013 in relation to the Rights Issue.

On 13 August 2013, 430,868,877 Rights Shares and 31,232,424 Additional Sunway Warrants pursuant to the adjustments to the exercise price and the number of outstanding warrants 2011/2016 of Sunway Berhad in accordance with the Deed Poll dated 28 June 2011 governing the Sunway Warrants pursuant to the rights issue, were listed and quoted on the Main Market of Bursa Securities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

59. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTD.)

Renounceable rights issue of up to 594,552,301 new ordinary shares of RM1.00 each in Sunway Berhad ("Rights Shares") and establishment of an Employees' Share Option Scheme ("ESOS") (contd.)

The total gross proceeds raised from the Rights Issue amounted to RM732,477,000. The status of the utilisation of proceeds as at 31 December 2013 is as follow:

Details of utilisation	Approved utilisation RM'000	Actual utilisation RM'000	Balance unutilised RM'000	Timeframe for utilisation
Capital expenditure				
(i) Acquisition of land	170,000	28,903	141,097	Within 36 months
(ii) Development of investment properties	70,000	70,000	-	Within 30 months
(iii) Development costs for property development projects	70,000	70,000	-	Within 24 months
(iv) Acquisition of property, plant and equipment	90,000	55,328	34,672	Within 18 months
Repayment of existing borrowings	300,000	300,000	-	Within 12 months
General working capital of our Group	31,706	31,706	-	Within 12 months
Estimated expenses in relation to the Rights Issue	771	771	-	Within 6 months
	732,477	556,708	175,769	

As the full utilisation of the proceeds raised from the Rights Issue was not immediate and as part of the Group's efficient capital management to minimize funding cost and maximize interest income, the Group had immediately placed the unutilised funds with licensed financial institutions and money market funds and had also temporarily deployed to repay the Group's existing borrowings. In the coming quarters, our Group would drawdown on the credit facilities accorded to the Group and utilise the funds placed with the financial institutions or money market funds as and when the need arises for the approved utilisation purposes.

The ESOS has been implemented with effect from 3 September 2013.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

59. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTD.)Disposal of 20% equity interest in Sunway REIT Management Sdn. Bhd. (“SRM”)

On 14 August 2013, the Company entered into a Share Sale Agreement (“SSA”) with Millennium Pavilion Sdn. Bhd. (“MPSB”) for the purpose of disposing 200,000 ordinary shares of RM1 each, representing 20% of the issued and paid-up share capital of SRM to MPSB free from all encumbrances, claims, charges, liens and equities and with all rights attaching thereto at a total consideration of RM28,000,000 (“Proposed Disposal”). The purchase consideration was based on a price earnings ratio of 10 times based on 2012 earnings.

The Company has also on even date, entered into a Shareholders Agreement (“SA”) with MPSB for the purpose of regulating the relationship between the Company and MPSB as shareholders of SRM (“Proposed Joint Venture”).

There are no liabilities (including contingent liabilities and guarantees) to be assumed by the Company arising from the Proposed Disposal and Proposed Joint Venture.

The Proposed Joint Venture does not require approval from the shareholders of the Company or any relevant authorities. However, the Proposed Disposal is subject to approval/consent of the Securities Commission (“SC”).

Salient terms and conditions of the SSA

The completion of the Proposed Disposal is conditional upon the fulfillment of the following conditions within 3 months from the date of the SSA or such other date as may be mutually agreed to in writing between the Company and MPSB (“Cut-Off Date”):

- (i) SRM having obtained the approval of SC for the change in the shareholding of SRM vis-à-vis its continuing eligibility to be a management company of Sunway REIT, as a result of the Proposed Disposal pursuant to the Guidelines on Real Estate Investment Trust issued by SC; and
- (ii) SRM having obtained the approval of the SC for the change in the shareholding of SRM which results in a change in its controller pursuant to the Licensing Handbook issued by SC.

Salient terms and conditions of the SA

SA is subject to and conditional upon the completion of the Proposed Disposal under the SSA by the Cut-Off Date.

Upon completion of the Proposed Disposal, the shareholding of the Company and MPSB in SRM will be in the proportion of 80%:20%.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

59. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTD.)Disposal of 20% equity interest in Sunway REIT Management Sdn. Bhd. (“SRM”) (contd.)

The SA also provides that :

- (i) The Company shall be entitled to nominate and appoint four (4) directors whilst MPSB shall be entitled to nominate and appoint one (1) director in SRM;
- (ii) The decision over the adoption of and any variations to, the business plan of the SRM requires the approval by the board of SRM as a Directors’ Reserved Matter, which requires the affirmative votes of at least one (1) director representative each from the Company and MPSB; and
- (iii) The Company shall have the right to nominate chief financial controller and the asset managers of Sunway REIT for the approval of SRM’s board.

Rationale

The shareholders of MPSB comprise distinguished individuals namely Dato’ Lim Say Chong, Mr Oh Kim Sun and Mr Ng Sing Hwa with a wealth of experience in the property, banking and manufacturing industries. With their extensive experience in the corporate world and wide network of contacts, MPSB would be able to add value to SRM by providing additional leads for property acquisition as well as strategic insights at SRM’s board level as MPSB will be granted a seat on the board of SRM.

In addition, the Proposed Disposal will enable the Group to raise cash proceeds of RM28 million from the disposal consideration and realizes an immediate gain on disposal of RM26 million.

Subsequent to the Proposed Disposal, SRM and Sunway REIT will cease to be subsidiaries of the Group and therefore will cease to be consolidated under the new “Financial Reporting Standard 10 – Consolidated Financial Statements” which takes effect from 1 January 2013.

Effects of the Proposed Disposal and Proposed Joint Venture

The Proposed Disposal and Proposed Joint Venture will not have any effect on the share capital and substantial shareholders’ shareholding of the Company as they do not involve any allotment or issuance of new shares by the Company.

The following approvals for the Proposed Disposal had been obtained on 31 October 2013 from SC:

- (a) for the change in the shareholding of SRM vis-à-vis its continuing eligibility to be a management company of Sunway REIT, as a result of the Proposed Disposal pursuant to the Guidelines on Real Estate Investment Trust issued by SC; and
- (b) for the change in the shareholding of SRM which results in a change in its controller pursuant to the Licensing Handbook issued by SC.

