



**40**  
— YEARS —  
**A PART OF YOU**

**SUNWAY BERHAD**  
**ANNUAL REPORT 2014**





## A PART OF YOU.

The Sunway Group has been in business for four decades. As we grow, so have the communities in which we operate. This year we are proud to share some of the stories of individuals we have touched as an employer, customer, supplier or just by being a caring corporation. These stories are testament that, today, Sunway is proudly A PART OF YOU.





70's



#### 1974 — TIN MINING / QUARRY

Sunway Resort City was once a tin mining land completely devoid of vegetation, but Tan Sri Dr. Jeffrey Cheah, AO, Founder and Chairman of Sunway, had a grand vision of transforming this 800-acre mining land into a vibrant township.

90's



#### 1992 — SUNWAY LAGOON

Sunway Lagoon, which was opened in 1992, is one of the largest and most celebrated theme parks in the country with attractions catered to all ages. Sprawling over 88 acres, it is the first theme park entertainment built 150 feet below ground level on a tin mining wasteland. It is home to the world's largest surf pool and water ride, the Vuvuzela, and has one of Malaysia's longest suspension pedestrian bridges.



#### 1993 — MENARA SUNWAY

Menara Sunway is a 19-storey office building in Sunway Resort City where Sunway Group's headquarters is based. Operating from this location since 1993, the Sunway Group has thrived to become one of Malaysia's most influential property-construction conglomerates, with a multitude of established businesses in more than 50 locations worldwide and over 13,000 employees.

2000's



#### 2005 — SUNWAY SOUTH QUAY

The Sunway South Quay integrated development spreading 178 acres was first conceptualised in 2005, with the vision of resort living within a city. The development today comprises luxury villas, condominiums, apartments, commercial and retail developments overlooking a 28-acre lake.



#### 2013 — SUNWAY PINNACLE

Sunway Pinnacle, a 27-storey office tower with a pyramid top, stands proud as the tallest building in Sunway Resort City. It is the first office building in Sunway Resort City to be awarded the Multimedia Super Corridor (MSC) status, and is equipped with state-of-the-art facilities, complemented by 10,000 interconnected car parking bays within Sunway Resort City.



#### **1996 — SUNWAY RESORT HOTEL & SPA**

The award winning Sunway Resort Hotel & Spa, built with a total of 10 concrete and 9 glass domes, is one of the largest single hotel developments in Klang Valley, Malaysia with over 400 guestrooms, suites and villas.



#### **1997 — SUNWAY PYRAMID**

Architecturally spell binding with over 4 million square feet and expanding, this Egyptian inspired Sunway Pyramid Shopping Mall is the first themed mall in Malaysia. The most prominent feature of the shopping mall is the iconic lion statue at the main entrance, which stands at 9-storeys high. Sunway Pyramid promises a Unique Shopping Adventure with four shopping precincts and close to 1,000 outlets under one roof.



#### **1999 — SUNWAY MEDICAL CENTRE**

Sunway Medical Centre is a multi-specialty tertiary hospital that opened its doors in 1999. Today, it has 19 Centres of Excellence supported by state-of-the-art equipment and 180 specialist consultants delivering care in a variety of medical specialties.



#### **2014 — SUNWAY RESORT CITY**

Today, the thriving Sunway Resort City is home to a population of over 200,000 people, and attracts more than 40 million visitations yearly. It is the only township in Malaysia offering a holistic experience, from living, working, playing, staying, shopping, learning and pursuing health, all in one location. This has made Sunway Resort City one of the region's most preferred destinations.

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## 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.

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## 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.

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

*Executive Chairman,*

*Non-Independent Executive Director*

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

*Deputy Executive Chairman,*

*Non-Independent Executive Director*

Tan Sri 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

Tan Sri Dato' Dr Lin See Yan

(Appointed with effect from 18 March 2015)

### AUDIT COMMITTEE

Wong Chin Mun (Chairman)

Lim Swe Guan

Datuk Seri Yam Kong Choy

Tan Sri Dato' Dr Lin See Yan

(Appointed with effect from 18 March 2015)

### NOMINATION COMMITTEE

Lim Swe Guan (Chairman)

Wong Chin Mun

Datuk Seri Yam Kong Choy

### REMUNERATION COMMITTEE

Datuk Seri Yam Kong Choy (Chairman)

(Appointed as Chairman with effect from 27 February 2015)

Wong Chin Mun

Lim Swe Guan

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

### 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

Foo Shiang Wyne

(Appointed with effect from 31 December 2014)

### COMPANY SECRETARIES

Tan Kim Aun (MAICSA 7002988)

Chin Lee Chin (MAICSA 7012347)

### 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

Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad

DBS Bank Ltd

HSBC Bank Malaysia Berhad

Malayan Banking Berhad

OCBC Bank (Malaysia) Berhad

Public Bank Berhad

RHB Bank Berhad

Standard Chartered Bank Malaysia Berhad

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia

Securities Berhad

### WEBSITE ADDRESS

[www.sunway.com.my](http://www.sunway.com.my)

### INVESTOR RELATIONS

Email : [irsunwayberhad@sunway.com.my](mailto:irsunwayberhad@sunway.com.my)

Tel No : (603) 5639 8671

## FINANCIAL CALENDAR

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### ANNOUNCEMENT OF QUARTERLY RESULTS

**29 May 2014**

Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2014

**28 August 2014**

Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2014

**18 November 2014**

Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2014

**25 February 2015**

Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2014

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### DIVIDEND

*Single tier first interim dividend of 5% per ordinary share  
for the financial year ended 31 December 2014*

Announcement of the notice  
of entitlement and payment:  
**8 September 2014**

Date of entitlement:  
**24 September 2014**

Date of payment:  
**7 October 2014**

*Single tier second interim dividend of 6% per ordinary share  
for the financial year ended 31 December 2014*

Announcement of the notice  
of entitlement and payment:  
**16 March 2015**

Date of entitlement:  
**1 April 2015**

Date of payment:  
**30 April 2015**

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### ANNUAL REPORT & ANNUAL GENERAL MEETING

**29 May 2015**

Date of notice of 5th Annual General Meeting and date of issuance of Annual Report 2014

**25 June 2015**

Date of 5th Annual General Meeting



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Awards and Accolades



## CREATING COMMUNITIES & LIFESTYLE EXPERIENCES

Sunway's Property Development division has developed award-winning integrated cities and delivered more than 24,000 properties in key locations including Klang Valley, Ipoh, Penang, and Johor, as well as notable locations overseas. As co-investors in all its townships, the division is committed to delivering the very best lifestyle experiences for its communities.



CORPORATE SUNWAY

## CORPORATE PROFILE

### SUNWAY BERHAD ("SUNWAY" OR "GROUP")



#### *The Dawn Of Sunway*

Sungei Way Holdings Sdn Bhd, the precursor to Malaysia's leading property-construction company was established on 26 January 1978. Its roots began in the tin mining business. As new business opportunities abounded, the company ventured into related industries and soon established subsidiaries in the quarrying, construction, trading and manufacturing and building materials industries. Following a period of solid performance, the company listed on the Main Board of Bursa Malaysia on 16 February 1984 as Sungei Way Holdings Berhad. Sungei Way Holdings Berhad subsequently underwent a few more name changes before eventually assuming the name Sunway Holdings Berhad in 2007.

Sunway City Berhad, the sister company of Sunway Holdings Berhad was concurrently undergoing a transformation and emerging as a key player in the property development sector in Malaysia. Originally incorporated as Sri Jasa Sdn Bhd on 13 July 1982, Sunway City Berhad was later listed on the Main Board of Bursa Malaysia on 8 July 1996. Sunway City Berhad, which pioneered the concept of an integrated resort city by way of the development of Sunway Resort City, Malaysia's first and only integrated resort city, grew to become one of the most recognised property conglomerates in Malaysia with interests in property development, property investment, hospitality, leisure and healthcare.

Following more than three decades of success, in 2010, Tan Sri Dato' Seri Dr Jeffrey Cheah, the Founder and Chairman for both companies, initiated the consolidation of these two entities to solidify and strengthen Sunway's status as a property-construction conglomerate. The exercise was successfully completed with the listing of Sunway Berhad on the Main Market of Bursa Malaysia on 23 August 2011.

#### *The Continuing Evolution*

Today, the Sunway Group is a diversified concern with interests in property development, property investment and real estate investment trust ("REIT"), construction, leisure, hospitality, trading and manufacturing, quarry, building materials and healthcare. Under the integrated property business model, Sunway offers services across the entire property value chain, beginning from landbanking to master plan development to product design to building construction to marketing and sales to property management and finally to having a REIT vehicle to monetise its property investment assets when they mature.

The Group's strategic businesses, meanwhile, are important in diversifying the Group's revenue stream, providing Group's management with insights on developments in related upstream and downstream businesses and generating adjacent synergies with the Group's core business.





Leveraging on its distinctive integrated business model, a strong track record, and a dedicated and passionate team, the Group is equipped to make a real difference in the many communities that it serves. Sunway Resort City, resurrected from a derelict tin-mine, is evidence of what Sunway's unique business model can accomplish. The city is, today, one of the region's top tourist destinations with 40 million visitations yearly. As Malaysia's first Green Building Index (GBI) certified sustainable township, it will soon be home to the country's first elevated Bus Rapid Transit line with electric buses and will be another catalyst for the township when commissioned in mid-2015.

This same business model, of being the largest asset owner and co-investor in all the townships that it develops, has been replicated in Sunway City Ipoh, Sunway Velocity and soon in Sunway Iskandar, the Group's next landmark township development, ensuring Sunway's communities of sustainable growth alongside the Group.

It was in this spirit and in conjunction with the commemoration of the origins of Sunway 40 years ago, the Group launched a campaign themed "A Part of You" in 2014, showcasing the Group's legacy of building shared values with stakeholders and its communities. The Group has, over the years, held on to its principles of providing a better future for the communities in which it builds, serves and lives within.

By taking impactful action to improve society through its corporate social responsibility initiatives, Sunway plays its role in addressing important environmental and social challenges. In turn, these initiatives and the Group's core values of integrity, humility and excellence have enhanced Sunway's reputation as a corporate and created a competitive advantage and bond with stakeholders that is difficult to replicate.

#### *The Future Perspective*

Driven by a strong management team with sharp business acumen and unwavering belief in sustainable business practices, Sunway has become an established and reputable corporation within the nine different industries it operates in. Sunway is among the top 5 largest property stocks and top 100 largest stocks in Malaysia with a market capitalisation of RM5.7 billion (circa USD1.6 billion) as at 31 December 2014. Enriched with a distinctive integrated business model, a strong track record stretching almost four decades long, and a dedicated and passionate team of 13,000 employees, Sunway is well positioned to take on challenges and opportunities in the marketplace and achieve its vision of becoming the leading regional property-construction conglomerate in Malaysia and the region.

## GROUP CORPORATE STRUCTURE



### PROPERTY DEVELOPMENT

- Sunway Integrated Properties Sdn Bhd
- Sunway South Quay Sdn Bhd
- Sunway PKNS 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 \*
- 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
- Sunway Kiara 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
- Prosper Revenue Sdn Bhd

#### NOTES:

This Group Corporate Structure excludes dormant companies.

# Overseas company    ^ Public listed company    \* Associated company / Jointly-controlled entity



#### 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
- 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
- Sumber Dorongan Sdn Bhd
- Sunway Nexis Parking Sdn Bhd  
(formerly known as Pan Unicreation 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 Biz Hotel Sdn Bhd  
(formerly known as 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

#### NOTES:

This Group Corporate Structure excludes dormant companies.

# Overseas company    ^ Public listed company    \* Associated company / Jointly-controlled entity





#### 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 Pacific Flow #
- Sunway Totalrubber Ltd #
- Pacific Flow Technology Pty Ltd #
- Sunway Totalrubber 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

## GROUP CORPORATE STRUCTURE



### BUILDING MATERIALS

- Sunway Paving Solutions Sdn Bhd
- Sunway VCP Sdn Bhd
- Sunway Spun Pile (M) Sdn Bhd  
(formerly known as Sunway Pipeplus Technology Sdn Bhd)
- Sunway Spun Pile (Zhuhai) Co Ltd #

### HEALTHCARE

- Sunway Medical Centre Sdn Bhd
- SunMed@Homes Sdn Bhd
- SunMed Clinics Sdn Bhd

#### NOTES:

This Group Corporate Structure excludes dormant companies.

# Overseas company    ^ Public listed company    \* Associated company / Jointly-controlled entity



#### 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 #
- Sunway Construction Group Berhad
- 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
- Deco Style Sdn Bhd
- Sunway Design Sdn Bhd
- Sunway Southern Management Sdn Bhd
- Sunway Pendas Management Sdn Bhd







### Sunway optimistic of up to 15pc growth

**SECTOR PERFORMANCE**

Sunway Berhad is optimistic of up to 15pc growth in 2014, says Group Managing Director Tan Sri Jeffrey Cheah. He says the company's revenue is expected to grow by 10-15pc, while its earnings are expected to grow by 15-20pc.



### 雙威集團宴請老人院百名長者

雙威集團於日前在雙威酒店舉行了一場為期兩小時的餐會，邀請了來自不同老人院的百名長者參加。餐會中，雙威集團的高層與長者們親切交談，並為他們送上了一份心意。



### Property

#### Sunway and Daiwa to build prefabricated houses together

Sunway and Daiwa have announced a joint venture to build prefabricated houses in Malaysia. The joint venture, Sunway Daiwa Homes, will focus on developing and building high-quality, affordable housing units.



### Business with a heart

Sunway Berhad has been recognized for its commitment to social responsibility and community development. The company's efforts in supporting various social causes and improving the lives of its employees and the community at large have been highly praised.



### Sunway Group named Builder of the Year, wins two other awards

Sunway Group has been named the Builder of the Year for 2014, a recognition of its outstanding performance in the construction industry. The group also won two other awards for its commitment to quality and innovation in building.



### Catch LumiAir at Sunway Lagoon

Experience the thrill of LumiAir at Sunway Lagoon. This exciting water ride offers a unique and exhilarating experience for visitors of all ages. Catch the LumiAir and enjoy the ultimate water adventure.



### Sunway rising

Sunway Berhad is rising as a leading force in the Malaysian real estate and infrastructure sectors. The company's strategic vision and commitment to excellence have propelled it to new heights, making it a trusted partner for investors and the community.



### Penganjuran program amal ruang Sunway dekat masyarakat

Sunway Berhad is launching a series of community service programs to support the development of the local community. These programs aim to provide various services and resources to the people in need, fostering a sense of unity and social responsibility.



### 耗資6.3億 工程完成88% 電動快捷巴士6月開跑

The 6.3 billion ringgit project for the electric rapid bus system is 88% complete. The system is expected to start operating in June, providing a faster and more efficient mode of public transport for commuters.



### Malaysia's builder of the year

Sunway Group has been named the Builder of the Year for Malaysia, a testament to its exceptional performance and commitment to excellence in the construction industry. The award recognizes the group's ability to deliver high-quality projects on time and within budget.



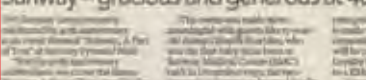
### Malaysia's builder of the year

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### Sunway – gracious and generous at 40

Sunway Berhad is celebrating its 40th anniversary with a series of events and programs. The company is committed to being a gracious and generous partner to its stakeholders, contributing to the growth and development of the nation.



### Creating progressive communities

Sunway Berhad is committed to creating progressive communities that are sustainable, inclusive, and thriving. The company's focus is on providing high-quality infrastructure and services that enhance the quality of life for its residents and the community at large.



### TAN SRI JEFFREY CHEAH

Going the distance to inspire excellence

Tan Sri Jeffrey Cheah, Group Managing Director of Sunway Berhad, is a visionary leader who has inspired excellence in the company and the industry. His dedication to the company's growth and the well-being of its stakeholders has been a driving force behind Sunway's success.



### Sunway named best developer at Seapa Malaysia 2014

Sunway Berhad has been named the best developer at the South East Asia Property Awards (SEAPA) Malaysia 2014. This prestigious award recognizes the company's outstanding performance in the real estate sector and its commitment to excellence in development.



### We got gold, guys! Sunway wins property investment

Sunway Berhad has won the gold trophy for the Property Investment category at the SEAPA Malaysia 2014. This achievement is a testament to the company's expertise in property development and its commitment to providing high-quality investment opportunities for its clients.



### 廢墟變樂土 富貴險中求

Sunway Berhad has transformed a former industrial site into a vibrant and thriving community. The company's innovative approach to urban development and its commitment to sustainability have turned a once-derelict area into a place where people can live, work, and play.



## CHAIRMAN'S STATEMENT

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

Executive Chairman



*Dear Esteemed Shareholders,*

*On behalf of the Board of Directors, I am honoured to present Sunway Berhad's Annual Report for the financial year ended 31 December 2014 ("FYE 2014"). This has been another successful year for the Group. The year saw us achieving further progress financially and strategically, delivering organic growth across the Group while creating further value for our shareholders.*



## LAUNCH OF SUNWAY PALS LOYALTY CARD



### CELEBRATING 40 YEARS OF BEING "A PART OF YOU"

The year 2014 was an important milestone year for us as the Sunway brand celebrated its 40th anniversary. From humble beginnings as a small tin-mining company to one of Malaysia's most established property-construction conglomerates, I believe Sunway has been successful because we stayed true to our corporate purpose of providing a better future for the communities in which we build, serve and live. This business philosophy is embedded in our culture and in our commitment to our stakeholders as we continually deliver on this promise as dedicated co-investors in the communities which we have created.

Our Group is a conglomerate with presence in 40 locations worldwide, and businesses in 9 industries. This means we have an opportunity to touch people's lives in a positive way on a daily basis, in many places and in many ways. The theme for our celebrations, "A Part of You", is a tribute to the many communities that we have built and continue to serve. It is therefore only propitious that we deepen our relationships with these communities by intensifying our efforts in community-building along with our celebrations.

One such effort is the launch of Sunway Pals as a gift to our communities. Sunway Pals is a unique loyalty programme that offers savings and rewards to supportive customers as a gesture of our appreciation to their unwavering support every time they spend at any one of the many business entities within Sunway Resort City, including Sunway Lagoon, Sunway Medical Centre, Sunway University, Sunway hotels, and over 320 participating merchants at Sunway Pyramid Shopping Mall. Eventually, Sunway Pals is envisioned to be accepted by merchants in all of Sunway's shopping malls, making it one of the most attractive loyalty programmes in the country.

### PERFORMANCE REVIEW

We achieved solid earnings growth for the FYE 2014 with core net profit increasing 21% to RM583.9 million from RM484.0 million in the previous financial year. This is the second consecutive year that we have achieved more than 20% growth in core profit after tax and minority interests (PATMI).

Our Group's strong financial results were due to better performance across most business divisions. In particular, our construction division recorded stronger results from higher progress billings for its projects in Malaysia, higher contribution from our precast concrete business in Singapore and the absence of provisions for doubtful debts which were made in the previous financial year. Our core businesses of property and construction continued to be the key contributors to the Group's bottom-line, contributing 78% of the core net PATMI. Geographically, over 80% of Sunway's core net PATMI came from operations in Malaysia, with Singapore being the second largest contributor at 19%.

### SOLID SHAREHOLDER RETURNS

In line with the strong financial performance, Sunway has declared two interim dividends totalling 11 sen for FYE 2014, an increase of 10% from the previous financial year. This implies a dividend payout ratio of 33% of core net profit and a dividend yield of 4.0% per annum based on Sunway's share price of RM2.72 as at 31 December 2013. When considered together with the appreciation of 21% in Sunway's share price to RM3.29 as at 31 December 2014, shareholders would have enjoyed total returns of more than 25% in FYE 2014.

## CHAIRMAN'S STATEMENT

### SUNWAY WINS CONTRACT FOR THE COASTAL HIGHWAY SOUTHERN LINK



### START OF A NEW COMMUNITY

A significant milestone achieved in the year was the eventual launch of Sunway Iskandar. A series of elaborate familiarisation tours, media advertising and press interviews preceded the opening and launch of the township's first Show Gallery in Lakeview Precinct, Sunway Iskandar. This resulted in strong interest in our flagship Johor development and accordingly, the first phase, Citrine offices, was met with overwhelming response.

Dubbed Nature's Capital City, Sunway Iskandar will spread across 1,770 acres and envisioned to be the quintessence of green living in the region. Large tracts, estimated to be at least 30% of the land, will be preserved as green lungs giving residents a sanctuary from their hectic lifestyle. In terms of development, we are putting in the initial building blocks necessary for the development to pull in critical mass in form of retail units and offices. We have also started building Sunway International School, the first international school in Medini Iskandar offering the International Baccalaureate syllabus. Negotiations are also underway with several overseas partners to bring differentiated offerings to the development.

With continued progress and new developments on Sunway Iskandar being shared with the public, we are confident Sunway Iskandar will grow to be a thriving hub for living and business in no time.

### NEXT STAGE OF GROWTH FOR SUNWAY CONSTRUCTION

The Group's Construction division continued its strong performance in 2014, securing RM1.1 billion worth of new contracts and the order book standing at RM3.0 billion as at end December 2014 comprising a combination of in-house projects as well as large-scale infrastructure projects under the Economic Transformation Plan.

Amongst the new orders, we are pleased to have secured the contract for the proposed design, construction, testing and completion of the Coastal Highway Southern Link in Johor from a subsidiary of Iskandar Investment Bhd worth RM169.9 million. The Coastal Highway Southern Link will benefit residents of Sunway Iskandar and other developments in Medini Iskandar Malaysia once it is completed, estimated to be in the second quarter of 2017. In 2014, the division had also achieved a significant financial performance, with profitability increasing over 91% from the previous year driven by good progress of local construction projects and completion of several precast jobs in Singapore.

In view of such strength, the Group believed that it was timely that on 19 September 2014, we announced that we intend to re-list Sunway Construction on Bursa Malaysia. This follows a lapse of 10 years since the de-listing of Sunway Construction Berhad from the Malaysian stock exchange in 2004.



## THREE WINS AT THE MALAYSIAN CONSTRUCTION INDUSTRY EXCELLENCE AWARDS 2013



## BUILDING A LEGACY OF EXCELLENCE

The Construction arm has achieved much since its delisting a decade ago with major accomplishments including establishing its overseas track record by completing major projects in Abu Dhabi, India and Trinidad and Tobago, growing its precast concrete products business to be one of the industry leaders in Singapore and establishing its own piling business which today has one of the largest fleet of piling machinery in Malaysia. To enable Sunway Construction to gain greater public recognition for its capabilities and achievements, a separate listing on Bursa Malaysia will help to achieve this objective.

From the Group's perspective, the listing provides an opportunity to unlock value and further reward shareholders. There will be free Sunway Construction shares allocated as dividend in specie while proceeds raised from the offer for sale of Sunway Construction shares will be mostly distributed to Sunway shareholders in the form of a special cash dividend. I wish to highlight that, notwithstanding the offer for sale, Sunway remains confident of the Construction division's future prospects which is why we will continue to retain at least 51% of the business post listing. By retaining this controlling stake, we believe we can continue to sustain the synergies achieved following the merger in 2011 between Sunway Holdings Berhad and Sunway City Berhad.

2014 was a thrilling year for Sunway as we received top industry acclaims in both the property and construction industries, winning more than 20 major national and international awards. We are particularly proud to highlight some of the awards below.

We took top spot for The Edge Top Property Developers Awards (TPDA) for the first time after more than a decade of being amongst the top 10 developers in the country, confirming Sunway's rise in stature as a developer with differentiated offerings and strong financial performance. Sunway also clinched the Best in Qualitative Attributes Award 2014, an affirmation of the efforts Sunway has put into ensuring our developments provide buyers with the best quality, innovation and value.

At the Malaysian Construction Industry Excellence Awards (MCIEA) 2013, the Group won the most coveted Builder of the Year Award, Prominent Player Award and CEO of the Year Award. The MCIEA is the premier accolade recognising superior achievements in Malaysia's construction industry and awarded by the Construction Industry Development Board (CIDB) Malaysia.

## CHAIRMAN'S STATEMENT

### SUNWAY LAGOON TO HOST ASIA'S FIRST NICKELODEON THEME PARK



### CARING FOR OUR COMMUNITIES

In December 2014, Sunway was selected as one of the inaugural constituents of FTSE4Good Bursa Malaysia Index together with only 23 other Malaysian public listed companies. The FTSE4Good Bursa Malaysia Index recognises companies that distinguish themselves by consistently demonstrating socially responsible business practices. Our inclusion in this exclusive grouping further reinforces Sunway's credential as one of the leading corporations which adopts sound environmental, social and governance practices and validates our efforts in making a difference at the workplace, marketplace, community and environment. We believe the inclusion is beneficial to us as it will further attract investors who seek to invest in corporations with such good business practices.

Amongst our efforts in 2014 are our corporate responsibility programmes which focus on the three central areas of education, healthcare and Community Aid, Reachout, and Enrichment ("C.A.R.E") projects. Under education, the Group and the Jeffrey Cheah Foundation ("JCF") continued their collaboration to provide access to education to all and to uplift the standard of education in Malaysia. The initiatives include provision of scholarships, school adoption and restoration works, job training programs for special students and sponsorship of noteworthy causes like Teach for Malaysia, an NGO which seeks to reduce the gap between rural and urban schools, and Hearts of GOLD (Generating Opportunities for the Learning Disabled), a social business enterprise devoted to developing business models which will equip special needs youths with skills that will help them through life.

Our efforts in healthcare are based on our strong belief in the importance of raising healthcare standards in Malaysia and in helping to cultivate healthy living. Sunway has taken a three pronged approach in our activities namely education, screening and support. The initiatives undertaken by the Group to turn Sunway Resort City into a 100% smoke-free township by 2018 has started to bear fruit as Sunway was awarded the Blue Ribbon Outstanding Achievement Award in November 2014 for the progress made.

In building communities, we are constantly improving and upgrading accessibility and connectivity to our developments, particularly, Sunway Resort City. To date, we have invested close to RM200.0 million for infrastructure improvement by undertaking initiatives such as the BRT-Sunway Line with Prasarana, constructing the link to Kesas Highway, expansion of the New Pantai Expressway and building the Canopy Walk linking the various components of Sunway Resort City. These initiatives are expected to benefit more than 500,000 residents within Subang Jaya, Bandar Sunway and USJ. The Group is also working on measures to improve public safety within our townships and developments, foster national unity through shared festive celebrations and highlight the importance of environmental preservation.

By aligning our CSR efforts with our business interests, and embedding our core values of integrity, humility and excellence into our Group's culture, we aim to create a more positive and far-reaching impact on our society and the nation.

## SUNWAY CROWNED TOP PROPERTY DEVELOPER AT THE EDGE PROPERTY EXCELLENCE AWARDS 2014



### LOOKING AHEAD

While we anticipate further market challenges in 2015, we believe that our construction order book of close to RM3.0 billion and unbilled property sales of RM2.5 billion will provide a firm foundation that will enable Sunway to deliver a satisfactory performance going forward. In addition, the steady recurring rental income from our property investment assets and dividend income from our 35.7% stake in Sunway REIT will provide stable earnings contribution to the Group's profit. Based on the foregoing and barring any unforeseen circumstances, Sunway is well prepared to face the more challenging economic conditions ahead.

### ACKNOWLEDGEMENT

On behalf of the Board, I wish to extend our appreciation to the management and staff for their continuous dedication, commitment and valuable contributions to the Group. We would also like to thank all our valued customers, suppliers, business partners, bankers and the respective government authorities for their confidence and unwavering support to Sunway.

I would also like to take this opportunity to extend a warm welcome to Tan Sri Dato' Dr Lin See Yan, who was appointed to Sunway's Board of Directors on 18 March 2015. I am confident that Tan Sri Lin, with his vast experience in banking and various industries, will be able to contribute greatly to help steer the Group to greater heights.

With that, I would like to conclude this year's review by looking ahead for many more years of being "A Part of You".

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



## CALENDAR OF SIGNIFICANT EVENTS

### SHARING THE CNY JOY

22 January 2014



Sunway Group brought hope and cheer to 100 senior citizens who were treated to a Chinese New Year themed dinner at Westlake Garden restaurant at Sunway Resort Hotel and Spa, gift packs and “Ang Pow”, with a range of activities and entertainment. The three beneficiary homes were Joyhaven Home for the Elderly in Petaling Jaya, Pusat Jagaan Insan Istimewa in Semenyih, and Pertubuhan Kebajikan Wanita Ikhlas in Kajang. In partnership with Kelab Sosial Sunway through its “Light of Hope” project, each home received a donation in the form of grocery products.

### ‘GIVE A HEART’ TO SOMEONE WHO NEEDS IT

4 March 2014



Sunway Medical Centre launched the ‘Give A Heart’ campaign to raise awareness on the threat of heart disease among women. “Give A Heart” is a CSR campaign that provides free CT coronary angiograms for needy women using its newly installed Siemens Flash Speed Dual Source CT scanner. A portion of payments received from all CT scans done at Sunway Medical Centre from June to December 2014 was donated to the “Give A Heart” fund. A total of RM100,000 was raised from this campaign.

## GET REWARDED WITH SUNWAY PALS

7 March 2014



Sunway Group launched its flagship Sunway Pals loyalty programme in conjunction with its 40th anniversary.

Sunway Pals is a loyalty programme that rewards members with loyalty points every time they transact at any one of the many business entities within Sunway Resort City, including over 320 participating merchants at Sunway Pyramid Shopping Mall. These loyalty points are convertible to cash rebates. Membership is free and the public have options to register at Sunway Pyramid's Sunway Pals counter, through the Sunway Pals smartphone app, or via the website [www.sunwaypals.com.my](http://www.sunwaypals.com.my).

## NICKELODEON TO SPLASH INTO SUNWAY LAGOON

9 April 2014



Sunway Group announced its collaboration with Viacom International Media Networks (VIMN) with an investment valued at RM100.0 million to develop Asia's first Nickelodeon themed attraction at Sunway Lagoon. Nickelodeon Lost Lagoon is slated for opening in second half of 2015 and will feature immersive attractions such as Splash Pad, climbing structures, interactive water play area using reactive technology, daily signature slime events, retail shops, and a variety of food establishments themed after SpongeBob SquarePants, Dora the Explorer, and Teenage Mutant Ninja Turtles, amongst others.

## CALENDAR OF SIGNIFICANT EVENTS

### ACHS ACCREDITATION FOR SUNWAY MEDICAL CENTRE

12 May 2014



Sunway Medical Centre became the first hospital in Southeast Asia to be awarded international accreditation by the Australian Council on Healthcare Standards (ACHS) in recognition of its commitment to deliver the highest quality of care to Malaysians. Sunway Medical Centre was evaluated based on 15 mandatory criteria in clinical, support and corporate aspects outlined in the ACHS Evaluation and Quality Improvement Program (EQuIP). Organizations under the ACHS accredited program undergo a four year cycle of Self-Assessment, Organization-Wide Survey and Periodic Review to meet the latest standards and best practices in healthcare.

The ACHS is an authorized accreditation agency with the Australian Commission on Safety and Quality in Health Care. Its standards are recognized and implemented worldwide.

### PLANTING THE SEEDS FOR A NEW SELF-SUSTAINING INTEGRATED COMMUNITY

29 May 2014



Sunway's Property Development division announced plans to nurture and foster a vibrant community in Iskandar Malaysia through the first phase of its largest township, Sunway Iskandar. Comprising six different precincts, namely *The Capital*, *The Parkview*, *The Lakeview*, *The Riverside*, *The Seafront*, and *The Marketplace*, Sunway Iskandar will span across 1,800 acres of land in Iskandar Malaysia with a gross development value exceeding RM30 billion. Modelled after the successful Sunway Resort City, each precinct will be designed to reflect a self-sustaining integrated city with convenient amenities.

The division's overall strategy is to activate the precincts individually in each phase of the project, with *The Lakeview* precinct being the first phase. The inaugural launch in the precinct consist of a self-sustaining mixed development named *Citrine*, which comprises 328 serviced apartments, 167 office suites and 51 retail units spanning over 140,000 square feet.

**COMBATING HUNGER AND SPREADING HOPE****19 June 2014**

Sunway Group took a leap with its “Light of Hope” initiative by partnering with Stop Hunger Now to combat hunger through its Meal Packaging Programme. Stop Hunger Now is an international hunger relief organisation which manages the distribution of food and other life-saving aids.

Over 800 Sunway employees nationwide gathered to pack food for the underprivileged communities in Port Klang and its surrounding areas such as Kampung Samy and Klang Squatters, and also, for two Myanmar refugee organisations based in Bandar Sunway, namely ZOMI Education Centre and Chin School Organisation.

**LIGHT OF HOPE: ENRICHING LIVES OF UNDERPRIVILEGED COMMUNITIES****23 July 2014**

Sunway Group reached out to Hearts of Gold (Generating Opportunities for Learning Disabled) special children and Yayasan Chow Kit, and hosted them in a series of interactive workshops, Raya shopping and buka puasa at Sunway Resort Hotel & Spa. Approximately 80 children and youths between the ages of 7 and 21 gained new friends and experiences that day.

Every child and youth also received new clothes, duit raya, a prayer mat and goodie bag, as well as a small personalised notebook made by the Heart of Gold Foundation students.

Sunway’s “Light of Hope” activities are notably active during major festive occasions, a time where many of the underprivileged and impoverished communities are often forgotten. Yayasan Chow Kit is a 24-hour crisis and drop-in centre which provides support to at-risk children and youths.



## CALENDAR OF SIGNIFICANT EVENTS

### SUNWAY EXPLORES BUILDING HOMES WITH DAIWA

25 July 2014



Sunway Group entered into a Memorandum of Understanding (MoU) with Japanese Fortune 500 developer Daiwa House Industry Co. Ltd to study the feasibility of manufacturing and selling prefabricated housing in Malaysia.

The collaboration between Daiwa and Sunway brings together the expertise of two large and reputable industry players to offer alternative and innovative products into the market anchored around prefabricated housing, with eco and smart home technologies. The partnership will leverage on Daiwa's expertise in the design, development and manufacturing of prefabricated housing and its experience and well-established management systems in Japan as well as its overseas markets. Sunway will bring into this partnership its expertise in local property development, construction and building materials, and to provide support for future property development opportunities in Malaysia.

A prototype bungalow house was built with Daiwa's proprietary prefabrication technologies at the Sunway Eastwood development in Seri Kembangan, Selangor. It was completed in five months and this 3-storey bungalow unit with a built-up area of 3,968 square feet is decked with Daiwa and other high-tech devices and technology as a test bed to ascertain what works best in Malaysia.

### LIGHT OF HOPE DIWALI CHEER

17 October 2014



Sunway hosted a Diwali Cheer event for 100 children comprising students of SRJK (T) Sungai Choh, SJK (T) Kuala Kubu Bharu, and SRJK (T) Bukit Beruntung, Hulu Selangor, in conjunction with its "Light of Hope" project.

The festival of lights was held in Sunway Pyramid Shopping Mall and Sunway Resort Hotel & Spa, and attended by Deputy Minister of Education II, YB P. Kamalanathan and Sunway Group's EXCO member, Puan Seri Datin Sri Dr. Susan Cheah. A range of activities, such as "kolam" making and the lighting of lamps were organised to bring cheer to these students. The children also had the opportunity to learn to ice skate at Sunway Pyramid's ice skating rink.

## INNOVATING AT WORK: SUNWAY MANAGERS CONFERENCE 2014

8 November 2014



Sunway executives were inspired by prominent corporate personalities Mr Azran Osman-Rani, Chief Executive Officer of AirAsia X and Mr Anas Zubedy, Founder of Zubedy (M) Sdn Bhd at the Sunway Managers Conference 2014 held at Sunway Pyramid Convention Centre.

Mr Azran Osman-Rani inspired many with his company's distinctive culture of different thinking, by being innovative with a clear sense of purpose, encouraging an open concept, and allowing growth opportunities.

Mr Anas Zubedy added a new and interesting twist to the conference when he moderated a forum titled "Intergenerational Leadership" that saw 10 Sunway panellists representing five generations namely Seniors, Baby Boomers, Generations X, Y and Z. The session amplified ways to communicate effectively across multiple generations.

## SUNWAY FAMILY DAY

9 November 2014



Sunway employees and their families were treated to a fun-filled Family Day at Sunway Lagoon. Employees and their family members had the opportunity to enjoy over 80 attractions across Sunway Lagoon's five signature parks for free in addition to receiving goodie bags upon entry. After a welcoming speech by Mr. Evan Cheah, the event was officiated by the Kelab Sukan Sunway President and Sunway Group Chairman. Held annually, the Family Day event serves to enhance interaction and foster closer relationships among the staff of Sunway. Close to 10,000 people attended this year's event.

## CALENDAR OF SIGNIFICANT EVENTS

### SUNWAY MEDICAL CENTRE RECEIVES WESTGARD SIGMA VERIFICATION OF PERFORMANCE

12 November 2014



Sunway Medical Centre earned the distinction of being the first medical institution in Malaysia to receive the acclaimed Westgard Sigma Verification of Performance. The Westgard Sigma Verification Program encourages laboratories to define their own quality requirements and to evaluate their own performance relative to their goals for quality. It provides an evidence-based, data-driven approach to quantify the quality achieved by a laboratory method as well as confirmation that the laboratory can routinely and consistently deliver that quality.