The Proposed Disposal and Proposed Joint Venture were completed on 14 November 2013.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

59. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTD.)Disposal of equity interest of Sunway Building Materials (Dongguan) Co. Ltd. by Sunway Global Limited.

On 8 October 2013, Sunway Global Limited, a 98.75% owned subsidiary of Sunway Holdings Sdn. Bhd. which in turn is a wholly-owned subsidiary of the Company, had entered into an equity sale and purchase agreement with Hong Kong Cheung Hung Metal & Plastic Products Company Limited (“the Purchaser”) for the disposal of its 100% equity interest in Sunway Building Materials (Dongguan) Co. Ltd. (“Sunway Dongguan”) to the Purchaser for a total cash consideration of RMB7.5 million (equivalent to approximately RM3,975,000) [hereinafter referred to as “the Disposal”].

The approval for the Disposal by the relevant authorities in China was notified on 11 October 2013. The Disposal had been completed and Sunway Dongguan ceased to be a subsidiary of the Company as at reporting date.

Sunway Dongguan was incorporated in China on 29 July 2005 and has a total investment and registered capital of USD8.55 million and USD6.65 million respectively. The principal activities of Sunway Dongguan are manufacturing, sale and marketing of interlocking pavers in China.

The 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.

Proposed disposal of equity interest of Sungei Way Ocean Joint Venture Company Limited by Sunway Holdings (Vietnam) Sdn. Bhd.

Sunway Holdings (Vietnam) Sdn. Bhd., a wholly-owned subsidiary of Sunway Holdings Sdn. Bhd. which in turn is a wholly-owned subsidiary of the Company, had on 28 November 2013, entered into an equity sale and purchase agreement with Huong Phong Tourism-Manufacturing-Trading Company Limited (“the Purchaser”) for the disposal of its 70% equity interest in Sungei Way Ocean Joint Venture Company Limited (“Sungei Way Ocean”) to the Purchaser for a total cash consideration of USD1,000,000 (equivalent to approximately RM3,160,000) (based on the audited account of Sungei Way Ocean for the period ended 31 December 2012) [hereinafter referred to as “the Proposed Disposal”].

Upon the completion of the Proposed Disposal, Sungei Way Ocean will cease to be a subsidiary of the Company.

Sungei Way Ocean was incorporated in Vietnam on 15 January 1997 with a charter capital of USD2,733,000. The principal activities of Sungei Way Ocean are quarrying and production of building stones.

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 and has not been completed as at the date of this report.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

59. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTD.)

Subscription and Shareholders' Agreement between SunCity and Iskandar Assets Sdn. Bhd. in relating to the development of Pendas Land

Sunway City Sdn. Bhd. ("SunCity"), a wholly-owned subsidiary of the Company has on 4 December 2012, entered into a Subscription and Shareholders' Agreement ("SSA") with Iskandar Assets Sdn. Bhd. ("IASB"), a wholly-owned subsidiary of Iskandar Investment Berhad ("IIB") and Sunway Iskandar Development Sdn. Bhd. (formerly known as Harmony Impulse Sdn. Bhd.) ("SID") with the intention of establishing a joint venture via SID ("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 SunCity and IASB as shareholders of SID:

- (i) Land held under HSD 452850, PTD 75802, Mukim of Pulai, 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").

SID has also on even date, entered into two (2) Sale and Purchase Agreements ("SPAs") 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) SunCity and IASB agree to hold ordinary shares and redeemable preference shares in SID in the proportion of 60:40. The Company will provide a shareholder advance to SID equivalent to 60% of the amount of the deposits under the SPA to enable SID 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) SunCity and IASB agree that the balance purchase consideration for the Land will be funded in the following manner:
 - (i) SunCity and IASB to subscribe for new securities or zero coupon bonds or such other securities as may be agreed between the parties in SID free from all encumbrances and with all rights and benefits attaching thereto in the agreed proportion and/or SunCity and IASB to provide shareholders' loan in the proportion of 60:40; and
 - (ii) external financing.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

59. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTD.)

Subscription and Shareholders' Agreement between SunCity and Iskandar Assets Sdn Bhd in relating to the development of Pendas Land (contd.)

The total purchase consideration shall be satisfied by SID 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 SID 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, SunCity had on 23 January 2013 entered into a Supplemental Subscription and Shareholders' Agreement ("Supplemental SSA") with IASB and SID to amend the SSA to document the additional equity to be injected by SunCity and IASB into SID to finance part of the purchase price of the Second Plot.

SID 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 SunCity, IASB and SID to amend the terms and conditions of the SSA, to include the terms for the additional equity injection by SunCity and IASB for purposes of the acquisition of the Second Plot.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

59. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTD.)

Subscription and Shareholders' Agreement between SunCity and Iskandar Assets Sdn Bhd in relating to the development of Pendas Land (contd.)

Salient terms of the Supplemental SSA includes, inter-alia, the following:

- (a) SID 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; and
- (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 SID 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 within 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").

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

59. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTD.)

Proposed disposal of equity interest of Sunway GD Foundation Engineering Co. Ltd. (“Sunway GD”), by Sunway Global Limited (“Sunway Global”) (contd.)

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 activities 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 Sunway Holdings Sdn. Bhd., 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013 (contd.)

59. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTD.)

Subscription and Shareholders' Agreement between Sunway South Quay Sdn. Bhd., SEA Investment Four Pte. Ltd. and Prosper Revenue Sdn. Bhd. in relating to the development of Sunway Geo Residences

Sunway South Quay Sdn. Bhd. ("SSQ"), a subsidiary of SunCity, had on 23 October 2013, entered into a Subscription and Shareholders' Agreement ("SSA") with SEA Investment Four Pte. Ltd. ("SEAI4"), a wholly-owned subsidiary of Mitsui Fudosan (Asia) Pte. Ltd. and Prosper Revenue Sdn. Bhd. ("PRSB") for the purpose of regulating the relationship of SSQ and SEAI4 as the shareholders of PRSB in the conduct of the business and affairs of PRSB in relation to the proposed development and construction of 2 blocks of condominiums comprising an aggregate of 472 units known as Sunway Geo Residences Development and the sale of these units on the following land within the Sunway South Quay development with a total gross land measuring approximately 27,520 square metres:

- (a) Land held under PN81533 Lot No. 62640, Bandar Sunway, Daerah Petaling, Negeri Selangor measuring approximately 26,711 square metres; and
- (b) Land held under H.S(D) 222682 PT No. 885, Bandar Sunway, Daerah Petaling, Negeri Selangor measuring approximately 809 square metres (collectively, referred to as "the Land").

SSQ has also on even date, entered into a Sale and Purchase Agreement with Sunway Lagoon Sdn. Bhd. ("SLSB"), SSQ's holding company and PRSB whereby PRSB agrees to acquire the Land and SSQ as the beneficial owner agrees to sell the Land free from all encumbrances and with vacant possession but subject to the express and implied conditions and restrictions in interest endorsed in the issue documents of title to the Land and subject to the issuance of a new single title to the Land pursuant to the surrender and re-alienation of the abovementioned titles, for a total consideration of RM59,241,600.

The salient terms of the SSA include, inter alia, the following:

- (a) Upon completion of the obligation to subscribe for shares under the SSA, SSQ and SEAI4 will be holding ordinary shares of par value RM1 each and redeemable preference shares of par value RM0.01 each at the issue price of RM1 per share in PRSB in the proportion of 67%:33%; and
- (b) SSQ shall have four (4) directors and SEAI4 shall have two (2) directors in PRSB.

The sale and purchase of the Land was completed on 18 April 2014.

60. COMPARATIVES

As described in Note 2.2, the Group has restated certain comparative figures arising from the adoption of FRS 10: Consolidated Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013 (contd.)

61. SUPPLEMENTARY INFORMATION

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2013 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	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Total retained earnings				
- realised	1,076,548	201,260	84,563	91,585
- unrealised	100,455	103,612	14,250	14,250
Total share of retained earnings from associated companies				
- realised	179,794	100,742	-	-
- unrealised	494,293	126,683	-	-
Total share of retained earnings from joint ventures				
- realised	398,144	241,014	-	-
- unrealised	108,370	-	-	-
	2,357,604	773,311	98,813	105,835
Less: Consolidation adjustments	(471,943)	(202,267)	-	-
Total retained earnings	1,885,661	571,044	98,813	105,835

LIST OF MATERIAL PROPERTIES

As at 31 December 2013

Location / Address	Land area (acres) / Built up area (sq ft)	Description / Existing Use	Age of Building (Years)	Tenure	Net Book Value as at 31.12.2013 RM'000	Date of Acquisition (A) / Revaluation (R)
PT894 HSD(T) 238253 PT907 HSD(T) 238960 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	11.96 / 916,640.00	Monash University Malaysia Campus Existing and Extension Block 4 & 5A	7	Leasehold expiring 02.04.2106 & 15.05.2106	300,000	R: Dec-13
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	1.80 / 1,141,499.00	Sunway Pinnacle	-	Leasehold expiring 01.04.2097	280,000	R: Dec-13
Lot 1385, 2102, 3224 & 7629 Mukim 13, Daerah Timur Laut Pulau Pinang	24.46	Land under development and held for development	-	Freehold	267,418	A: Dec-13
Lot 20000 Seksyen 90 Mukim Bandar Kuala Lumpur Daerah Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	21.39	Sunway Velocity Shopping Mall (Investment property under construction)	-	Freehold	259,497	R: Dec-13
PT28 HS(D) 118332 PT1904 HS(D) 118325 PT1905 HS(D) 118326 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	12.43 / 704,577.00	Sunway University Campus (Existing Block and New Block under construction)	20	Leasehold expiring 01.04.2097	254,973	R: Dec-13
Lot 62631, Lot 62634-62635, Lot 62637-62640, Lot 62646, Lot 62649, Lot 62654, Lot 62656, Lot 62658, Lot 62663 PT 892 HS(D) 238251 PT 898 HS(D) 238257 PT 885 HS(D) 222682 PT 887 HS(D) 222684 Bandar Sunway Selangor Darul Ehsan	63.38	Sunway South Quay (Land under development and held for development)	-	Leasehold expiring 15/05/2106 & 02/04/2106	232,822	A: Apr-04 Nov-05 Mar-06

Location / Address	Land area (acres) / Built up area (sq ft)	Description / Existing Use	Age of Building (Years)	Tenure	Net Book Value as at 31.12.2013 RM'000	Date of Acquisition (A) / Revaluation (R)
GRN.81534 Lot 62644 PT 895 HS(D) 238254 PT 923 HS(D) 238976 Bandar Sunway, Daerah Petaling, Selangor Darul Ehsan	7.86 / 623,010.00	Monash Residence Hostel	2.5	Leasehold expiring 15.03.2106 & 02.04.2106	226,592	R: Dec-13
PTD 64070-64099, 64105, 64198-64323, 64325, 64342- 64513, 64515, 64517- 64592, Mukim Plentong, District of Johor Bahru, Johor	70.97	Sunway Lenang Heights (Land under development and held for development)	-	Freehold	195,487	A: Dec-10
No. GM 382, Lot No. 565 No. Geran 41265-41266, Lot No. 114-115, No. Geran 19199-19200, Lot 90 & Lot 95, No. Geran 41270-41271, Lot No. 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 Lot 119, 1094-1096, 455, 451, 1092, 458, 457, 1107, 443, 1156, 510, 432, 452 Section 1, Bandar Bukit Mertajam Daerah Sebarang Perai Tengah	38.20	Sunway Wellesley (Land under development and held for development)	-	Freehold	125,365	A: Jul-10 Aug-10 Dec-10
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	508.30	Sunway Semenyih (Land held for development)	-	Freehold	120,386	R: Feb-11

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.

SHAREHOLDINGS' INFORMATION



376 Directors' Interests in Shares, Options Over Ordinary Shares and Warrants

378 Analysis of Shareholdings

380 Analysis of Warrantholdings

SHARING THE SAME GOALS



It is only when everyone works together that they truly enjoy the rewards.

At Sunway, we look to raise the standards each year. We work past each milestone and together, we reap the fruits of our efforts and success.