The program employs a Six Sigma Quality Management System in the laboratory that provides an objective and quantitative approach to guarantee that the analytical quality of test results is acceptable for their intended clinical use. This verification provides an assurance for the analytical quality of testing processes; the selection and validation of instrument systems; the design of quality control procedures; the standardisation of quality control practices; and the proper monitoring and assessment of quality on the sigma scale.

### CELEBRATING CHRISTMAS: AN ENCHANTING YEAR END WITH LUMIAIR

29 November 2014



The Sunway Lagoon amphitheatre came alive with the LumiAir – A Cirque Sensation that wowed the crowd with an extraordinary cast of cirque characters, beautiful dancers and breathtaking acrobatic performances presented in vibrant energy, complemented by brilliant costumes, stunning scenery and state-of-the-art production. In its maiden appearance in Malaysia, LumiAir featured 30 renowned international performers from Australia, France, Canada, Russia, China and Belarus during its 2-hour show that ran from November 29 to December 24.

## SUNWAY DISPOSES TWO ASSETS TO SUNWAY REIT

8 December 2014



Sunway Berhad announced its injection of the Sunway Hotel Georgetown in Penang and Wisma Sunway in Shah Alam into its 35.7% associate, Sunway REIT for RM134.0 million. Sunway Hotel Georgetown is a 4-star hotel with 250 rooms. The 16-storey building lies within the bustling Penang city centre surrounded by shopping and government districts. Wisma Sunway is a stratified office building with a net lettable area of 171,544 sq ft. It currently enjoys over 90% occupancy and tenants comprise mainly government offices.

On completion, these assets will raise the value of assets under management of Sunway REIT to approximately RM5.6 billion. The disposal will allow Sunway REIT to continue growing and maintain its position as one of the leading REIT in Malaysia.

## SUNWAY CONSTRUCTION TO BUILD SOUTHERN LINK

29 December 2014



Sunway Construction signed a letter of acceptance issued by SJIC Bina Sdn Berhad, a wholly owned subsidiary of Iskandar Investment Bhd, in relation to the proposed design, construction, testing and completion of the Coastal Highway Southern Link, Johor for RM169.9 million. The construction is expected to commence on 7 January 2015 for a contract period of 24 months.

The Coastal Highway Southern Link is expected to benefit Sunway Iskandar and other developments in Medini Iskandar Malaysia due to the resulting improved connectivity and shortened traveling time to the Second Link to Singapore.



## AWARDS AND ACCOLADES

### SUNWAY IS MALAYSIA'S BUILDER OF THE YEAR



#### DATE

16 April 2014

#### EVENT

Frost & Sullivan's Best Practices Award

#### AWARD RECEIVED

Malaysia's Builder of the Year 2014

Sunway Berhad was conferred Malaysia's Builder of the Year 2014 Award by Frost & Sullivan at its Best Practices Award ceremony under the Best of the Best category. Frost & Sullivan's Best Practices Award recognises companies in a variety of regional and global markets for demonstrating outstanding achievement and superior performance in areas such as leadership, technological innovation, customer service, and strategic product development.

This award was a recognition of Sunway's iconic property developments and contribution in the construction of green buildings.

### SUNWAY SCORES TWO PUTRA BRAND AWARDS



#### DATE

29 April 2014

#### EVENT

Putra Brand Awards 2014

#### AWARD RECEIVED

Gold Award - Property Development Category  
Bronze Award - Entertainment Category

Sunway's Property Development division clinched two Putra Brand Awards, scoring a Gold Award for the Property Development category and Bronze Award for Sunway Lagoon under the Entertainment category.

The Putra Brand Awards is organised by the Association of Accredited Advertising Agents of Malaysia (4As) and endorsed by Malaysia External Trade Development Corporation (MATRADE). The Awards is a recognition and brand valuation exercise for local and international brands, where nomination and outstanding performance are solely determined by consumer polls.

## SUNWAY LEADS THE WAY IN SUSTAINABILITY



### DATE

12 May 2014

### EVENT

Malaysian Green Building Confederation  
Leadership in Sustainability Awards

### AWARD RECEIVED

Business Leadership Award

Sunway Berhad won the Business Leadership Award at the Malaysian Green Building Confederation (MGBC) inaugural Leadership in Sustainability Awards. This win secured a spot for Sunway to contest at the World Green Building Council (WGBC) Asia Pacific Regional Network's Business Leadership in Sustainability Awards.

The Award by MGBC and subsequent nomination by MGBC to contest at the WGBC Awards highlights Sunway's commitment towards going green.

## SUNWAY PALAZZIO WINS SILVER AT FIABCI PRIX D'EXCELLENCE



### DATE

23 May 2014

### EVENT

FIABCI Prix d'Excellence

### AWARD RECEIVED

Silver - Best High Rise Development

Sunway Palazzio attained Silver for Best High Rise Development at the internationally renowned FIABCI Prix d'Excellence. This win clearly acknowledges Sunway Palazzio as one of the best high rise developments in the world. This follows Sunway's win at the FIABCI Malaysia Property Awards for the same category in 2013.

Sunway previously won the FIABCI Prix d'Excellence Awards in 2012 for the Banjaran Hot Springs Retreat and in 2011 for Sunway Pyramid Shopping Mall.

The FIABCI Prix d'Excellence Awards recognises projects that embody excellence and rewards overall merit beyond aesthetics, functionality and size. Winners are selected by an acclaimed panel of 61 judges from 31 countries.

## AWARDS AND ACCOLADES

### SUNWAY IS MALAYSIA'S TOP 10 PROPERTY DEVELOPER



#### DATE

19 June 2014

#### EVENT

BCI Asia Awards 2014

#### AWARD RECEIVED

Malaysia's Top 10 Property Developer

Sunway's Property Development division emerged as one of Malaysia's Top 10 Property Developers in the BCI Asia Awards 2014. This is Sunway's fourth successive win, firmly establishing the Group as a leader in design and development in Asia. Now in its 10th year, the Awards recognises Malaysia's top 10 architects and developers that have changed the cityscape and left a profound imprint on the nation's building industry.

In addition to recognising developers and architecture firms in seven regional markets (namely Hong Kong, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam), the BCI Asia Awards aims to encourage the creation of socially-responsible architecture. Sunway's Property Development division was identified as one of the top according to the aggregate value of their projects under design in the 12 months preceding the award year by the extent of its sustainability and confirmed local green building ratings.

### TAN SRI DR JEFFREY CHEAH IS MALAYSIA'S OUTSTANDING CEO



#### DATE

15 August 2014

#### EVENT

"The Edge Billion Ringgit Club" (BRC)  
Corporate Awards

#### AWARD RECEIVED

Malaysia's Outstanding CEO: Value Creators

Tan Sri Dr Jeffrey Cheah, founder and Chairman of Sunway Group, was bestowed Malaysia's Outstanding CEO: Value Creators award at "The Edge Billion Ringgit Club" (BRC) Corporate Awards and Gala Dinner.

The Awards honours business leaders who have shown exemplary leadership in building business and creating value for all stakeholders. This award is a strong testament to Tan Sri Dr Jeffrey Cheah's vision, as well as his business and leadership skills, which have led Sunway to become the powerhouse that it is today.



#### FOUR AWARDS AT SOUTHEAST ASIA PROPERTY AWARDS MALAYSIA 2014



##### DATE

28 August 2014

##### EVENT

Southeast Asia Property Awards Malaysia 2014

##### AWARDS RECEIVED

Best Developer Award  
 Winner - Best Housing Development (North Malaysia)  
 Winner - Best Housing Development (Central Malaysia)  
 Highly commended - Best Housing Development (South Malaysia)

Sunway's Property Development division claimed top honours as Best Developer at the Southeast Asia Property Awards Malaysia 2014. Sunway also garnered three other awards, namely:

- Winner, Best Housing Development (North Malaysia) for Sunway Wellesley, Phase II
- Winner, Best Housing Development (Central Malaysia) for Sunway Montana
- Highly commended, Best Housing Development (South Malaysia) for Sunway Lenang Heights – Phase 1A

The Awards recognises high quality work within the Asian real estate industry, where construction, architecture, and interior design aspects are assessed. Sunway's wins at these Awards is an attestation of its vision and quality in the real estate industry.

#### SUNWAY COLLECTS THREE AWARDS AT THE MALAYSIAN CONSTRUCTION INDUSTRY EXCELLENCE AWARDS 2013



##### DATE

19 September 2014

##### EVENT

Malaysian Construction Industry Excellence Awards (MCIEA) 2013

##### AWARDS RECEIVED

Builder of the Year  
 Prominent Player  
 CEO of the Year

Sunway Construction was conferred the Builder of the Year Award at the Malaysian Construction Industry Excellence Awards (MCIEA) 2013 held in conjunction with International Construction Week. Sunway Construction is the first Malaysian contractor to win this prestigious award three times. In addition, Tan Sri Dr Jeffrey Cheah, founder and Chairman of Sunway Group received the Prominent Player Award, while Mr. Kwan Foh Kwai, the Managing Director of Sunway Construction, was presented with the CEO of the Year Award.

The MCIEA, which is hosted by CIDB Malaysia, is the premier accolade for all round excellence in the construction industry in Malaysia.

## AWARDS AND ACCOLADES

### SUNWAY IS MALAYSIA'S TOP PROPERTY DEVELOPER



#### DATE

15 October 2014

#### EVENT

The Edge Malaysia Property Excellence Awards

#### AWARD RECEIVED

The Edge Top Property Developers Award  
Best in Qualitative Attributes Award  
The Edge-PAM Green Excellence Award

Sunway Berhad was the star at The Edge Malaysia Property Excellence Awards 2014 where it claimed the No. 1 spot of The Edge Top Property Developers Awards (TPDA) for the first time. The TPDA ranks the Malaysian developers who deliver the most value and best quality to its buyers and is adjudged by a distinguished panel of judges.

Sunway also clinched the Best in Qualitative Attributes Award 2014 and The Edge-PAM Green Excellence Award 2014 for the Banjaran Hotsprings Retreat in Sunway City Ipoh, while Sunway Rymba Hills in Kota Damansara earned an honorary mention in the same category.

### DOUBLE WIN AT FIABCI MALAYSIA PROPERTY AWARDS



#### DATE

12 November 2014

#### EVENT

FIABCI Malaysia Property Awards 2014

#### AWARD RECEIVED

Malaysia Property Award 2014 - Residential  
(Low Rise) Category  
Malaysia Property Award 2014 - Resort Category

Sunway won two awards at the FIABCI Malaysia Property Awards 2014 where Sunway Rymba Hills earned the Malaysia Property Award 2014 in the Residential (Low Rise) category, while the Lost World of Tambun received the Malaysia Property Award 2014 in the Resort category.

This follows Sunway's win at the FIABCI Malaysia Property Award in 2013 for Sunway Palazzio, FIABCI Malaysia Property Award 2011 for The Banjaran Hotsprings Retreat and the FIABCI Malaysia Property Award 2010 for Sunway Pyramid Shopping Mall.

The FIABCI Malaysia Property Award is awarded by an independent panel of experts who evaluate the developments in respect to criteria such as design, workmanship, impact on the environment, ease of facilities management, financial viability, marketing strategies, benefit to the community and lifestyle improvements. Winners will get the opportunity to represent Malaysia and compete at the FIABCI International Prix d'Excellence Awards.

## MULTIPLE AWARDS AT THE BEST OF MALAYSIA AWARDS 2014



### DATE

18 November 2014

### EVENT

Best of Malaysia Awards 2014

### AWARD RECEIVED

Best Attraction / Tourism Experience for Kids  
Best Shopping Experience  
Best MICE Venue

Sunway Group bagged the following awards in the Best of Malaysia Awards 2014:

- Sunway Lagoon, Excellence Award, Best Attraction / Tourism Experience for Kids
- Sunway Pyramid, Excellence Award, Best Shopping Experience
- Sunway Pyramid, Excellence Award, Best MICE Venue

The Best of Malaysia Awards celebrates the finest in the travel and hospitality industry and is organised annually by Expatriate Lifestyle. Nominees are nominated and voted for by over 30,000 well-travelled expatriates living in Malaysia.

## SUNWAY CLINCHES NATIONAL ANNUAL CORPORATE REPORT AWARDS (NACRA) 2014



### DATE

24 November 2014

### EVENT

National Annual Corporate Report Awards (NACRA) 2014

### AWARD RECEIVED

Industry Excellence Awards - Properties and Hotel Category  
Industry Excellence Awards - Real Estate Investment Trusts (REITs) & Investment Funds category

Sunway retained the Industry Excellence Award for the Properties & Hotels category for a record eighth consecutive year while Sunway Real Estate Investment Trust ("REIT") took home its third award for the Real Estate Investment Trusts (REITs) & Investment Funds category at the National Annual Corporate Report Awards (NACRA) 2014.

NACRA was established with the main objective of recognising companies' corporate reporting excellence on a yearly basis. Since its establishment, NACRA has become the benchmark for fair, transparent and informative corporate reporting.



## AWARDS AND ACCOLADES

### SUNWAY PROPERTY FETED AT THE IPROPERTY PEOPLE'S CHOICE AWARDS



#### DATE

25 November 2014

#### EVENT

iProperty People's Choice Awards

#### AWARD RECEIVED

Best Integrated Development  
Best Township of the Year

Sunway's Property Development division was honoured at the iProperty People's Choice Awards with two awards. Sunway Velocity won the Best Integrated Development Award while Sunway Iskandar was named the Best Township of the Year.

The inaugural People's Choice Awards was aimed at recognising the best of Malaysia's property industry from the consumers' perspective.

### TAN SRI DR JEFFREY CHEAH ACCORDED OUTSTANDING ACHIEVEMENT AWARD



#### DATE

1 December 2014

#### EVENT

Blue Ribbon Campaign 2014

#### AWARD RECEIVED

Outstanding Achievement Award

Tan Sri Dr. Jeffrey Cheah, founder and Chairman of Sunway Group was accorded the Blue Ribbon Outstanding Achievement Award for his strong advocacy for a smoke-free workplace and environment. The Blue Ribbon Campaign 2014 Recognition and Awards ceremony was held at the Sunway Resort Hotel & Spa.

The Blue Ribbon Campaign was introduced by the Malaysian Health Promotion Board (MySihat), and serves to recognise and honour significant contributions by people and organisations advocating a 100% smoke-free environment.

### TAN SRI DR JEFFREY CHEAH IS HONOURED WITH PRESIDENT'S AWARD



#### DATE

19 December 2014

#### EVENT

Malaysian Institute of Planners (MIP) Awards  
for Planning Excellence 2014

#### AWARD RECEIVED

President's Award

Tan Sri Dr Jeffrey Cheah, founder and Chairman of Sunway Group, was honoured with the President's Award at the inaugural Malaysian Institute of Planners (MIP) Awards for Planning Excellence 2014.

The MIP Awards for Planning Excellence serves to highlight excellent practices, leadership and achievements in town planning and the planning profession. The award conferred to Tan Sri Dr Jeffrey Cheah reflects his outstanding leadership in the planning field, as well as honouring Malaysia's most outstanding planner who has served as the visionary and catalyst behind the development of sustainable and fully integrated townships.

### SUNWAY INCLUDED IN INAUGURAL FTSE4GOOD BURSA MALAYSIA INDEX



#### DATE

22 December 2014

#### EVENT

FTSE4GOOD Bursa Malaysia Index

#### AWARD RECEIVED

FTSE4GOOD Bursa Malaysia Index Constituent

Sunway Berhad and 23 other companies were officially included in the inaugural FTSE4GOOD Bursa Malaysia Index, an index that recognises publicly listed companies that distinguish themselves by consistently demonstrating socially responsible business practices.

Companies evaluated for inclusion in the index include the top 200 Malaysian companies on the FTSE Bursa Malaysia Emas Index and all companies were screened in accordance to well-defined and globally recognised environmental, social and governance ("ESG") criteria.

This inclusion indicates Sunway's commitment to its wider stakeholders by demonstrating good environmental, social and governance practices that adhere to international standards. The FTSE4Good series of indices is recognised by market participants internationally for its efforts in identifying and measuring the performance of companies demonstrating good ESG disclosure, practices and performance, and aids investors in ethical investment decision making and portfolio management.

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**STRONG ASSET BASE**

Sunway's Property Investment and Real Estate Investment Trust division holds a portfolio of established properties with a total value of more than RM7.0 billion and a total net lettable area exceeding 8.3 million square feet. Sunway Pyramid Shopping Mall, the largest shopping mall in the portfolio, is Malaysia's first themed shopping mall with approximately 1,000 shops, offering the very best of local and international brands and delectable delights. The division's commercial portfolio consists of office towers, university campuses, student accommodations and a medical centre.





## PRESIDENT'S REVIEW

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### Dato' Chew Chee Kin

President



*The Group achieved record results in 2014 with core PATMI of RM583.9 million, up 21% from 2013. Our performance demonstrated the all-round strength of our business, with strong top-line growth in most business divisions and further operational improvements in efficiency and quality.*

ARTIST'S IMPRESSION OF LAKEVIEW PRECINCT  
Sunway Iskandar



## INTEGRATED PROPERTIES

### *Property Development*

Property development contributed 26% of the Group's revenue and 40% of core PATMI in 2014. During the year, the Group launched RM1.5 billion worth of properties in Malaysia and achieved record sales of RM1.6 billion, across a range of price points, property types and geographies. In Klang Valley, we launched Sunway V-Residences 2 and Sunway V-Residences Suites, with a combined gross development value (GDV) of RM550.0 million. Both developments are located in Sunway Velocity, an integrated development on freehold land and in close proximity to Kuala Lumpur city centre. These properties have been well-received; approximately 88% of the Sunway V-Residences 2 units were sold as at the end of the year. In Sunway Iskandar, we launched Citrine, an integrated development comprising service apartments, offices and a retail podium, with a GDV of approximately RM300.0 million. The first phase of Citrine, which comprised office suites, was sold out within a month.

In Singapore, demand for properties was strong in the first half of the year. We launched Avant Parc terrace homes with GDV of RM95.0 million, but deferred the launch of our Sophia Hills development as market sentiment weakened in the second half of the year. In China, we launched the Sunway Gardens, Tianjin condominium with GDV of RM90.0 million.

Total property sales remained robust at RM1.7 billion in 2014, driven by new sales from Sunway South Quay, Sunway Velocity, Sunway Damansara, Sunway Alam Suria, Sunway Montana and development projects in Singapore. Unbilled sales grew to RM2.5 billion in 2014 from RM2.4 billion in 2013, driven by the growth in new sales.

### *Property Investment and REIT*

The Group holds a 35.7% stake in Sunway REIT, the second largest REIT in Malaysia by asset size, with assets under management of approximately RM5.6 billion as at 31 December 2014. The REIT distributed a total of 8.6 sen per REIT unit in dividends in 2014, representing a yield of 7.0% (based on its closing price of RM1.24 as of 31 December 2013).

In December 2014, Sunway REIT acquired Wisma Sunway in Shah Alam and Sunway Hotel Georgetown in Penang for RM134.0 million. The acquisition of Wisma Sunway adds close to 172,000 square feet of net lettable office space under Sunway REIT, while Sunway Hotel Georgetown adds another 250 keys to the REIT's portfolio of hotels.

## PRESIDENT'S REVIEW

"A HOOPFUL CHRISTMAS" DECORATION  
Sunway Pyramid Shopping Mall



At Sunway Pinnacle, an extension was completed during the year. Named the Pinnacle Annexe, this purpose-built three-storey dining destination features a Chinese restaurant and a novelty restaurant serving eight different cuisines.

In 2015, we expect Sunway's property investment and REIT assets in Bandar Sunway to benefit from infrastructure improvements in the township and surrounding areas. Completion of Bandar Sunway's Bus Rapid Transit ("BRT") – Sunway Line and the connecting Canopy Walk from the BRT stations to various properties will enhance connectivity in the township and increase footfall. In addition, the NPE road widening project will improve the traffic flow to Bandar Sunway. The Group's properties are expected to attain higher tenancy rates as a result of these improvements. For example, Sunway Pinnacle, which opened in 2014, had occupancy of over 50% by December 2014, and is expected to be more than 70% occupied by end-2015.

### *Leisure and Hospitality*

Our two theme parks, Sunway Lagoon and the Lost World of Tambun, welcomed 1.8 million visitors in 2014, up from 1.6 million visitors in 2013. In addition, we attracted higher average spend per visitor as we continued to introduce new attractions and performances, and refreshed our food and beverage offerings.

In our Hospitality Division, we conducted further asset enhancement projects on key properties. Sunway Resort Hotel & Spa and Pyramid Tower Hotel both completed renovations to their food and beverage facilities, while Sunway Putra Hotel is refurbishing its rooms. These initiatives are expected to reinvigorate interest in our hospitality properties. For example, since the completion of Sunway Hotel Georgetown's refurbishment in 2013, it increased its occupancy and average room rates. The property was sold to Sunway REIT at an attractive yield for both the Group and the REIT.

### CONSTRUCTION

The Construction division contributed 20% of the Group's core PATMI, driven by strong progress from projects in Malaysia and higher contribution from the precast concrete business in Singapore.

The Group's outstanding order book was RM3.0 billion at the end of 2014, comprising in-house projects and large-scale infrastructure and building projects under the Economic Transformation Plan and 10th Malaysia Plan. We made significant progress on existing contracts, including the LRT Kelana Jaya Line Extension (Package B), BRT – Sunway Line, Sunway University New Academic Block, Sunway Pyramid Phase 3 and Sunway Velocity



## PHILEO DAMANSARA MRT STATION



## STRATEGIC INVESTMENTS

Shopping Mall. These projects are expected to be completed by end 2015 to early 2016.

We secured RM1.1 billion of new contracts in 2014. A highlight was obtaining the contract for the Coastal Highway Southern Link project (contract sum of RM169.9 million) in Johor, from a subsidiary of Iskandar Investment Berhad. This highway will reduce the traveling time from the Second Link to Medini Iskandar. The improved connectivity will also benefit the Sunway Iskandar development. Other key new contracts included Sunway Velocity 2 Mall (RM350.0 million), Sunway Iskandar - Citrine Service Apartments (RM200.0 million) and Sunway Medical Centre Phase 3 (RM178.0 million).

The Group received further recognition from the industry for excellence in performance and project implementation. At the Malaysian Construction Industry Excellence Awards ("MCIEA") 2013, we were awarded "Builder of the Year" for an unprecedented third time. In addition, our Chairman, Tan Sri Jeffery Cheah received the Prominent Player of the Year award, and Mr Kwan Foh Kwai received the CEO of the Year award.

*Trading and Manufacturing*

The Trading and Manufacturing division faced weak macroeconomic conditions in its overseas markets during the year. Core PATMI were RM26.7 million, down from RM32.5 million in 2013, as a result of a decline of the mining industry in Australia, a reduction in demand from the oil and gas industry in Singapore, and the softening of the construction industry in China. The Malaysian businesses remained resilient, with revenue driven by sales of heavy equipment to the domestic construction and quarrying industries.

Despite the macroeconomic challenges, we continued to improve our product range and services. We grew the number of agency lines carried, from 116 to 128. New agency lines include Semperit hoses from Austria, Sejin undercarriage parts from Korea, Unimate micro pile equipment from China, Grohe bathroom fittings from Germany and American Standard sanitaryware from Thailand.



## PRESIDENT'S REVIEW

ONE BUILD EXHIBITION  
Putra World Trade Centre



BATANG KALI PAVERS PLANT



### *Quarry and Building Materials*

The Group continued to be a major player in the Quarry industry in Malaysia. As of 2014, we operated six quarries and nine asphalt plants, strategically located along key development corridors in Malaysia, supplying aggregates and asphalt to large infrastructure projects. Key projects included the Klang Valley MRT, LRT 2 and BRT-Sunway Line. During the year, we established a presence in the Southern Region of Malaysia, by relocating an asphalt plant from Olak Lempit, Selangor to Ulu Choh, Johor. As part of our active portfolio management strategy, we divested our two quarries in Vietnam, recognising gains on disposal of approximately RM13.8 million.

The Building Materials division grew strongly in 2014 despite increased costs as a result of higher electricity tariffs. The division's Core PATMI was RM8.6 million, up from RM2.2 million in 2013, driven by higher sales volume and higher average selling prices. The Pavers and Clay Pipes businesses both grew profits by approximately 80%, mainly from higher sales to property development projects in Malaysia. The Pavers business has secured a site for its fourth plant, in Marang, Terengganu. This plant is expected to be operational by the second quarter of 2015, and will serve the east coast states of Kelantan, Terengganu and Pahang, completing the business's geographic footprint in Peninsula Malaysia.

### *Healthcare*

In 2014, Sunway Medical Centre was recognised by international organisations for its service levels and quality standards. It was the first hospital in Southeast Asia to receive full accreditation from the Australian Council on Healthcare Standards (ACHS). It was also the first medical institution in Malaysia to receive the Westgard Sigma Verification of Performance, an endorsement of the standards of its laboratories.

To build towards Sunway Medical's vision of becoming a leading regional medical centre, we invested in several capacity expansion initiatives. We started construction on a new 10-storey Centre for Advanced Medicine for Sunway Medical, and expect to complete it by 2017. With the addition of the Centre, Sunway Medical will be among the largest private tertiary care hospitals in Southeast Asia, with a capacity of 600 beds (up from 359 currently). In addition, we are planning for the construction of two new hospitals, in Cheras, Kuala Lumpur and in Seberang Jaya, Penang. The new hospitals are expected to be completed in 2018, and will serve as community hospitals for the local population. Patients requiring more specialised medical treatment will be referred to Sunway Medical Centre.

In addition, we will be expanding the range of services offered by the healthcare division. We will launch our first neighbourhood specialty clinic, a speech and hearing clinic, in Sunway Giza, and extend our services to include nursing at home via SunMed@Home.

EYE CENTRE  
Sunway Medical Centre



## OUTLOOK AND PROSPECTS

The World Bank forecasts that the global economy will grow 3% in 2015, up from 2.6% in 2014. It expects several major forces to shape the global outlook in 2015 – 2016: easy, but tightening, financial conditions; continued soft commodity prices; and weak global trade.

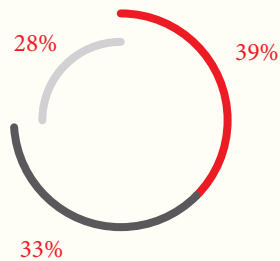
Asia's economies are expected to benefit from the decline in commodity prices and a more accommodative monetary policy in the region. In addition, quantitative easing programs in the Euro area and Japan are expected to support growth in ex-Japan Asia. Malaysia's economy is expected to remain on a steady path; the government's forecast is for 4.5%-5.5% of growth in 2015. Economic growth is expected to be driven by the Economic Transformation programme, increased public spending under Budget 2015, and domestic demand. However, the weak Ringgit, sustained low oil prices which may affect government spending, and lower consumer spending after the imposition of the Goods and Services Tax will pose challenges to growth.

Our Group has built a sound foundation for our businesses and a strong regional brand presence. We are well-placed to capture growth opportunities and generate value for shareholders. Thank you for your continued support.

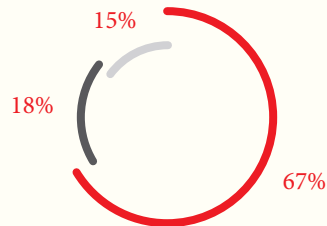
**Dato' Chew Chee Kin**  
President

## SEGMENTAL PERFORMANCE

### REVENUE 2014



### PROFIT BEFORE TAX 2014



### INTEGRATED PROPERTIES

Revenue	2014	<div style="width: 100%;"></div>	1,792,778
RM'000	2013	<div style="width: 95%;"></div>	1,745,353
1,792,778	2012	<div style="width: 90%;"></div>	1,495,357
	2011	<div style="width: 85%;"></div>	1,433,426
Profit Before Tax	2014	<div style="width: 35%;"></div>	495,466
RM'000	2013	<div style="width: 30%;"></div>	474,371
495,466	2012	<div style="width: 25%;"></div>	434,133
	2011	<div style="width: 20%;"></div>	372,022

### CONSTRUCTION

Revenue	2014	<div style="width: 100%;"></div>	1,481,472
RM'000	2013	<div style="width: 95%;"></div>	1,621,656
1,481,472	2012	<div style="width: 85%;"></div>	1,274,864
	2011	<div style="width: 80%;"></div>	1,220,958
Profit Before Tax	2014	<div style="width: 15%;"></div>	136,249
RM'000	2013	<div style="width: 10%;"></div>	81,255
136,249	2012	<div style="width: 8%;"></div>	65,364
	2011	<div style="width: 5%;"></div>	61,399

### STRATEGIC INVESTMENTS

Revenue	2014	<div style="width: 100%;"></div>	1,252,901
RM'000	2013	<div style="width: 90%;"></div>	1,124,190
1,252,901	2012	<div style="width: 85%;"></div>	1,052,763
	2011	<div style="width: 80%;"></div>	1,025,952
Profit Before Tax	2014	<div style="width: 25%;"></div>	108,982
RM'000	2013	<div style="width: 15%;"></div>	84,931
108,982	2012	<div style="width: 10%;"></div>	55,964
	2011	<div style="width: 8%;"></div>	52,696

## FINANCIAL HIGHLIGHTS

	FINANCIAL YEAR ENDED			QUARTER ENDED			
	2014 RM'000	2013 RM'000 Restated	2012 RM'000 Restated	31/3/14 RM'000	30/6/14 RM'000	30/9/14 RM'000	31/12/14 RM'000
<b>OPERATING RESULTS</b>							
Revenue	4,558,141	4,721,429	4,128,839	1,025,728	1,204,621	1,134,007	1,477,520
Profit before tax	960,242	1,900,373	839,646	142,200	233,572	185,242	407,832
Income tax	(148,593)	(137,038)	(115,382)	(30,443)	(44,857)	(21,833)	(50,826)
Profit net of tax	811,649	1,763,335	724,264	111,757	188,715	163,409	357,006
Non-controlling interests	77,638	272,964	285,454	7,767	6,184	19,711	43,976
Profit attributable to owners of the parent	734,011	1,490,371	438,810	103,990	182,531	143,698	313,030
<b>KEY BALANCE SHEET DATA</b>							
Property, plant and equipment	977,084	827,552	1,523,586	877,244	891,962	894,946	1,046,785
Investment properties	2,370,420	1,833,386	4,809,517	1,867,778	1,945,987	2,029,608	2,189,585
Rock reserves	6,920	7,183	7,444	7,117	7,052	6,986	6,920
Land held for property development	535,462	886,805	598,912	747,661	909,386	603,620	529,191
Investments in associates and joint ventures	2,521,413	2,304,895	571,086	2,307,284	2,441,193	2,463,903	2,481,003
Goodwill	319,444	319,444	318,077	319,444	315,801	319,444	319,444
Deferred tax assets	42,670	37,741	33,718	34,924	34,817	42,741	42,368
Trade receivables	6,723	2,305	3,899	30,304	29,843	24,614	23,936
Derivatives	66,329	22,955	2,058	16,464	3,475	15,625	95,132
Other non current assets	28,389	11,042	11,184	2,801	2,865	3,171	3,080
Current assets	5,884,262	4,839,567	4,484,215	4,939,050	4,952,571	5,293,773	6,179,005
Assets of disposal group classified as held for sale	98,029	8,686	-	8,684	8,684	8,684	-
<b>Total assets</b>	<b>12,857,145</b>	<b>11,101,561</b>	<b>12,363,696</b>	<b>11,158,755</b>	<b>11,543,636</b>	<b>11,707,115</b>	<b>12,916,449</b>
Long term borrowings	1,651,539	794,716	1,688,404	857,805	1,142,110	924,226	1,501,539
Other long term liabilities	519,406	448,717	448,032	453,877	436,773	488,908	519,405
Deferred tax liabilities	82,860	73,994	53,246	64,309	77,380	74,141	83,292
Derivatives	3,682	66	1,700	-	-	-	2,786
Current liabilities	4,275,817	4,074,034	4,821,002	3,962,827	3,958,890	4,148,035	4,475,551
Liabilities of disposal group classified as held for sale	-	64,835	-	64,815	64,815	64,815	-
<b>Total liabilities</b>	<b>6,533,304</b>	<b>5,456,362</b>	<b>7,012,384</b>	<b>5,403,633</b>	<b>5,679,968</b>	<b>5,700,125</b>	<b>6,582,573</b>
Total equity	6,323,841	5,645,199	5,351,312	5,755,122	5,863,668	6,006,990	6,333,876
Non-controlling interests	387,473	316,900	2,136,497	325,446	332,749	353,511	388,672
<b>Shareholders' equity</b>	<b>5,936,368</b>	<b>5,328,299</b>	<b>3,214,815</b>	<b>5,429,676</b>	<b>5,530,919</b>	<b>5,653,479</b>	<b>5,945,204</b>
<b>FINANCIAL RATIOS</b>							
Profit before tax margin (%)	21.07%	40.25%	20.34%	13.86%	19.39%	16.34%	27.60%
Basic earnings per share (sen)	42.55	94.51	29.88	6.03	10.59	8.34	18.12
Diluted earnings per share (sen)	40.72	93.83	29.88	5.91	10.19	7.93	17.18
Closing share price as at end of period (RM)	3.29	2.72	2.38	3.03	3.04	3.44	3.29
Price-earning ratio (times)	7.76	3.15	7.01	N/A	N/A	N/A	N/A
Price-core earning ratio (times)	9.75	9.69	8.77	N/A	N/A	N/A	N/A
Return on capital employed (ROCE) (%)	10.19%	24.63%	12.57%	N/A	N/A	N/A	N/A
Return on equity (ROE) (%)	12.36%	27.97%	13.65%	N/A	N/A	N/A	N/A
Net gearing ratio (times)	0.30	0.24	1.07	0.29	0.31	0.31	0.30
Net tangible assets per share (sen)	324.17	290.20	223.54	296.09	302.12	308.94	324.68
Net assets per share (sen)	343.03	309.15	248.73	315.03	320.85	327.87	343.54
Share Capital ('000)	1,730,579	1,723,524	1,292,505	1,723,529	1,723,817	1,724,311	1,730,580



## CHIEF FINANCIAL OFFICER'S REVIEW

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### Chong Chang Choong

Chief Financial Officer



*The Group performed strongly in FY2014 despite challenging economic conditions as our core net profit rose by 21% to reach RM583.9 million (FY2013: RM484.0 million). This is the second consecutive year in which Sunway has achieved more than 20% growth in profit after tax and minority interests ("PATMI"). The strong profit growth was due to better performance across most businesses and improved profit contribution from the Group's treasury operation.*

**KEY FINANCIAL HIGHLIGHTS FOR FYE 31 DECEMBER 2014**

- Core PBT increased 19%
- Core PATMI surged 21%
- Core PATMI margin improved to 13%
- Dividend increased to 11 sen per share

RM MILLION	FY2014	FY2013	% CHANGE
Revenue	4,558.1	4,721.4	(3%)
Profit before tax ("PBT")	960.2	1,900.4	(49%)
Core PBT <sup>a</sup>	790.5	662.3	19%
Profit after tax and minority interests ("PATMI") / profit attributable to owners of the parent	734.0	1,490.4	(51%)
Core PATMI <sup>a</sup>	583.9	484.0	21%
PBT margin	21%	40%	
Core PBT margin <sup>a</sup>	17%	14%	
PATMI margin	16%	32%	
Core PATMI margin <sup>a</sup>	13%	10%	
Basic earnings per share (sen)	42.6	94.5	(55%)
Basic core earnings per share (sen)	33.9	30.7	10%

<sup>a</sup> Sunway's core PBT and PATMI exclude net gains on disposal of assets, fair value gains from associate and investment properties, unrealised gains or losses on derivatives and foreign exchange, reversal of taxation and adjustments arising from FRS10.

The Property division, comprising both the Property Development and the Property Investment segments, and the Construction division are the key contributors to the Group's bottom-line, contributing 58% and 20% respectively to the core net PATMI in 2014. Geographically, over 80% of the Group's core net PATMI came from operations in Malaysia, with Singapore being the second largest contributor at 19%.

**PROPERTY DEVELOPMENT**

The Property Development segment registered a revenue of RM1.2 billion and core profit before tax of RM362.2 million for FY2014 (FY2013: RM1.2 billion and RM346.9 million). Although the revenue recorded in 2014 was only marginally higher than the preceding year, the core profit before tax registered a growth of 4%. Profit contribution from the local development projects increased significantly due to improved profit margins. However, the overall profit was dampened by lower profit contribution from the Singapore development projects which was further compounded by an impairment loss provision of RM22.2 million.

The year saw the launch of Citrine, our maiden development in Sunway Iskandar, comprising service apartments, offices and a retail podium with a GDV of approximately RM300.0 million. Phase 1 of Citrine comprising office suites were completely sold out within the first month of its launch. Other notable launches in 2014 included Sunway Geo Residences 2 at Sunway South Quay, V-Residence Suites and V-Residence 2 at Sunway Velocity in Kuala Lumpur. All these launches recorded strong take-up rates.