DIRECTORS' INTERESTS IN SHARES, OPTIONS OVER ORDINARY SHARES AND WARRANTS

AS AT 30 APRIL 2014

DIRECTORS' INTEREST IN SUNWAY

Direct interest	Ordinary Shares of RM1.00 each	
	No.	%
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	76,988,939	4.47
Datuk Seri Razman M Hashim	1,068,642	0.06
Dato' Chew Chee Kin	3,343,558	0.19
Sarena Cheah Yean Tih	577,274	0.03
Datuk Seri Yam Kong Choy	55,000	#
Deemed interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO ^a	877,610,802	50.92
Dato' Chew Chee Kin ^b	346,956	0.02
Sarena Cheah Yean Tih ^c	953,889,099	55.34
Direct interest	Warrants 2011/2016	
	No.	%
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	11,142,367	3.85
Datuk Seri Razman M Hashim	134,961	0.05
Dato' Chew Chee Kin	869,171	0.30
Sarena Cheah Yean Tih	97,058	0.03
Wong Chin Mun	13,321	0.01
Deemed interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO ^d	146,162,491	50.47
Dato' Chew Chee Kin ^b	33,976	0.01
Sarena Cheah Yean Tih ^c	157,185,376	54.27
Direct interest	Options over ordinary shares of RM1.00 each	
	No. Granted	No. Vested
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	17,200,000	4,300,000
Datuk Seri Razman M Hashim	500,000	125,000
Dato' Chew Chee Kin	4,500,000	1,125,000
Sarena Cheah Yean Tih	1,600,000	400,000

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:

- 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 spouse.
- 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 Active Equity Sdn Bhd, Jef-San Enterprise Sdn Bhd, Sungei Way Corporation Sdn Bhd and children.
- e 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 2014

Authorised Share Capital	- RM10,000,000,000
Issued and Paid-up Share Capital	- RM1,723,605,675
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	1,815	12.50	47,606	0.01
100 - 1,000	3,031	20.87	2,220,475	0.13
1,001 - 10,000	7,751	53.37	27,131,398	1.57
10,001 - 100,000	1,616	11.13	43,810,400	2.54
100,001 - 86,180,282 (Less than 5% of issued shares)	306	2.10	731,529,132	42.44
86,180,283 (5%) and above	4	0.03	918,866,664	53.31
	14,523	100.00	1,723,605,675	100.00

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

Name of Shareholders	No. of Shares	%
1 Sungei Way Corporation Sendirian Berhad	525,199,999	30.47
2 Cartaban Nominees (Asing) Sdn Bhd - GIC Private Limited for Government of Singapore (C)	150,666,665	8.74
3 HSBC Nominees (Tempatan) Sdn Bhd - Sungei Way Corporation Sdn Bhd	130,000,000	7.54
4 RHB Capital Nominees (Tempatan) Sdn Bhd - Sungei Way Corporation Sendirian Berhad	113,000,000	6.56
5 Sharp Ventures Sdn Bhd	81,382,400	4.72
6 Amanahraya Trustees Berhad - Skim Amanah Saham Bumiputera	79,375,866	4.61
7 Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	75,314,068	4.37
8 Aneka Lancar Sdn Bhd	69,158,552	4.01
9 Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	61,051,932	3.54
10 Sungei Way Corporation Sendirian Berhad	32,000,000	1.86
11 Jef-San Enterprise Sdn Bhd	30,699,172	1.78
12 Amanahraya Trustees Berhad - As 1Malaysia	18,350,600	1.06
13 Active Builder Sdn Bhd	16,000,000	0.93
14 Amanahraya Trustees Berhad - Amanah Saham Wawasan 2020	14,659,188	0.85
15 Citigroup Nominees (Tempatan) Sdn Bhd - Exempt AN for AIA Bhd	13,095,033	0.76
16 Citigroup Nominees (Asing) Sdn Bhd - CBNY for Dimensional Emerging Markets Value Fund	12,529,626	0.73
17 Amanahraya Trustees Berhad - Amanah Saham Malaysia	12,000,000	0.70
18 Amanahraya Trustees Berhad - Public Islamic Select Treasures Fund	10,410,680	0.60
19 HSBC Nominees (Asing) Sdn Bhd - Exempt AN for J. P. Morgan Bank Luxembourg S. A.	9,308,840	0.54
20 Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Amundi)	8,632,033	0.50

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS (CONTD.)

Name of Shareholders	No. of Shares	%
21 Cartaban Nominees (Tempatan) Sdn Bhd - Exempt AN for Eastspring Investments Berhad	8,340,261	0.48
22 Amanahraya Trustees Berhad - Public Islamic Select Enterprises Fund	8,291,100	0.48
23 Maybank Nominees (Tempatan) Sdn Bhd - Etiqa Takaful Berhad (Family PRF EQ)	6,200,933	0.36
24 Citigroup Nominees (Asing) Sdn Bhd - CBNY for DFA Emerging Markets Small Cap Series	5,805,060	0.34
25 HSBC Nominees (Asing) Sdn Bhd - Exempt AN for JPMorgan Chase Bank, National Association (U.S.A.)	4,657,737	0.27
26 Citigroup Nominees (Asing) Sdn Bhd - CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	4,346,693	0.25
27 HSBC Nominees (Asing) Sdn Bhd - Exempt AN for JPMorgan Chase Bank, National Association (Norges Bk Lend)	4,329,561	0.25
28 Dato' Chew Chee Kin	3,343,558	0.19
29 Cartaban Nominees (Asing) Sdn Bhd - Exempt AN for State Street Bank & Trust Company (West CLT OD67)	3,287,291	0.19
30 Maybank Nominees (Tempatan) Sdn Bhd - Etiqa Insurance Berhad (Life Par Fund)	3,257,190	0.19

SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	No. of Shares	%
1 Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO • Direct interest	76,988,939	4.47
• Deemed interest ^a	877,610,802	50.92
2 Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng • Deemed interest ^b	954,599,741	55.38
3 Sarena Cheah Yean Tih • Direct interest	577,274	0.03
• Deemed interest ^c	953,889,099	55.34
4 Evan Cheah Yean Shin • Direct interest	134,357	0.01
• Deemed interest ^d	953,888,110	55.34
5 Sungei Way Corporation Sdn Bhd	830,199,999	48.17
6 Active Equity Sdn Bhd • Deemed interest ^e	830,199,999	48.17
7 GIC Private Limited for Government of Singapore	150,666,665	8.74