**PROPERTY INVESTMENT**

The Property Investment segment reported a revenue of RM594.4 million and core profit before tax of RM133.3 million for FY2014 (FY2013: RM578.3 million and RM127.5 million). Top line growth was mainly due to new rental stream from Sunway Pinnacle, a 27-storey Grade A office building which was completed in early 2014 and the increased rental income from rental reversion of some of the investment properties. The higher profit was also boosted by better performance from the hospitality business.

## CHIEF FINANCIAL OFFICER'S REVIEW

### CONSTRUCTION

The Construction segment was a key contributor to the Group's revenue and recorded strong performance as a result of strong order book, higher contribution from the precast concrete business in Singapore and the absence of provisions of doubtful debts made in the previous year. Construction activities contributed RM1.5 billion in revenue and a record contribution of RM136.2 million to the Group's core profit before tax in FY2014 (FY2013: RM1.6 billion and RM81.3 million).

Good construction progress were recorded from key infrastructure projects such as the Light Rail Transit – Kelana Jaya Line Extension, BRT-Sunway Line and key building projects including the Group's investment properties such as Sunway University New Academic Block and Sunway Velocity Shopping Mall.

### TRADING AND MANUFACTURING

The Trading and Manufacturing segment reported a revenue of RM639.4 million and core profit before tax of RM36.8 million in FY2014 (FY2013: RM586.8 million and RM43.3 million). Despite the 9% increase in revenue, the segment witnessed a 15% decrease in profit as a result of difficult operations experienced in the overseas markets. In view of the persistent weak performance in some of the overseas markets, management has initiated cost rationalisation programs to reduce their operating overheads.

### QUARRY AND BUILDING MATERIALS

In FY2014, the Quarry business registered a revenue of RM236.7 million and core profit before tax of RM37.8 million (FY2013: RM197.7 million and RM21.9 million). The improved performance of the quarry segment was driven by stronger demand for aggregates and premix due to the buoyant construction sector. The profit was further boosted by the realised gains from the sale of two quarry operations in Vietnam. However, the overall profit was partly offset by the provision made on some of the receivables from the Caribbean operation which has since ceased its business activity.

The Building Materials business recorded a revenue of RM142.2 million and core profit before tax of RM7.7 million (FY2013: RM143.1 million and RM4.0 million). Although the recorded revenue was marginally lower, profitability of the business increased significantly. Such improvement was a result of improved product mix and increased sales volume.

### HEALTHCARE

The Healthcare segment realised revenue of RM234.6 million and core profit before tax of RM26.6 million in FY2014 (FY2013: RM196.6 million and RM15.7 million). This growth in revenue and profitability was due to higher patient volume and improved operational efficiency. To facilitate the growth in demand for medical care, a new Centre for Advanced Medicine is being built adjacent to the present Sunway Medical Centre. This will boost the total number of hospital beds from 359 to 600 beds.

### STRONG BALANCE SHEET

The Group's shareholders' funds increased to RM5.9 billion in FY2014, recording a 11% increase compared to the previous year (FY2013: RM5.3 billion). The higher retained profit arising from the higher profit recorded together with the fair value gains from the Group's investment properties are the main contributors to the increased shareholders' funds.

The Group's gearing has increased and as a result, the net gearing ratio at the end of 2014 has gone up to 30%. However, the higher net gearing ratio is still well within the Group's prudent limit of 50%. The increased net gearing was mainly used to finance the development costs related to several investment properties that are being built by the Group.

### DIVIDENDS

The Group is pleased to declare that the annual dividend payout to its shareholders has increased to 11 sen per share for FY2014 compared to the 10 sen per share in the preceding year. The higher dividend payout which is equivalent to 33% of the core net profit, was due to the stronger profit achieved by the Group.

Sunway is committed to adhere to its minimum dividend payout policy of 20% of its core net profit, and shall declare additional dividend as and when the financial situation permits. Further, dividend will be paid semi-annually in our effort to provide steady dividend income to our shareholders.

RM MILLION	FY2014	FY2013
Shareholders' fund	5,936.4	5,328.3
Gross borrowings	3,784.4	2,795.5
Cash and bank balances & short-term investments	1,978.2	1,518.8
Net borrowings	1,806.2	1,276.6
Gross gearing ratio	0.64	0.52
Net gearing ratio	0.30	0.24
Net assets per share (sen)	343.0	309.2

#### DIVIDEND REINVESTMENT SCHEME

The Dividend Reinvestment Scheme ("DRS") option was set up in the second half of 2014 and is a scheme which provides shareholders the option to elect to reinvest their cash dividend entitlements in new ordinary shares of the company. To date the scheme has not been utilised but will allow the Board to offer a DRS option at its discretion. Net proceeds retained from the proposed DRS will be utilised for the working capital of the Group.

#### LISTING OF SUNWAY CONSTRUCTION GROUP

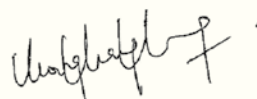
Sunway Construction Group ("SunCon") is on track to list on Bursa Malaysia by the third quarter of 2015. It is the Group's intention to distribute the majority of the cash proceeds raised from the listing exercise to its shareholders. In addition to the cash distribution in the form of a special cash dividend, the shareholders of Sunway will also receive one SunCon share for free via a dividend in specie for every 10 Sunway Berhad shares held.

#### PROSPECTS

The Malaysian economy did well in 2014 and recorded a commendable Gross Domestic Product (GDP) growth rate of 6%. However, the outlook for 2015 is expected to be more challenging in view of the uncertain global environment and the volatile crude oil prices and capital flows, which may impact the domestic economy.

In the recent 2015 Budget Review, the Government revised down the GDP growth from 5% - 6% to a range of 4.5% - 5.5% in view of the tougher external economic conditions. Although some of the expenditure in the 2015 Budget was trimmed, the allocation for all the major infrastructure projects which were announced earlier remained intact. This bodes well for the Group's construction arm as it is well positioned to bid competitively for such projects.

In view of the uncertain economic outlook, the Group will be more cautious and stay focused on its key strengths and continue to improve its synergistic diversity to become more resilient and competitive. However, based on the strong performance carried forward from last year, the Group is of the view that the momentum will enable it to deliver a satisfactory performance for 2015.



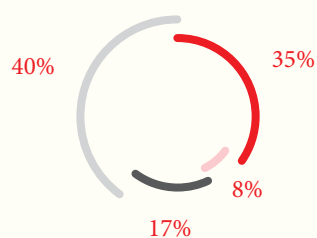
**Chong Chang Choong**  
Chief Financial Officer



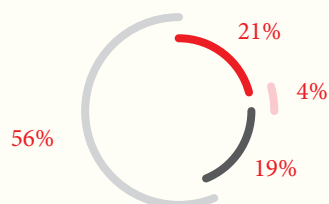
## VALUE ADDED STATEMENT

FINANCIAL YEAR ENDED	2014 (RM'000)	2013 (RM'000)
<b>VALUE ADDED</b>		
Total Turnover	4,558,141	4,721,429
Purchases of goods and services	(3,147,098)	(3,057,011)
<b>VALUE ADDED BY THE GROUP</b>	<b>1,411,043</b>	<b>1,664,418</b>
Share of profits of associates	147,194	13,645
Share of profits of joint ventures	86,156	176,959
Net gain on revaluation of investment properties	260,697	248,091
Adjustments arising from FRS 10	-	225,243
Fair value gain on remeasurement of remaining equity interest	-	769,624
<b>TOTAL VALUE ADDED</b>	<b>1,905,090</b>	<b>3,097,980</b>
<b>RECONCILIATION:</b>		
Profit for the year	811,649	1,763,335
Add: Depreciation and amortisation	117,761	137,046
Finance cost	78,859	137,983
Staff costs	670,590	649,614
Taxation	148,593	137,038
Minority Interests	77,638	272,964
<b>TOTAL VALUE ADDED</b>	<b>1,905,090</b>	<b>3,097,980</b>
<b>VALUE DISTRIBUTED</b>		
Employees		
Salaries and other staff costs	670,590	649,614
Government		
Corporate Taxation	148,593	137,038
Providers of capital		
Dividends	172,322	163,724
Finance Costs	78,859	137,983
Minority Interest	77,638	272,964
Reinvestment and growth		
Depreciation and amortisation	117,761	137,046
Income retained by the Group	639,327	1,599,611
<b>TOTAL DISTRIBUTED</b>	<b>1,905,090</b>	<b>3,097,980</b>

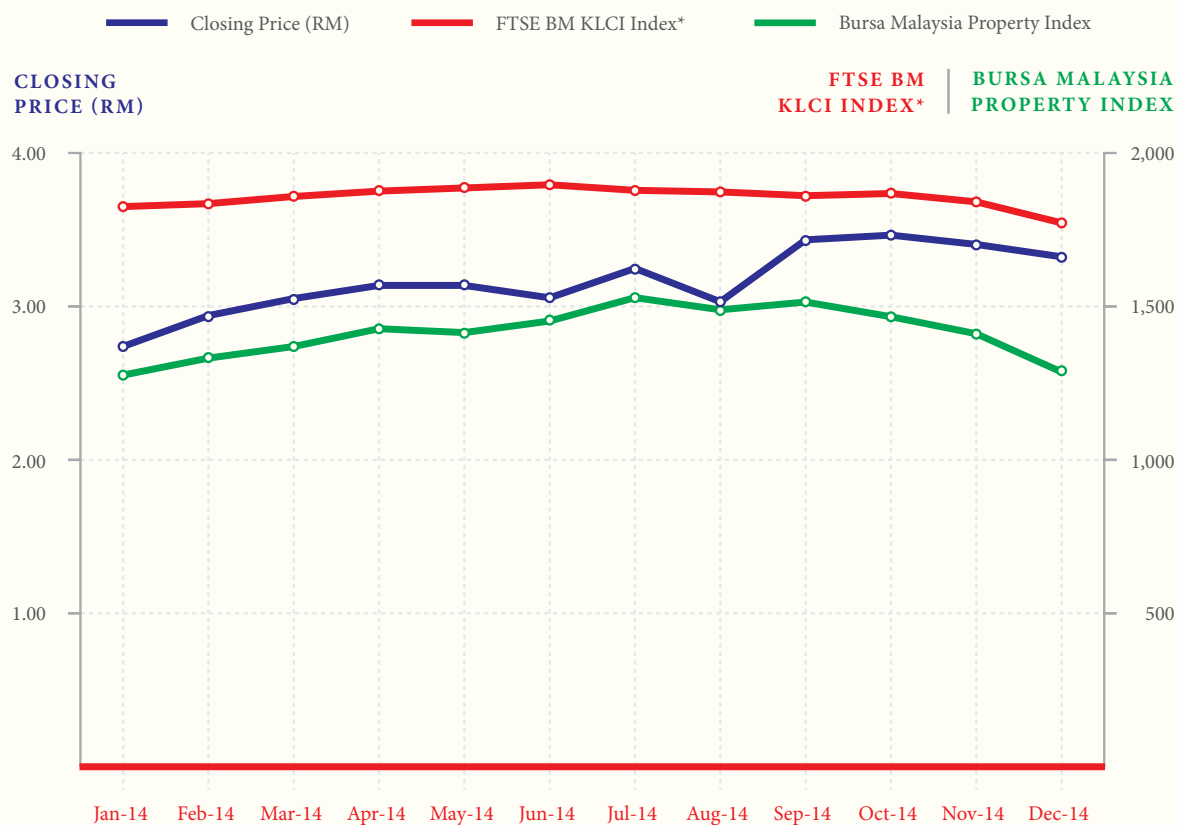
### VALUE DISTRIBUTED 2014



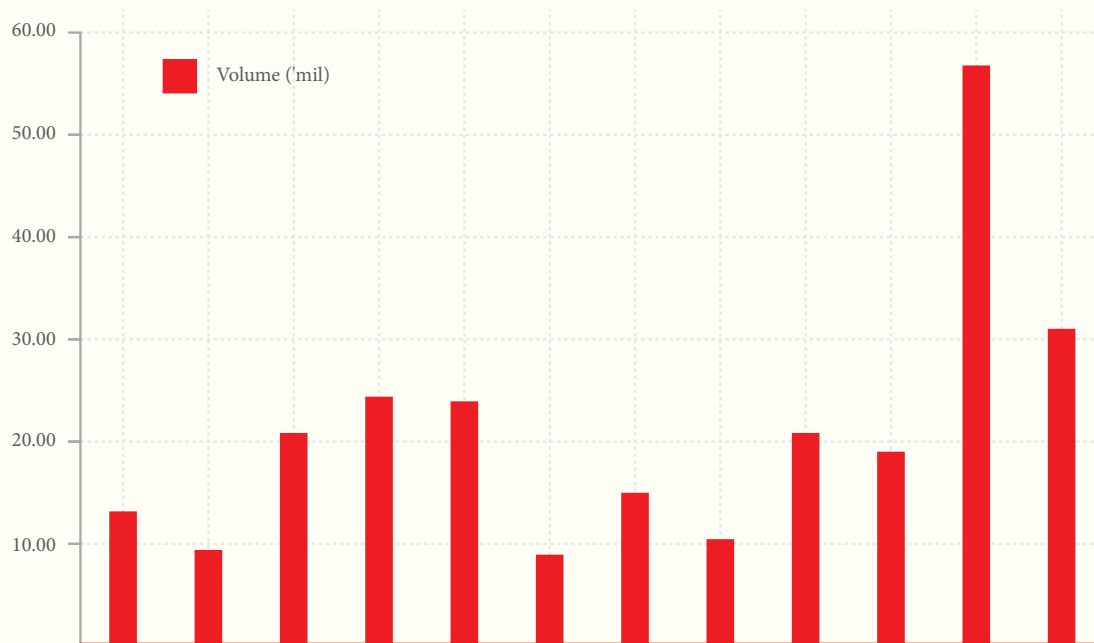
### VALUE DISTRIBUTED 2013



## SHARE PERFORMANCE



### VOLUME ('MIL)



Closing Price (RM)	2.70	2.91	3.03	3.10	3.11	3.04	3.21	3.00	3.44	3.45	3.39	3.29
Volume ('mil)	13.01	9.86	20.65	24.37	24.18	9.71	15.02	10.30	21.19	18.91	56.68	31.18
FTSE BM KLCI Index*	1,804.03	1,835.66	1,849.21	1,871.52	1,873.38	1,882.71	1,871.36	1,866.11	1,846.31	1,855.15	1,820.89	1,761.25
Bursa Malaysia Property Index	1,255.72	1,311.05	1,362.74	1,422.25	1,387.64	1,428.15	1,517.39	1,487.69	1,492.90	1,461.73	1,398.69	1,285.67

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

## INFINITE EXCITEMENT UNDER THE SUN

Sunway's Leisure division owns and manages two theme parks, namely Sunway Lagoon in Bandar Sunway and Lost World of Tambun in Ipoh. Together, both parks attracted a total of 1.8 million visitors in 2014. Sunway Lagoon offers infinite excitement in the form of multiple-award winning theme park attractions and record-breaking rides, and is also an international venue that has played host to musicals and concerts. Likewise, visitors to Lost World of Tambun will be able to enjoy a unique park and hotspring experience amidst lush greenery and limestone hills.

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Profile of  
Board of Directors

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Profile of  
Senior Management



## EXEMPLARY LEADERSHIP





## PROFILE OF BOARD OF DIRECTORS

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

Executive Chairman, Non-Independent Executive Director  
Malaysian



Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, aged 70, is the Founder and Executive Chairman of Sunway Group, a formidable conglomerate with core businesses in property and construction, and a multitude of established businesses spanning across 50 locations worldwide.

A business and accounting 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 endowed all his equity in 12 institutions of Sunway Education Group, inter alia, Sunway University, Monash University Malaysia, Jeffrey Cheah School of Medicine and Health Sciences, Sunway College and Sunway International School, valued at more than RM720 million to the Jeffrey Cheah Foundation ("JCF"). JCF 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.

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.

In July 2013, Tan Sri Dr Jeffrey Cheah through JCF, has endowed USD6.2 million (approximately RM20 million) to Harvard University to establish the Jeffrey Cheah Professorship of South East Asia, Jeffrey Cheah Visiting Professorship and Fellowship, and the Jeffrey Cheah Travel Grants to advance teaching and research on Southeast Asia Studies.

In August 2014, Tan Sri Dr Jeffrey Cheah received a special invitation to be a member of the Global Advisory Council of Harvard University from The President of Harvard University.

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

#### 2014

- Prominent Player Award by Construction Industry Development Board (CIDB) Malaysia.
- Value Creator: Malaysia's Outstanding CEO by The Edge Billion Ringgit Club.

#### 2013

- Malaysia Outstanding Property Personality Award by The Edge Malaysia.
- Appointed as Advisor to Institut Darul Ridzuan ("IDR") in the State of Perak, Malaysia.
- Conferred Honorary Assistant Commissioner of Police by Malaysia's Inspector - General of Police for his commendable efforts in crime awareness and prevention.
- Appointed as Council Member of United Nations Sustainable Development Solutions Network.

#### 2012

- Appointed as Permanent Honorary President to the Federation of Hakka Associations Malaysia, in appreciation of his invaluable contributions to the Associations.
- Awarded Honorary Gold Award from the Royal Rotary Club of Kuala Lumpur, in recognition of his leadership and development of education and research in Malaysia.
- Conferred the Honorary Fellowship by the Malaysian Scientific Association (MSA) for his exemplary and overall contribution to the development of science education as well as the advancement of science and technology in Malaysia.

#### 2009

- Listed one of Malaysia's "Heroes of Philanthropy" by Forbes Asia.

#### 2008

- Appointed Officer of the Order of Australia ("AO") by the Prime Minister of Australia. AO is one of Australia's most prestigious awards conferred to a non-citizen of Australia.
- Appointed as Chairman of Malaysia Crime Prevention Foundation (MCPF) Selangor Chapter, by the Deputy Prime Minister and Chairman of MCPF Malaysia.

#### 2007

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

#### 2006

- Installed as Chancellor of Sunway University Malaysia by His Royal Highness Sultan of Selangor.

#### 2005

- Asia's Most Innovative Chinese Entrepreneur Award.

#### 2002

- Deputy President and Trustee of National Kidney Foundation of Malaysia.
- First non-Malay Honorary Member of Kuala Lumpur Malay Chamber of Commerce.
- Paul Harris Fellow Award by Rotary Club Malaysia.

#### 1999

- Founding Trustee of Malaysian Liver Foundation.

#### 1997

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

#### 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.
- CEO of the Year (Malaysia) by Business Times - American Express

#### 1993

- Property Man of the Year (Malaysia) by FIABCI, Malaysia Chapter.

#### 1990

- Director of National Productivity Centre, Malaysia

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 Jeffrey Cheah Foundation, Mahathir Science Award Foundation, Razak School of Government and Perdana Leadership Foundation.

## PROFILE OF BOARD OF DIRECTORS



**TAN SRI DATUK SERI RAZMAN M HASHIM**

Deputy Executive Chairman, Non-Independent Executive Director  
Malaysian

Tan Sri 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, Tan Sri 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.

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

His directorships in other public companies are 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 69, 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 directorship in other public companies are Gopeng Berhad and Sunway Construction Group Berhad.



## PROFILE OF BOARD OF DIRECTORS



**SARENA CHEAH YEAN TIH**

Executive Director, Non-Independent Executive Director  
Malaysian

Ms Sarena Cheah, aged 40, 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. On 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. Effective 1 May 2015, she took over the role of Managing Director of Property Development Division of Sunway.

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 70, 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 the Chairman of the FMM-MIER Business Conditions Survey and a member of the FMM Strategic Policies Committee.

Mr Wong was appointed to the Board of Sunway on 17 June 2011 and he also serves as Chairman of the Audit, and Employees' Share Option Scheme Committees as well as a Member of the Nomination and Remuneration Committees.

His directorship in other public company is Khind Holdings Berhad.

## PROFILE OF BOARD OF DIRECTORS



**LIM SWE GUAN**

Independent Non-Executive Director  
Singaporean

Mr Lim, aged 61, 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 61, 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 immediate past President of the Real Estate and Housing Developers Association of Malaysia and until October 2014, a member of the Advisory Board to the Mayor and City of Kuala Lumpur. He is also appointed as the Chairman of InvestKL Corporation, a Government initiative established to attract large global multinationals to invest and set up regional headquarters in 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 Chairman of Remuneration Committee as well as a Member of the Audit and Nomination Committees.

His directorships in other public companies are Malaysia Airports Holdings Berhad, Paramount Corporation Berhad, Standard Chartered Bank Malaysia Berhad, Standard Chartered Saadiq Berhad, Government Corporations Malaysia Property Incorporated, Construction Labour Exchange Centre Berhad and Cahya Mata Sarawak Berhad.



## PROFILE OF BOARD OF DIRECTORS



**TAN SRI DATO' DR LIN SEE YAN**

Independent Non-Executive Director  
Malaysian

Tan Sri Dato' Dr. Lin aged 75 is an independent strategy and financial consultant. Qualified as a Chartered Statistician, he graduated from the University of Malaya in Singapore and Harvard University (where he received three degrees, including a PhD in Economics). He is also a British Chartered Scientist, London; Professor of Economics (Adjunct), Universiti Utara Malaysia; Professor of International Finance & Business (Adjunct), Universiti Malaysia Sabah as well as an Eisenhower Fellow and a Fellow of the IMF Institute (Washington DC); Royal Statistical Society (London); Malaysian Institute of Bankers; Malaysian Insurance Institute (Hon.); Malaysian Institute of Management and Malaysian Economic Association. He is also a Distinguished Fellow of the Institute of Strategic and International Studies.

Tan Sri Dato' Dr. Lin has a long and distinguished history of service with the Government of Malaysia and the private sector. He was Chairman/President and Chief Executive Officer of the Pacific Bank Group and for 14 years previously, Deputy Governor of Bank Negara Malaysia, having been a central banker for 34 years. Tan Sri Lin continues to serve the public interest after his retirement, some current appointments include Member of the Prime Minister's Economic Council Working Group; key member of Steering Committees at the Ministry of Higher Education; member of the Asian Shadow Financial Regulatory Committee; Governor, Asian Institute of Management, Manila; Director, Monash University Malaysia Sdn Bhd; Chairman Emeritus, Harvard Graduate School Alumni Council at Harvard University in Cambridge (USA); President of Harvard Club of Malaysia and Economic Advisor to the Associated Chinese Chambers of Commerce & Industry Malaysia. In addition, he is a Trustee of the Tun Ismail Ali Foundation (PNB), Harvard Club of Malaysia Foundation, Malaysian Economic Association Foundation, Jeffrey Cheah Foundation and Program Pertukaran Fellowship Perdana Menteri Malaysia.

Tan Sri Dato' Dr. Lin was appointed to the Board of Sunway on 18 March 2015 and he also serves as a Member of the Audit Committee.

His directorships in other public companies are Genting Berhad, Wah Seong Corporation Berhad, JobStreet Corporation Berhad, IGB REIT Management Sdn Bhd (Manager for IGB REIT) and Ancom 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) Tan Sri 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 2014 is disclosed in the Corporate Governance Statement.

## PROFILE OF SENIOR MANAGEMENT



**DATO' TAN KIA LOKE**

Senior Managing Director – Chairman's Office  
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 was the Senior Managing Director of Sunway Construction Sdn Bhd and was appointed as Head of Property and Construction Division on 1 January 2013 after the merger of Sunway Holdings Berhad and Sunway City Berhad in August 2011. His key role was to synergise and enhance the full potential values in the Group's core property and construction collaborations. He has been subsequently re-designated as Senior Managing Director to the Chairman's Office with effect from 1 January 2015.

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.



**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.



**DATO' NGEOW VOON YEAN**

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

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

Dato' Ngeow has more than 31 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.



**KWAN FOH KWAI**

Senior 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 three 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 until 1986. 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. He was appointed as the Senior Managing Director of Sunway Construction Group Berhad on 6 November 2014.

Mr Kwan is the Immediate Past President of Master Builders Association of Malaysia for the term of 2012 to 2016. He is also a Member of The Institution 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.



## PROFILE OF SENIOR MANAGEMENT



**EVAN CHEAH YEAN SHIN**

Executive Vice President, President's Office;  
Chief Executive Officer – China;  
Bachelor's Degree in Commerce and Bachelor's Degree  
in Business Systems,  
Monash University

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

In 2011, Mr Evan Cheah was designated Chief Executive Officer of Sunway Group's China operations, responsible for the China Corporate Office and the development of new business opportunities for the Sunway Group in China. In 2013, he assumed the additional role of Executive Director in the President's Office of Sunway, assisting the Group President in overseeing the Trading & Manufacturing, Building Materials, Quarry & Information Technology businesses. Effective 1 March 2015, he was redesignated as Executive Vice President - President's Office with additional role of assisting the President's Office to identify potential business growth opportunities for Sunway Group and driving group synergy.

Mr Evan Cheah 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 29 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 24 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 27 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.

## PROFILE OF SENIOR MANAGEMENT



**DR 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, Dr 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.

Dr 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.

Dr 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.



**FOO SHIANG WYNE**

Chief Human Resources Officer – Group Human Resources  
Bachelor of Science (Hons) in Computer Science,  
University of Sussex, United Kingdom;  
Masters in Business Administration,  
Cardiff Business School, United Kingdom

Ms Foo has been a Human Resources practitioner for the past 20 years with established MNCs prior to joining Sunway Group in 2013. She was previously the Human Resources Director of GlaxoSmithKline for Malaysia, Singapore and Brunei. Prior to her stint in GlaxoSmithKline, she was the Regional Director of Human Resources ("HR") of Hilton Worldwide where she managed the overall HR spectrum of 17 properties across South East Asia. She has also worked with Johnson & Johnson as the Human Resources Director for Medical Devices Division (Malaysia & Indonesia) and NIKE as the Regional Learning & Development Manager (Southeast Asia) in her early career.

Under her leadership, Ms Foo has played a key role in enhancing the overall talent acquisition, talent management and learning in the Group. Among other key initiatives she has led include the women's initiatives and strategic collaboration with top universities locally and abroad.

Ms Foo joined Sunway Group as the General Manager of Group Human Resources where she heads the Organizational Development and Recruitment function. Effective 1 January 2015, she was appointed as the Chief Human Resources Officer and is responsible for overseeing the Group Human Resources and Human Resources Shared Services.







SEGMENTAL REVIEW



**80**

### Integrated Properties

*Property Development*

*Property Investment and  
Real Estate Investment Trust*

*Leisure*

*Hospitality*

**108**

### Construction

**114**

### Strategic Investments

*Trading and Manufacturing*

*Quarry and Building Materials*

*Healthcare*

### SERVICE WITH A HEART

Sunway's Hospitality division consists of a portfolio of award-winning hospitality products and services, ranging from exquisite five star hotels with world-class convention centres, to the perfect location for luxurious getaways. It believes in making every holiday and event an unforgettable experience.





PROVIDER OF EXCEPTIONAL VALUE

Mary Lee was first introduced to Sunway Property when her son, a medical student at Monash University Malaysia, brought her to view Sunway South Quay, which was visible from his campus. Awed by the current and upcoming developments in Sunway Resort City, Mary made a purchase and currently resides in her property at Sunway South Quay where she enjoys Sunway’s world-class integrated resort city. Since her first property purchase, she has introduced many of her friends and family to Sunway for its exceptional investment value. Sunway has been creating communities and changing lives for 40 years, and will be for generations to come.

LAUNCHES

RM1.7 billion

SALES

RM1.7 billion

UNBILLED SALES

RM2.5 billion

LAND BANK

3,363 acres

PROPERTY DEVELOPMENT



## PROPERTY DEVELOPMENT

MILTONIA RESIDENCES  
Singapore



### INTRODUCTION

Sunway's Property Development division is among the top property developers in Malaysia and has established a reputation due to its extensive portfolio of successful and award-winning residential, commercial and retail properties. To date, the Property Development division has established a presence in the property markets in Malaysia, Singapore, China, India and Australia, delivering over 24,000 properties with a gross development value ("GDV") exceeding RM23.0 billion.

The division prides itself in being a master community builder of integrated townships, where its relationship with the community is not merely as a developer. Through a unique "Build, Own, Manage" business model, Sunway has succeeded in bringing to fruition the "integrated community" concept via its award-winning flagship township, Sunway Resort City. The 800-acre township stands today as the only township in Malaysia with seven components, namely residential, commercial, leisure, hospitality, retail, education and healthcare. Many of these components are owned and managed by Sunway, making the Group a "co-investor" in the township together with the buyers of the Group's residential and commercial properties.

Such a unique symbiotic relationship has been successfully replicated in the division's other integrated townships, namely Sunway City Ipoh, Sunway Damansara and Sunway Velocity, and will form the basis for the development of its largest township yet in Sunway Iskandar.

The division's capabilities, however, extend beyond just integrated developments. Its exclusive residential offerings include the statuesque Kiara Hills, multi award winning Sunway Palazzio, luxury high rise condominium Sunway Vivaldi and residential enclaves in Sunway SPK Damansara, Sunway Montana and Sunway Eastwood.

In Singapore, it has also established a strong track record in the high rise housing segment through its joint ventures with Hoi Hup Realty. As at 31 December 2014, the division has delivered over 3,000 condominium units through developments like City View @ Boon Keng, The Peak @ Toa Payoh, Vacanza @ East, Miltonia Residences, The Arc @ Tampines and Lake Vista.

Moving forward, the division looks forward to transforming its existing land bank of 3,363 acres into new award winning developments and building properties that buyers aspire to stay, work and play.

## SUNWAY IS NO.1 IN THE EDGE TOP PROPERTY DEVELOPERS AWARDS 2014



## KEY MILESTONES

*The Best Developer in Malaysia*

After a decade of being amongst the best, Sunway was finally crowned the best. An award that is adjudged by industry professionals based on quantitative and qualitative attributes, The Edge Top Property Developers Awards ("TPDA") has been the defining award for property developers in Malaysia. Sunway's Property Development division has consistently been ranked as a top 10 developer by TPDA over the last decade and spent the previous two editions in second place.

In 2014, Sunway was honoured with the top spot by the distinguished panel of judges of the TPDA confirming the Group's growing stature as a property developer delivering properties of superior quality and value. The division scored particularly highly under the qualitative attributes, topping all other developers, and scoring highest in terms of innovation and creativity, image and expertise. Under quantitative attributes, Sunway scored highly for its financial performance especially in terms of turnover and profit before tax.

The award is the culmination of many years of effort by the division's employees, vendors, contractors and customers to build a strong brand with an unblemished track record. It will provide buyers with the extra confidence to make a purchase as they obtain more assurance on the fine workmanship, excellent customer care service and on time delivery. With these attributes, the division looks to garner greater customer loyalty and repeat purchases.

*RM1.7 billion new launches, RM1.7 billion new sales*

Maintaining the momentum from previous years, the Group sold RM1.7 billion worth of properties in 2014 (2013: RM1.8 billion) which was commendable given concerns earlier in the year from the implementation of property sector cooling measures announced in Budget 2014. In fact, property sales in Malaysia reached a record high in 2014, with over RM1.6 billion of the sales from projects in Malaysia and the rest from Singapore and China.

A key reason for the sustained level of sales is the new launches in 2014 which encompasses projects across the country, spanning the whole range of price points and with the attributes to meet the discerning tastes of contemporary property investors. In total, the division launched RM1.7 billion of new properties in 2014 (2013: RM1.8 billion).

## PROPERTY DEVELOPMENT

### ARTIST'S IMPRESSION V-Residences 2 & V-Residences Suites



### KLANG VALLEY

#### Sunway Velocity

A masterplanned integrated development in Cheras incorporating commercial, residential, and retail components across 23 acres of freehold land, Sunway Velocity's appeal is further enhanced by its location which is within walking distance to the existing Maluri and Chan Sow Lin Light Rail Transit ("LRT") stations, as well as the proposed underground Cochrane and Maluri Mass Rapid Transit ("MRT") stations. The whole development is just 3.8 km from KLCC with other key developments taking place in its immediate vicinity including the new IKEA at the Cochrane redevelopment area and Bandar Malaysia at the Sungai Besi old airport redevelopment. As such, the development was a key contributor to sales of the Group in 2014, recording over RM480.0 million in sales from the new launches of V-Residences 2, V-Residences Suites and Sunway Velocity Signature Retail Shops and Offices.

#### V – Residences 2 and V – Residences Suites

The second and third residential phase of Sunway Velocity comprises the twin towers of V – Residences 2 and V – Residences Suites service apartments. Both towers had a combined GDV of approximately RM550.0 million. Targeting young professionals, small families and retirees who value affordability and convenience, the residences are made up of primarily small units ranging from 625 square feet to 1,135 square feet. In total, both towers housed a combined 745 units. V – Residences 2 was launched earlier in May 2014 and due to its overwhelming success, V-Residences Suites was opened for bookings in September 2014. They have recorded take up rates of 88% and 50% respectively.

V – Residences 2 and V – Residences Suites offer residents a panoramic view of Kuala Lumpur City Centre, and is equipped with unique rooftop facilities that include an astronomy observation deck, sky cinema, sky gym, sky floating deck and sky camp, besides the usual facilities.



ARTIST'S IMPRESSION  
Velocity Signature Retail Shops and Offices



#### **Velocity Signature Retail Shops and Offices**

The Signature Retail Shops and Offices, meanwhile, comprises 12 retail shop units with built-up areas ranging from 1,970 to 2,610 square feet, and 112 office suites with built-ups ranging from 1,835 to 1,964 square feet, all within 10 exclusive blocks. Each unit will benefit from excellent frontage on both sides, with outer exposure to the main road and inner exposure to a dedicated alfresco central park.

The retail shops and office suites have been designed with a modern and flexible layout to suit the needs of a variety of businesses. Professionals seeking modern, conducive and comfortable working environments, for example, can make extensive use of full-height glazing windows for greater visibility. With good inter-connectivity throughout Sunway Velocity via the environmental deck, occupants of the retail shops and offices will have access to other facilities and amenities within the development, including a 1.0 million square feet shopping mall. Due to the attractive features of this development, almost all units have been taken up since its launch.

ARTIST'S IMPRESSION  
Sunway Geo Residences 2



#### **Sunway Geo Residences 2, Sunway South Quay**

Following the overwhelming response to the launch of Sunway Geo Residences in 2013, the division launched the second residential phase of Sunway Geo comprising 318 units of service apartments with a GDV of approximately RM210.0 million. Unit sizes range from 654 to 956 square feet which makes the absolute price affordable. Take up has reached 75% as at 31 December 2014, with buyers attracted to the development due to its strategic location within Sunway Resort City.

Buyers of the development are also attracted to the improved accessibility and connectivity via the BRT – Sunway Line, and will enjoy the convenience of retail shops located directly beneath the service apartments. There will also be easy access to amenities like Sunway Medical Centre, Monash University Malaysia and Sunway University which are literally just across the street from the development. Other facilities within the development include a gymnasium, multipurpose court, outdoor deck, barbeque plinth, sky pavilion, aqua gym and a lap pool. In addition, units will have either unobstructed views of the lake in Sunway South Quay or of the entire Sunway Resort City.



## PROPERTY DEVELOPMENT

### ARTIST'S IMPRESSION Sunway Iskandar



## JOHOR

### Citrine Designer Offices and Residences, Sunway Iskandar

Sunway Iskandar's maiden launch was an unqualified success. The first phase of the Citrine mixed development, comprising designer office suites was a sell-out with all office suites sold within a month of its launch. In conjunction with its official launch, there was also a ceremony officiating the opening of the Sunway Iskandar Sales Gallery. Costing RM8.0 million, the Sales Gallery will showcase all the new developments that will be launched in the Lakeview Precinct moving forward.

Encouraged by the response for the Citrine Designer Offices, the division launched Citrine Residences in the fourth quarter of 2014, comprising 328 units of service apartments with built-up areas ranging between 626 and 2,217 square feet. The entire Citrine development is built near 20-acre lake and has a GDV of approximately RM300.0 million.

Strategically located within Medini Iskandar, Sunway Iskandar benefits from excellent connectivity and accessibility through the Coastal Highway which will be further enhanced once the Southern Link is completed in 2 years, cutting travelling time to Singapore via the Second Link to just 5 minutes.

Citrine is designed with the philosophy of balanced living, accentuating the concept of "Nature's Capital City", Sunway Iskandar's tagline. At Citrine, business owners and residents can enjoy the convenience of urban living in the vicinity of exquisitely landscaped gardens and a 20-acre pristine Emerald Lake Garden. Sunway will also build the Sunway Iskandar International School ("SIIS") within the precinct as an additional attraction for residents to stay in the development.

ARTIST'S IMPRESSION  
Sunway Wellesley



ARTIST'S IMPRESSION  
Avant Parc



## PENANG

### Sunway Wellesley Townhouses and Semi-Detached

In Penang, the Group continued with its Sunway Wellesley development in Bukit Mertajam, launching 154 units of three-storey townhouses and 60 units of three-storey semi-detached houses. The launch was well received with more than 60% of the townhouses and semi-detached units being taken up.

Focusing on work life balance, the development houses lush tropical landscapes with thematic gardens and linear parks. The development is gated and guarded and features a private Clubhouse with swimming pool, a community hall, a gymnasium, a childcare centre and lounging areas. All homes are equipped with fibre optic infrastructure for high-speed internet connectivity and street lighting is solar-powered to promote long term cost savings and prudent energy consumption.

## SINGAPORE

### Avant Parc, Sembawang

Avant Parc at Sembawang, Sunway's first wholly owned and landed development in Singapore, features 15 units of luxury homes and has a GDV of approximately RM95.0 million (SGD35 million). The Avant Parc development epitomises luxury living as each resort-style terraced house is uniquely designed to be distinct and surrounded by greenery. While all the terraces share common architectural elements, each unit comes with different land areas, floor plans as well as special features to convey exclusivity and luxury.

Homes at Avant Parc are spacious, with a minimum of four bedrooms across three levels, and come equipped with an attic floor and a basement. For greater accessibility, each residence is equipped with its own private lift together with an elegant staircase. The lift is also panelled with glass, which provides natural illumination.

## PROPERTY DEVELOPMENT

ARTIST'S IMPRESSION  
Sunway Gardens



VACANZA @ EAST  
Singapore



### CHINA

#### Sunway Gardens

Sunway Gardens is located in Tianjin Eco-city, a collaboration between the governments of China and Singapore to jointly develop a socially harmonious, environmentally friendly and resource-conserving city in China. The compact city is lauded as a future model for sustainable development and planned for a population of some 350,000 local and international residents.

Sunway Gardens is the first phase of Sunway's 10 hectares development in Tianjin Eco-city and will itself be carried out in phases. The first phase launched in 2014 comprises 168 units of high-rise apartments with a GDV of RM90.0 million. Up to 31 December 2014, the development has achieved a take up of 40%. Sunway's entire development will incorporate 40% green area and will have non-motorised lanes.

#### *Delivered over 3,450 units, RM2.5 billion unbilled sales*

The Property Development division completed over 3,450 units of residential and commercial properties in 2014, a new high for the Group. In Malaysia, the division delivered close to 1,300 properties to buyers which include 377 units of the LaCosta condominium in Sunway South Quay, 309 units in Sunway Nexis comprising offices, retail shops and SOHO, 355 units in Sunway Velocity consisting of shop offices, service apartments, and shops, 152 units of two-storey cluster homes and semi-detached homes in Sunway Alam Suria, 90 units of semi-detached houses and bungalows in Sunway Eastwood, and 16 units of lakeside bungalows in Sunway City Ipoh.

Down south, the division completed four developments in the year, namely Vacanza @ East, Miltonia Residences, Arc @ Tampines and Lake Vista. Together, the four developments contributed more than 2,140 new units to the property market in Singapore. The division's wholly-owned landed development in Singapore, Avant Parc at Sembawang, comprising 15 units of luxury terrace homes was also completed during the year and sold under the Build-Then-Sell model.

Despite the record completions, the Group's unbilled sales remained healthy at RM2.5 billion (2014: RM2.4 billion), providing the Property Development division with a firm foundation for earnings sustainability over the next 2 years.



ACTUAL SITE PHOTO  
Sunway Eastwood



#### FUTURE PLANS

As the top property developer in Malaysia, the division intends to continue raising the bar by launching benchmark-setting properties especially in terms of integration with various components, accessibility and value adding features for buyers.

In the Klang Valley, Sunway has plans to push ahead with the Sunway Velocity development through the launch of its third phase of commercial properties, comprising 40 units of office suites and 26 units of retail shops. Targeted for launch in the third quarter of 2015, the development will complement the Velocity Signature Retail Shops and Offices launched in 2014 and complete the commercial boulevard.

In 2015, buyers will also finally have the opportunity to acquire the first landed residences in Sunway Iskandar, Johor. Comprising terrace and semi-detached houses in an exclusive enclave overlooking the Emerald Lake and served by shops located at Citrine, the development features landscaped parks and a modern clubhouse. When launched, the division expects a good response as it is one of the few landed properties in the Medini Iskandar region and attracts incentives like Real Property Gains Tax exemption.

Up north, the division plans to launch Serene Villas in Sunway City Ipoh, Perak and Sky Villas in Sunway Wellesley, Penang. Serene Villas will comprises 60 units of cluster and 28 units of superlink homes that are ideally located amidst age old limestone hills. Sky Villas, meanwhile, will be the first high rise residential tower in Sunway Wellesley comprising 152 condominium units and 90 townhouse units. Sunway Wellesley is the Group's latest township in Penang and is building to be a catalyst for growth in the surrounding area of Bukit Mertajam.

Overseas, the division is monitoring the property market in Singapore and waiting for the best time to launch the deferred Sophia Hills development in Mount Sophia. The division believes that due to the superior location of the development, there will be good demand for it once the market stabilises.

Besides new launches, the division will also focus on acquiring suitable land for development especially in the Central Region to increase the number of development locations and replenish its landbank.







#### BELIEF IN EQUAL OPPORTUNITIES

Muhammad Razzaq Razali, a special student of SMK Bandar Sunway was offered opportunities that helped him grow and be independent under the Job Placement Programme. After two years in the programme where he learnt work-related skills and ethics in a real work environment, he is now an attendant at Sunway Pyramid Ice Rink, and has been in the programme since. Sunway believes in being an equal opportunities employer for all.

#### ASSETS UNDER MANAGEMENT

RM7.0 billion

#### TOTAL NET LETTABLE AREA

8.3 million square feet

PROPERTY INVESTMENT AND  
REAL ESTATE INVESTMENT TRUST

## PROPERTY INVESTMENT AND REAL ESTATE INVESTMENT TRUST

SUNWAY PINNACLE  
Bandar Sunway



### INTRODUCTION

Amongst the pioneers of the “Build, Own, Manage” business model in Malaysia, Sunway today has a substantial Property Investment and Real Estate Investment Trust (“REIT”) division that holds a portfolio of established properties that support the lifestyle needs of the communities they build. The properties are held either directly through subsidiaries of the Group or through 35.7% owned associate, Sunway REIT. The total value of Assets Under Management of the division as at 31 December 2014 is more than RM7.0 billion with a total net lettable area exceeding 8.3 million square feet.

#### *Commercial*

The commercial division owns a mixed portfolio of commercial properties including office towers, university campuses, student hostels and accommodation, and a medical centre. In Klang Valley, the division owns and/or operates five premium office buildings, namely Sunway Tower and Sunway Putra Tower in Kuala Lumpur, Menara Sunway and Sunway Pinnacle in Sunway Resort City, and Wisma Sunway in Shah Alam. Further, the division owns the Sunway University campus and Monash University Malaysia campus as well as their student hostels and accommodations, and Sunway Medical Centre, all located in Sunway Resort City. In total, the division manages over 5.3 million square feet net lettable area of commercial properties.

#### *Retail*

The retail division holds five retail malls across Malaysia with combined net lettable area of more than 3.0 million square feet. These properties comprise Sunway Pyramid Shopping Mall, Sunway Carnival Shopping Mall, Sunway Giza Shopping Mall, Sunway Putra Mall and the Giant Hypermarket in Sunway City Ipoh. In addition, works are in progress to extend Sunway Pyramid Shopping Mall further with the third phase of the mall and construction of Sunway Velocity Shopping Mall is expected to complete by the end of 2015.



SUNWAY PINNACLE ANNEXE  
Bandar Sunway



## KEY MILESTONES

### *Asset Enhancement Initiatives ("AEI")*

Sunway continuously carries out AEIs to refresh the Group's properties, ensuring continued patronage by tenants and visitors as well as maintaining the value of its investment properties. The division's major ongoing AEI is the complete refurbishment of Sunway Putra (formerly known as "Sunway Putra Place"), the Group's three-in-one mixed-use development comprising a mall, office tower and hotel. In addition to improving the architectural aspect of the three properties within Sunway Putra, refurbishment works will also include significant replacements of mechanical and electrical services such as chillers, lifts, and building automation systems. These enhancements will allow the division to reposition the entire property and fully capitalise synergies between the mall, office tower and hotel.

Refurbishments in Sunway Putra Mall will see the addition of approximately 71,000 square feet of net lettable area, bringing the total net lettable area of this property to 578,000 square feet. Refurbishments at the office tower will see the upgrading and modernisation of public areas and washrooms while refurbishments at the hotel will see renovation of the guestrooms, upgrading of facilities, revamp of food and beverages outlets and Grand Ballroom as the division repositions the property to meet the needs of discerning corporate clients in the KLCC area.

The refurbishment works at Sunway Putra is estimated to cost a total of RM460.0 million upon its completion in the second quarter of 2015. Committed tenancy is above 75% of the mall's net lettable area as at 31 March 2015 with Cold Storage and TGV among the confirmed tenants. The mall will feature four unique precincts; the Vanity Hall, Asian Avenue, Selera Street and Market Place.

AEIs completed in the year include the completion of linkages connecting Menara Sunway and Sunway Pinnacle office towers to Sunway Pyramid Shopping Mall, thereby ensuring seamless connectivity between key landmarks within Sunway Resort City. The underground car park linkages will provide shoppers of Sunway Pyramid Shopping Mall with an additional 1,000 car park bays at the office towers during the weekend and peak season when Sunway Pyramid Shopping Mall's car park is at full capacity. As part of the asset enhancement initiative, a purpose-built 3-storey food and beverage precinct, Sunway Pinnacle Annexe, was also completed with a net lettable area of 30,000 square feet. It houses the largest Grand Imperial outlet in Malaysia encompassing a Grand Imperial Restaurant, the Grand Imperial Royale Ballroom and HEXA Lounge. The other tenant in Sunway Pinnacle Annexe is E.G.G. (Eight Gourmets Gala), a unique gourmet destination featuring eight different food varieties in a single venue.



## PROPERTY INVESTMENT AND REAL ESTATE INVESTMENT TRUST

### NEW OUTLET

Sunway Pyramid Shopping Mall, Bandar Sunway



### *Managing tenant mix*

In 2014, the Group's flagship Sunway Pyramid Shopping Mall welcomed several high street brands, namely the renowned Aeropostale, Muji, Onitsuka Tiger, Violeta by Mango, Cath Kidston and Wakai in the fashion segment, while Johnny Rocket, Miami Grill, Steak Shack, Seoul Garden and The Library Coffee Bar were the new additions in the F&B segment.

Several global brands made their maiden presence in Malaysia at Sunway Pyramid Shopping Mall including Aeropostale, Wakai and Miami Grill while Johnny Rockets outlet in Sunway Pyramid Shopping Mall is its largest in Malaysia and one of the largest in the world, demonstrating the confidence of these retailers for the Group's malls. Similarly, with such unique tenants and offerings, the division's mall continues to be well visited.

### *Sunway Pals*

To encourage customer loyalty throughout Sunway Group's businesses, including its tenants in the malls, Sunway Group launched its premier loyalty programme Sunway Pals (Privileged Advantages for Loyal Supporters) in February 2014 to reward loyal customers. Sunway Pals members can enjoy exclusive discounts, special privileges and earn points which can be converted into cash rebates at most of Sunway-owned establishments. Members can even enjoy parking with no surcharge when using the Sunway Pals card.

Since its launch, Sunway Pals has turned into one of the fastest growing loyalty programmes in the country following an overwhelming response from the public. One year after the launch, the Group has witnessed over 220,000 people signing up for this programme and over 320 participating merchants at Sunway Pyramid Shopping Mall. Sunway Pals is available in both card and cardless format, where the latter operates on Apple iOS and Google Android mobile platforms.

NEW ACADEMIC BLOCK  
Sunway University



#### *Growing the REIT*

In December 2014, Sunway REIT announced the acquisition of two properties, the 4-star Sunway Hotel Georgetown in Penang and Wisma Sunway office unit in Shah Alam. The two properties were acquired for a total sum of RM134.0 million. Sunway Georgetown Hotel is a freehold hotel property while Wisma Sunway is located on 99 year leasehold land expiring 2094. The acquisitions serve to solidify Sunway REIT's standing as one of the leading REIT in Malaysia. Following the recent addition, assets under management for Sunway REIT will be raised to approximately RM5.6 billion in December 2014 from RM5.5 billion in June 2014 previously.

#### **FUTURE PLANS**

As part of the division's current Asset Expansion Programme, a number of properties will be due for completion in 2015. Sunway University's New Academic Block will be the first to be completed in April 2015. The 12-storey academic block, constructed at a cost of RM305.0 million will feature a large scale auditorium, lecture theatres and mini-theatres. Aside from academic facilities, a training restaurant, wine laboratory, art gallery, a Power Centre for sports, dance and music and a FIFA-certified synthetic turfed football field will be added to one of the most advanced educational facility in Malaysia.

Other projects in the pipeline include Sunway Pyramid Phase 3 which houses a four star hotel and an extension to Sunway Pyramid Shopping Mall. The retail mall encompasses a retail gross floor area of 110,000 square feet, and will be completed by end 2015. Sunway Velocity Shopping Mall, also estimated for completion by end 2015, will house tenants in its lettable area of close to 900,000 square feet.

Apart from asset construction, the division, particularly Sunway REIT will also be on the lookout for yield accretive third party acquisitions to deliver sustainable growth.







#### HONESTY IN EVERYTHING WE DO

On what should have been another ordinary day at work at Sunway Lagoon, Eswary Supramaniam, a Ride Attendant, suddenly noticed an unattended bag by the bridge. When no one retrieved it after 10 minutes, she immediately investigated the contents to check for suspicious items. As it turns out, it was loaded with documents and a huge amount of money. She immediately took it to the lost and found counter and shortly thereafter, the owner came to reclaim his bag. Sunway is extremely proud of Eswary for espousing the virtues of integrity and honesty in carrying out her duties.

#### TOTAL PARK SIZE

100 acres

#### VISITORSHIP IN 2014

1.8 million

LEISURE



## LEISURE

### COLLABORATING WITH VIACOM FOR NICKELODEON LOST LAGOON Sunway Lagoon



#### INTRODUCTION

Sunway's Leisure division provides world class theme park experiences to local visitors and international tourists through its two signature theme parks – Sunway Lagoon in Sunway Resort City and Lost World of Tambun in Sunway City Ipoh.

Since opening its doors in 1992, Sunway Lagoon has carved a place as Malaysia's premier theme park providing some of the most thrilling and family-friendly entertainment, rides and slides in the country. Sunway Lagoon has 80 attractions extending across its five parks, namely the Water Park, Amusement Park, Wildlife Park, Extreme Park and Scream Park. A winner of "Asia's Best Attraction" award by the International Association of Amusement Parks and Attractions ("IAAPA") from 2007 to 2011, the multi-park destination is home to attractions such as World's Largest Water Ride - Vuvuzela, World's First Waterplexx 5D, World's Largest Man-Made Surf Beach, Malaysia's First Interactive Zoo and FlowRider, Malaysia's First Surf Simulator.

The Lost World of Tambun which opened in 2004 is a unique park set amidst lush greenery and 400 million year old limestone hills. With its Water Park, Amusement Park, Lost World Hot Springs and Spa, Tiger Valley, Lost World Petting Zoo, Tin Valley and Adventure Park carefully assimilated into nature and crafted with a 'lost civilisation' theme, visitors to the leading theme park in the northern region of Malaysia will be captivated by the beauty of its surroundings. The Lost World of Tambun has become a hit destination for visitors to Perak with an outstanding performance in 2014, charting a 12% increase in visitorship from the previous year.

#### KEY MILESTONES

##### *Bringing Nickelodeon to Malaysia*

The most exciting development for the Leisure division in 2014 is undoubtedly the partnership with Viacom International Media Networks ("VIMN") Asia, a leading international provider of youth and general entertainment content and owner of the Nickelodeon franchise in Asia, to develop a Nickelodeon themed attraction at Sunway Lagoon.

Nickelodeon Lost Lagoon is set to open in 2015 and will become the first Nickelodeon-themed land to be launched in Asia. With a total investment of approximately RM100 million, Nickelodeon Lost Lagoon will take centre stage within a new 10-acre site in Sunway Lagoon, and it caters to families and visitors of all ages. Visitors will be able to meet their favourite Nickelodeon characters including SpongeBob SquarePants, Patrick Star, Dora the Explorer, Boots and Teenage Mutant Ninja Turtles. A Nickelodeon retail store opened in Sunway Lagoon in December 2014, becoming Nickelodeon's first retail outlet in Asia. Decked in Nickelodeon's signature orange, the 1,700 square feet, one-stop store carries an extensive range of Nickelodeon merchandise.

IPOH STREET  
Lost World of Tambun



#### *New Year, New Attractions*

Spread over eight acres, the Sunway Lagoon Wildlife Park serves both as an experiential and educational experience. Sunway Lagoon has continuously invested in the Wildlife Park to ensure it meets the stringent standards of the Wildlife Act. As a result, in 2014, it was recognized as one of only a handful of accredited zoos in Malaysia.

The new investments in 2014 were mainly for expanding and refurbishing the Wildlife Park that is now home to more than 150 exhibits including a diverse range of birds, fish, reptiles and mammals. The first attraction to open in April 2014 is Tiger Land, a RM3.0 million grand exhibit with a built-in lounge pool and waterfall and home to the park's two resident Siberian tigers, Rock and Louie. Other new additions within the Wildlife Park include a new snake area and a new Aviary Waterfall area which will give visitors the opportunity for a closer encounter to the 40 different species of birds originating from South America to South East Asia. In terms of animals, the park welcomed some New World Monkey exhibits including the world's smallest monkey, a pair of Pygmy Marmosets.

Besides the enhancements to the Wildlife Park, from May to August 2014, Sunway Lagoon brought in Hi-Dive, a spectacular international high dive stunt show for its first performance in Southeast Asia. This event saw professional divers entertaining visitors as they plunged from heights as high as 80 feet while performing various acrobatic stunts, tricks and formations.

The Lost World of Tambun meanwhile, introduced its own new attractions, one of which is its "Ipoh Street" attraction. Ipoh Street features a replica of old Ipoh shophouses serving a wide range of food and beverages which are considered to be synonymous with Ipoh. In 2014, Sunway completed its Ipoh Street extension, which now boasts new stalls and additional upper floors. Visitors are now able to enjoy more local Ipoh delicacies without leaving the serene vicinity of the Lost World of Tambun.



## LEISURE

### *The Place for Music Lovers*

Back in Sunway Lagoon for the fifth time, MTV World Stage Malaysia 2014 drew close to 10,000 party revellers with four top class acts. The featured artists include award-winning hip hop artist, singer-songwriter and record producer, B.o.B, Thai-American hip hop group, Thaitanium and two acts gracing the MTV World Stage for the first time, homegrown singer-songwriter, Yuna, and Universal Music Group's first K-pop idol group, Boys Republic.

Besides MTV World Stage, two other major concerts took place in 2014 at Sunway Lagoon's iconic Surf Beach. The WOW Music Fest in January 2014, featured international electronic dance music DJs, Steve Aoki and Angger Dimas, who electrified the crowd with their electro sounds. Later in the year, the mood turned more relaxed with Retrofest 2014 featuring pop idols Diana King, Tevin Campbell, Firehouse and Color Me Badd, bringing fans memorable music from the 90's era.

### *Horror and Romance*

In conjunction with Halloween, Nights of Fright 2: Festival of Fear returned to Sunway Lagoon for the second year. Over six nights in October 2014, the event attracted 20,000 visitors, a 225% increase compared to the previous Nights of Fright. Sunway Lagoon was transformed into a district of spine chilling horror with more than 25 attractions consisting of eerie rides, horror mazes and spooky characters alongside exciting stage performances. The attractions were housed in a series of all-new themed scare zones including Dead End – The Abandoned Theme Park, Escape from Pudu, Carnival of Freaks, Fun Fear, Cursed Cove, All Hallows Cemetery and Shanghai Street as well as in the existing Lynton V. Harris' Scream Park with its Rumah Hantu, Pontianak Theatre of Fear, Zombie Apocalypse and Horrorwood Studios.

Wrapping up the year, Sunway hosted a world-class cirque performance, LumiAir – A Cirque Sensation at Sunway Lagoon's amphitheatre from November to December 2014. Featuring 30 international performers from Australia, France, Canada, Russia, China and Belarus, this spectacular performance featured a fantasy storyline with captivating characters, brilliant costumes, stunning scenery and state-of-the-art production. Encompassing grand cirque style sequences, breath-taking acrobatic ballet scenes and comical breaks, the performers made LumiAir an enjoyable experience for all.

MTV WORLD STAGE  
Sunway Lagoon



LUMIAIR - A CIRQUE SENSATION  
Sunway Lagoon

#### ARTIST'S IMPRESSION OF NICKELODEON LOST LAGOON Sunway Lagoon



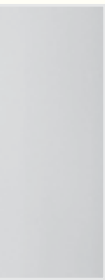
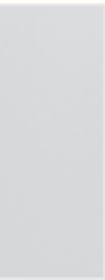
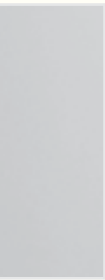
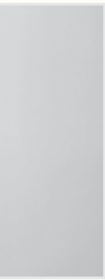
#### FUTURE PLANS

Visitors to Sunway Lagoon can look forward to a grand opening of Nickelodeon Lost Lagoon in 2015. It is expected to feature more than 12 new attractions for fans and visitors of all ages. The attraction will be set amidst 10 acres of rainforest that resembles a hidden civilisation within a jungle. The planned attractions and rides include a Rainfortress, a large interactive water play area, Water Spray Area, Giant Aqua Tube Rides, raft rides, canopy walk, daily signature slime deluge and a variety of other water slide attractions. There will also be a retail store in Nickelodeon Lost Lagoon, in addition to food establishments.

In the Wildlife Park, visitors will be able to meet new additions in the form of a pair of white lions, Zola and Zuri, from the Kruger region in South Africa. Visitors will also get a chance to dine with the white lions from mid-2015. In conjunction with the new additions, a “Walk & Hunt in the Wild” walkathon cum treasure hunt is being planned with the objective of educating children on wildlife appreciation and conservation.

The Lost World of Tambun’s Hot Springs & Spa has been immensely popular since its opening as a sanctuary in which visitors are able to relax and enjoy natural hot springs. The current facilities will undergo an extension in 2015 with the addition of new pools, water slides, new massage huts and food outlets overlooking the pools. Costing more than RM2.5 million, the extension is scheduled to be completed in mid-2015.







AT YOUR SERVICE

Casey Cha is amongst the first person you will likely meet as you are welcomed to Sunway Resort Hotel & Spa. Always sporting a cheerful smile, Casey is known by our guests for his dedication, intuitiveness and infectious enthusiasm. This is best exemplified one day when a car pulled up to the hotel's porte-cochère. A group of guests stepped out and expressed their interest in finding a suitable venue for their upcoming event. Despite being off duty, Casey welcomed them for a guided tour and impressed the guests with his personal service and insightful knowledge of the hotel and Sunway Resort City. Needless to say, they ended up organising their event at Sunway Resort Hotel & Spa. Sunway and its employees are committed and passionate in going above and beyond in delivering memorable experiences and hospitable services.

NUMBER OF HOTELS AND  
RESORTS MANAGED

12

NUMBER OF GUESTROOMS

2,650

HOSPITALITY

## HOSPITALITY

SUNWAY RESORT HOTEL & SPA  
Bandar Sunway



### INTRODUCTION

Sunway's Hospitality division is present in Malaysia, Cambodia and Vietnam, operating 12 hotels with a total of 2,650 rooms. The division offers an extensive range of luxury to mid-scale hotels for leisure and business travellers. In recent years, a number of refurbishments have been undertaken to refresh, strengthen and improve the positioning of the collection of hotels under Sunway Hotel & Resorts.

The award-winning Sunway Resort Hotel & Spa is the division's flagship 5-star property which opened in 1996 with 439 well-appointed guest rooms and suites. Hotel facilities at Sunway Resort Hotel & Spa include food and beverage outlets, a free-form swimming pool and a spa while business facilities include a convention centre, meeting and exhibition spaces. The hotel has a large composition of leisure guests especially those visiting Sunway Lagoon Theme Park and Sunway Pyramid Shopping Mall which are directly linked to the hotel for easy access.

In Malaysia, the other Sunway hotels include Pyramid Tower East in Sunway Resort City, Sunway Putra Hotel in Kuala Lumpur, Sunway Hotel Seberang Jaya and Sunway Hotel Georgetown in Penang as well as Sunway Lost World Hotel and The Banjaran Hotsprings Retreat in Ipoh. In the Indochina region, Sunway owns and manages the Sunway Hotel Phnom Penh in Cambodia and Sunway Hotel Hanoi in Vietnam.

The Banjaran Hotsprings Retreat, a 5-star eco-luxury destination, is the Group's venture into the ultra-luxury segment of hospitality. Nestled in the middle of a tropical forest surrounded by 260 million-year-old limestone hills, The Banjaran is an oasis getaway from the hustle of city life. Providing wellness, longevity, restoration and detox treatments, The Banjaran boasts 25 spacious, luxurious villas, as well as a spa and wellness centre. The Banjaran is located adjacent to the Lost World of Tambun theme park and within a short drive from Ipoh city centre.

The division also offers a wide range of meeting, exhibition and convention facilities in Sunway Pyramid Convention Centre in Sunway Resort City and Sunway Carnival Convention Centre in Seberang Jaya, Penang.

THE BANJARAN HOTSPRINGS RETREAT  
Sunway City Ipoh



## KEY MILESTONES

### *Benchmark of Hospitality Excellence*

Affirming the Group's progress in becoming the benchmark for hospitality services in the region, the division's properties won several awards in 2014. In October, The Banjaran Hotsprings Retreat was awarded The Edge-PAM Green Excellence Awards 2014, recognising the property for its sustainable designs and features that promotes energy conservation, waste reduction, resource recycling and positive contribution to the community.

The accolades extended beyond just the physical property as the division's hospitality was also recognised at the 8th Annual World Luxury Hotel Awards 2014 when Sunway Resort Hotel & Spa took home the Luxury Family All Inclusive Hotel global category while The Banjaran Hotsprings Retreat won the Luxury Private Pool Villas country award category. Over 1,000 hotels, resorts and private islands globally were nominated in 50 categories for this coveted luxury award, where winners were selected based on excellent service delivery and effective management in a vote by a panel of international tour operators, travel agents and hotel guests.

Equally meaningful were the positive reviews by guests which resulted in several of the division's hotels ranking highly in partner sites like Tripadvisor.com, Agoda.com and Booking.com. The Banjaran Hotsprings Retreat continued to rank in the Top 10 Small Hotels in Malaysia, Top 25 Luxury Hotels in Malaysia, Top 25 Hotels with Exceptional Service and Top 25 Hotels for Romance in TripAdvisor's Travellers' Choice Award, solidifying its status as a premium niche destination. Overseas, Sunway Hotel Hanoi also received a Certificate of Excellence for the 2nd consecutive year by TripAdvisor, for its consistent positive reviews and ratings among travellers.

Some awards also demonstrated the close ties the division established with its key online partners. Booking.com awarded the Best of Blue Fellowship Award 2014 in the 5 Star and 4 Star category to Sunway Resort Hotel & Spa and Pyramid Tower East respectively. The Best of Blue Fellowship Award recognises hotels that have achieved outstanding performance based on online sales through their website. Pyramid Tower East and Sunway Hotel Georgetown, meanwhile, were recipients of the Agoda.com's Gold Circle Award 2014 for excellence in customer reviews, competitiveness in pricing, and importantly, utilisation of Agoda.com's custom-built Yield Control System that helps with the management of room inventory and enables a deeper understanding of the complexities of the online booking industry.



## HOSPITALITY

THE RESORT CAFÉ  
Sunway Resort Hotel & Spa, Bandar Sunway



### *Enhancing Customer Experience*

In maintaining its brand as a premier hospitality services provider, the Hospitality division conducted various initiatives to enhance guest experience. In Sunway Resort Hotel & Spa, a massive upgrading of its food and beverage outlets was carried out. The hotel's New Orleans Bar & Grill and West Lake Garden Chinese restaurants were closed and the wing in which they operated from extended to accommodate new establishments, The Resort Café, the hotel's new all-day dining restaurant, and Busaba Thai, a Thai fine dining restaurant, managed by an independent operator. The renovation adds over 33,000 square feet to the hotel property. Over at Pyramid Tower East, the re-conceptualisation of Atrium Café & Lounge took place, giving way for a new food and beverage outlet and operator, Taste Enclave, which operates a premium food atrium offering 11 specially selected food eateries and three other mini restaurants in one modern, chic venue.

Sunway Putra Hotel continued its refurbishment of guestrooms from levels 11 to 21 completed during the year. Sunway Putra Hotel's main lobby, reception desk, event / meeting venues and public areas have commenced refurbishment works during the year. Renovation works are expected to be completed in 2015, to coincide with the re-opening of Sunway Putra Mall.

### *Northern Properties Growing Strong*

The division's four properties in the northern Malaysian states of Penang and Perak put in a strong performance for the year, recording increases in both average room rates ("ARR") and occupancy. Buoyed by a surge in tourist arrivals in Penang, Sunway Hotel Georgetown and Sunway Hotel Seberang Jaya both achieved occupancies of above 75% for 2014 compared to 60% the year before. Sunway Hotel Georgetown's good performance, in particular, has enabled the Group to inject the property into Sunway REIT with the Hospitality division continuing to earn hotel management fees from it in the future.

In Ipoh, Perak, recognition for The Banjaran and the Sunway Lost World Hotel are gaining traction with both properties enjoying more than 10% higher occupancy in 2014. In addition, the Sunway Lost World Hotel increased its ARR by approximately 9% in the year.

#### ARTIST'S IMPRESSION OF PYRAMID TOWER WEST HOTEL Bandar Sunway



#### FUTURE PLANS

In Sunway Resort City, development works are ongoing at Pyramid Tower West that will see the opening of a new 4-star hotel to complement the Sunway Resort Hotel & Spa and Pyramid Tower East. The 26-storey hotel will house 401 rooms, including a mixture of superior and superior executive guestrooms, a breakfast room, five private meeting rooms, a fitness centre and a swimming pool. The Hotel is expected to open in early 2016.

The remodelling of Sunway Putra Hotel will carry through 2015 and see the completion of the refurbishment of the Lobby Lounge, renovation of the hotel's swimming pool and fitness centre, refurbishment of guestrooms from levels 22 to 33, conversion of a restaurant on the lobby level into eight new meeting rooms, transformation of the former Penthouse on levels 34 and 35 into luxury meeting spaces and the creation of an executive Club Lounge. To improve staff efficiency and welfare, the construction of the "heart of the house" will also take place, which will house the staff locker area, operations offices such as housekeeping and maintenance as well as a staff restaurant and recreational area.

At The Banjaran, the second development phase will see the construction of 12 to 20 new villas. This additional accommodation capacity will be supported by upgrading works to the Pomelo kitchen that is targeted for completion in the first half of 2015. Renovation works are also underway to elevate the positioning of Jeff's Cellar as a premier private event venue in Ipoh. These renovations are intended to better facilitate events and improve dining experience for diners and guests of the eco-luxury retreat. Upgrading works at Jeff's Cellar are expected to be completed in the first half of 2015.







#### EMBRACES POSITIVE THINKING

At the age of 16, Lai Sze Seng fell from a coconut tree and suffered an injury which led to restriction of his mobility. That did not stop him from achieving his dreams, and joining the workforce. Having held several other jobs that did not quite fit, he joined Sunway in 2008. Sze Seng is now an Assistant Document Controller with Sunway Engineering. We salute Sze Seng's persistence and bright outlook on life and we aspire to spread his positive influence to all our communities.

#### NEW CONTRACTS SECURED

RM1.1 billion

#### OUTSTANDING ORDER BOOK

RM3.0 billion

## CONSTRUCTION



## CONSTRUCTION

SUN U - MONASH STATION  
BRT-Sunway Line



### INTRODUCTION

Sunway's Construction division is an integrated construction group that is principally involved in the provision of building and civil infrastructure construction services; foundation and geotechnical engineering services; mechanical, electrical and plumbing services ("MEP"); and manufacturing and sale of precast concrete products. With the provision of all 5 segments, the division is able to compete as an end-to-end total construction solutions provider.

The division's building construction services comprises residential, commercial, institutional and purpose-built or specialty projects, while the civil infrastructure construction services cover roads, highways, rail-based and other infrastructure projects.

Sunway has been involved in several large and notable projects since its inception. Among the landmark building construction projects undertaken include key developments within Sunway Resort City, Kuala Lumpur Convention Centre, Legoland Malaysia Theme Park and Water Park, Pinewood Iskandar Malaysia Studios, major Government building projects in Putrajaya, as well as the Al-Reem and Rihan Heights projects in the United Arab Emirates.

The division's past and present major civil infrastructure construction projects include the SILK Highway, sections of the Maju Expressway and South Klang Valley Expressway, Klang Valley MRT Package V4 (from Section 17 Petaling Jaya to Semantan Portal), LRT Kelana Jaya Line Extension (Package B), BRT – Sunway Line, as well as seven highway projects in India.

The division is a keen advocate of the Industrialised Building Systems ("IBS") or precast concrete products. In Singapore, with a stable demand for precast concrete products from the Housing Development Board's developments, Sunway has emerged as one of the largest precast concrete products suppliers. Sunway currently has two precast yards in Tampines, Singapore and Senai, Johor respectively with a total capacity of approximately 200,000m<sup>3</sup>.

The division's growth is underpinned by an unfailing management commitment to project execution, delivery, quality products and services. In recent years, it has been leveraging on its Virtual Design & Construction ("VDC"), an integrated approach of managing design and construction using digital information modelling, and Total Quality Management ("TQM") to develop a competitive advantage in the industry. Sunway will continue to inculcate customer centricity in delivering better values to its customers, reducing wastage and improving productivity, and enhancing the quality and safety of construction works.

## KLCC PACKAGE 2 - SUBSTRUCTURE WORKS Kuala Lumpur



### KEY MILESTONES

#### *Sustaining the Order Book*

The division's outstanding order book stands at RM3.0 billion as at December 2014 comprising a combination of in-house projects as well as external infrastructure and building projects. Current projects include catalytic projects such as the Klang Valley MRT Package V4 (from Section 16 Petaling Jaya to Semantan Portal), LRT Kelana Jaya Line Extension (Package B), Malaysia's first elevated BRT – Sunway Line, Afiniti Medini mixed development in Iskandar Malaysia, and substructure works for new buildings at Kuala Lumpur City Center ("KLCC").

In 2014, it secured a total of RM1.1 billion of new contracts. The new jobs include key projects developed by Sunway including Sunway Velocity Mall (superstructure works) (Contract Sum: RM350.0 million), Sunway Iskandar Citrine (RM200.0 million), Sunway Medical Center Phase 3 (RM178.0 million) and Sunway Geo Retail Shops and Flexi Suites Phase 2 (RM153.0 million).

In December 2014, the division secured a contract of RM169.9 million for the design, construction, testing and completion of the Coastal Highway Southern Link, Johor, awarded by a subsidiary of Iskandar Investment Bhd. The construction is set for completion in 2017 and will further boost the attractiveness of the location of Sunway Iskandar and other developments in Medini Iskandar Malaysia and its surroundings, due to the resulting improved connectivity and shortened traveling time to the Second Link to Singapore. This win further consolidates the Construction division's position as the premier contractor in Nusajaya with many of the catalytic projects in the region being awarded to Sunway in recent years.

In Singapore, the division's wholly owned subsidiary, Sunway Concrete Products (S) Pte Ltd secured two contracts for the manufacture and supply of precast concrete products from Straits Construction Singapore Pte Ltd (SGD 30.6 million) and from Hi-Tek Construction Pte Ltd (SGD 18.6 million).



## CONSTRUCTION

MRT PACKAGE V4  
Section 16, Petaling Jaya



### *Achieving Industry Excellence*

The Construction division continuously strives to improve the performance of the construction industry through elevating the quality and innovation of its products and services. As a result, Sunway Construction was honoured Builder of the Year at the Malaysian Construction Industry Excellence Awards (MCIEA) 2013. In addition to the coveted industry award, two of Sunway's leading construction personalities were also recognised for their contributions. Tan Sri Dr Jeffrey Cheah, Founder and Chairman of Sunway Group was presented with the Prominent Player Award, while Mr Kwan Foh Kwai, Senior Managing Director of Sunway Construction, was named CEO of the Year.

With this latest award, Sunway became the first Malaysian construction company to have won the Builder of the Year award three times. The MCIEA Awards are regarded as the foremost accolade for all-round excellence in the Malaysian construction industry. The Builder of the Year award is presented to Grade G7 contractors, the highest contractor category in Malaysia endorsed by the Construction Industry Development Board (CIDB), and to those who have demonstrated overall excellence in industry performance and project implementation.

### *Listing the Largest Pure Play Construction Company*

On 19 September 2014, the Group announced its intention to list the Construction division on the Main Market of Bursa Malaysia and commenced groundwork for this exercise. As part of the listing scheme, the entire Construction Division will be injected into a newly formed holding company known as Sunway Construction Group Berhad. While Sunway Berhad is expected to retain majority control of this holding company, the remaining shares in Sunway Construction Group Berhad will be distributed to Sunway's shareholders in the form of a dividend-in-specie and be offered for sale to institutional and retail shareholders.

The proposed listing of Sunway Construction Group is aimed at unlocking the value of the Construction division and the bulk of the proceeds from the offer for sales of the shares will be distributed to the Sunway shareholders in the form of a special cash dividend. The listing will also allow the Construction division to gain greater visibility as one of the leading construction players in Malaysia, which may allow it to gain greater market penetration and market share.