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 2014

DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrantholders	% of Warrantholders	No. of Warrants Held	% of Warrantholdings
Less than 100	1,611	13.84	52,058	0.02
100 - 1,000	7,077	60.81	2,692,862	0.93
1,001 - 10,000	2,081	17.88	6,786,946	2.34
10,001 - 100,000	734	6.31	21,454,904	7.41
100,001 - 14,480,860	132	1.13	63,853,728	22.05
(Less than 5% of warrants in issue)				
14,480,861 (5%) and above	3	0.03	194,776,732	67.25
	11,638	100.00	289,617,230	100.00

THIRTY LARGEST WARRANTHOLDERS AS PER RECORD OF DEPOSITORS

Name of Warrantholders	No. of Warrants	%
1 Sungei Way Corporation Sendirian Berhad	138,269,231	47.74
2 Cartaban Nominees (Asing) Sdn Bhd - GIC Private Limited for Government of Singapore (C)	35,420,438	12.23
3 Sharp Ventures Sdn Bhd	21,087,063	7.28
4 Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	10,860,767	3.75
5 Jef-San Enterprise Sdn Bhd	5,161,604	1.78
6 Ng Hok Long @ Ng Hock Leong	4,760,609	1.64
7 CIMB Islamic Nominees (Tempatan) Sdn Bhd - CIMB Islamic Trustee Bhd for BIMB I Dividend Fund	2,846,663	0.98
8 Cimsec Nominees (Tempatan) Sdn Bhd - Oon Hock Teck (The Curve - CL)	2,815,067	0.97
9 HSBC Nominees (Asing) Sdn Bhd - Exempt AN for J. P. Morgan Bank Luxembourg S. A.	2,570,962	0.89
10 Public Invest Nominees (Asing) Sdn Bhd - Exempt AN for Phillip Securities Pte Ltd (Clients)	1,618,257	0.56
11 Goh Cheah Hong	1,591,678	0.55
12 Active Equity Sdn Bhd	1,560,318	0.54
13 Victor Lim Fung Tuang	1,101,495	0.38
14 Sungei Way Corporation Sendirian Berhad	1,051,691	0.36
15 Ngan Teng Han	929,840	0.32
16 Dato' Chew Chee Kin	869,171	0.30
17 Maybank Securities Nominees (Asing) Sdn Bhd - Maybank Kim Eng Securities Pte Ltd for Lim Chuan Seng	840,568	0.29
18 Chia Hiang Nooi	800,000	0.28
19 Mercsec Nominees (Tempatan) Sdn Bhd - TNTT Realty Sdn Bhd	774,357	0.27
20 Pang Yang Chung	765,377	0.26

THIRTY LARGEST WARRANTHOLDERS AS PER RECORD OF DEPOSITORS (CONTD.)

Name of Warrantholders	No. of Warrants	%
21 AllianceGroup Nominees (Tempatan) Sdn Bhd - Lau Siew Bey (8026817)	750,950	0.26
22 HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Singular Asia Flexible Fund (5758 - 401)	691,951	0.24
23 Maybank Nominees (Tempatan) Sdn Bhd - Maybank Trustees Berhad for BIMB I Growth Fund (940160)	647,000	0.22
24 Seah Yong Kwong	470,000	0.16
25 RHB Capital Nominees (Tempatan) Sdn Bhd - Ong Yoong Nyock (CEB)	459,569	0.16
26 Ahmad Nazir Bin Sulaiman	400,000	0.14
27 Cimsec Nominees (Tempatan) Sdn Bhd - CIMB Bank for Tee Thiam Keng (MY1037)	368,848	0.13
28 Yau Kam Wah	353,038	0.12
29 Cartaban Nominees (Asing) Sdn Bhd - Exempt AN for Eastspring Investments Berhad	347,517	0.12
30 Tay Kooi Wah	335,000	0.12

ANNUAL GENERAL MEETING



384 Notice of 4th Annual General Meeting

Proxy Form

A COLLABORATION OF MINDS



It's always good to get a new take on things as two heads, or more, are better than one.

Every year, new opinions, thoughts and experiences are gathered and shared. In each yearly session, we hope to spark new ideas and merge them for possibilities of progress in the upcoming year.

NOTICE OF 4TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 4th Annual General Meeting of SUNWAY BERHAD (921551-D) will be held at Grand Bahamas, Level 12, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on Thursday, 26 June 2014 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 2013 together with the Directors' and Auditors' Reports thereon. (Ordinary Resolution 1)
2. To approve the increase in Directors' fees from RM100,000.00 to RM120,000.00 and to approve the payment of Directors' fees totalling RM332,493.15 for the financial year ended 31 December 2013. (Ordinary Resolution 2)
3. To re-elect the following Directors:-
 - 3.1 Sarena Cheah Yean Tih retires by rotation pursuant to Article 107 of the Company's Articles of Association and being eligible, offers herself for re-election. (Ordinary Resolution 3)
 - 3.2 Lim Swe Guan retires by rotation pursuant to Article 107 of the Company's Articles of Association and being eligible, offers himself for re-election. (Ordinary Resolution 4)
 - 3.3 Datuk Seri Yam Kong Choy retires pursuant to Article 90 of the Company's Articles of Association and being eligible, offers himself for re-election. (Ordinary Resolution 5)
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 6)
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 7)

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 8)

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 4 June 2014 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 9)

8. **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;

NOTICE OF 4TH ANNUAL GENERAL MEETING

- (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 KIM AUN (MAICSA 7002988)
CHIN LEE CHIN (MAICSA 7012347)
Company Secretaries

Bandar Sunway
4 June 2014

NOTES:

1. A member of the Company who is entitled to attend and vote at a general meeting of the Company, or at a meeting of any class of members, may appoint not more than 2 proxies to attend and vote instead of the member at the meeting.
2. A proxy need not be a member. There shall be no restriction as to the qualification of the proxy and the provisions of Section 149(1) (b) of the Companies Act, 1965 shall not apply to the Company.
3. If a member has appointed a proxy to attend a meeting and subsequently he attends such meeting in person, the appointment of such proxy shall be null and void, and his proxy shall not be entitled to attend the said meeting.
4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. Where a member or the authorised nominee appoints 2 proxies, or where an exempt authorised nominee appoints 2 or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
7. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if such appointer is a corporation, either under its common seal or the hand of its officer or attorney duly authorised.
8. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang 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 19 June 2014, shall be entitled to attend, speak and vote at the general meeting.