## FUTURE PLANS

The outlook of the construction sector in Malaysia remains strong, on the back of large Government driven infrastructure projects including projects under the Economic Transformation Programme, initiatives announced in Budget 2015, as well as developments within the economic growth corridors. Under Budget 2015, the Government announced a total of RM75.0 billion worth of infrastructure projects, as well as several mega projects nationwide, including the Second MRT Line from Sungai Buloh to Putrajaya, the Pan-Borneo Highway, the Pengerang Integrated Petroleum Complex project and LRT 3 Project (linking Bandar Utama to Shah Alam and Klang).

Sunway Construction intends to capture some of the opportunities created by these national development projects to expand market reach, while selectively targeting projects that generate higher profitability. Specifically, Sunway Construction intends to focus on large scale and complex projects, which will allow better deployment of its design expertise and technology, providing integrated solutions across different phases of a project from project design to completion.

Sunway Construction aims to further grow its precast concrete business in Malaysia by leveraging on its track record and experience in precast IBS in Singapore. The division is in the midst of exploring a second plant in Johor which will supply to and develop a market for residential precast concrete products in Malaysia.

Moving forward, Sunway Construction will also grow its foundation and geotechnical engineering services, and MEP services market segments by offering more standalone services to external customers. In the foundation and geotechnical engineering services business segment, Sunway Construction will focus efforts on large building and civil infrastructure construction projects, where it will be able to leverage on in-house technical expertise as well as capitalise on its large fleet of 23 boring rigs and other foundation and geotechnical engineering services machinery and equipment. In the MEP services business segment, the focus will be on purpose-built or specialty projects, such as purpose-built central utility facilities ("CUFs") where Sunway Construction will be able to leverage on past experience and credentials for growth.

PREFABRICATED BATHROOM UNIT  
Singapore



SLOPE STABILISATION FOR SUNWAY GEO  
COMMERCIAL PRECINCT  
Bandar Sunway







VALUE OF CUSTOMER LOYALTY

Mr. Ng Beng Hing has been a customer of Sunway Trading Group since 1991. His company, NBH Sdn Bhd, was the heavy equipment division's first customer when the division launched the new Furukawa Hydraulic Crawler Drill in Malaysia. His first order comprised 5 units of Furukawa Hydraulic Crawler Drill for his blasting and earthworks business. Over the years, as Sunway Trading Group's business expanded, NBH Sdn Bhd has also grown and it is now a renowned earthworks specialist for dam construction in Malaysia. Through it all, Mr Ng has sought Sunway for his heavy equipment needs with aggregate sales of over RM50 million to his business over the years. It is such valued customer loyalty that the Group aims to develop by providing the best for our customers.

REGIONAL PRESENCE

6 countries

DISTRIBUTION POINTS

41

AGENCY LINES

128

CUSTOMER BASE

7,000

TRADING AND  
MANUFACTURING

## TRADING AND MANUFACTURING

### HOSES & FITTINGS FOR THE MARINE SECTOR



#### INTRODUCTION

Sunway's Trading and Manufacturing division is an international trading establishment with four major product lines of Hoses & Fittings, Heavy Equipment, Heavy Equipment Parts and Building Materials. The division currently has a presence in 41 locations in Malaysia, Singapore, Indonesia, Thailand, China and Australia. The successful implementation of sophisticated Information and Communication Technology ("ICT") tools has enabled the division to effectively cater to a customer base of close to 7,000 active customers via a network of 18 companies across these locations and in industries as diverse as infrastructure, geotechnics, construction, agriculture, manufacturing, logging, quarrying, offshore and marine engineering, and oil and gas.

The success of the Trading and Manufacturing division is attributed to the trusted reputation of its in-house brands, including "Sunflex" and "Totalrubber" hoses and fittings, "Suntrak" undercarriage parts and "Sunguard" oil filters. These brand names are known for their quality and value. The division also relies on its 128 (2013: 116) agency lines for a wide range of well-established brands like SANY, Furukawa, Furukawa Unic, Airman, Ammann and Lonking for heavy equipment; FP Diesel and DCF Trek for heavy equipment parts; and Copperstate for hoses and fittings.

LOCATION	NO. OF DISTRIBUTION POINTS
Malaysia	13
Singapore	2
Thailand	5
Indonesia	10
China	5
Australia	6

PRODUCT LINE	NEW AGENCY LINES
Hoses & Fittings	Exitflex, Semperit
Heavy Equipment	Furukawa Crusher, Unimate Micro Pile Equipment, Sunway Concrete Pumping and Drilling Accessories
Heavy Equipment Parts	Sejin, Trak
Building Materials	Swissma, Lafonza, Innocera, Keyline, NB Locks, Dorma Teamware, Greifea, Hydro One, Grohe, Querella, American Standard

## FURUKAWA HYDRAULIC CRAWLER DRILL



## KEY MILESTONES

*Powering Growth*

Sunway's Trading and Manufacturing division is dedicated to ensuring the advancement of the brands it carries and the satisfaction of all its customers. As such, much thought is put into selecting the agencies of brands it wants to take up. In 2014, the division added 12 new agency lines, all of which are for quality brands, in the Hoses & Fittings, Heavy Equipment, Heavy Equipment Parts and Building Materials product lines. In total, Sunway has 128 (2013: 116) agency lines under its umbrella.

Prominent new agency lines include Semperit hoses, Sejin undercarriage parts, Unimate micro pile equipment, Grohe bathroom fittings and American Standard sanitary ware. The newly acquired agencies will enhance Sunway's reputation as a one stop center with an ever expanding product range to meet the growing needs of its customers and partners.

*Creating Awareness*

The division participated in several major exhibitions globally in 2014 as part of its continuous effort to create awareness for its Trading and Manufacturing division, as well as its range of products and services in its four major product lines.

In Singapore, the division participated in the Offshore South East Asia (OSEA) 2014 exhibition which brought together stakeholders in the oil and gas industry, thus providing the division with opportunities to further create awareness of its Hoses & Fittings product line.

In China, the division participated in Bauma China 2014, the leading biennial trade fair for construction and building materials equipment and machinery in Asia. Bauma China, held at the Shanghai New International Expo Centre, saw the attendance of more than 150,000 visitors from over 140 countries, providing the division with opportunities to approach potential customers and manufacturer brands.

Closer to home, the Trading and Manufacturing division participated in One Build Exhibition in Putra World Trade Centre, the Jabatan Kerja Raya (JKR) Malacca Exhibition in Port Dickson and the Annual Institute of Quarry Malaysia (IQM) Conex in Putrajaya. The division also participated in the 10th Balikpapan Expo 2014, a regional trade show for the mining industry. These participations have allowed the division to build greater inroads with industry stakeholders and as well as to reinforce Sunway's brand presence.



## TRADING AND MANUFACTURING

FURUKAWA UNIC MINI CRAWLER CRANE



### *Building On Strengths*

The Group's Trading and Manufacturing division remains committed to maintaining its strong relationship with existing principals. As the sole distributor of SANY concrete pump and SANY rotary drilling rig, the division was acknowledged by SANY as the 2013 Premium Dealer along with the 2013 Best Growth Award and the 2014 Best Sales Award for Piling Rigs. In particular, the Premium Dealer award recognises Sunway's outstanding performance in the annual evaluation of the brand's overseas dealers. This distinguishes Sunway's status as a leading sales and service organisation for SANY heavy equipment in Asia Pacific.

In Building Materials, the division continued its track record of superior performance, and secured the 2013 Lafarge Top 10 Sales Achievement Award for overall bagged cement and the 2013 Lafarge Top 10 Sales Achievement Award for wallcrete.

With more than 50% of Singapore sales in the marine offshore oil and gas sector, the division aims to develop its market base for Hoses & Fittings by penetrating into the Liquefied Natural Gas industry. In realising this ambition, the division's regional hub in Singapore, was certified compliant to the American Petroleum Institute (API) specification Q1 QMS for its hoses, fittings and hose assemblies. This certification demonstrates Sunway's ability to deliver products and solutions that meet the stringent needs of the oil and gas industry. At present, the division is an exclusive distributor of KLAU, a global leader in the design and manufacture of breakaway couplings, marine breakaway couplings and emergency release systems in Singapore.

The division continues to differentiate itself from competitors by being one of the few hose suppliers that offer maintenance services to its customers through its mobile van service, also known as Sunflex Hose Doctor. Following the expansion to its fleet in 2013, the service has helped MRT and LRT contractors in Malaysia to reduce machinery downtime and improve productivity. The division intends to expand its mobile vans service with plans in progress to set up one new unit each in Thailand and Batam, adding to the current mobile fleet of 13 units in Singapore and three units in Malaysia. The division also has plans to kick off the franchise of its Sunflex Hose Doctor in the future.

## SUNFLEX HOSE DOCTOR FLEET



## FUTURE PLANS

With an established regional presence boasting excellent warehousing facilities and wide product range, the division will continue to identify global sources to further introduce new products into the region. The division will explore potential mergers, acquisitions and joint ventures to ensure a growing portfolio. Expansion plans are in place to acquire companies with related products and generate further synergies by integrating the related product and services into the division's regional network of branches and customer base.

The division intends to pursue an ICT and business infrastructure transformation through a five-year cloud modernisation plan that will see the implementation of IBM Cloud Connections, an intuitive set of cloud-delivered online technologies for businesses that combine social networking and online collaboration, messaging, and web conference tools to support and manage the division's diverse business units across 41 locations worldwide. The Trading and Manufacturing division will leverage on this Group-wide initiative to drive continual high level of satisfaction amongst its customers, suppliers and partners, and facilitate greater work efficiencies.

The division plans to grow its proprietary brands in addition to partnering other branded products to complement its product range to provide a one-stop solution for the customer's needs. The division aims to achieve this either by continuously sourcing for OEM products from alternative sources or leveraging on the relationship with its product principals and form joint ventures to manufacture the products. Finally, the division will monitor and take advantage of the ASEAN and ASEAN-China Free Trade Area should the opportunities arise.





#### SUCCESSFUL PARTNERSHIPS

Through good and tough times, Mr Teh Lim Mor has been working alongside Sunway, serving as our quarry division's blasting subcontractor. Starting out as a young entrepreneur in 1989, Mr Teh was appointed to perform blasting operations for one of Sunway's old quarries in Cheras and has since formed a partnership that goes beyond the normal call of duty. When any problems arise, he can be depended on to provide his honest advice and immediate services. It is this relationship that has allowed his business to thrive and for his reputation to thrive in the Malaysian quarry industry. Sunway takes great pride in the achievements of Mr Teh and all our partners. We look forward to growing further together.

#### NUMBER OF QUARRIES

6

#### NUMBER OF ASPHALT PLANTS

9

#### NUMBER OF MANUFACTURING FACILITIES

5

## QUARRY AND BUILDING MATERIALS



## QUARRY AND BUILDING MATERIALS

PAVERS PRODUCTION  
Batang Kali, Selangor



### INTRODUCTION

The Group's Quarry and Building Materials division comprises the Quarry, Pavers, Vitrified Clay Pipes ("VCP"), and Spun Pile business segments.

#### *Quarry*

The division currently operates six quarries and nine asphalt plants throughout Peninsular Malaysia. Sunway's asphalt plants are strategically located along current and potential development corridors and in proximity to major highways, allowing the Group to meet the growing regional development needs of its customers. The division mainly produces aggregates for ready mixed concrete and other construction activities, and asphalt for the pavement of roads and highways.

#### *Pavers*

Sunway's Pavers business has a history of over 30 years of existence, and has over the years, gained market dominance in the manufacturing of interlocking concrete pavers in Malaysia. The division owns and operates three plants located in Batang Kali in Selangor, Nibong Tebal in Penang, and Senai in Johor, with a combined capacity of 2.5 million m<sup>2</sup> of pavers per annum. The business has a strong focus on product development and enhancement to maintain its competitive advantage.

#### *VCP*

The division's VCP business, based in Klang, Selangor, is one of the largest VCP manufacturers in Malaysia and has more than 20 years of experience in the industry. The division's fully glazed VCPs and jacking pipes are predominantly used to cater to the country's 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 to countries such as Singapore, Brunei, and Hong Kong, and is looking to expand its export sales to generate further revenue growth.

#### *Spun Pile*

The Group's Spun Pile business is located in Zhuhai, China where it operates a plant with the capacity to produce over 200,000 meters of spun piles per annum, and is capable of producing large diameter pre-stressed high strength concrete (PHC) spun piles of up to 1.2 meters and lengths of up to 56 meters. This capacity and capability has made the plant one of the largest and most advanced in the region.

## SUNWAY'S QUARRY Rawang



### KEY MILESTONES

#### *Solidifying Market Positions*

Supported by the buoyant domestic construction sector in 2014, the Quarry and Building Materials division recorded higher sales volume across most product lines. In the Quarry business, sales of aggregates increased 7.3% to 3.95 million tons from 3.68 million tons in the previous year. Sales of asphalt grew at an even quicker pace of 16.5% to 820,000 tons in 2014 from 705,000 tons in 2013. The higher sales recorded by the Quarry business is primarily due to the ongoing MRT construction and PLUS highway resurfacing projects.

For the Pavers business, sales volume of pavers increased 16.1% to 1.95 million m<sup>2</sup> in 2014 from 1.68 million m<sup>2</sup> in the previous financial year. Among the major clients supplied to in the year were port operators, Port of Tanjung Pelepas and Westports Malaysia and major developers in Malaysia. Also enjoying increased sales was the VCP business which increased sales to approximately 36,300 tons from 34,500 tons previously. Both the Pavers and VCP business benefitted from increased sales to developers in the year and will continue to target them in 2015. The Pavers business, in particular, has already secured 600,000 m<sup>2</sup> in orders from the major developers for delivery in 2015.

#### *Re-strategizing Our Geographic Footprint*

Demand for aggregates and asphalt are derived demand from construction activities. In view of this, Sunway recognises the importance of location and to be close to hot spots for new development projects. A strategic review of the Quarry business's geographic footprint has led to the relocation of its asphalt plant from Olak Lempit in Selangor to Ulu Choh, Johor in 2014. Preparations are also being made to set up new asphalt plants in Juru and on Penang Island in 2015. The addition of these new plants is consistent with the Group's positive view on the rapid development taking place in the two states and will also reduce the business's current concentration on the Central region.

In terms of overseas operations, it completed the disposal of two quarries in Vietnam in 2014, one in Hanoi and the other in Vung Tau, due to a lack of economies of scale and a volatile exchange rate environment. In Trinidad and Tobago, Sunway will also not be extending its supply contract with the National Quarries Company Limited, having completed the initial term of 5 years and will be withdrawing its resources from the country. The above represents the division's efforts to proactively ensure efficient resource management and where necessary, re-deployment of resources to strengthen core and profitable businesses.

## QUARRY AND BUILDING MATERIALS

SPUN PILE  
China



### *Product and Production Improvements*

Sunway's Pavers business maintains a competitive advantage with its product innovation and various research and development initiatives. In recent years, it has introduced NeuPave, a water permeable paver which allows water to permeate through the surface to the underlying soil, and GeoPave, which has a new design profile with multiple lock spacers that provide better interlocking properties.

In 2014, the Pavers business launched two new ranges of products known as the R Series and the Z Series. The R Series is a reflective paver which is used for pavement marking, which is available in yellow and white. This range of pavers require minimal maintenance, has high skid resistance and a hard wearing surface, ensuring absolute durability. The higher colour quality of the R Series pavers provides clearly visible road markings, thereby promoting safety for motorists and pedestrians.

The second product, the Z Series, is a 60 millimetre heavy duty paver with fungal resistance, enabling it to reduce the formation of fungus and algae on its surface. The Z Series are durable pavers, requires minimal maintenance, have high skid resistance and hard wearing surfaces. This range of pavers can be used in inaccessible areas with slopes and gradients as it can be paved without the use of heavy equipment. Due to its availability in various colours, it can be used to delineate separate areas, indicate parking bays, as a permanent road marking, and to indicate the location of underground services.

In September 2014, our VCP business secured the ISO 14001:2004 on Environmental Management Systems for its operations, the first in the industry to obtain the certification. Through the certification, the business targets to reduce cost of waste management, achieve savings in consumption of energy and materials and assure stakeholders that the environmental impact of the operations is being managed.



SUNWAY'S ASPHALT PLANT  
Rawang



#### FUTURE PLANS

Sunway remains confident with the prospects of the construction industry in the near future, hence, the Quarry business is looking at expanding its presence in 2015. Other than new asphalt plants in Juru and Penang Island, the division is looking to establish new quarries in Semenyih in Selangor and Sungai Ara in Penang. The Sungai Ara quarry site has been secured in late 2014 and quarry development works are currently ongoing. It is planned for production to commence in July 2015 with an initial capacity of 50,000 tons per month. The division is also actively seeking to acquire a suitable quarry site in Johor that will cater to the rising number of developments in Iskandar Malaysia, including Sunway Iskandar. The establishment of these new quarries and asphalt plants will allow the Group to be strategically positioned with a production facility in each growth corridor, where proximity to customers will enhance response time and lower transportation costs.

In 2015, the Pavers business is expected to commence commercial production at its new plant in Marang, Terengganu, which will serve the East Coast region requirements and complete the division's coverage of the Peninsular Malaysia market. The plant was established to allow the Group to meet the needs of its current and upcoming projects under the East Coast Economic Region initiative as well as anticipated business from new infrastructure projects. This is also part of the division's long term plan to penetrate the pavers market in the East Coast region. The plant is expected to be fully operational by July 2015.





*Clockwise from top:*

Dr Teh Kok Kheng

Dr Lim Wei Ling

Dr Ravindran Thurasingham

Dr Adam Pany

Dr Wong Wai Hong



CARING FOR THE COMMUNITY

Early February 2014, Dr. Ravindran, a resident Hand and Microsurgery specialist at Sunway Medical Centre was informed about the condition of a 5-month-old boy who sustained complete brachial plexus injury of the right upper limb, an injury he sustained at birth. The boy’s parents unfortunately could not afford to pay for the surgery required by the boy. Without any hesitation, Dr Ravindran and the team of consultants involved in the surgery including Dr Teh Kok Kheng (Consultant Hand & Microsurgeon), Dr Lim Wei Ling (Consultant Paediatrician), Dr Wong Wai Hong (Consultant Anaesthesiologist) and Dr Adam Pany (Consultant Interventional Radiologist) proposed to waive their fees and also for the hospital’s management to sponsor the surgical procedure. Through our actions, we have transformed the life of this young boy forever.

NUMBER OF SPECIALIST  
CONSULTATION SUITES

130

NUMBER OF  
OPERATING THEATRES

12

NUMBER OF BEDS

359

## HEALTHCARE

REHABILITATION MEDICINE CENTRE  
Sunway Medical Centre



### INTRODUCTION

Sunway Medical Centre (“Sunway Medical”), an Australian Council on Healthcare Standards (“ACHS”) – accredited institution, is the flagship hospital for the Group’s Healthcare division and one of the leading private tertiary hospitals in Malaysia. Over the years, Sunway Medical has gained a reputation as a provider of high quality and advanced patient care.

As one of the foremost private medical care centres in the nation, Sunway Medical’s facilities support a wide range of services with a total of 359 hospital beds, 130 consultation suites, 12 operating theatres and a multi-storey car park with 750 parking bays. In addition, approximately 180 Consultant Specialists and specialists, 642 nurses and 242 healthcare professionals share a dedication to continually raising the bar on healthcare standards and patient satisfaction in Sunway Medical.

Sunway Medical offers patients a comprehensive range of medical services, including facilities and medical technologies for outpatient and in-patient speciality care, health and wellness programmes and 24-hour emergency services. Aside from the Accident & Emergency first response and primary care services which are manned by medical doctors, all the doctors in the hospital are of the Consultant Specialist level.

Sunway Medical requires that practising Specialists must have internationally-recognised postgraduate qualifications as well as a stipulated number of years of experience in their chosen specialty or sub-specialty discipline.

In recognition of the increasingly sophisticated needs of the nation, Sunway Medical has developed niche areas of medical service. Multiple Centres of Excellence (“CoE”) were set up to promote an integrated approach to treatment of illnesses, with specialists, sub-specialists and clinicians working together to provide quality care to patients. To date, Sunway Medical has a total of 19 CoEs in diverse areas of medical specialties from Neuroscience to Fertility.

Sunway Medical is also committed to advancing medical research and development. It provides a base for clinical attachment and training for undergraduate medical, nursing and allied health students from the Jeffrey Cheah School of Medicine & Health Sciences, Monash University Malaysia, Sunway University and other universities. It also works in partnership with Seoul National University Bundang Hospital to further medical research and training across the Asian region.

EYE CENTRE  
Sunway Medical Centre



## KEY MILESTONES

### *Ensuring World-class Quality and Standards*

In March 2014, Sunway Medical became the first hospital in Southeast Asia to receive full accreditation from the ACHS, underscoring Sunway's commitment towards continuous improvement in the delivery of healthcare services. This international recognition gives Sunway Medical an edge in pursuing partnerships with healthcare providers across the region, particularly within the fast growing network of ACHS accredited medical institutions. In addition to the opportunity to tap into and leverage on the resources and tools provided within ACHS's Evaluation and Quality Improvement Program ("EQuIP"), the accreditation will also help Sunway Medical attract top class medical professionals and people, further propelling Sunway Medical towards achieving higher standards of excellence in healthcare.

Sunway Medical further earned the distinction of being the first medical institution in Malaysia to receive the acclaimed Westgard Sigma Verification of Performance from the United States of America. The Westgard Sigma Verification Program encourages laboratories to define their own quality requirements for intended use and to evaluate their own performance relative to their goals for quality. It provides an evidence-based, data-driven approach to quantify the quality being achieved by a laboratory method as well as confirmation that the laboratory can routinely and consistently deliver that quality.

The program employs a Six Sigma Quality Management System in the laboratory that provides an objective and quantitative approach to guarantee that the analytical quality of test results is acceptable for their intended clinical use. This verification provides an assurance for the analytical quality of testing processes; the selection and validation of instrument systems; the design of quality control procedures; the standardisation of quality control practices and the proper monitoring and assessment of quality on the sigma scale.

### *Investing in Medical Technology*

In January 2014, Sunway Medical became the first hospital in Malaysia to invest in the Daytona Optus Fundus camera for its Eye Centre at a cost of RM220,000. The camera offers cutting-edge retinal imaging technology, capturing a 200-degree view of the retina in one image in less than one second, and without the need for eye drops for pupil dilation. The Daytona Optus Fundus camera is used to detect diabetic eye conditions for diabetic retinopathy screening. This employment of advanced technology to test for conditions that may otherwise go undetected is an example of Sunway Medical's commitment to improved screening and early diagnosis of illnesses. Diabetic retinopathy may cause irreversible blindness and with diabetes increasingly prevalent in Malaysia, and one in five adults expected to be diabetic by 2020, eye screening of patients is absolutely critical for early detection of the disease.



## HEALTHCARE

### LAUNCH OF SUNWAY MEDICAL PHARMACY



#### *Expanding Medical Services*

In 2014, Sunway Medical welcomed new sub-specialists comprising foot and ankle surgeons, oculoplastic surgeons, paediatric orthopaedic surgeon, paediatric gastroenterology and skin cancer specialists into its fold, expanding the number of specialty and sub-specialty services provided by the hospital.

Sunway also sought to enhance its range of medical and surgical disciplines through the introduction of the Breast Care CoE in October 2014. Supported by an additional radiology centre in Tower B, it is anticipated that this CoE will grow in popularity as breast cancer screening, diagnosis and treatment increase in importance. The Breast Care Centre aims to be a one-stop centre by providing an integrated and holistic approach to those requiring breast care from early detection screenings to post-operative care, provided by a trained Breast Care Nurse. In conjunction with the opening of the Breast Care Centre, Sunway Medical also unveiled its breast health corporate responsibility campaign which focuses on education, screening and support.

To further improve its services as an integrated healthcare provider, Sunway launched its retail pharmacy in March 2014. Housed within Sunway Medical and operated by a team of hospital pharmacists, the pharmacy acts as a one-stop solution for specialised patient care items and complements existing hospital services.

Equipped with a dedicated counselling area for patients and customers seeking health-related advice, it is also the base for Sunway Medical's Smoking Cessation programme. In taking a more patient-centric approach, Sunway Medical's pharmacy will also collaborate with other CoEs in the hospital to provide integrated health improvement programmes.

#### *Extending Our Reach*

Sunway Medical sought to enhance its post-hospitalisation patient care services by introducing Sunmed@Home, a professionally operated home-based nursing service that allows doctors and patients to utilise home-based follow-up care in promoting recovery. Sunmed@Home services range from basic follow-up visits to comprehensive care plans that may include medical nursing care, nutrition management, physiotherapy, caregiver training, and other disciplines in an integrated manner to achieve full recovery.

Sunway Medical also expanded its presence regionally during the year to serve a wider market. Sunway Medical has witnessed strong demand for its healthcare services by Indonesian patients and this led to the establishment of four representative offices in Jakarta, Palembang, Makassar and Surabaya to promote medical tourism with plans to expand further throughout the region.

SIEMENS 3T MRI



## FUTURE PLANS

In line with its vision to be one of the leading medical centres in the ASEAN region, Sunway Medical is building a new 10-storey Centre for Advanced Medicine to complement the facilities and services in its existing medical centre. The Centre for Advanced Medicine, built adjacent to Sunway Medical, is targeted for completion in 2017, and will offer a comprehensive cancer centre, a nuclear medicine centre, an oncology day ward, oncology clinics, a digestive health centre, a level of consultation suites and five levels of single occupancy in-patient wards. Upon completion, the Centre will increase Sunway Medical's current capacity of 359 beds to 600 beds, making it one of the largest private tertiary care hospitals in Southeast Asia. With this new block, Sunway Medical will eventually have 180 medical consultation suites and more than 1,600 car parking lots. Also in the pipeline for Sunway Medical is the introduction of new CoEs, namely the Urology Centre, Behavioural Health Centre and Fertility Centre which will increase the number of CoEs to 23.

In another of its expansion plans, the Healthcare division is currently in the midst of planning for two new hospitals in KL South and Penang. The hospital in KL South, to be located in Sunway Velocity, will have 220 beds, while the Penang hospital, situated in Sunway Carnival Mall, Seberang Jaya, will have another 220 beds. Both hospitals are scheduled for completion by 2018.

Another interesting initiative by Sunway Medical will be the establishment of neighbourhood speciality clinics in an on-going effort to bring its healthcare services closer to the community. The first specialty clinic, a speech and hearing specialist clinic, is being planned for Sunway Giza and will offer complete screening, diagnostic and rehabilitation services in the areas of audiology and speech-language therapy by specialists and allied health support staff.

In 2015, Sunway Medical plans to kick start a five-year digital transformation drive that will see the implementation of a new Hospital Information System ("C-HIS") that will improve the quality of the hospital's medical services and patient care. Costing RM12.0 million, the adoption of the new C-HIS will put Sunway Medical closer to its vision of fully digitalising and centralising its administration and records. A robust C-HIS will replace the current paper-based approach with electronic medical records for seamless record transfer to and from the point of care. With the system, Sunway Medical will introduce the use of tablet personal computers to doctors, pharmacists and nurses for their convenience and improve efficiency in treating patients.

**BUILDING FOR THE FUTURE**

Sunway's Construction division has contributed more than 30 years to nation building, and prides itself as a one-stop construction group with a comprehensive range of services ranging from building and civil construction services, mechanical, electrical and plumbing engineering, geotechnical and foundation solutions, precast concrete products and machinery rental. The division's strength lies in its design and build capabilities, to tailor cost effective solutions for clients and successfully take them from conception to completion.

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Community

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Marketplace

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Workplace

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Environment



## CORPORATE RESPONSIBILITY





## CORPORATE RESPONSIBILITY

SUNWAY ESTABLISH TIES WITH UNIVERSITY OF CAMBRIDGE



SUNWAY UNIVERSITY SCHOLARSHIP CEREMONY 2014



### INTRODUCTION

For Sunway, corporate social responsibility (“CSR”) initiatives are an inseparable part of doing business. It is only when an organisation plays an active role in ensuring the sustainability and wellbeing of the communities they operate in that the business itself gains an opportunity to grow and prosper. Hence, positive social contributions are a primary concern of Sunway’s corporate governance. Sunway’s exemplary dedication as a social stakeholder can be witnessed through its many programs and initiatives that continue to impact every level of society including its community, workplace, marketplace and the environment.

### COMMUNITY

In line with Sunway’s commitment to support the growth and development of its stakeholders and communities, Sunway’s group-wide community initiatives are characterised into three broad pillars, namely Education, Healthcare and Community Aid, Reach Out and Enrichment (“C.A.R.E.”) projects.

Education creates a knowledge-based economy that drives a community to become dynamic and innovative. Sunway acknowledges this by giving back to the society via education, exemplifying Sunway’s belief in lifelong learning and its commitment to provide educational opportunities.

Healthcare is imperative for a community to lead a quality life. Sunway strongly believes in the importance of raising healthcare standards in Malaysia and in helping to cultivate healthy living through educating the community.

C.A.R.E projects aim to enhance the lives through giving aid, reaching out to them, and cultivating communities via enrichment projects. Besides taking care of the well-being of the surrounding communities through safety, security, connectivity, accessibility, convenience and green initiatives, Sunway also places great emphasis on initiatives that improve the lives of the underprivileged.

#### *Education*

Sunway works closely with the Jeffrey Cheah Foundation (“JCF”) in most of its education initiatives. The Foundation owns and governs the largest education social enterprise in Malaysia, Sunway Education Group, which operates 12 education institutions, each a highly respected name in their respective areas. JCF was set up to ensure everyone who deserves a chance at quality education receives it regardless of creed, race or beliefs.

#### *Sunway Establishes Academic Ties with University of Cambridge*

JCF and Gonville and Caius College of the University of Cambridge (“Caius”) have entered into an agreement in 2014 to establish the Jeffrey Cheah Professorial Fellowship Fund. This partnership, with a benefaction of £1.2 million (approximately RM6.2 million) by JCF, will support in perpetuity, two University of Cambridge professors who are Fellows of Caius, and who will be known as the Jeffrey Cheah Professorial Fellows. Following the Fund, each of the Fellows will visit Sunway University at least once a year to give public lectures on academic development, and conduct masters’ classes.

This is the second donation by JCF to a prestigious university abroad. The first was a gift of USD\$6.2 million (approximately RM20 million) to Harvard University. It is envisioned that such collaborations will promote the two way flow of top notch scholars, elevating the academic profile of Sunway Education Group and contribute to greater academic development and research excellence.

#### WINNERS OF THE SUNWAY-OXBRIDGE ESSAY COMPETITION



#### *Scholarships For The Deserving*

At its 2014 Scholarships and Awards Ceremony, the JCF awarded over RM33 million in scholarships to a total of 3,500 deserving students. The Foundation has awarded more than RM165 million in scholarships to over 20,000 students since 1997. The Foundation helps students fund their studies through more than 15 types of scholarship schemes, such as the JCF- Sunway Group Scholarships, the Sunway Talent Scholarships and the JCF Community Scholarships.

#### *Raising the Standard of English in Malaysia*

The inaugural Sunway-Oxbridge Essay Competition saw overwhelming response with approximately 2,000 entries from secondary school students across Malaysia. The essay competition, endorsed by the Ministry of Education Malaysia, was organised by Sunway Group in partnership with The Oxford & Cambridge Society Malaysia, JCF, Sunway University and Monash University Malaysia. Opened to Malaysian secondary school students aged 13 to 17, the competition was also supported by popular Astro TV IQ series, Oh My English!

After rounds of rigorous and intensive selection, 26 young Malaysians emerged as winners and were invited to receive their prizes at the prize-giving ceremony held at Sunway Resort Hotel & Spa. The prizes totalled more than RM200,000 in value. SMK (P) Sultan Ibrahim from Johor Bahru was also presented with the award as the "School with the Most Submissions", with a total of 213 essays submitted.

The inaugural Sunway-Oxbridge Essay Competition is part of a wider English language development programme that Sunway has embarked on since 2010 to encourage young Malaysians to speak and write English. In addition to the essay competition, Sunway Group has also organised English tutoring programmes, as well as coaching on English public speaking skills for the benefit of SMK Bandar Sunway students.

#### CHARITY DINNER IN AID OF NATIONAL KIDNEY FOUNDATION OF MALAYSIA



#### *Healthcare*

#### *Blue Ribbon Campaign 2014*

The Group's Chairman, Tan Sri Dr Jeffrey Cheah, is a strong supporter of smoke-free workplaces and environment. In 2008, he championed an initiative which has resulted in five Sunway-owned buildings in Sunway Resort City becoming smoke-free establishments, namely Sunway Medical Centre, Sunway Pyramid Shopping Mall, Sunway University, Monash University Malaysia and Sunway Resort Hotel & Spa. In 2014, the Group has pledged to gazette all Sunway-owned buildings within the 800-acre Sunway Resort City to be smoke-free by 2018. Additionally, Sunway's Lost World Hotel in Tambun, Ipoh, had also set a milestone by being the first hotel in Perak to be smoke-free.

In recognition of these efforts, Tan Sri Dr Jeffrey Cheah was awarded The Blue Ribbon Outstanding Achievement at the Blue Ribbon Campaign 2014. The campaign is part of the Malaysian Health Promotion Board (MySihat)'s efforts to recognise and honour the significant roles of people and organisations in saving lives from second hand smoke and advocating a smoke-free environment. The Blue Ribbon Outstanding Achievement award is reserved for individuals, groups, companies, and institutions that advocate and mobilise support for smoke-free environments.

#### *Charity Dinner for National Kidney Foundation of Malaysia ("NKF")*

Sunway raised RM750,000 in a fundraising dinner to support the NKF in establishing a kidney transplant promotion unit nationwide. The fundraising dinner, held at Sunway Resort Hotel & Spa, saw individuals and organisations coming together to support organ donation and promoting awareness of kidney transplant.

## CORPORATE RESPONSIBILITY

### WORLD DIABETES DAY ROADSHOW



To date, Sunway Group has raised a total of approximately RM2.5 million from three fundraising dinners in 2006, 2010 and 2014 in support of NKF. The funds from 2006 and 2010 have been used to acquire two units of NKF LifeCheck Mobile Health Screening machines, fitted to conduct health screenings around the nation and to provide for the early detection and prevention of kidney disease.

#### ***'Give A Heart' Campaign***

To create awareness of heart disease among women and as part of Sunway's Corporate Responsibility effort, Sunway Medical launched the 'Give A Heart' campaign specially for women where the campaign aimed to highlight the threat of heart disease amongst women, a growing trend that remains under the radar compared to other higher profile 'female diseases' such as breast cancer. Through the 'Give A Heart' campaign, Sunway Medical provided free CT Coronary Angiograms for financially disadvantaged women between June to December 2014. In addition, Sunway Medical raised a total of RM100,000 for this campaign by donating a portion of the fee from all CT scans done at the hospital to the 'Give A Heart' campaign.

#### ***'Let's Take 5' to Beat Diabetes***

Entering the third year of a five-year campaign in 2014, Sunway Medical is making progress in its efforts to reach out to Malaysians on diabetes awareness with its innovative annual 'Let's Take 5' campaign. This year, the campaign, themed 'Beat Diabetes', focused on heart complications caused by diabetes and commenced with roadshows, free health screenings and counselling by diabetes nurse educators and dieticians. The roadshows, held in Klang Valley and Penang, offered free health screenings including body mass index (BMI), blood pressure and blood glucose tests. Diabetes nurse educators and dieticians were also on hand to provide counselling for those at risk. Sunway Medical also reached out to corporate clients to set up booths in their office buildings. In order to create a wider impact, the campaign concluded with a mega event at Sunway Pyramid Shopping Mall, attracting thousands of participants.

### 'LET'S TAKE 5' CAMPAIGN



Sunway Medical also organised a World Diabetes Day celebration and celebrated the launch of the Children's Fund with Malaysian Endocrine & Metabolic Society ("MEMS") in collaboration with Diabetes Malaysia. A Charity High Tea was hosted for 140 diabetic children at the hospital, with engaging performances, a silent auction and a batik charity sale.

#### ***Public Forums and Symposia***

Sunway Medical organises public forums which are conducted by medical specialists and consultants to educate members of the public on various medical related issues including diagnoses, symptoms, prevention and cure of illnesses. Sunway Medical also regularly organises medical symposia focusing on different topics for General Practitioners to be updated with current medical practices. In 2014, the three main symposia focused on specialised topics, namely "Speech & Hearing: Bridging the Gap", "Women & Children Updates" and "Facial Pain".

#### ***Saving an Infant***

In February 2014, Sunway Medical stepped in to assist a one-year-old infant diagnosed with Complete Brachial Plexus of the right upper limb, a condition he has been suffering from since birth. The exploration and reconstruction of the Brachial Plexus using Nerve Graft procedure was performed to correct this condition. Sunway Medical sponsored RM20,000 for the surgery while the attending consultants and surgeons, namely the Hand & Microsurgeon, Anaesthetist, Radiologist and Paediatricians waived their professional fees and consultation charges.



## SUNWAY'S AUXILIARY POLICE

*Community Through C.A.R.E Projects***Sunway Advocates Crime Prevention**

The safety of residents and visitors to Sunway's developments have always been the utmost priority to the Group. Sunway takes pride in its role to eradicate crime through partnerships with various organisations. Towards this purpose, Sunway Group has donated RM100,000 to the Malaysia Crime Prevention Foundation ("MCPF"), Selangor Chapter with the hope that the contribution will assist the MCPF organise crime prevention education and awareness activities throughout the community including for secondary school students, undergraduates from public and private universities, and recidivists who have been involved in drug-related criminal activities.