EXPLANATORY NOTES ON SPECIAL BUSINESS:

1. Ordinary Resolution 8 - 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 Resolution 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 4 June 2014.

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 4 June 2014.

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PROXY FORM

4th Annual General Meeting

Number of share(s) held	
CDS Account No.	



SUNWAY BERHAD (921551-D)
(Incorporated in Malaysia)
Registered Office:
Level 16, Menara Sunway, Jalan Lagoon Timur
Bandar Sunway, 47500 Subang Jaya
Selangor Darul Ehsan, Malaysia
Tel : (603) 5639 8889 / 5639 8850
Fax : (603) 5639 9507

*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 4th Annual General Meeting of the Company to be held at Grand Bahamas, Level 12, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on Thursday, 26 June 2014 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

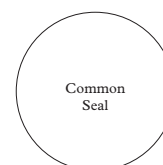
My/our proxy/proxies shall vote as follows:-

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 2013 together with the Directors' and Auditors' Reports thereon				
2.	To approve the increase in Directors' fees and the payment thereof				
3.	To re-elect Sarena Cheah Yean Tih as Director				
4.	To re-elect Lim Swe Guan as Director				
5.	To re-elect Datuk Seri Yam Kong Choy as Director				
6.	To approve the re-appointment of Datuk Seri Razman M Hashim as Director				
7.	To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration				
8.	To authorise the issue of shares pursuant to Section 132D of the Companies Act, 1965				
9.	To approve the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature				
10.	To authorise the purchase of own shares by the Company				

Dated this day of 2014

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, 47500 Subang 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 19 June 2014, shall be entitled to attend, speak and vote at the general meeting.

PLEASE FOLD HERE



THE COMPANY SECRETARY
SUNWAY BERHAD (921551-D)
LEVEL 16, MENARA SUNWAY
JALAN LAGOON TIMUR
BANDAR SUNWAY
47500 SUBANG JAYA
SELANGOR DARUL EHSAN
MALAYSIA

PLEASE FOLD HERE

CORPORATE DIRECTORY

HEAD OFFICE

MENARA SUNWAY

Jalan Lagoon Timur, Bandar Sunway
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia

INVESTMENT HOLDING

SUNWAY BERHAD* (021551-D)

SUNWAY CITY SDN BHD* (87564-X)

SUNWAY HOLDINGS SDN BHD* (37465-A)

Head Office:

Level 17, Menara Sunway

Tel: (603) 5639 8889 Fax: (603) 5639 9566

INTEGRATED PROPERTIES DIVISION

PROPERTY DEVELOPMENT & INVESTMENT

SUNWAY INTEGRATED PROPERTIES

SDN BHD* (112537-P)

SUNWAY SEMENYIH SDN BHD* (395056-T)

SUNWAY ISKANDAR DEVELOPMENT

SDN BHD* (1019469-K)

(Formerly known as Harmony Impulse Sdn Bhd)

SUNWAY ISKANDAR SDN BHD* (964451-A)

Head Office:

Level 1-3 & 5, Menara Sunway

Tel: (603) 5639 8888 Fax: (603) 5639 9992

Website: www.sunwayproperty.com

SUNWAY VELOCITY

Sales Gallery:

Lot 392, Batu 2 1/2, Jalan Cheras, 55100 Kuala Lumpur, Malaysia

Tel: (603) 9205 5500

Email: sunwayvelocity@sunway.com.my

SUNWAY SOUTH QUAY SDN BHD* (636596-T)

SUNWAY MONASH-U RESIDENCE

SDN BHD* (843281-X)

PROSPER REVENUE SDN BHD* (1036693-U)

Level 1-3 & 5, Menara Sunway

Sunway South Quay Sales Gallery:

Jalan Tasik Selatan, Sunway South Quay

Bandar Sunway, 47500 Subang Jaya

Selangor Darul Ehsan, Malaysia

Tel: (603) 5638 1000 Fax: (603) 5638 5000

Email: southquay@sunway.com.my

Website: www.sunwayproperty.com

SUNWAY D'MONT KIARA SDN BHD* (559638-V)

Level 1-3 & 5, Menara Sunway

Sales Office:

Jalan 19/70A, Taman Sri Hartamas

50480 Kuala Lumpur, Malaysia

Tel: (603) 6203 0888

Email: ivaldidi@sunway.com.my

Website: www.sunwayvivaldi.com

SUNWAY PKNS SDN BHD* (179182-V)

(Formerly known as Sunway Damansara Sdn Bhd)

BISIKAN SENI SDN BHD* (383132-M)

CONTEMPORARY FACTOR SDN BHD* (381153-P)

EMERALD FREIGHT SDN BHD* (385026-M)

IMBASAN INTISARI SDN BHD* (386220-U)

PARK SYMPHONY SDN BHD* (387225-D)

TIDAL ELEGANCE SDN BHD* (387222-K)

WINNING EXCELLENCE SDN BHD* (371837-M)

Level 1-3 & 5, Menara Sunway

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 MONTEREZ SDN BHD* (531944-H)

Level 1-3 & 5, Menara Sunway

SUNWAY ALAM SURIA

Sales Office and Show House:

No. 3, Jalan Pulau Angsa U10/1H

Sunway Alam Suria, Seksyen U10, 40170 Shah Alam

Selangor Darul Ehsan, Malaysia

Tel: (603) 7845 5637 Fax: (603) 7845 4637

Email: kayangan@sunway.com.my, suria@sunway.com.my

SUNWAY MELAWATI SDN BHD* (606358-V)

Level 1-3 & 5, Menara Sunway

Sunway Montana Sales Gallery:

Jalan 6/4, Desa Melawati, 53200 Kuala Lumpur, Malaysia

Tel: (603) 4108 8822 Fax: (603) 4108 8829

Email: enquiry@sunway.com.my

SUNWAY SPK HOMES SDN BHD* (583958-P)

The Property Gallery, Lobby Level, Menara Sunway

Tel: (603) 5639 9000 Fax: (603) 5639 9955

Email: spkhomes@sunway.com.my

SUNWAY CITY (IPOH) SDN BHD (219749-M)

GANDA ANTIK SDN BHD (347795-M)

LAGOON FANTASY SDN BHD (207205-K)

SEMANGAT KANCIL (M) SDN BHD (359888-A)

SUNWAY HOTEL SERVICES (IPOH) SDN BHD (325648-P)

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Dataran Sunway, Sunway City Ipoh

31150 Ipoh, Perak Darul Ridzuan, Malaysia

Tel: 1800-88-1998 Fax: (605) 548 6868

Email: suncityipoh@sunway.com.my

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 GAMBIE SDN BHD (616416-W)

SUNWAY BINTANG SDN BHD (238575-M)

SUNWAY TUNAS SDN BHD (334419-X)

ALLIANCE PARADE SDN BHD (237611-X)

ASSOCIATED CIRCLE SDN BHD (238151-V)

COMMERCIAL PARADE SDN BHD (235996-P)

SUNWAY ORIENT SDN BHD (345649-V)

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

SUNWAYMAS SDN BHD* (130027-K)

SUNWAY TERMUNING SDN BHD* (649129-D)

SUNWAY RAWANG HEIGHTS SDN BHD* (157051-K)

SUNWAY KANCHING HEIGHTS SDN BHD* (76395-P)

DAKSINA HARTA SDN BHD* (915269-T)

Head Office:

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Tel: (603) 5639 8888 Fax: (603) 5639 9992

Email: sunwaymasenq@sunway.com.my

Website: www.sunwayproperty.com

SUNWAY BANGI SDN BHD* (215920-W)

Level 1-3 & 5, Menara Sunway

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)

Level 1-3 & 5, Menara Sunway

Sales Gallery:

Off Jalan K 5, Taman Melawati, 53100 Kuala Lumpur, Malaysia

Hotline: 1800-222-9888

SUNWAY EASTWOOD SDN BHD* (795327-T)

Level 1-3 & 5, Menara Sunway

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)

Level 1-3 & 5, Menara Sunway

Sales Office:

No. 65 & 65-01, Jalan Molek 1/29

Taman Molek, 81100 Johor Bahru, Johor

Tel: (607) 355 2535 Fax: (607) 356 2535

CHINA:

SUNWAY GUANGHAO REAL ESTATE (JIANGYIN) CO. LTD

No. 359, Xiangjiang Road, Xia Gang, Jiang Yin City

Jiang Su Province, 214442 China

Tel: (865) 10 8688 0862

TIANJIN ECO-CITY SUNWAY PROPERTY

DEVELOPMENT CO., LTD (5661136-2)

No. 3681, Zhongxin Road, Tianjin Eco-City

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SUNWAY REAL ESTATE (CHINA) LIMITED (1244034)

Unit 1601, 16/F, Malaysia Building,

50 Gloucester Road, Wanchai, Hong Kong

Tel: (852) 2384 9322 Fax: (852) 2771 0143

INDIA:

SUNWAY OPUS INTERNATIONAL PVT LTD

(U70102AP2007PTC055084)

Sunway Opus Grand, Survey Nos. 162p & 164

Ameenpur, Off Miyapur - Bachupally Road

Hyderabad-502 032, Andhra Pradesh, India

Tel: (+91) 40 2303 8888 Fax: (+91) 40 2303 8008

Sales & Marketing

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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

(U45209AP2007PTC056739)

Survey Nos. 162p & 164, Ameenpur

Off Miyapur - Bachupally Road

Hyderabad - 502 032

Andhra Pradesh, India

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AUSTRALIA:

SUNWAY AUSTRALIA UNIT TRUST*

HARTFORD LANE PTY LTD* (077261048)

Level 3, Menara Sunway

SINGAPORE:

SUNWAY DEVELOPMENTS PTE LTD (200408542H)

4, Tampines Industrial Street 62, Singapore 528817

Tel: (02) 6582 8089 Fax: (02) 6581 0482

PROPERTY MANAGEMENT & INVESTMENT

SUNWAY REIT MANAGEMENT SDN BHD* (806330-X)

(Manager for Sunway REIT)

Level 15, Menara Sunway

Tel: (603) 5639 8888 Fax: (603) 5639 8001

Website: www.sunwayreit.com

SUNWAY PYRAMID MALL

Centre Management Office

Level CP6, Blue Atrium, Sunway Pyramid Shopping Mall

No. 3 Jalan PJS 11/15, Bandar Sunway

47500 Subang Jaya, Selangor Darul Ehsan, Malaysia

Tel: (603) 7494 3000 Fax: (603) 7492 6333

Website: www.sunwaypyramid.com

LOOKING BEYOND THE HORIZON

SUNWAY PUTRA MALL

Centre Management Office

Level CP6, Blue Atrium, Sunway Pyramid Shopping Mall

No. 3 Jalan PJS 11/15, Bandar Sunway

47500 Subang Jaya, Selangor Darul Ehsan, Malaysia

Tel: (603) 7494 3000 Fax: (603) 7492 6333

Website: www.sunwayputramall.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, 47500 Subang Jaya

Selangor Darul Ehsan, Malaysia

Tel: (603) 5639 8888 Fax: (603) 5639 9595

SUNWAY TOWER

Management Office

Ground Floor, Sunway Tower, 86, Jln Ampang

50450 Kuala Lumpur, Malaysia

Tel: (603) 2032 4100 Fax: (603) 2070 4093

SUNWAY FACILITY MANAGEMENT SDN BHD (443028-K)

SUNWAY IFM SDN BHD (130231-P)

SUNWAY MALL PARKING SDN BHD (318333-T)

SUNWAY PARKING SERVICES SDN BHD (643825-X)