Sunway has also partnered with the Royal Malaysian Police, MCPF, Selangor Chapter and the State of Selangor to launch initiatives to reduce crime in the state. Since then, Sunway Resort City has been awarded Safe City status, the first in Selangor to be conferred this accolade. Sunway has constructed the Sunway Pondok Polis at a cost of RM1.0 million and also sponsored two vans, valued at RM280,000, which have been turned into mobile police stations to bolster the safety and security of Sunway Resort City.

Beyond these, Sunway also initiated the first Tourist Police Service Centre in Selangor. Located in Sunway Pyramid, the centre operates as a one-stop centre offering visitors and tourists quick safety advice and solutions. Other initiatives include building the Selangor MCPF website, a one-stop digital platform with convenient access to useful crime prevention information and tips. With its 800-strong security force, of whom 350 are Auxiliary Police who have undergone intensive training at the Malaysian Police Training Centre, Sunway has one of the largest contingents of auxiliary police in the country.

## NPE ROAD WIDENING INITIATIVE

**Sunway Combats Drugs**

To stem the spread of drug addiction, Sunway Group has partnered with various bodies including the MCPF, Selangor Chapter, the Royal Malaysian Police's Narcotic Crime Investigations Department (NCID), the National Anti-Drug Agency (NADA) and Pengasih Malaysia. Through various programs and anti-drug campaigns to educate the youth and students of institutions of higher learning on the dangers of illicit drugs, Sunway and its partners hope to begin a process that will eradicate the use of such drugs.

The MCPF, Selangor Chapter initiated an anti-drug campaign themed "It is easier to stay off than to get off" to promote drug awareness and to prevent illegal drug use among students and staff in Sunway University and Monash University Malaysia.

**Improving Accessibility**

Initiated in 2012 under C.A.R.E., Sunway is committed to resolving traffic woes through the upgrading of roads and infrastructure improvements around Bandar Sunway, Subang Jaya and USJ area. The first phase is the Kesas Link which provides direct access in and out of Sunway South Quay from the Kesas Highway which was completed in 2013. The second phase, currently in progress, is the elevated road linking Sunway South Quay to the New Pantai Expressway. The third phase is the road widening initiatives in the vicinity, slated for completion by mid-2015. In 2014, part of the road expansion along the New Pantai Expressway (NPE) from Sunway Pyramid was completed. The road from the Jalan SS13/13 junction leading up to the Persiaran Kewajipan roundabout has been widened from two to four lanes, easing traffic particularly during rush hours.



## CORPORATE RESPONSIBILITY

### VOLUNTEERS TO STOP HUNGER



The nation's first Elevated Bus Rapid Transit (BRT) – Sunway Line, built with the intention to enhance accessibility of residents in Sunway, USJ and Subang areas is due for completion in second quarter 2015. Once completed, the elevated track will see eco-friendly electric buses functioning across the 7 stations, providing the vital link between the Setia Jaya KTM station and the LRT station in USJ 6. The project was partially funded by a RM99.0 million contribution from Sunway. In total, Sunway has invested more than RM200.0 million on infrastructure in and around Bandar Sunway to reduce traffic congestion and carbon dioxide emission from vehicles.

To encourage the use of the BRT, a system of covered walkways is being constructed to ensure comfortable pedestrian access from various landmarks to the BRT stations. Among them, is the Sunway BRT Pedestrian Link, built at a cost of RM11.0 million, linking the Lagoon BRT station to Sunway Pyramid Shopping Mall. At the other stations in Sunway Resort City, commuters will enjoy the existing 2km, RM10.0 million elevated covered Canopy Walk that links Sunway Pyramid Shopping Mall, Sunway University and Monash University Malaysia. The entire length of the walk is patrolled by Sunway's security personnel and guarded by a total of 35 CCTV units. Further, Sunway has made security arrangements with the Subang Jaya and Petaling Jaya Police Districts to provide security coverage on all seven halts along the elevated BRT route once it is operational.

#### **Stopping Hunger**

Sunway partnered Stop Hunger Now! to combat hunger through its Meal Packaging Programme. Organised by Sunway's Leading with Passion 3.0 organising committee, the event also served as a launch pad to advocate passionate leadership through volunteering. Stop Hunger Now! is an international hunger relief organisation which manages the distribution of food and other life-saving aids.

### DIWALI CELEBRATIONS WITH UNDERPRIVILEGED STUDENTS



Over 800 Sunway employees nationwide gathered to pack food for the underprivileged communities in Port Klang and its surrounding areas such as Kampung Samy and Klang Squatters, and also, for two Myanmar refugee organisations based in Bandar Sunway, namely ZOMI Education Centre and Chin Student Organisation.

#### **Festive Celebrations**

In conjunction with all the major festive celebrations, Sunway organised celebrations to share the joy with the public and the less fortunate. For Sunway's "Light of Hope" events, the Group organised activities and celebrations with thousands of individuals from underprivileged homes, schools and orphanages throughout the nation.

Sunway brought hope and cheer to 100 senior citizens who were treated to a Chinese New Year themed dinner at Westlake Garden restaurant at Sunway Resort Hotel and Spa in January 2014. These senior citizens were also presented with gift packs and "Ang Pows" during the event. In partnership with Kelab Sosial Sunway, the three beneficiary homes – Joyhaven Home for the Elderly in Petaling Jaya, Pusat Jagaan Insan Istimewa in Semenyih and Pertubuhan Kebajikan Wanita Ikhlas in Kajang also received a donation in the form of grocery products.

To celebrate Raya festivities, Sunway reached out to Hearts of GOLD (Generating Opportunities for Learning Disabled) special children and Yayasan Chow Kit, and hosted them in a series of interactive workshops, Raya shopping and buka puasa at Sunway Resort Hotel & Spa. Approximately 80 children and youths between the ages of 7 and 21 were hosted by special students from the Hearts of Gold Foundation who taught glass jar painting and eco-friendly notebook making to the Yayasan Chow Kit children and youths.

STAFF PACKING AND LOADING SUPPLIES FOR FLOOD VICTIMS



WORKERS CONTRIBUTING TO FLOOD RELIEF



For Diwali, Sunway hosted 100 children comprising students of SRJK (T) Sungai Choh, SJK (T) Kuala Kubu Bharu, and SRJK (T) Bukit Beruntung, Hulu Selangor to a fun filled day at Sunway Resort Hotel. Meanwhile, in the spirit of Christmas, Sunway Lagoon played host to more than 500 students and teachers from SK Bandar Sunway, SMK Bandar Sunway and Hearts of Gold Foundation who gathered to watch LumiAir.

#### ***Sunway Aids in Flood Relief***

Sunway Group reacted promptly to one of the worst monsoon floods to hit the five northern states of Peninsular Malaysia when some 300 volunteers from its workforce across the country came together in an expression of solidarity to provide immediate aid to the flood victims. Through this collective effort, over RM280,000 and 40 tonnes worth of contributions including water, food, medical supplies and daily necessities were collected and delivered to the flood victims in various parts of the affected states.

In addition, Sunway Medical Centre sponsored essential medical supplies worth RM30,000 via Mercy Malaysia in aid of the victims in Terengganu and Kelantan while Sunway University, together with its students and educators donated essentials via Crisis Relief Services & Training ("CREST"). Further, in collaboration with the Malaysian Red Crescent Society, Sunway Pyramid Shopping Mall in Selangor and Sunway Carnival Mall in Penang set up collection centres. Sunway staff in Johor also participated by contributing goods to the Johor Health Department Secretariat.

#### **MARKETPLACE**

A progressive brand with a commendable track record, Sunway has through the years, established itself in each industry that it is in. Sunway has positioned itself to stay relevant to its customers through a firm understanding of emerging trends and the ability to constantly reinvent itself and adapt to new changes.

Today, Sunway holds the virtues of a customer-centric organisation close to heart. By revitalising customer engagement, Sunway enjoys even greater brand loyalty and is able to deliver greater value by continuously improving customer experience.

#### ***Products and Services Information***

In continuous effort to meet and exceed clients' needs, Sunway has adopted the Total Quality and Environment Management ("TQEM") System that places emphasis on total customer satisfaction. As a result of the implementation of TQEM, the system has helped streamline processes that have resulted in increased profitability as it helps facilitate quality and environmental management, compliance management, risk assessment and other components that directly impact the quality of products and services.

Using a model based on the four pillars of TQEM, namely support of competent employees; total involvement and operational excellence; prevention of environmental pollution and compliance with legal and other requirements; and continuous operational and measurement improvement, Sunway ensures that all its products and services achieve total customer satisfaction. As a benchmark against international standards, several of the Group's subsidiaries have been certified ISO compliant. The list of Sunway subsidiaries that have been certified ISO 9001 and ISO 14001 compliant are:

## CORPORATE RESPONSIBILITY

### SUNWAY PROPERTY SALES TEAM



#### *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 Monterez 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
- Prosper Revenue Sdn Bhd
- Sunway Bintang Sdn Bhd

#### *Construction division*

- Sunway Construction Sdn Bhd
- Sunway Engineering Sdn Bhd
- Sunway Concrete Products (S) Pte Ltd
- Sunway Builders Sdn Bhd
- Sunway Innopave Sdn Bhd
- Sunway Geotechnics (M) Sdn Bhd

#### *Total Quality Management ("TQM")*

Sunway Group has been resolute in its efforts to develop its staff as the Group moves towards continuous improvement and becomes a more customer-centric organisation. TQM will form the foundation for an ecosystem of further innovation for the Group to leverage on for greater customer satisfaction. Through TQM, Sunway will be able to approach continuous improvement more strategically, enhance decision-making and improve communications within the organisation. TQM is also a viable platform for career and leadership development which will help groom future leaders for the Group. Sunway is highly committed to this initiative which is guided by Yabe Akira, Director – Special Projects, who will lead the Group on TQM.

### LAUNCH OF SUNWAY PALS



#### *Customer Loyalty*

Sunway Pals (Privileged Advantages for Loyal Supporters), a loyalty program offering rebates and savings across Sunway establishments within Sunway Resort City and throughout the country was launched in February 2014. Sunway reached out to customers by offering free membership to customers frequenting these establishments. Registered Sunway Pals members can enjoy exclusive discounts and special privileges while earning points that translate into cash rebates.

One year after the launch, Sunway Pals has more than 320 merchants on board along with a total of 220,000 members signed-up. Members earn one point for every ringgit spent at any one of Sunway Pal's participating merchants and reap the cash rebates simply by using the card on an iPad mini or EDC terminal provided upon making a purchase. For convenience, members can also go cardless by downloading the Sunway Pals mobile app on Android or iOS and scanning the QR code from the mobile app on the terminal provided.

Meanwhile, Sunway's property arm also upgraded its loyalty programme – Sunway Property Pals by offering more rewards through a tiered programme. Memberships are now classified into either Platinum, Gold or Silver; Platinum memberships are awarded for purchases amounting to above RM20 million, Gold for purchases from RM10 million to RM20 million and Silver for purchases up to RM10 million. This revamp was part of a gesture of appreciation to the communities including the 20,000 current members. Exclusive privileges for members include a rebate of up to 3% on the next property purchase, previews of Sunway Property's launches and special invites to events organized by Sunway Group.



## CITRINE DESIGNER OFFICE SUITES LAUNCH



Members of Sunway Property PALS also have access to the MySunwayProperty web portal which provides quick and efficient online support where they can view their latest billings and account status upon vacant possession, construction stages and progress photos, enabling them to make key collection via e-appointments, and updating contact details. The portal also provides home care and maintenance tips as well as the latest community news through Sunway Property e-newsletter.

*Marketing and Communications*

Sunway seeks to be responsible in its marketing endeavours and campaigns and ensures it makes accurate representations in all its marketing and communications collaterals.

As well as adhering to all regulatory requirements set forth by councils and ministries, the Group also undertakes very stringent guidelines to review materials that it publishes and/or distributes to its customer base. As an example, Sunway Integrated Properties ensures that its marketing and communication materials meet all applicable laws and standards regulated by the local government and regulatory agencies such as Housing Developers License and Advertising Permit (APDL) requirements for brochures, advertising permits, and sale and purchase agreements. Marketing materials produced by Sunway that features a client or its project are submitted to the client for approval and usage.

## SUNWAY ISKANDAR MEDIA FAMILIARISATION TOUR

*Customer Feedback and Privacy*

Customer loyalty and satisfaction is of the utmost importance to Sunway where the Group aims to gain loyal customer following by providing superior services and high quality products. By continuously engaging with its customer base and exploring ways to satisfy changing customer requirements and needs, Sunway stays at the forefront of customer experiences. Regardless, when it comes to collecting customer feedback and data, as well as other personal information, the Group respects customer privacy by adhering to its Code of Conduct and Ethics. The Group is also committed to ensuring compliance to the Personal Data Protection Act that came into effect in 2014.

*Suppliers*

Suppliers are strategic partners to Sunway. We depend on suppliers to provide reliable quality products and services to sustain our businesses. The process of selection and managing the performance of suppliers becomes vital to ensure long-term sustainability.

In 2014, a total of 800 e-tenders were conducted which resulted in a savings of RM46.0 million. To date Sunway has 22,000 active suppliers across the group. We have invested RM8.0 million in new systems and tools to enhance our supplier registration, performance management and contracts management. These systems are targeted for implementation for the next two years across the group.

In the aspiration of continuous improvement, it is a journey for Sunway to continuously seek suppliers that can strategically provide products and services that enhance our competitive advantage.



## CORPORATE RESPONSIBILITY

### SUNWAY FAMILY DAY



### SUNWAY BUSINESS LEADERSHIP CAMP



### WORKPLACE

Building shared values to deliver better returns for Sunway Group's stakeholders and the society is embedded within Sunway's ethos of "Our People, Our Strength".

Sunway's core values - Integrity, Humility and Excellence demonstrate that Sunway Group is not about short-term initiatives and gains, instead, is fully committed to finding solutions that can create long-term benefits for its people, the economy and the environment.

Sunway's goal is to create a working environment for everyone to contribute their best. The Group has zero tolerance for discrimination, victimisation, bullying or harassment in the workplace. The Group encourages differences in age, gender, ethnicity, religion, language, abilities, physical appearance and cultural background.

#### *Diversity and Inclusion*

Sunway truly believes that diversity and inclusion in the workplace enables the employees to better understand, relate and respond to the customers and communities whom they serve at the multiple locations and regions. This is essential for the Group's continued growth as a diversified conglomerate with a multitude of businesses. Sunway encourages individuals to grow and realise their full potential by providing fair and equal career opportunities.

The Group launched a Diversity and Inclusion Policy in April 2014. The key focus areas are talent, workplace and community which are important for the long term business success, competitiveness and growth. Initiatives taken to support Sunway's key focus areas are as follows:

#### *Talent*

- Recruitment and selection
- Raising and development
- Performance management
- Compensation and benefits
- Recognition and rewards
- Career opportunity
- Succession planning
- Employee mobility

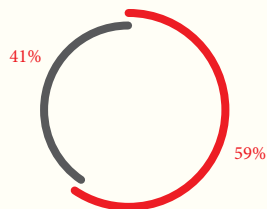
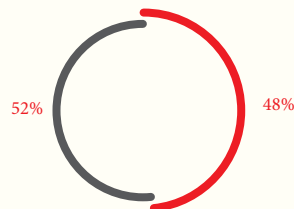
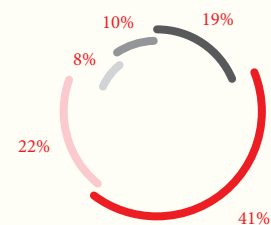
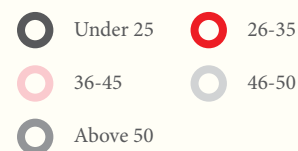
#### *Workplace*

- Workplace environment
- Flexible work arrangement
- Support facilities
- Communication
- Education and awareness
- Employee engagement

#### *Community*

- Corporate Responsibility programme
- Donations and sponsorships
- Scholarship
- Green city initiatives
- Safe city initiatives
- Charity events

Sunway Group has relentlessly championed equal opportunity for all. This resolve for inclusiveness is exemplified by Group Human Resources' initiatives to tap into the alternative talent pool such as returning mothers, retirees or disabled persons. In turn, the Group's inclusive and non-discriminatory hiring policies have strengthened employer branding and continue to position Sunway as the employer of choice.

SUNWAY BERHAD  
(OVERALL)SUNWAY BERHAD  
(MANAGEMENT STAFF)SUNWAY BERHAD  
(OVERALL)*Workforce Diversity by Gender**Workforce Diversity by Age Category**Employer Branding*

Sunway has strategically partnered with top-notch universities in an effort to strengthen employer branding and to continuously attract top talents. In partnership with Sunway University, the Group had organised the inaugural 3-day-2-night Sunway Business Leadership Camp where final year students were exposed to solving real-life problems at work and equipped with workplace skills. This synergistic collaboration helps build Sunway's talent pipeline as well as increase the students' employability.

Another keynote event is the Engineering & IT Leadership Summit with Monash University Malaysia, where industry leaders from Sunway Construction shared their knowledge on the VDC implementation with the student delegates and organised a visit to Malaysia's first elevated BRT-Sunway Line project site.

As testament to the Group's priority to develop young leaders, Sunway has collaborated with the International Council of Malaysian Scholars and Associates ("ICMS"), a council which manages the global network of aspirational Malaysian students and youth leaders. Through this collaboration, Sunway has played host to a variety of ICMS events such as the Malaysian Public Policy Competition and the ICMS-Sunway Roundtable, as well as being the platinum sponsor for the Industry Insight program, further consolidating Sunway's position as a leading brand and employer.

To address the retention of top talents in Malaysia, the Group has also worked hand-in-hand with TalentCorp to facilitate initiatives such as engagement sessions targeted at mid-career hires in the United Kingdom to entice potential talents with exciting career opportunities in Malaysia.

Sunway's continuous effort to strengthen employer branding and be the employer of choice paid off when the Group upped its rank in 2014 to be in the Top 20 of Malaysia's 100 Leading Graduate Employers rankings.

## CORPORATE RESPONSIBILITY

R.E.A.L KIDS PRESCHOOL CENTRE



### *Women's Initiatives*

Since 2013, Group Human Resources ("GHR") has introduced a host of new initiatives to better attract, retain and develop women in the workplace. With the implementation of a dedicated mother's room in Sunway's headquarters in 2013, the initiative has seen an expansion to Sunway Pyramid Shopping Mall, Sunway Resort Hotel & Spa, Sunway University and Sunway Medical Centre in the year 2014. The designated car parking bays for pregnant women have also seen an increase in the utilisation rate.

Apart from improved HR policies to include flexible working arrangements and extended maternity leave, Sunway is also committed to supporting working parents through high quality, affordable childcare. This is achieved through the establishment of a kindergarten and childcare centre via a partnership with R.E.A.L Kids, where the Group has been offering academic fee discount to employees.

Various events in conjunction with celebrating women in the workforce were also initiated in 2014. A highlight event would be the Mother's Day Charity Sale, where RM8,000 was raised for the children of Generating Opportunities for the Learning Disabled (G.O.L.D) Centre.

In 2014, a Senior Women Leaders Networking Event was organised for a knowledge sharing session as well as a round-table discussion as to how the Group can better support females in climbing the corporate ladder. This follows from the first Networking Event for Women in 2013.

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

SUNWAY MOTHER'S DAY CELEBRATION



### *Training and Career Development*

Recognising that employees have different development needs, GHR has built its Learning Framework which consists of a few learning approaches. The first, Learning from Education includes a variety of international leadership and personal development programs, among them The 7 Habits of Highly Effective People, Situational Leadership, Harvard management program, and so on. The second, Learning from Others includes coaching and mentoring. Last but not least, GHR also provides a platform to enhance learning on the job via cross-functional exposure and special projects.

In 2014, Sunway introduced its first 4-day-3-nights in-house residential leadership program, the BUILD 1 Program. The program aims at instilling core managerial skills for upcoming managers to become effective people managers. Since its inception in January 2014, the BUILD 1 Program which runs every quarter has received many positive feedback from the participants.

Employees desiring to further their education can take advantage of the education assistance and tuition refunds at any of the 12 Sunway Education Group's Institutions, including Sunway University and Monash University Malaysia. For example, employees can undertake their Masters at Sunway's partnered universities, such as Victoria University and Lancaster University, or pursue a professional qualification in accountancy, like ACCA or ICAEW at Sunway TES.

Apart from the implementation of the various training programs and education support available for employee development, the Group encourages career mobility. Recently enhanced, the Internal Staff Transfer Policy fully supports the transfer of employees across Sunway's diverse industries, equipping employees with the flexibility to explore their career aspirations. The policy not only benefits employees in terms of career development but also serves as one of the Group's employee retention strategies.

## SUNWAY MANAGERS CONFERENCE 2014



The Leadership Potential Indicator has also been introduced by GHR as a framework to identify the right talent to succeed critical roles. In addition, the Talent Accelerated Program (“TAP”) has been put in place to groom and develop those who have been identified as potential successors. Under TAP, talents have the privilege to be funded for MBA programs, to gain membership into the Harvard Club as well as to attend the prestigious Arbinger’s Core at Work workshop. On top of that, Executive Coaching is provided to ensure that talents are on the right career track.

#### *Performance Management and Key Benefits*

Sunway is continuously working to enhance its Performance Management system to ensure it is clear, dynamic and agile in anticipating challenges and opportunities. The Group has introduced the Career Conversation Guide in an effort to help employee and managers understand their career aspirations and how they can grow with the company. In addition, Sunway has also launched a new HR web-based portal for knowledge sharing and ease of reference for employees.

In its effort to improve its compensation and benefit structure from the previous year, the Group’s salary structure is reviewed on a yearly basis in line with the general industry practice. Periodically, benchmarking is carried out to monitor the market to ensure that cash and total remunerations remain competitive.

In 2014, Sunway’s benefits have been enhanced to include a broader variety of benefits to cater to a wider level of employees, including the Non-Executives. Having businesses across 9 diverse industries, the Group is able to offer unique benefits to its employees such as Sunway theme parks and malls discounts, Sunway hotels room rates for employees, Sunway Medical Centre benefits and more.

Also in 2014, the Total Reward Statements was introduced to communicate the overall value of each individual employee’s financial rewards such as base pay, incentives and employee benefits.

## LEADING WITH PASSION 3.0



Sunway employees have also enjoyed the benefits of the Employees’ Share Option Scheme (ESOS). Now in its second year of implementation, the ESOS structure promotes a culture of reward based on merit as the vesting amount depends on the performance of the respective employees – higher performing staff vested a higher proportion of options.

#### *Employee Engagement*

Sunway Group regards its people as its most valued asset. The Group firmly believes that an engaged workforce is more productive, motivated, energised and willing to stretch beyond their immediate responsibilities, resulting in higher job satisfaction and enabling the organisation to reach and even exceed its goals. Stemming out of this belief is the Group’s prevailing employee engagement philosophy which continues to elevate the dynamism of its employees and contributes to its perennial success.

To ensure that its employees are afforded the ideal support and engagement, Sunway engaged the consultancy of Aon Hewitt to better understand its employees’ expectation through an extensive Employee Engagement Survey. For the year of 2014, the Group’s focus was on carrying out the action plan identified in 2013, which sees the full commitment from Sunway’s Senior Leaders and Management team to ensure that employees are supported and engaged.

#### *Occupational Safety and Health (“OSH”)*

As one of the leading property and construction groups in the country, the nature of the Group’s operations create inevitable risks and hazards, not only to those who work with these risks, but also to the public. Air pollution, noise, hazardous materials, polluted water and solid wastes are common by-products of the construction process. To ensure that the safety and health aspects of all parties and the sustainability of the environment is safeguarded, Sunway is subject to relevant laws and regulations in Malaysia on occupational safety, health and environmental protection. To comply with these regulations, Sunway has established an Environmental, Safety and Health Centre of Excellence with officers located at the Group’s head office and at all project sites, who are responsible for:



## CORPORATE RESPONSIBILITY

### MORNING TOOLBOX SESSION



- advising, establishing, evaluating, monitoring, enforcing policies and procedures to ensure that operations are in compliance with all local legislation with regards to environmental, safety and health;
- reviewing, standardising and implementing environmental, safety and health management systems within the Group;
- supervising and examining safety and health control measures for all construction activities carried out by Sunway and subcontractors engaged;
- monitoring compliance with statutory environmental protection laws relating to air, water, noise and solid waste pollution;
- regulating labour, hygiene and safety conditions; and
- monitoring the Group's environmental, safety and health performance.

Safety measures at all stages of operations are imposed in order to minimise the possibility of work-related accidents and injuries. As a responsible contractor, Sunway also strives to ensure that the safety of the public is protected through prudent considerations and decisions during the implementation of safety measures.

Sunway conducts extensive environmental monitoring to ensure that the sustainability of the environment is well preserved despite the nature of activities at the project site. To top it off, regular internal safety and environmental inspections are conducted to ensure that all environmental, safety and health practices and implementations at project sites are aligned with the Group's policy, procedures, objectives and targets.

Sunway is strongly committed to the compliance of all relevant occupational safety, health and environmental requirements. To ensure a world class work environment, the Group places emphasis on continuous efforts towards system improvement through the implementation of a structured safety, health and environmental management system. To date, Sunway subsidiaries has attained certifications by SIRIM QAS International Sdn Bhd and IQ Net for OHSAS18001 and ISO14001.

### PRIORITISATION OF ENVIRONMENT, SAFETY AND HEALTH



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

To further enhance these policies, the Group developed and implemented an integrated QESH Management System known as QESH Policy for the Construction division in 2009. The integrated management system aims to optimise resources and standardise processes throughout domestic and overseas projects. The Quality, Environment, Safety and Health Management System meets the requirements of international standards, thus ensuring that the Group's products and services are well defined in terms of quality, safety, environment and health at every stage of construction. Among the benchmark ratings implemented are to strive for zero life loss at all work sites; to achieve a monthly inspection score of 75% and above; to achieve three milestones of 3.9 million, 7.0 million and 10.0 million man-hours without lost-time incidents company-wide; and to prevent environmental pollution, managing construction waste and conserving resources through systematic environmental impact evaluations, implementing operational controls and conducting regular training.

The Kaizen philosophy of innovation and efficiency in 2007 allowed the adoption of advanced technologies in operations, such as in the system formwork technology that enhances productivity and efficiency. In January 2010, the Group piloted an internal TQM initiative, which focuses on prioritising quality, safety, health and the environment in its business. In 2014, TQM initiatives were formalised and implemented its operations.

As a result of the implementation of a structured and integrated quality environmental, safety and health management system, and initiative towards continuous improvement, the Group was able to achieve the following milestones:

- Achieved 5 Star Ratings for Safety and Health Assessment System in Construction championed by CIDB for project Klang Valley MRT Package V4, viaduct guideway and associated works from Section 17 Petaling Jaya to Semantan Portal, in 2014;

## SAFETY TRAINING



- Achieved 4 Star Ratings for Safety and Health Assessment System in Construction for various projects including Parcel 7 and 8 Phase 2 Package A, Putrajaya, and The Everly Hotel Putrajaya in 2011;
- MSOSH Gold Class II Award 2009 for project Parcel 17, Ministry of Housing and Local Government and Ministry of Women, Family and Community Development, Putrajaya; and
- National Occupational Safety and Health Excellence Award 2005.

*Sunway Safety Merit System ("SSMS")*

SSMS is another project under the Environmental, Safety and Health ("ESH") umbrella which aims to set the standards of ESH at all project sites through periodic inspections by the Inspectorate Team. Other company-wide initiatives and awareness programmes and trainings include 5S: Sort, Set-in-order, Shine, Sustain and Standardise which are periodically carried out at the project site level. Noteworthy achievements as part of ESH practices were Rihan Heights, a key Abu Dhabi project which successfully achieved 10 million man hours Without Loss Time Injury (WLTi).

*Central Labour Quarters*

The Group's Construction division is reliant on the contribution of its workforce, including foreign workers that are engaged by the division to carry out construction activities. Employee welfare is a prime concern for the Group and the Construction division takes the necessary steps to ensure that the necessities are taken in order to safeguard the welfare of these individuals. All work sites are equipped with proper rest areas, toilets and canteens for the workers' benefit. The Construction division also erects Central Labour Quarters ("CLQ") at specific sites as and when the need arises to ensure that workers are housed in centralised accommodation. The CLQs eliminate the presence of makeshift construction workers' quarters, petty crime and other unsavoury activities.

## SUNWAY WINS THE EDGE-PAM GREEN EXCELLENCE AWARD 2014



For the comfort of their workers, these CLQs are equipped with basic facilities such as double bunk beds, wardrobes, fans, clinics, cafeteria and centralised kitchen. Further, the division maintains 24-hour security at the CLQs where strict identification process is also practiced and monitored by the CLQ enforcement team to address public insecurities.

## ENVIRONMENT

As a responsible and forward thinking corporate citizen, Sunway is passionate about environmental sustainability and conservation. Subscribing to the Lifestyles of Health & Sustainability (LOHAS) philosophy, Sunway is a proactive advocate of proper environmental management. Key to its beliefs are its efforts taken in ensuring the utilisation of energy efficient technology; energy, water and natural resource conservation efforts; recycling programs and the preservation of biodiversity.

*Accredited Professionals*

The Group's Construction division is the pioneer builder in Malaysia to have the prestigious Building and Construction Authority of Singapore ("BCA") Green Mark Managers and Leadership in Energy and Environment Design ("LEED") accredited professional on its team. Further, a total of six employees in Sunway Integrated Properties and Sunway Engineering are trained to be Green Building Index (GBI) facilitators.

*Green Townships and Developments*

Understanding the impact of development on the natural surroundings, Sunway is strongly committed to the "green" development concept as a means of conservation and environmental sustainability. This is exemplified by its flagship development, Sunway Resort City, which was recognised as Malaysia's First Green Township. In 2012, Sunway Resort City was awarded the Silver Award by Persatuan Akitek Malaysia ("PAM") where the GBI requires a minimum of 15% of the township to be green.

## CORPORATE RESPONSIBILITY

### PRESERVING BIODIVERSITY IN ISKANDAR



In 2014, the Group had also won The Edge-PAM Green Excellence Award 2014 for The Banjaran Hotsprings Retreat while Sunway Rymba Hills garnered an honorary mention. The Banjaran was awarded due to its many energy and water saving features as well its health promoting facilities like hotsprings spa and yoga meditation caves. Meanwhile, Sunway Rymba Hills is a secured residential development built on 19.72 acres of prime land in Sunway Damansara where 60% of the development is dedicated to greenery and comes with a private park.

#### *Waste Management*

An integral part of the construction process is the management of construction waste. If left unattended, construction waste such as steel bars, ready-mixed concrete and timber materials can potentially be neglected during the progress stages of a project, thus resulting in high disposal costs at the end of the project cycle. More than that, unmanaged construction waste, if not properly disposed can cause undue damage to the environment.

To mitigate these issues, Sunway Construction undertakes to minimise waste generation through proper planning, strict supervision and effective communication between project team members during the progress stages. Beyond these waste minimisation efforts, the Company also manages its construction waste based on the 3R concept – Reduce, Reuse and Recycle.

By following this principle, Sunway Construction practices waste segregation on-site, parallel to the 3R theory. Dip trays are used to store oils or chemicals at all project sites to avoid spillage while all waste oils and chemicals are periodically disposed by licensed vendors in accordance to the requirements and regulations set forth by the Department of Environment. Surface run off and silt are channelled to the perimeter drainage system and diverted to sedimentation ponds or silt traps located downstream in order to separate the solids from water. The sediment free water is then reused for general washing and cleaning.

### ENVIRONMENTAL CONSERVATION IN ISKANDAR



#### *Green Retreat*

To keep to the theme of a green retreat, the Group's internationally acclaimed Banjaran Hotsprings Retreat manages water conservation by utilising water from geothermal hot springs for the irrigation of its landscape. All water features, including the jacuzzi in the villas and pools, use natural geothermal waters from the hot springs in the surrounding area. Water-saving push-valve taps, shower heads and low flush toilet systems were installed to further conserve water while other green energy and eco-sensible initiatives include the use of solar powered outdoor lighting throughout the resort, the installation of energy efficient air-conditioning systems and a natural steam cave for guests. The Banjaran Hotsprings Retreat has also developed an organic garden, providing culinary staff with direct access to fresh ingredients and herbs for fresher foods.

In its effort to further reduce dependency on energy resources and generate even more energy savings, Sunway Resort Hotel & Spa also installed low consumption light-emitting diode (LED) lights along guestroom corridors. The facility also adopted the Variable Frequency Drive (VFD) technology to regulate power consumption by controlling the speed of motor-controlled equipment depending on requirements resulting in even greater energy savings. Another program initiated was the pre-cooling of chilled water using heat-pump evaporators before the cool water is used in the chillers resulting in much lower power consumption.

#### *Green Mall*

Sunway's green initiatives go beyond that of green residential developments and green retreats. Another keen advocate of green sustainable initiatives is Sunway Pyramid Shopping Mall where the country's first Car Park Guiding System in a shopping mall was introduced. Designed to leave a smaller carbon footprint, the Car Park Guiding System works to reduce the time taken by drivers to locate empty car park bays, thereby reducing congestion and the emission of carbon monoxide within the car park. Other practices include the dimming of car park lights during non-mall operation hours and the installation of sensors at escalators to reduce electricity consumption when not in use.



## SUNWAY STAFF RECYCLING



To further conserve water, Sunway Pyramid Shopping Mall also uses waterless urinals where all urinals are treated with BioCare liquid, a special chemical that breaks down urine into environment-friendly components without using water.

Following the Chiller Retrofitting Project in Sunway Pyramid Shopping Mall in 2013, the Group has saved over RM9.0 million from energy costs. In 2014, the Hospitality division similarly invested RM3.5 million to undertake an upgrading and relocation of Sunway Resort Hotel's cooling towers to an area with better air circulation and heat dissipation and for the fitting of variable frequency drives to all pump motors to optimise energy usage and reduce costs. Further savings are anticipated from this project from 2015 onwards.

#### *Recycling and Other Environmental Initiatives*

In 2003, Sunway commenced a recycling program that would cultivate a culture of recycling among Sunway staff. Since then, recycling collection centres have been set up and materials are recycled on a monthly basis. Approximately 300,000 kilogrammes of recyclable waste in Menara Sunway is recycled every year.

In addition, recycling bins in sets of three for paper, plastic and aluminium can be found throughout Sunway malls, Sunway Medical Centre and Sunway educational institutions. In Sunway Pyramid Shopping Mall alone, the collection of rubbish from tenants amount to around 800-1,000 kilogrammes daily and all recyclable rubbish collected are sent to recycling centres. Sunway Pyramid Shopping Mall has also designated Tuesdays and Saturdays as "no plastic bag" days under its Bring Your Own Bag ("BYOB") programme in an effort to encourage shoppers to go green.

#### *Styrofoam-free Initiative*

In an effort to create an environmentally-friendly and sustainable green environment for the communities in Sunway, the Group launched a styrofoam-free initiative in Sunway-owned cafeterias within Sunway Resort City to encourage people to bring their own containers for takeaway meals.

## SUNWAY PROPERTY WATER JAM 2014



Since 2009, Sunway Medical Centre, Sunway University and Monash University Malaysia have gone styrofoam-free to minimise the negative health and environmental impacts posed by styrofoam. Similarly in 2014, Menara Sunway, Sunway Lagoon Club and Sunway Lagoon's staff cafeteria also joined the initiative to educate its staff, tenants and visitors on the impact of using styrofoam food containers.

#### *Green Activities*

To convey the message of conservation and eco-sustainability to the community, Sunway organised The Sunway Property Water Jam 2014. The event aimed to raise awareness on responsible water usage, especially after the water crisis faced by more than a million households in Selangor from March to April 2014. Sunway Property partnered Malaysian Environmental NGOs network ("MENGO"), a not-for-profit organisation consisting 28 environmental civil society groups working on environmental protection and sustainable development.

To encourage eco-friendly practices, participants were asked to bring their own water tumblers which could be refilled with free-flow reverse osmosis (RO) water provided at the venue. Participants were also encouraged to bring recyclable materials such as old newspapers weighing a minimum 1 kilogramme to the registration counter where they could earn extra points.

Wastage from the event was also minimised as much as possible. For example, the event's banner for the backdrop will be used as recycled material for tote bags made by single mums in a project by Biji-Biji, an initiative that promotes sustainable living through the use of recycled materials.

The funds Sunway Property raised for this event were contributed towards a good cause to the Semai Orang Asli group from Gombak, Tatana Roots and MENGO members.



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**STRATEGIC AND VAST DISTRIBUTION**

Sunway's Trading & Manufacturing division markets a wide range of products from hoses and fittings, heavy equipment parts, heavy equipment and building materials across the world. The division operates from strategic and vast distribution points located throughout Asia with offices in Malaysia, Singapore, Thailand, Indonesia, China, and Australia.



## CORPORATE GOVERNANCE STATEMENT

The Board 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, core values and management of the Group to ensure that the Group operates with integrity and in compliance with the rules and regulations. 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. 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. Any Board member in consultation with the Executive Chairman, is free to include any issues or matters in the Board meeting agenda for discussion and decision.

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, directs and reviews 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 protecting interests of minority shareholders.

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

The Board also delegates certain responsibilities to the Board Committees, all of which operate within their defined terms of reference. Notwithstanding this, the Board remains responsible for its fiduciary duties.

#### **BOARD COMPOSITION**

The Board consists of 8 members, 4 or 50% 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, experiences 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 71 of the Annual Report.

Pursuant to Recommendation 2.2 of the Malaysian Code on Corporate Governance 2012 ("Code"), 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. Further details on the Group's workplace practices are disclosed in the Corporate Responsibility on pages 134 to 149 of the Annual Report.

#### **SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR**

In accordance with the best practices in corporate governance, Mr Wong Chin Mun was appointed as Senior Independent Non-Executive Director on 23 April 2014, to whom concerns relating to the affairs of the Group may be directed at. He serves as the point of contact between the Independent Non-Executive Directors and the Executive Chairman on matters that may be deemed sensitive and the designated contact to whom the shareholders may direct their concerns or queries.

#### **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 available on Sunway website.

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 available on Sunway website.



## CORPORATE GOVERNANCE STATEMENT

### BOARD MEETINGS AND SUPPLY OF INFORMATION

Unless there are urgent matters, the Board normally meets quarterly to review financial, operational and business performances. The meetings are scheduled in advance in the fourth quarter of the preceding year for the Board members to plan their schedules. 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. In response to technological advancement, the Group had invested in a software to implement paperless meetings where board papers are uploaded onto a secure platform and is accessible via laptop, tablet devices and mobile phone. The Directors will be able to download and have access to the electronic board papers conveniently and immediately wherever they might be.

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. Whenever required, senior management are also invited to attend Board Meetings to present matters in respect of their area of responsibilities or recommendations for the Board's consideration or discussion.

In the Board Meetings, the Board members are updated on the Group's performance and developments, businesses as well as regulatory changes. The Board members also reviewed and deliberated on corporate proposals as well as assess the feasibility, risks and financial impact of the corporate proposals on the Group.

The Chairman of the Board Committees would brief the Board members on agendas or issues discussed at the

meetings of the Board Committees as well as the action plans to rectify or mitigate the said issues. The Board members would be constantly updated on the progress and development of the said issues at the subsequent meetings. The Board would provide advice and comments on the issues reported as well as propose any action plans to be undertaken by management.

A Director who has interest in any proposal or transaction, either direct or indirect, which is being presented to the Board for approval, will declare his or her interest and abstain from deliberation and voting of the same at the Board meeting.

The minutes of the Board meetings are circulated to the Board members for their perusal and comments prior to confirmation by the Board at the following Board meeting. Thereafter, the Chairman of the Board meeting would sign the minutes as a correct record of the proceedings of the said meeting.

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 2014 and the details of attendance of the Directors are tabulated below:-

NAME OF DIRECTORS	NUMBER OF MEETINGS ATTENDED	PERCENTAGE OF ATTENDANCE (%)
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	7/7	100
Tan Sri Datuk Seri Razman M Hashim	6/7	86
Dato' Chew Chee Kin	7/7	100
Sarena Cheah Yean Tih	5/7	71
Wong Chin Mun	7/7	100
Lim Swe Guan	7/7	100
Datuk Seri Yam Kong Choy	6/7	86

Tan Sri Dato' Dr Lin See Yan did not attend the Board meetings as he was only appointed to the Board on 18 March 2015.

## 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.

The Nomination Committee will screen the initial selection of the candidates, performing the requisite assessment of the said candidates before recommending to the Board for approval. This is to ensure that the candidate possesses the appropriate skills, competencies, experience, integrity and time to effectively discharge their role as a director. Besides that, the Nomination Committee will also take into consideration diversity of the Board's composition which inter alia, include gender, ethnicity, age, etc.

## 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, Dato' Chew Chee Kin will retire by rotation at the coming Annual General Meeting of the Company. Tan Sri Dato' Dr Lin See Yan, who is appointed as a Director on 18 March 2015, will also retire at the said Annual General Meeting pursuant to Article 90 of the Company's Articles of Association. Dato' Chew Chee Kin and Tan Sri Dato' Dr Lin See Yan 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 Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, Tan Sri Datuk Seri Razman M Hashim and Mr Wong Chin Mun are subject to such vacancy and they are available for re-appointment at the forthcoming Annual General Meeting of the Company.

The Nomination Committee has assessed the performances of these Directors and have made recommendation 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, if any. Such reports are also 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, Datuk Seri Yam Kong Choy and Tan Sri Dato' Dr Lin See Yan. 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 166 to 170 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.

The Audit Committee has unrestricted access to both the internal and external auditors as well as senior management for advice and information.

### 2. *Nomination Committee*

The Nomination Committee comprises three 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

## CORPORATE GOVERNANCE STATEMENT

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 Paragraph 1.01 and Practice Note 13 of the Main Market Listing Requirements of Bursa Securities.

The terms of reference of the Nomination Committee are set out on Sunway website.

During the financial year, 4 meetings were held to deliberate on the following matters:-

- (a) Assessment of the performances of retiring Directors and to consider their eligibility for re-election. The Nomination Committee subsequently endorsed the re-appointment of Tan Sri 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 Tan Sri Datuk Seri Razman M Hashim for the financial year 2014 were discussed.
- (b) Assessment of the performance of Sarena Cheah Yean Tih, Lim Swe Guan and Datuk Seri Yam Kong Choy, the retiring Directors and to endorse their re-election at the Company's 2014 Annual General Meeting, subject to the approval of shareholders. The key performance indicators of Sarena Cheah Yean Tih were tabled at the Meeting and discussed with the Executive Director of the Group Human Resource. Lim Swe Guan and Datuk Seri Yam Kong Choy abstained from all deliberations on their proposed re-election as retiring Directors. Their performances as Independent Directors were assessed based on peer review. In addition, all Independent Directors also confirmed their continued independence in accordance with Paragraph 1.01 and Practice Note 13 of the Main Market Listing Requirements of Bursa Securities.
- (c) Approval of the appointment of Wong Chin Mun as Senior Independent Non-Executive Director of the Company and to recommend his appointment to the Board for approval. Mr Wong Chin Mun abstained from all deliberations on his appointment.
- (d) Discussion and adoption of the results of the Board effectiveness assessment, assessment of Independent Non-Executive Directors and Director's peers review for 2013. The aforesaid Reports were tabled for discussion. Areas which required improvements were highlighted to the Board and management for action.
- (e) Discussion of the training needs of the Directors and training programmes available to Directors.
- (f) Discussion on Board and Management succession planning whereby the Executive Director of the Group Human Resource presented the potential successors to key management positions in the Organization for the Nomination Committee's deliberation.
- (g) Approval of the Nomination Committee report as part of the Corporate Governance Statement in the Company's Annual Report 2013.
- (h) Discussion and adoption of the results of the Audit Committee Evaluation, Independent Directors' Self-Assessment Confirmation and Board Committee Evaluation for 2013.
- (i) Discussion and approval of the Diversity and Inclusion Policy and to recommend the same to the Board for approval.
- (j) Approval of 2014 methodology for evaluation of Board Effectiveness, assessment of the Independent Non-Executive Directors and Directors' Peers Review. The Audit Committee Evaluation format and Independence Directors' Self Assessment Checklist were also discussed and approved.
- (k) Approval of the schedule of Nomination Committee Meetings for 2015.

## 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	4/4

### 3. *Remuneration Committee*

During the financial year, 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. On 27 February 2015, Datuk Seri Yam Kong Choy was appointed as Chairman of the Remuneration Committee. Wong Chin Mun remains as a member of the Committee.

The Remuneration Committee with assistance of the Executive Director of the Group Human Resource, evaluated the performance of the Executive Directors and recommended to the Board, their proposed remuneration. The Remuneration Committee also deliberated and recommended 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 Sunway website.

During the financial year, 3 meetings were held to deliberate and approve the following matters:-

- (a) Year end evaluation of the performances of the Executive Directors and to endorse their annual increments, bonuses and allowances. The Executive Director of Group Human Resource also presented the surveys on remuneration package for similar industry for discussion and comparison.
- (b) Discussion of the mid year performance appraisal of the Executive Directors; and

- (c) Discussion and approval of 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.

### 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 Foo Shiang Wyne, 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 Sunway website.

During the financial year, 1 meeting was held to consider the following matters:-

- (a) Approval of the proposed new allocation of options to the eligible employees of Sunway Berhad Group pursuant to the Company's ESOS 2013/2019 and to authorize management to fix the option price; and
- (b) Approval of the proposed vesting of the second tranche of the options granted to the existing eligible employees of Sunway Berhad Group pursuant to the Company's ESOS 2013/2019.

### *Directors' Remuneration*

The Group recognizes that in order to attract and retain Directors is to have a fair and comprehensive remuneration package that commensurate with their experience, skills and responsibilities. In view of this, information prepared by independent consultants and survey data on the remuneration practices of comparable companies were 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 Group uses "Managing for Excellence" software tools for facilitating the evaluation of Executive Directors encompassing balanced scorecard for each individual Director which is conducted on half yearly basis. For Non-Executive Directors, the level of remuneration reflects their experience, level of responsibilities and industry's benchmark.

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.



## CORPORATE GOVERNANCE STATEMENT

The fees payable to the Non-Executive Directors are subject to the approval of shareholders at the Annual General Meeting.

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

	EXECUTIVE DIRECTORS RM	NON-EXECUTIVE DIRECTORS RM	TOTAL RM
Fees	-	360,000	360,000
Other Emoluments	-	68,000	68,000
Salaries and other Remuneration	12,061,665	-	12,061,665
Bonus	9,862,465	-	9,862,465
Benefits-in-kind	228,815	-	228,815
<b>TOTAL:</b>	<b>22,152,945</b>	<b>428,000</b>	<b>22,580,945</b>

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	-	3	3
RM450,000 to RM500,000	1	-	1
RM1,350,000 to RM1,400,000	1	-	1
RM4,250,000 to RM4,300,000	1	-	1
RM16,000,000 to RM16,050,000	1	-	1
<b>TOTAL:</b>	<b>4</b>	<b>3</b>	<b>7</b>

NOTE: The details of Directors' Remuneration of individual directors are not shown for personal security 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 134 to 149 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 annual evaluation of Board effectiveness is conducted internally by way of self and peer assessment covering areas such as Board composition, Board roles and responsibilities, legal and regulatory compliance, trainings required, conduct at meetings, engagement and communication with management and stakeholders. The Nomination Committee also undertakes annual assessment of the effectiveness of various Board Committees. The assessments are used to identify the Board's strengths and shortcomings as well as to recommend areas for improvement.

The results of the assessments are compiled into a report for deliberation and recommendation at the Nomination Committee meeting. The Nomination Committee will then report the matter to the Board for further deliberation. The deliberations of the Nomination Committee and the Board are duly minuted in the respective meetings.

### *Assessment of Independent Directors*

The Board measures the independence of its Directors based on the criteria as stipulated by Paragraph 1.01 and Practice Note 13 of 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. The Independent Directors must be able to express their opinions to the Board free of concern about their position or the position of any third party.

The Nomination Committee had 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 was 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.

Any Director who has or may have a conflict of interest, either direct or indirect, in any matter or transaction concerning the Group, is required to notify the Board and the Company Secretary of such interest.

In accordance with Recommendation 3.2 of the Code, the Board had adopted a policy whereby an Independent Non-Executive Director who has reached the threshold of 9 years tenure, will have to seek prior shareholders' approval to be retained in the Board as Independent Non-Executive Director. 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 is required to seek prior consent from the Chairman of the Board before he/she accepts any new directorship outside the Group. The Company Secretary will monitor the number of directorships and the changes, if any, of each Director.

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*

The Board recognizes the importance of training and development for the Directors to enhance their skills and knowledge to meet the challenges of the Board. The role to review the training and development needs of the Directors has been delegated to the Nomination Committee.

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.

## CORPORATE GOVERNANCE STATEMENT

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, property market, economic trends, strategic planning and implementation of new regulations by the Government.

### *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	· PTD Alumni International Conference 2014 - Transformational Leadership in Malaysia (PTD Alumni)	9 September 2014
	· Pangkor International Development Dialogue * (Institut Darul Ridzuan)	20 October 2014
	· Forbes Global CEO Conference* - The Next Horizon (Forbes)	28 October 2014 to 30 October 2014
	· Sunway Managers Conference 2014 (Sunway Group)	8 November 2014
Tan Sri Datuk Seri Razman M Hashim	· Training on Personal Data Protection Act 2010 (Sunway Group)	7 January 2014
	· Cyber Security Awareness (Tricor Roots Consulting Sdn Bhd)	9 September 2014
	· Sunway Managers Conference 2014 (Sunway Group)	8 November 2014
Dato' Chew Chee Kin	· Sunway Managers Conference 2014 (Sunway Group)	8 November 2014
Sarena Cheah Yean Tih	· Knight Frank Malaysia - Where to Invest: 2014 (Knight Frank Malaysia)	18 January 2014
	· Malaysia National Corporate Innovation Index - Breakfast Roundtable Session (Alpha Catalyst Consulting)	29 January 2014
	· Corporate Outlook 2014: Navigating challenges and cross-border investment opportunities (Malaysia Property Incorporated)	20 February 2014
	· The Edge Investment Forum on Real Estate 2014 - Panel Discussion: Homes to cost less - Is it possible? (The Edge)	19 April 2014
	· Sunway Managers Conference 2014 (Sunway Group)	8 November 2014
Wong Chin Mun	· Goods & Services Tax Awareness & Implication (Vistage Malaysia Sdn Bhd)	21 February 2014
	· High Leverage Leadership for Today's World (Vistage Malaysia Sdn Bhd)	21 March 2014 to 22 March 2014
	· EU-Malaysia Trade & Investment Forum 2014 - Enhancing co-operation in facilitating SMEs' access to finance for sustainable consumption & production projects (Cradle Fun & EU-MCCI)	17 April 2014

NAME OF DIRECTORS	COURSE TITLE / ORGANISER	DATE
	<ul style="list-style-type: none"> <li>· Learning to Fly Workshop               <ul style="list-style-type: none"> <li>- Angels Investing: What's in it for you</li> <li>- From Pitch to IPO: Best Practices of International Angels</li> <li>- Doing the Deal: Best Practices of International Angels</li> <li>- Planning for Exit: Investing for Returns (Malaysia Biz Angel Network)</li> </ul> </li> </ul>	18 April 2014
	<ul style="list-style-type: none"> <li>· Major Trends and Economic Updates (Major Economics and Malaysia) (Vistage Malaysia Sdn Bhd)</li> </ul>	13 June 2014
	<ul style="list-style-type: none"> <li>· Personal Grooming for Effective Communication and Success (Vistage Malaysia Sdn Bhd)</li> </ul>	20 June 2014
	<ul style="list-style-type: none"> <li>· Advocacy Sessions on Corporate Disclosure for Directors (Bursa Malaysia Securities Berhad)</li> </ul>	2 July 2014
	<ul style="list-style-type: none"> <li>· Vistage CEO Summit               <ul style="list-style-type: none"> <li>- Transformation: A journey of change (Vistage Malaysia Sdn Bhd)</li> </ul> </li> </ul>	7 November 2014
Lim Swe Guan	<ul style="list-style-type: none"> <li>· APREA Property Leaders Forum 2014               <ul style="list-style-type: none"> <li>- The Asian Century? (Asia Pacific Real Estate Association)</li> </ul> </li> <li>· Vistage CEO Summit               <ul style="list-style-type: none"> <li>- Transformation: A journey of change (Vistage Malaysia Sdn Bhd)</li> </ul> </li> <li>· Sunway Managers Conference 2014 (Sunway Group)</li> </ul>	8 April 2014 to 10 April 2014  7 November 2014  8 November 2014
Datuk Seri Yam Kong Choy	<ul style="list-style-type: none"> <li>· Training on Personal Data Protection Act 2010 (Sunway Group)</li> <li>· Cagamas 25th Anniversary Book Launch               <ul style="list-style-type: none"> <li>- Dialogue Session on "Challenges and Prospects for Affordable &amp; Accessibility to Housing in Malaysia (Bank Negara Malaysia)</li> </ul> </li> <li>· Structuring Successful Property Joint Ventures (REHDA Institute)</li> <li>· Risk Appetite (Standard Chartered Bank Malaysia Berhad)</li> <li>· The Edge Investment Forum on Real Estate 2014               <ul style="list-style-type: none"> <li>- Panel Discussion: Homes to cost less - Is it possible? (The Edge)</li> </ul> </li> <li>· Corporate Liability (Malaysian Airports Holdings Berhad)</li> <li>· Housing Development in Klang Valley: Current Policies and Sharing Best Practices Seminar               <ul style="list-style-type: none"> <li>- Overview of the Housing Market and Development in Klang Valley *</li> </ul>               (Valuation and Property Services Department of Selangor)             </li> </ul>	7 January 2014  21 January 2014  13 March 2014  18 March 2014  19 April 2014  24 April 2014  6 May 2014



## CORPORATE GOVERNANCE STATEMENT

NAME OF DIRECTORS	COURSE TITLE / ORGANISER	DATE
	<ul style="list-style-type: none"> <li>· 6th RICS-RISM-AALSM International Surveying Conference for Undergraduates (Y2014)</li> <li>- Young Surveyors, The Drivers of Transformation * [The Royal Institution of Chartered Surveyors (RICS) Malaysia, The Royal Institution of Surveyors Malaysia (RISM) and The Association of Authorised Land Surveyors Malaysia (AALSM)]</li> </ul>	17 May 2014
	<ul style="list-style-type: none"> <li>· Kuala Lumpur Slope Information System (Dewan Bandaraya Kuala Lumpur)</li> </ul>	27 June 2014
	<ul style="list-style-type: none"> <li>· Advocacy Sessions on Corporate Disclosure for Directors (Bursa Malaysia Securities Berhad)</li> </ul>	2 July 2014
	<ul style="list-style-type: none"> <li>· Saadiq: Annual Dialogue with Syariah Advisory Committee (Standard Chartered Saadiq Berhad)</li> </ul>	18 August 2014
	<ul style="list-style-type: none"> <li>· FIDE Forum Event</li> <li>- "Risks: From Whereof?" (Bank Negara)</li> </ul>	21 August 2014
	<ul style="list-style-type: none"> <li>· IUHF-International Union for Housing Finance: Building the Future</li> <li>- The Housing Delivery System in Malaysia - Opportunities and Challenges * (International Union for Housing Finance)</li> </ul>	11 September 2014 to 12 September 2014
	<ul style="list-style-type: none"> <li>· Goods and Services Tax and Anti Money Laundering (Standard Chartered Bank Malaysia Berhad)</li> </ul>	30 September 2014
	<ul style="list-style-type: none"> <li>· Directors Breakfast Series:</li> <li>- "Great companies deserve great boards" (Bursa Malaysia Securities Berhad)</li> </ul>	10 October 2014
	<ul style="list-style-type: none"> <li>· Technology Optimising Facility Management Event * (Honeywell International, Inc)</li> </ul>	19 October 2014
	<ul style="list-style-type: none"> <li>· Sunway Managers Conference 2014 (Sunway Group)</li> </ul>	8 November 2014
	<ul style="list-style-type: none"> <li>· Briefing to Developers on Hillslope Projects</li> <li>- An Integrated Solution of Slope Management for Kuala Lumpur</li> <li>- Latest Guideline for Hillslope Developments in Kuala Lumpur (REHDA, Wilayah Persekutuan (K.L.) Branch)</li> </ul>	12 November 2014
	<ul style="list-style-type: none"> <li>· CIDB Novus Malaysia Convention</li> <li>- Challenges of the Young Professionals for the Built Environment: Critical Factors to Project Success * (CIDB Novus Malaysia)</li> </ul>	22 November 2014

\*Attended as speaker

## 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. This encourages a greater exchange of independent and open dialogue between both parties.

The Audit Committee annually assesses the suitability, effectiveness and independence of the External Auditors and ensures that the provision of other non-audit services by the External Auditors is not in conflict with their audit function. The External Auditors rotate their engaging partner in charge of the audited financial statements of Sunway and the Group once every 5 years to maintain their independence from the Group.

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 non-audit services provided by the External Auditors during the financial year in accordance with the non audit services policy approved by the Board. The Audit Committee had concluded that these services did not compromise the External Auditors' independence and objectivity as the amount of non audit fees paid 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 171 and 173 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.

## CORPORATE GOVERNANCE STATEMENT

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](http://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.

In addition, the enquiries made by the Minority Shareholder Watchdog Group and the Group's reply are also presented to the shareholders at the Annual General Meeting.

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 investor relations 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 46 meetings with investors and research analysts. The Company had also participated in domestic and overseas roadshows, and investor conferences in Singapore, Japan 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](http://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 15 April 2015.



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



## AUDIT COMMITTEE REPORT

### COMPOSITION

The members of the Audit Committee during the financial year ended 31 December 2014 were as follows:-

1. Wong Chin Mun - Chairman  
(Senior Independent Non-Executive Director)
2. Lim Swe Guan  
(Independent Non-Executive Director)
3. Datuk Seri Yam Kong Choy  
(Independent Non-Executive Director)

### ATTENDANCE OF MEETINGS

The Audit Committee held 5 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	5/5
Lim Swe Guan	5/5
Datuk Seri Yam Kong Choy	5/5

The President, Chief Financial Officer and Internal Auditors were invited to attend the meetings. 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 2014 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. Focus was placed on high risk areas.
- (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) Monitored the corrective actions taken on the outstanding audit issues to ensure that all the key risks and control lapses were duly addressed.
- (e) Reviewed the investigative reports tabled during the year and ensured appropriate remedial actions/ measures were taken.
- (f) Reviewed the report prepared by the Internal Audit Department 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.
- (g) 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.
- (h) Reviewed the extent of assistance rendered by management and issues and reservations arising from audits with the External Auditors without the presence of management and the executive board members.
- (i) Reviewed the audit report, issues and reservations arising from statutory audit with the External Auditors.
- (j) Assessed and evaluated the performance, independence and suitability of the External Auditors for its re-appointment as Auditors of the Company and made recommendations to the Board of Directors on their re-appointment and remuneration. The External Auditors also provided their policies and written confirmation on their independence and the measures used to control the quality of their work.
- (k) Reviewed the audit and non-audit fees of the External Auditors for the financial year ended 31 December 2013.
- (l) Reviewed and discussed the Management Accounts with management.
- (m) 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. In the review, the parties discussed on the accounting principles and standards that were applied and their judgement of the accounting principles and standards that might affect the financial results and statements.
- (n) Reviewed with management and the External Auditors, the audited financial statements of the Company for the financial year ended 31 December 2013.
- (o) 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.
- (p) 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.
- (q) Reviewed and approved the Annual Report 2013.
- (r) 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.
- (s) Discussed the implications of any latest changes and pronouncements on the Company and the Group, issued by the statutory and regulatory bodies.



## AUDIT COMMITTEE REPORT

- (t) Reviewed the impact of any changes to the accounting standards and adoption of new accounting standards on the Company's financial statements.
- (u) 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.
- (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.

### AUDIT COMMITTEE'S TRAINING

The details of training programmes and seminars attended by each Committee Member during the financial year ended 31 December 2014 are set out in the Corporate Governance Statement under "Directors' Training".

The costs incurred for the internal audit function in respect of the financial year ended 31 December 2014 including staff payroll costs and overheads amounted to RM4.55 million.

### INTERNAL AUDIT FUNCTION AND SUMMARY OF ACTIVITIES

The Internal audit function is performed in-house and undertaken by the Group's Internal Audit Department. The internal Audit Department reports directly to the Audit Committee on its activities based on the approved annual audit plan which covers projects and entities across all levels of operations within the Group.

During the financial year ended 31 December 2014, 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.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### INTRODUCTION

In compliance with Chapter 15, Paragraph 15.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Guidelines for Directors of Listed Issuers, the Board of Directors (“the Board”) is pleased to present the Statement on Risk Management and Internal Control which outlines the nature and scope of risk management and internal control of Sunway and its subsidiaries (“the Group”) for the financial period under review.

The objective of establishing a sound risk management framework and internal controls system is to safeguard shareholders’ investment and Group’s assets, pursuant to the Malaysian Code on Corporate Governance and Bursa Malaysia Securities Berhad’s Listing Requirements.

### THE BOARD’S RESPONSIBILITY

The Board is committed to ensure effectiveness of internal control and risk management systems by continuously reviewing the adequacy and integrity of the Group’s systems in a concerted and continuing nature. These are designed to mitigate rather than eliminate risks threatening the achievement of business objectives on both Group and business unit levels. The systems in place can only provide reasonable but not absolute assurance against material financial misstatement 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. The management assists the Board during implementation of these policies and procedures on risk and control by identifying risks and assessing the potential impact 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 joint ventures, the management of those companies manages the internal control systems. The Statement on Risk Management and Internal Control therefore, does not cover these associates and joint ventures.

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. Risk Management is a priority and is implemented through consultation with the Board, President, Directors and employees.

### THE GROUP’S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

#### *Monitoring Mechanisms and Management Style*

Monitoring and review of the Group’s performance and conduct are done via scheduled periodic meetings of the Board, Board Committees and management. The daily running of the Group’s operative subsidiaries is entrusted to the President and 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 teams during management meetings. In 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 an integral part of good business management. The Board acknowledges that the Group’s activities involve some degree of risk and is committed to ensure that it has an effective framework to identify, evaluate and mitigate 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 Management Framework*

The Risk Management framework outlines policies and practices for effective risk mitigation. It allows the Group to:

- establish clear functional responsibilities and accountabilities within committee structures for management of risks;
- 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
- ensure appropriate skills and resources are applied to risk management.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### *Risk Management Reporting Platform*

In providing 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 continues to review the quarterly risk template in identifying all major risks of the respective Business Units under the Group. The risk templates, duly signed off by all respective Heads of 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 President and Chief Financial Officer, highlighting major risks and mitigating controls carried out by the respective Business Units. The Board of Directors meet and deliberate on these risks identified at least twice a year while ad-hoc or new critical risks are escalated to the Board immediately for deliberation. In addition, the Board of Directors have regular meetings and issues impacting the Group are discussed.

### *Key Elements of the Group's Internal Control System*

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

The Group's Internal Control system has the following key elements:

- Communication of the Group's vision, mission, corporate philosophy and strategic direction 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.
- Approval of subsidiaries' Business Plans encompassing annual budgets, marketing and management plans vis-à-vis strengths, weaknesses, opportunities and threats given the present business environment.
- Relevant Board Committees with formal terms of references outlining functions and duties delegated by the Board.
- Periodic review of Internal Control systems with comprehensive policies and guidelines on authority limits, finance, human resource, health and safety. Reviews are also performed on Risk Management reports to ensure adequacy of risk mitigation and compliance with legislations, laws and guidelines.

- Periodic management and divisional meetings to discuss operational, financial and human resource issues at subsidiary levels.
- Continuous development of the Group's information technology platforms as an effective means of communication and knowledge sharing.
- Systematic performance appraisal for all employees of the Group.
- Continuous talent development encompassing various functions to maintain high competency and capability levels.
- Continuous quality improvement initiatives to obtain accreditation for operating subsidiaries such as ISO and OHSAS certifications.
- Internal audits based on annual risk-based audit plans approved by the Audit Committee ("AC").

### *Assurance Mechanisms*

The AC is tasked by the Board with the duty of reviewing and monitoring the effectiveness of the Group's internal control systems. In carrying out this responsibility, 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 internal control systems. 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, subsidiaries accredited with ISO or OHSAS certification are audited as scheduled by auditors of the relevant certification bodies. Results of the audits are reported to management.

The AC Report is set out on pages 166 to 170 of the Annual Report.

### **THE BOARD'S COMMITMENT**

The Board recognises that the Group operates in a dynamic business environment in which risk management and internal control systems must be responsive in order to support the achievement of the desired business objectives. To this end, the Board remains committed towards maintaining firm and sound, risk management and internal control systems as it believes that a balanced achievement of 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 and risk management systems 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 systems are 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 15 April 2015.*



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 continuously reviews the risk management framework and policies to ensure consistency and relevance with the businesses and market environments.

The Risk Management framework includes processes and policies aimed at addressing risks faced by the Group. This framework is consistent with ISO 31000 Risk Management Principles and Guidelines, the Malaysian Code of Corporate Governance and Bursa Malaysia Securities Berhad's Listing Requirements.

### RISK GOVERNANCE

#### *Risk Policy and Strategy*

The Group's Risk Management policy is designed to embed Enterprise Risk Management ("ERM") into key activities and business processes of the Group. This enables the Group to identify, assess, treat and manage risks that may prevent the Group from achieving its objectives. In doing so, the stakeholders are assured that their interest is protected.

Continuous risk assessment is fundamental to the Group's risk management process. Business Units are tasked with reporting major risks on a quarterly basis to management as it aims for a holistic approach towards risk management. The respective Business Units being risk owners of their immediate sphere are 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 mitigation measures are regularly reviewed and adjusted accordingly. The continuous risk assessment process therefore, represents the cornerstone of an effective ERM program for the Group.

#### *Reporting Platform*

In providing 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 actively monitors the Group's portfolio of major risks via a quarterly risk template. The risk templates, duly signed off by the respective Heads of Business Units, provide a detailed assessment of business and operational risks.

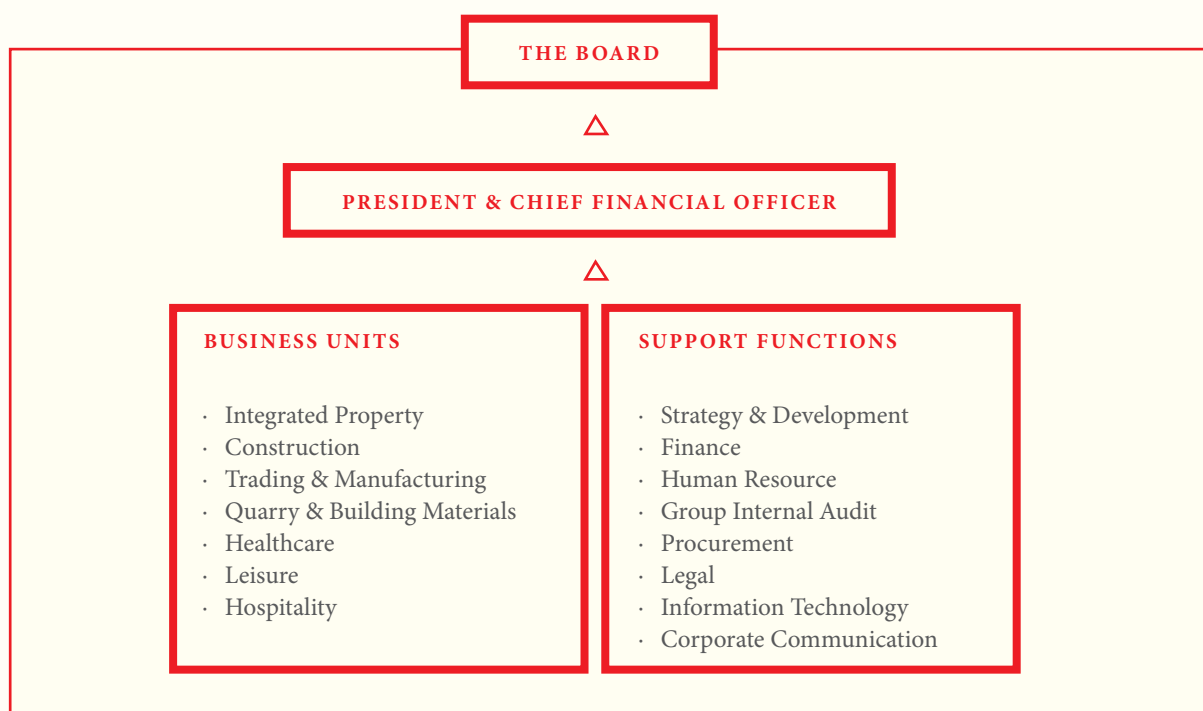
The objectives of the risk template are as follows:

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

The quarterly risk reports from all Business Units are consolidated and updated to the President and CFO, highlighting all major risks and mitigating controls carried out by the respective Business Units. These risks are further consolidated on a half yearly basis and presented to the Board, highlighting the top risks faced by the Group.

#### *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. Significant issues arising from changes in business environment are reviewed continuously to ensure minimal impact to the Group.



#### *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 and 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.

#### **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*

GRMD assists Business Units in joint implementation and monitoring of action plans identified in quarterly risk templates. A procedural approach is employed to identify root causes, action timeframe and staff responsibilities. This process is done with the sole objective to ensure risks are mitigated to an acceptable level or closed. In addition, GRMD actively participates in ad-hoc taskforces set up by management to provide assistance to Business Units in solving operational and compliance issues.

#### *Risk Awareness and Training*

GRMD conducts risk awareness and training sessions for Business Units upon request. These are done to raise awareness of risk management concepts and mechanisms among the Group. During these sessions, GRMD actively encourages a proactive risk identification attitude which can be practiced at all levels.

#### *Compliance*

In managing compliance risks particularly 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 Personal Data Protection Act and the Goods and Services Tax as announced by the Malaysian Government during Budget 2014.

## ENTERPRISE RISK MANAGEMENT

### KEY RISK FACTORS

#### *Project Risk*

These are risks associated with projects that are of specific nature, in particular, project management and construction risks in relation to Property and Construction divisions, in both short and long term, potentially arising from delay in project completion, escalating construction costs, shortages of construction materials, supply chain efficiency, effects of climate change and shortage 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 consisting of clear project definition and 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 delays and cost overruns.

#### *Country Risk*

The Group is exposed to this risk due to its business presence in overseas markets such as Singapore, China, Indonesia, Vietnam, Thailand, India and Australia. This is a collection of risks associated with investing in a foreign country. Some of the risks 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 a priority given the uncertainty in 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 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 constantly 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, interest rates and other risks related to the external market.

### CONCLUSION

Commitment, tenacity and discipline in managing risks and adaptability to changes in business environments are imperative to the success of the Group. Hence, the Group strives to ensure that risks are effectively managed and mitigated while it continues to review the effectiveness of its risk management and internal control systems.

With the support from the Board of Directors, the risk management function will continue to enhance its importance to the Group in 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 ("CP/MTN Programmes") in nominal value via SC's letter dated 25 October 2013.

During the financial year ended 31 December 2014, Sunway had 70 issuance of CPs and 2 MTNs totaling RM6.185 billion and RM150 million respectively under the CP/MTN Programmes at various interest rates and had repaid RM5.62 billion of CPs. As at 31 December 2014, the total outstanding CPs and MTNs amounted to RM565 million and RM150 million respectively.

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

- (b) On 22 August 2014, Sunway had announced that Sunway Treasury Sukuk Sdn Bhd ("Sunway Treasury Sukuk"), a wholly owned subsidiary of Sunway Treasury Sdn Bhd, which in turn is a wholly owned subsidiary of Sunway has received authorization from SC to establish an Islamic commercial paper/medium term note programme for issuance of Islamic commercial papers ("ICPs") and/or Islamic medium term notes ("IMTNs") under the Shariah principle of Mudharabah of up to RM2.0 billion in nominal value ("Sukuk Programme") via SC's letter dated 21 August 2014. As at the financial year end, Sunway Treasury Sukuk had not issued any ICP and IMTN under the Sukuk Programme.

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

- (a) Employees' Share Option Scheme

- (i) During the financial year ended 31 December 2014, a total of 3,744,631 options over the ordinary shares were exercised pursuant to the Company's Employees' Share Option Scheme 2013/2019 ("ESOS"). A total of 14,952,000 and 4,320,800 options over ordinary shares were also granted and vested during the financial year.

- (ii) The total number of options granted, vested, exercised and outstanding vested under the ESOS as at 31 December 2014 are set out in the table below:-

DESCRIPTION	NUMBER OF OPTIONS AS AT 31 DECEMBER 2014	
	TOTAL	DIRECTORS
(a) Granted	132,536,969	23,800,000
(b) Exercised	3,778,831	-
(c) Vested	62,372,400	11,900,000
(d) Outstanding vested	55,541,769	11,900,000

- (iii) Percentage of options applicable to Directors and Senior Management under the ESOS are as follows:-

DIRECTORS AND SENIOR MANAGEMENT	DURING THE FINANCIAL YEAR 2014	SINCE COMMENCEMENT UP TO 31 DECEMBER 2014
(a) Aggregate maximum allocation	1.43%	27.28%
(b) Actual granted	1.43%	27.28%
(c) Actual vested	31.50%	31.98%



## ADDITIONAL COMPLIANCE INFORMATION

The Company did not grant any options over the ordinary shares pursuant to the ESOS to the Non-Executive Directors.

(b) *Warrants 2011/2016*

During the financial year ended 31 December 2014, a total of 3,310,994 were exercised pursuant to the Company Warrants 2011/2016.

(c) *Convertible securities*

Sunway did not issue any other convertible securities during the financial year ended 31 December 2014.

### 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 2014.

### 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 2014.

### 5. NON-AUDIT FEES

There were no non-audit fees paid/payable to the External Auditors of Sunway and its subsidiaries for the financial year ended 31 December 2014.