Level CP6, Blue Atrium, Sunway Pyramid Shopping Mall

No. 3 Jalan PJS 11/15, Bandar Sunway

HOSPITALITY**SUNWAY INTERNATIONAL HOTELS & RESORTS****SDN BHD*** (430654-V)**SUNWAY FORUM HOTEL SDN BHD*** (454068-M)(Formerly known as Sunway Pyramid Hotel Sdn Bhd)
Corporate Office:Level 1, Menara Sunway
Tel: (603) 5639 8181 Fax: (603) 5639 8182
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
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia
Tel: (603) 7492 8000 Fax: (603) 7492 8001
Email: enquirystrhs@sunwayhotels.com
Website: kualalumpur.sunwayhotels.com**SUNWAY PUTRA HOTEL SDN BHD** (938275-T)Sunway Putra Place
100 Jalan Putra, 50350 Kuala Lumpur, Malaysia
Tel: (603) 4042 9888 Fax: (603) 4043 0700
Email: enquirytrph@sunwayhotels.com
Website: www.putra.sunwayhotels.com**SUNWAY HOTEL (PENANG) SDN BHD** (130380-T)33, New Lane (Off Macalister Road)
Georgetown, 10400 Penang, Malaysia
Tel: (604) 229 9988 Fax: (604) 228 8899
Email: enquirytrshg@sunwayhotels.com
Website: www.georgetown.sunwayhotels.com**SUNWAY HOTEL (SEBERANG JAYA) SDN BHD** (238606-A)11, Lebuh Tenggara Dua, Pusat Bandar Seberang Jaya
13700 Prai, Butterworth, Malaysia
Tel: (604) 370 7788 Fax: (604) 370 0555
Email: enquirytrshj@sunwayhotels.com
Website: www.seberangjaya.sunwayhotels.com**SUNWAY HOTEL PHNOM PENH LTD** (239/96E)1, Street 92, Sangkat Wat Phnom, P.O. Box 633
Phnom Penh 12202, Kingdom of Cambodia
Tel: (855) 23 430 333 Fax: (855) 23 430 339
Email: enquirytrshpp@sunwayhotels.com
Website: www.phnompenh.sunwayhotels.com**SUNWAY HOTEL HANOI LIABILITY
LIMITED COMPANY WITH ONE MEMBER**19, Pham Dinh Ho Street, Hai Ba Trung District
Hanoi, Vietnam
Tel: (844) 3 971 3888 Fax: (844) 3 971 3555
Email: enquirytrshh@sunwayhotels.com
Website: www.hanoi.sunwayhotels.com**KINTA SUNWAY RESORT SDN BHD** (359940-K)**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@thebanjaran.com
Website: www.thebanjaran.com**SUNWAY LOST WORLD HOTEL SDN BHD** (862578-V)**LOST WORLD HOTEL**No. 2, Persiaran Lagun Sunway 1, Sunway City Ipoh
31150 Ipoh, Perak Darul Ridzuan, Malaysia
Tel: (605) 540 8888 Fax: (605) 540 8899
Email: lostworldhotel@sunway.com.my
Website: www.sunwaylostworldoftambun.com.my**CONSTRUCTION DIVISION****TURNKEY, DESIGN & BUILD,
CIVIL ENGINEERING AND
BUILDING CONSTRUCTION****SUNWAY CONSTRUCTION SDN BHD*** (27175-V)**SUNWAY BUILDERS SDN BHD*** (285205-T)**SUNWAY INNOPAVE SDN BHD*** (390417-A)Level 8, Menara Sunway
Tel: (603) 5639 9333 Fax: (603) 5639 9601
Website: sunway.com.my/suncon**UNITED ARAB EMIRATES:****SUNWAY BUILDERS SDN BHD**

– Abu Dhabi Branch (1005599)

P.O. Box 127421, Abu Dhabi, UAE

SUNWAY INNOPAVE SDN BHD

– Abu Dhabi Branch (1005596)

P.O. Box 127806, Abu Dhabi, UAE

INDIA:**SUNWAY CONSTRUCTION INDIA PVT. LTD.**

(U45203KA2001PTC029947)

Survey nos. 162p & 164, Ameenpur Village & Post
Off Miyapur-Batchupalli Road
Hyderabad - 500 032
Andhra Pradesh
Tel No: +91-40-2303 8888 Fax No: +91-40-2303 8008/8009**SINGAPORE:****SUNWAY CONSTRUCTION SDN BHD**

– Singapore Branch (T10FC01388)

SUNWAY LAND PTE SDN BHD (201024425D)No. 4, Tampines Industrial Street 62, Singapore 528817
Tel: (02) 6582 8089 Fax: (02) 6581 0482
Email: property@sunway.com.sg**MECHANICAL & ELECTRICAL****ENGINEERING****SUNWAY ENGINEERING SDN BHD*** (341887-W)Level 9, Menara Sunway
Tel: (603) 5639 9999 Fax: (603) 5639 9531
Website: www.sunway.com.my/engineering**UNITED ARAB EMIRATES:****SUNWAY ENGINEERING SDN BHD**

– Abu Dhabi Branch (1166000)

P.O. Box 131139, Abu Dhabi, UAE

MACHINERY / EQUIPMENT RENTAL**SUNWAY MACHINERY SDN BHD** (389253-P)Lot 656, Jalan Subang 1, Off Persiaran Subang
47500 Subang Jaya, Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel: (603) 5633 6499 Fax: (603) 5631 2387**GEOTECHNICAL ENGINEERING****SUNWAY GEOTECHNICS (M) SDN BHD*** (414014-W)Level 7, Menara Sunway
Tel: (603) 5639 9333 Fax: (603) 5639 9533**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
Tel: (6226) 6433 887 Fax: (6226) 6435 060**PRECAST PRODUCTS AND****INDUSTRIALIZED SYSTEMS****SUNWAY PRECAST INDUSTRIES SDN BHD*** (231775-X)Level 8, Menara Sunway
Tel: (603) 5639 9333 Fax: (603) 5639 9533**Factory:**Johor Lot 39641, Jalan Idaman 1/1
Taman Perindustrian Senai
81400 Senai
Johor Bahru, Malaysia**SINGAPORE:****SUNWAY CONCRETE PRODUCTS (S) PTE LTD** (199409213Z)4, Tampines Industrial Street 62, Singapore 528817
Tel: (02) 6582 8089 Fax: (02) 6581 0482

Email: precast@sunway.com.sg

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