### 6. VARIATION IN RESULTS

There was no variance of 10% or more between the audited results for the financial year ended 31 December 2014 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 2014.

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

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by Sunway and/or its subsidiaries involving directors' and major shareholders' interests during the financial year ended 31 December 2014.

### 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 Group Internal Audit's annual audit plan.

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 2014, has complied with the criteria set out in the ESOS By-Laws.

# 10. SHARE BUY-BACK

During the financial year ended 31 December 2014, a total of 8,919,400 ordinary shares of RM1.00 each were purchased by Sunway and retained as treasury shares. None of the treasury shares held were resold or cancelled during the financial year.

MONTHLY BREAKDOWN	NO. OF SHARES PURCHASED AND RETAINED AS TREASURY SHARES	PURCHASE PRICE PER SHARE		AVERAGE COST PER SHARE	TOTAL COST* (RM)
		LOWEST	HIGHEST		
September 2014	2,902,200	3.18	3.53	3.40	9,874,645.82
October 2014	2,591,800	3.15	3.42	3.28	8,513,015.76
November 2014	3,167,800	3.15	3.35	3.19	10,118,039.23
December 2014	257,600	3.14	3.18	3.15	812,849.63

\* Inclusive of transaction cost

# 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")



A vital cog of any listed corporation, Investor Relations (IR) is essential to keep shareholders and investors abreast of a company's financial position and performance. The information released through the IR department helps build confidence and trust in the marketplace as it is indicative of management's ability to navigate through challenges, including those from economic and market conditions, as well as from competition.

Constant communication creates transparency and is necessary in maintaining close rapport with discerning investors, analysts and business partners and maintaining the company's prominence in the market. Hence, Sunway's IR team places great emphasis on prompt and adequate dissemination of information to maintain Sunway's continued growth in stature as a leading property-construction company in Malaysia. The initiatives and activities carried out by Sunway's IR in 2014 are as detailed.

### GETTING INTIMATE WITH IN HOUSE MEETINGS

Sunway hosted a total of 46 one-on-one and small group meetings with the investing community in 2014 (2013: 58). The meetings serve to provide investors and analysts with opportunities to understand and ask detailed questions on the Group's business, strategies and future plans through dialogue with Sunway's Senior Management. In return, it gives Sunway an opportunity to know the investing community better and in particular funds and investors who are interested in future fund raising exercises of the company.

### CREATING AWARENESS THROUGH LARGE GROUP MEETINGS AND CONFERENCES

Sunway was invited to participate in 9 investor conferences throughout the region in 2014 including in Singapore, Japan and Malaysia (2013: 9). Mainly organised by the investment banks to showcase their respective investment picks for the year, Sunway had utilised the opportunities to present its investment case and its strengths as an integrated property construction company to regional investors.

In addition to conferences, the management was also invited to non-deal roadshows, luncheons and group meetings dedicated to Sunway. These prove to be effective avenues for the Group to promote and share its future prospects and strategies to targeted groups of investors.

### UNDERSTANDING THE GROUND VIA SITE VISITS

To ensure investors fully appreciate Sunway's competitive advantage as a developer, it is imperative that investors see for themselves the integration and connectivity offered by our property projects and the attractiveness of the location of our land bank.

Throughout 2014, the IR team had participated in a total of 13 site visits nationwide to familiarise analysts with Sunway's development projects and plans. During the site visits, visitors are presented with comprehensive information of Sunway's land banking activities, the master plan for the developments, sales status and upcoming launches. A majority of the site visits this year focused on the Sunway Iskandar land bank which continues to attract interest from local and foreign investors.

DATE	ORGANISER	EVENT	VENUE
08 Jan 2014	CIMB Bank	CIMB 6th Annual Malaysia Corporate Day	Kuala Lumpur
05 - 06 Mar 2014	Bank of America Merrill Lynch	Bank of America Merrill Lynch ASEAN Stars Conference	Singapore
02 - 03 Apr 2014	J.P. Morgan	J.P. Morgan Asia Pacific Real Estate Conference	Singapore
15 May 2014	CLSA Securities Malaysia	CLSA CEO Lunch	Kuala Lumpur
05 Jun 2014	Nomura	Nomura Investment Forum Asia 2014	Singapore
09 - 10 Jun 2014	Bursa Malaysia & CIMB	Invest Malaysia 2014	Kuala Lumpur
12 Jun 2014	Citibank	Citi's ASEAN Investor Conference	Singapore
27 Aug 2014	Macquarie	Macquarie ASEAN Conference	Singapore
08 Oct 2014	Nomura	Nomura Malaysia Corporate Day	Kuala Lumpur
04 Dec 2014	Nomura	Nomura Investment Forum 2014	Japan
15 - 17 Dec 2014	RHB	Non-deal roadshow	Kuala Lumpur

#### WIDENING ANALYST COVERAGE

As a leading property-construction corporation in Malaysia, Sunway enjoys a strong following from analysts in various financial institutions, both local and foreign. As of 1 March 2015, Sunway is covered by 14 analysts (2013: 14), with all but one having a “Buy” call on Sunway and collectively, having an average target price of RM3.81 (2013: RM3.52), representing collective confidence in the stock among the investing community.

In September 2014, Nomura Securities initiated coverage on Sunway with a Buy call and a target price of RM4.20, citing Sunway as its preferred pick for Iskandar exposure with a diversified earnings base. Bank of America Merrill Lynch, meanwhile, discontinued coverage of Sunway with the departure of its analyst in the previous year.

#### RESEARCH INSTITUTIONS

- Affin Hwang Investment Bank
- AllianceDBS Research
- AmResearch
- CIMB Investment Bank
- Hong Leong Investment Bank
- J.P. Morgan
- KAF Seagroatt & Campbell Securities
- Kenanga Research
- Maybank Investment Bank
- MIDF Research
- Nomura Securities
- RHB Research Institute
- TA Securities
- UOB KayHian

#### QUARTERLY FINANCIALS AND ANNUAL REPORT

Shareholders and investors require regular and timely updates on Sunway's performance and the quarterly financial reports and the Annual Report are the main means of communication for this purpose.

Demonstrating our IR's commitment to transparency and comprehensive disclosures in the above, the Group has, over the years, picked up multiple accolades at the National Annual Corporate Report Awards (“NACRA”). The most recent recognition came in 2014 as Sunway's Annual Report retained the Industry Excellence Award under the Properties and Hotel Category. The award marked the eight consecutive year Sunway was presented with the NACRA in this category, having first won the accolade in 2006.

#### ANALYST BRIEFING PACKS AND FLASHNOTES

Briefing packs are issued by the IR team to provide analysts and media with up-to-date information of major developments impacting the Group such as the acquisition of major land banks, new construction contracts, results release, corporate exercises and acquisition of new companies. Briefing packs are concise to accommodate to the specific needs of analysts, that is presenting only key information they require as opposed to the more detailed announcements and reports communicated via Bursa Malaysia.

Since 2013, Sunway has also issued Sunway Flashnote for smaller events. A condensed, one-page document presenting key findings and messages, the Sunway Flashnote has proven to be handy in disseminating brief pieces of information that helps create top-of-mind recall, ultimately stimulating investment decisions.



## INVESTOR RELATIONS ("IR")



### IR PORTAL AND E-MAIL

An IR web portal is managed and kept up-to-date by the IR team to ensure shareholders have access to crucial information at all times. For those with limited access to newsfeeds, this portal is a crucial source of information. The portal is located in the IR section within the Group's website at [www.sunway.com.my](http://www.sunway.com.my), and can also be accessed via <http://ir.chartnexus.com/sunway/>.

The IR team works to ensure that reports are uploaded onto the portal within a 48-hour period after most major announcements, providing the investing community a clear perspective of the Group's actions. Besides this, the website also carries the Group's quarterly and annual financial information, a financial calendar and an interactive stock chart. Should investors and stakeholders wish to contact the Group's management team, they can send emails to [irsunwayberhad@sunway.com.my](mailto:irsunwayberhad@sunway.com.my). An alternative is to contact the Sunway IR team through the contact information provided on the IR portal.

### CONTINUING TO BRIDGE INFORMATION GAPS

Key to successful IR is gaining and maintaining trust of the investing community. This is a gradual process requiring a commitment to continuous communication. Hence, the IR team intends to persist with the initiatives mentioned above and in the process maintain regular communication with shareholders through timely disclosures, detailed analysis of past performance and sufficient narratives on future strategies and prospects.

In 2014, there had been recognition of the IR team efforts with Sunway being shortlisted in multiple categories for the Malaysia Investor Relation Association (MIRA) Awards. Ultimately the Group finished in the top 5 for four categories including Best Company for Investor Relations (Mid Cap), Best IR Professional (Mid Cap), Best IR Website (Mid Cap) and Best Annual Reports and Disclosures.

With this endorsement and sustained investor engagement, the IR team looks forward to enhancing Sunway's IR function even further.

## Equity Beat

14 November 2014 / Visit Note

### Sunway Berhad

Next stage of growth

Upgrade to BUY  
Increased Target Price (TP): RM3.72 (previously RM2.93)

**INVESTMENT HIGHLIGHTS**

- We are upbeat on the proposed relisting of its construction arm

**RETURN STATS**

## NOMURA

### Sunway Bhd (SWB KL) (SWB MK)

Preferred pick for Iskandar exposure

Diversification benefits during slowdown; unlocking value by monetising assets

Action: Our preferred Iskandar play with diversified earnings base

Global Markets Research  
24 September 2014

Rating: Buy  
Target Price: MYR 4.20

## RHB

Company Update, 8 June 2014

### Sunway (SWS MK)

Property - Real Estate  
Market Cap: USD1,700m

Buy (Maintained)  
Target Price: MYR3.60  
Price: MYR2.21

**Right Strategies To Counter Negative Sentiment**

During our visit to Sunway's project in Iskandar, its management

## UOB KayHian

Company Update

### Sunway (SWB MK)

BUY (Maintained)

Share Price: RM2.80  
Target Price: RM3.36  
Upside: +19.29%

## TA SECURITIES

Company Update  
Tuesday, 21 November 2014  
RMKLI 1.7641

### Sunway Berhad

Upgraded Highway Contract to Jalan

TP: RM3.85 (+18.8%)  
(Last Traded: RM2.30)  
Buy

Dividend: RM0.00  
Next Date: TBA  
Next Event: TBA

## Research by eSeng

Outlook: Bullish

### Sunway Berhad

Here Comes the Double Dividends!

Price: RM3.36  
Target Price: RM3.87

OUTPERFORM

## AffinInvestmentBank

Company Update  
20 July 2014

### Sunway

Section: Property

SWB MK  
RM3.15 @ 24 July 2014

ADD (upgrade from REDUCE)

Solid property sales in 1H14  
Solid total property sales of RM1.6bn (+8% yoy)  
Sunway reported solid 1H14 new property sales of RM620m (+28% yoy) driven by strong take-up for both new launches (RM430m new launches in 1H14) and older projects. Notably, the growth 2Q14 property sales were 88% higher (yoy) in RMKLI than RMKLI in 1Q14. Sunway's 1H14 property sales were generated from various projects in different areas, (i) line with managed strategy to pursue multiple launches at high demand locations. Key projects that contributed to the strong sales performance include Sunway Velocity (RM1.04bn), Sunway Damansara (RM600m), Sunway Montara (RM700m), Petaling (RM700m), and Sunway 1618 and Sunway 1619.

## AmResearch

### SUNWAY

(SWB MK EQUITY, SWB KL)  
19 Nov 2014

Company report  
9MFY14: Strong margins

BUY (Upgraded)

Thomas Soon  
soon@amresearch.com  
03-2056 2300

Rationale for report: Company result

Investment Highlights

## CIMB

### Sunway Bhd

FLASH NOTE

Market Cap: US\$1,700m  
Avg Daily Turnover: US\$0.80m  
Free Float: 35.9%

Special DPS spin-off from IPO

Sunway's proposal to reduce the construction unit into a separate company, while the listing exercise would further unlock value, the move is expected to be well received by investors.

## Result Snapshot Sunway

Revenue: RM1.61 Billion (44% YoY)  
Profit: RM0.21 Billion (44% YoY)

Record breaking year

- 4Q13 core profit of RM157.5m surpasses expectations
- Strong earnings visibility supported by RM2.4bn undiluted property sales and RM2.5bn outstanding

## HongLeong Investment Bank

### Sunway (BUY ↔; EPS ↑)

Industry: NEUTRAL  
Company Briefing: Earnings Evaluation

4Q Results: Scorching results

- FY13 core PATAM (after adjusting for total \$1 of RM1.02bn) jumped by 38% to RM602.7m (30.6) cents/share, beating analyst consensus estimates by making up 121% to 118% of 1H year forecast.
- Strong contribution from construction and property divisions.
- Net dividend of 5 cents/share declared (2Q 13 cent), bringing full year payout to 10 cents/share, translating to payout ratio of ~10%, which is in line with our dividend forecast.

Share price

## Sunway

Sunny side up

Strong earnings visibility supported by RM2.4bn undiluted property sales and RM2.5bn outstanding

## J.P.Morgan

Equity Research

### Sunway Bhd (SWB MK)

Overweight  
Price: RM2.31  
18 Sep 2014  
Price Target: MYR3.80  
PT Exit Date: 31 Jun 2015

Value unlocking from proposed listing of construction arm, to translate to FY15E net div yield of 10-11%

Sunway's shares hit a high for the year on Friday last week. The group has announced a listing of its

## Maybank IB Research

December 9, 2014

### Sunway (SWB MK)

Hold (Unchanged)

Injecting hotel, office into a REIT

Positive on the latest asset injection into a REIT vehicle. The asset injection will likely result in net dividend yield of 10-12% (based on current dividend yield).

Key Data

Core Earnings (RM)	1,541.15
Dividend Yield (2014)	1.8
Free Cash Flow	12.0
Net Debt	1.10
Net Capitalization	10.75

FINANCIALS

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Financial Statements

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List of Material Properties





**DELIVERING SOLID PRODUCTS**

Sunway's Quarry division is a leading quarry and asphalt operator with six quarries in Peninsular Malaysia and nine strategically located asphalt plants along potential development corridors and nearby major highways in Malaysia. The division delivers aggregates for ready mixed concrete and other construction activities, and asphalt for pavement of roads and highways.





## 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 2014.

### 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
<b>Profit net of tax</b>	811,649	166,947
<b>Profit attributable to:</b>		
Owners of the parent	734,011	166,947
Non-controlling interests	77,638	-
	811,649	166,947

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.

### DIVIDENDS

The dividends paid by the Company since 31 December 2013 were as follows:

	RM'000
<b>In respect of financial year ended 31 December 2013:</b>	
Interim single-tier dividend of 5% per ordinary share of RM1 each, paid on 30 April 2014	86,176
<b>In respect of financial year ended 31 December 2014:</b>	
Interim single-tier dividend of 5% per ordinary share of RM1 each, paid on 7 October 2014	86,146
	172,322

On 25 February 2015, the Board of Directors declared an interim single-tier dividend of 6% for each ordinary share of RM1 each of the Company for the financial year ended 31 December 2014. The total dividend payable amounts to RM103,847,000. The dividend will be accounted for in the equity as an appropriation of retained earnings in the financial year ending 31 December 2015.

The Board of Directors do not propose any final dividend for the financial year ended 31 December 2014.

## 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  
Tan Sri Datuk Seri Razman M Hashim  
Dato' Chew Chee Kin  
Wong Chin Mun  
Lim Swe Guan  
Sarena Cheah Yean Tih  
Datuk Seri Yam Kong Choy  
Tan Sri Dato' Dr. Lin See Yan (Appointed on 18 March 2015)

In accordance with Article 107(1) of the Company's Articles of Association, Dato' Chew Chee Kin retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-election. Tan Sri Dato' Dr. Lin See Yan 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.

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, Tan Sri Datuk Seri Razman M Hashim and Mr Wong Chin Mun, 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 seek 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 1.1.2014	Acquired	Sold	As at 31.12.2014
<b>The Company</b>				
<b>Direct interest:</b>				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	74,583,139	2,655,800	-	<b>77,238,939</b>
Tan Sri Datuk Seri Razman M Hashim	1,068,642	-	-	<b>1,068,642</b>
Dato' Chew Chee Kin	3,343,558	-	-	<b>3,343,558</b>
Sarena Cheah Yean Tih	577,274	-	-	<b>577,274</b>
Wong Chin Mun	79,237	-	(79,237)	-
Datuk Seri Yam Kong Choy	-	55,000	-	<b>55,000</b>

### Deemed interest:

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	847,610,802 <sup>a</sup>	61,750,000	(16,250,000)	<b>893,110,802 <sup>b</sup></b>
Dato' Chew Chee Kin <sup>c</sup>	346,956	-	-	<b>346,956</b>
Sarena Cheah Yean Tih	921,483,299 <sup>d</sup>	64,405,800	(16,250,000)	<b>969,639,099 <sup>e</sup></b>

	Number of non-cumulative redeemable preference shares of RM0.01 each			
	As at 1.1.2014	Acquired	Sold	As at 31.12.2014
<b>Holding company</b>				

### Sungei Way Corporation Sdn. Bhd.

### Direct interest:

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	140,800,000	120,300,000	-	<b>261,100,000</b>
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### Deemed interest:

Sarena Cheah Yean Tih <sup>f</sup>	140,800,000	120,300,000	-	<b>261,100,000</b>
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## DIRECTORS' REPORT (CONTD.)

## DIRECTORS' INTERESTS (CONTD.)

	Number of ordinary shares of RM1 each			
	As at 1.1.2014	Acquired	Sold	As at 31.12.2014
<b>Holding company</b>				
<b>Sungei Way Corporation Sdn. Bhd.</b>				
<b>Deemed interest:</b>				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO <sup>g</sup>	10,000,000	-	-	<b>10,000,000</b>
Sarena Cheah Yean Tih <sup>h</sup>	10,000,000	-	-	<b>10,000,000</b>
<b>Ultimate holding company</b>				
<b>Active Equity Sdn. Bhd.</b>				
<b>Direct interest:</b>				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	102,000	-	-	<b>102,000</b>
Sarena Cheah Yean Tih	12,750	-	-	<b>12,750</b>
<b>Deemed interest:</b>				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO <sup>i</sup>	25,500	-	-	<b>25,500</b>
Sarena Cheah Yean Tih <sup>f</sup>	102,000	-	-	<b>102,000</b>



## DIRECTORS' REPORT (CONTD.)

### DIRECTORS' INTERESTS (CONTD.)

	Number of ordinary shares of HKD1 each			
	As at 1.1.2014	Acquired	Sold	As at 31.12.2014
<b>Related corporation</b>				
<b>Sunway Global Limited</b>				
<b>Direct interest:</b>				
Dato' Chew Chee Kin	869,684	-	-	<b>869,684</b>

	Number of warrants 2011/2016			
	As at 1.1.2014	Acquired	Sold	As at 31.12.2014
<b>The Company</b>				
<b>Direct interest:</b>				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	11,142,367	-	-	<b>11,142,367</b>
Tan Sri Datuk Seri Razman M Hashim	134,961	-	-	<b>134,961</b>
Dato' Chew Chee Kin	869,171	-	-	<b>869,171</b>
Sarena Cheah Yean Tih	97,058	-	-	<b>97,058</b>
Wong Chin Mun	13,321	-	(13,321)	-

<b>Deemed interest:</b>				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO <sup>b</sup>	127,135,193	19,027,298	-	<b>146,162,491</b>
Dato' Chew Chee Kin <sup>c</sup>	33,976	270,000	-	<b>303,976</b>
Sarena Cheah Yean Tih <sup>c</sup>	138,158,078	19,027,298	-	<b>157,185,376</b>

## DIRECTORS' REPORT (CONTD.)

## DIRECTORS' INTERESTS (CONTD.)

	First grant of options over ordinary shares (Vested at RM2.76 per share)					
	Number of options over ordinary shares of RM1 each					
	Granted on 3.9.2013	As at 1.1.2014 (Options granted)	As at 1.1.2014 (Vested options)	Movement during the financial year		As at 31.12.2014 (Vested options)
				Vested on 2.9.2014	Exercised	As at 31.12.2014 (Options granted)
<b>The Company</b>						
<b>Direct interest:</b>						
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	17,200,000	17,200,000	4,300,000	4,300,000	-	8,600,000 17,200,000
Tan Sri Datuk Seri Razman M Hashim	500,000	500,000	125,000	125,000	-	250,000 500,000
Dato' Chew Chee Kin	4,500,000	4,500,000	1,125,000	1,125,000	-	2,250,000 4,500,000
Sarena Cheah Yean Tih	1,600,000	1,600,000	400,000	400,000	-	800,000 1,600,000

	Number of options over ordinary shares of HKD1 each			
	As at 1.1.2014	Granted	Expired <sup>j</sup>	As at 31.12.2014

## Related corporation

## Sunway Global Limited

## Direct interest:

Dato' Chew Chee Kin	14,215,770	-	(14,215,770)	-
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<sup>a</sup> Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Builder Sdn. Bhd., Active Equity Sdn. Bhd., Jef-San Enterprise Sdn. Bhd., Sungei Way Corporation Sdn. Bhd. and children.

<sup>b</sup> Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Jef-San Enterprise Sdn. Bhd., Active Equity Sdn. Bhd., Sungei Way Corporation Sdn. Bhd. and children.

<sup>c</sup> Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through spouse.

<sup>d</sup> Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Builder Sdn. Bhd., Active Equity Sdn. Bhd., Sungei Way Corporation Sdn. Bhd., spouse and parents.

<sup>e</sup> 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.

<sup>f</sup> Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through parent.

<sup>g</sup> Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn. Bhd. and children.

<sup>h</sup> Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn. Bhd. and parent.

<sup>i</sup> Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through children.

<sup>j</sup> The options over ordinary shares pursuant to Sunway Global Limited's Employees' Share Option Scheme had expired on 5 October 2014.

## DIRECTORS' REPORT (CONTD.)

### DIRECTORS' INTERESTS (CONTD.)

The options over ordinary shares are pursuant to the Sunway Berhad's Employees' Share Option Scheme 2013/2019.

By virtue of Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling's and Sarena Cheah Yean Tih's substantial interests in the Company and Active Equity Sdn. Bhd., they are deemed to have interest in the shares of all the subsidiaries of the Company and Active Equity Sdn. Bhd. to the extent the Company and Active Equity Sdn. Bhd. have an interest.

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

### ISSUE OF SHARES AND SHARES BUY-BACK

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM1,723,523,759 to RM1,730,579,384 by way of issuance of:

- (i) 3,310,994 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;
- (ii) 3,691,431 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; and
- (iii) 53,200 new ordinary shares of RM1 each pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM3.19 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.

During the financial year, the Company repurchased 8,919,400 of its issued ordinary shares from the open market at prices ranging from RM3.14 to RM3.53 per share. The total consideration paid for the repurchases including transaction costs was RM29,318,550 and was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 31 December 2014, the Company held a total of 8,919,400 ordinary shares as treasury shares out of its total issued and paid up share capital of 1,730,579,384 ordinary shares. Such treasury shares are recorded at a carrying amount of RM29,274,747. The total consideration paid for the purchase of treasury shares was RM29,274,747 and the related transaction costs amounted to RM43,803.

### 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;

## DIRECTORS' REPORT (CONTD.)

## EMPLOYEES' SHARE OPTION SCHEME (CONTD.)

- (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.

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

## (a) Options granted

Grant No	Grant Date	Number of share options '000	Balance as at 1.1.2014/ grant date '000	Movement during the financial year			Balance as at 31.12.2014 '000	Exercise price RM/Option	Exercise period
				Exercised '000	Forfeited '000	Rejected '000			
First	3.9.2013	133,564	128,774	(3,691)	(7,232)	-	117,851	2.76	3.9.2013 - 2.9.2019
Second	2.9.2014	15,735	15,735	(53)	(213)	(783)	14,686	3.19	2.9.2014 - 2.9.2019

## (b) Options vested

## (i) First grant of options over ordinary shares

Vesting date	Vested '000	Exercisable as at 1.1.2014/ grant date '000	Movement during the financial year			Exercisable as at 31.12.2014 '000	Exercise price RM/Option	Exercise period
			Exercised '000	Forfeited '000	Rejected '000			
3.9.2013	29,993	28,964	(2,632)	(1,492)	-	24,840	2.76	3.9.2013 - 2.9.2016
2.9.2014	27,853	27,853	(1,059)	(301)	-	26,493	2.76	2.9.2014 - 2.9.2017

## (ii) Second grant of options over ordinary shares

Vesting date	Vested '000	Exercisable as at 1.1.2014/ grant date '000	Movement during the financial year			Exercisable as at 31.12.2014 '000	Exercise price RM/Option	Exercise period
			Exercised '000	Forfeited '000	Rejected '000			
2.9.2014	4,526	4,526	(53)	(59)	(205)	4,209	3.19	2.9.2014 - 2.9.2017



## DIRECTORS' REPORT (CONTD.)

### EMPLOYEES' SHARE OPTION SCHEME (CONTD.)

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 1,500,000 options and above, which are as follows:

First grant of options over ordinary shares (Vested at RM2.76 per share)							
Number of options over ordinary shares of RM1 each							
Granted on 3.9.2013	As at 1.1.2014		Movement during the financial year		As at 31.12.2014		
	Options granted	Vested options	Vested on 2.9.2014	Exercised	Vested options	Options granted	
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	17,200,000	17,200,000	4,300,000	4,300,000	-	8,600,000	17,200,000
Dato' Chew Chee Kin	4,500,000	4,500,000	1,125,000	1,125,000	-	2,250,000	4,500,000
Dato' Tan Kia Loke	2,000,000	2,000,000	500,000	500,000	-	1,000,000	2,000,000
Wong Fook Chai	1,600,000	1,600,000	400,000	400,000	-	800,000	1,600,000
Chong Chang Choong	1,600,000	1,600,000	400,000	400,000	-	800,000	1,600,000
Evan Cheah Yean Shin	1,600,000	1,600,000	400,000	400,000	-	800,000	1,600,000
Sarena Cheah Yean Tih	1,600,000	1,600,000	400,000	400,000	-	800,000	1,600,000
Kwan Foh Kwai	1,600,000	1,600,000	400,000	400,000	(100,000)	700,000	1,500,000
Dato' Ngeow Voon Yean	1,600,000	1,600,000	400,000	400,000	-	800,000	1,600,000
Ong Pang Yen	1,600,000	1,600,000	320,000	400,000	(200,000)	520,000	1,400,000
Lee Weng Keng	1,600,000	1,600,000	400,000	400,000	-	800,000	1,600,000

### 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, 3,310,994 new ordinary shares of RM1 each were issued pursuant to the exercise of warrants for the equivalent numbers by the registered holders.

## DIRECTORS' REPORT (CONTD.)

### 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.
- (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(a) to the financial statements.

### SUBSEQUENT EVENTS

Details of subsequent events are disclosed in Note 59(b) to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the directors dated 27 April 2015.



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, AO 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 199 to 403 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 2014 and of their financial performance and cash flows for the year then ended.

The information set out in Note 61 on page 404 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 27 April 2015.

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

Dato' Chew Chee Kin

## STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Chong Chang Choong, being the officer primarily responsible for the financial management of Sunway Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 199 to 404 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by  
the abovenamed Chong Chang Choong  
at Petaling Jaya in the State of Selangor  
Darul Ehsan on 27 April 2015

Chong Chang Choong

Before me,



# 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 2014 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 information, as set out on pages 199 to 403.

### *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 requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible 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 about 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 give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

## 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 the 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 404 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

### OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Ernst & Young  
AF: 0039  
Chartered Accountants

Kuala Lumpur, Malaysia  
27 April 2015



Hoh Yoon Hoong  
No. 2990/08/16(J)  
Chartered Accountant

# INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

		GROUP		COMPANY	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	4	4,558,141	4,721,429	217,634	222,292
Cost of sales	5	(3,108,037)	(3,220,590)	(64,109)	(65,546)
Gross Profit		1,450,104	1,500,839	153,525	156,746
Other income	6	338,106	1,283,411	54	29,623
Administrative expenses		(580,740)	(556,161)	(19,076)	(17,220)
Selling and marketing expenses		(183,620)	(163,082)	-	-
Other expenses		(266,539)	(254,805)	(789)	(822)
Operating Profit		757,311	1,810,202	133,714	168,327
Finance and other distribution income	7	48,440	37,550	82,893	61,140
Finance costs	7	(78,859)	(137,983)	(45,113)	(49,488)
Share of results of associates		147,194	13,645	-	-
Share of results of joint ventures		86,156	176,959	-	-
Profit before tax	8	960,242	1,900,373	171,494	179,979
Income tax expense	11	(148,593)	(137,038)	(4,547)	(23,277)
Profit net of tax		811,649	1,763,335	166,947	156,702
Attributable to:					
Owners of the parent		734,011	1,490,371	166,947	156,702
Non-controlling interests		77,638	272,964	-	-
		811,649	1,763,335	166,947	156,702
Earnings per share attributable to owners of the parent (sen per share):					
Basic	12	42.55	94.51		
Diluted	12	40.72	93.83		

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

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit net of tax	811,649	1,763,335	166,947	156,702
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods*:</b>				
Foreign currency translation	51,709	20,319	-	-
Gain/(loss) on fair value changes	-	-	7,102	(6,331)
Exchange differences realised on disposal of subsidiary	(4,788)	-	-	-
Cash flow hedge reserve - fair value gains/(losses)				
- Fair value of derivatives	107,081	74,058	35,224	37,495
- Amount recycled to profit or loss	(113,284)	(72,958)	(33,503)	(38,400)
<b>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods</b>	<b>40,718</b>	<b>21,419</b>	<b>8,823</b>	<b>(7,236)</b>
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods*:</b>				
Share of revaluation surplus on land from associate	91	3,524	-	-
Other comprehensive income/(loss) for the year net of tax	40,809	24,943	8,823	(7,236)
<b>Total comprehensive income for the year</b>	<b>852,458</b>	<b>1,788,278</b>	<b>175,770</b>	<b>149,466</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	761,415	1,512,583	175,770	149,466
Non-controlling interests	91,043	275,695	-	-
	<b>852,458</b>	<b>1,788,278</b>	<b>175,770</b>	<b>149,466</b>

\* There is no tax effect arising from each of the components of the other comprehensive income.

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

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

		GROUP			
		Note	31.12.2014 RM'000	31.12.2013 RM'000 (Restated)	1.1.2013 RM'000 (Restated)
Assets					
Non-current assets					
Property, plant and equipment	14	977,084	827,552	1,523,586	
Software	14a	8,096	8,222	8,769	
Biological assets	15	1,233	981	613	
Investment properties	16	2,370,420	1,833,386	4,809,517	
Rock reserves	17	6,920	7,183	7,444	
Land held for property development	18	535,462	886,805	598,912	
Investments in associates	21	1,532,485	1,392,713	54,634	
Investments in joint ventures	22	988,928	912,182	516,452	
Goodwill	23	319,444	319,444	318,077	
Deferred tax assets	38	42,670	37,741	33,718	
Trade receivables	27	6,723	2,305	3,899	
Other receivables	28	17,214	-	-	
Derivatives	42	66,329	22,955	2,058	
Other investments	24	1,846	1,839	1,802	
		6,874,854	6,253,308	7,879,481	
Current assets					
Property development costs	25	1,518,317	1,174,981	991,529	
Inventories	26	579,963	615,822	650,308	
Trade receivables	27	1,184,739	1,114,107	1,149,123	
Other receivables	28	183,287	119,495	184,165	
Amounts due from associates	29	9,992	5,945	21,014	
Amounts due from joint ventures	30	286,223	215,998	230,556	
Tax recoverable		69,870	55,120	47,827	
Derivatives	42	73,671	19,281	12,203	
Short-term investments	31	330,672	557,433	539,461	
Cash and bank balances	31	1,647,528	961,385	658,029	
		5,884,262	4,839,567	4,484,215	
Assets of disposal group classified as held for sale	32	98,029	8,686	-	
Total assets		12,857,145	11,101,561	12,363,696	



## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014 (CONTD.)

		GROUP		
	Note	31.12.2014 RM'000	31.12.2013 RM'000 (Restated)	1.1.2013 RM'000 (Restated)
<b>Equity and liabilities</b>				
<b>Current liabilities</b>				
Trade payables	39	1,275,804	1,150,160	1,150,716
Other payables	40	838,884	820,605	694,084
Amounts due to associates	29	3,134	1,596	30
Amounts due to joint ventures	30	201	79,428	-
Borrowings	33	2,130,183	1,990,173	2,946,558
Hire purchase and finance lease liabilities	37	2,708	10,573	8,402
Derivatives	42	29	142	197
Tax payable		24,874	21,357	21,015
		4,275,817	4,074,034	4,821,002
<b>Non-current liabilities</b>				
Borrowings	33	1,649,748	790,483	1,677,302
Other payables	40	361,156	294,610	296,046
Long term liabilities	34	15,744	17,653	21,953
Advances by minority shareholders of subsidiaries	35	142,506	136,454	130,033
Hire purchase and finance lease liabilities	37	1,791	4,233	11,102
Deferred tax liabilities	38	82,860	73,994	53,246
Derivatives	42	3,682	66	1,700
		2,257,487	1,317,493	2,191,382
Liabilities of disposal group classified as held for sale	32	-	64,835	-
<b>Total liabilities</b>		<b>6,533,304</b>	<b>5,456,362</b>	<b>7,012,384</b>

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014 (CONTD.)

GROUP				
	Note	31.12.2014 RM'000	31.12.2013 RM'000 (Restated)	1.1.2013 RM'000 (Restated)
<b>Equity and liabilities (contd.)</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital	43	1,730,579	1,723,524	1,292,505
Treasury shares	43	(29,275)	-	-
Share premium	44	2,642,213	2,628,404	2,326,509
Equity contribution	45	51,654	51,654	51,654
Merger reserve	46	(1,192,040)	(1,192,040)	(1,192,040)
Reserves	47	2,733,237	2,094,269	736,187
Reserve of disposal group classified as held for sale	32	-	22,488	-
		5,936,368	5,328,299	3,214,815
Non-controlling interests		387,473	316,900	2,136,497
<b>Total equity</b>		<b>6,323,841</b>	5,645,199	5,351,312
<b>Total equity and liabilities</b>		<b>12,857,145</b>	11,101,561	12,363,696

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014 (CONTD.)

	COMPANY		
	Note	31.12.2014 RM'000	31.12.2013 RM'000 (Restated)
Assets			
Non-current assets			
Property, plant and equipment	14	2,759	2,816
Investments in subsidiaries	19	3,899,592	3,646,592
Investments in joint ventures	22	800	800
Other investments	24	44,408	26,747
		3,947,559	3,676,955
Current assets			
Other receivables	28	3,697	582
Amounts due from subsidiaries	20	1,483,278	1,414,164
Amounts due from joint ventures	30	1,779	1,697
Tax recoverable		185	-
Derivatives	42	43,970	6,947
Short-term investments	31	41,090	293,627
Cash and bank balances	31	336,036	211,865
		1,910,035	1,928,882
Total assets		5,857,594	5,605,837
Equity and liabilities			
Current liabilities			
Other payables	40	30,645	25,430
Amounts due to subsidiaries	36	232	516
Borrowings	33	1,169,850	1,094,100
Tax payable		-	158
		1,200,727	1,120,204
Non-current liabilities			
Borrowings	33	150,000	-
Total liabilities		1,350,727	1,120,204

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014 (CONTD.)

	COMPANY		
	Note	31.12.2014 RM'000	31.12.2013 RM'000 (Restated)
Equity and liabilities (contd.)			
Equity attributable to owners of the parent			
Share capital	43	1,730,579	1,723,524
Treasury shares	43	(29,275)	-
Share premium	44	2,642,213	2,628,404
Reserves	47	163,350	133,705
Total equity		4,506,867	4,485,633
Total equity and liabilities		5,857,594	5,605,837

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



## STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

Attributable to owners of the parent

## Non-distributable

2014 Group	Share capital (Note 43) RM'000	Treasury shares (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 redemp- tion reserve (Note 47) RM'000	Statutory reserve (Note 47) RM'000	Revalu- tion 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, fixtures and equipment reserve (Note 47) RM'000	Foreign currency translation reserve (Note 47) RM'000	Other reserves, total (Note 47) RM'000	Distrib- utable 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 (Note 32) RM'000	Non- controlling interests RM'000	Equity, total RM'000
At 1 January 2014	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	316,900	5,645,199
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	734,011	-	734,011	77,638	811,649
Other comprehensive income / (loss)	-	-	-	-	-	-	-	-	91	-	-	(6,203)	-	56,004	-	49,892	(22,488)	27,404	13,405	40,809
<b>Total recognised income and expense for the year</b>	-	-	-	-	-	-	-	-	91	-	-	(6,203)	-	56,004	49,892	734,011	(22,488)	761,415	91,043	852,458
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-	-	-	(1,560)	-	(1,560)	1,560	-	-	-	-
Transfer to furniture & fittings reserve	-	-	-	-	-	-	-	-	-	-	-	-	(1,560)	-	(1,560)	1,560	-	-	-	-
<b>Transactions with owners</b>																				
Issuance of ordinary shares pursuant:																				
- to exercise of ESOS	3,744	-	8,843	-	-	-	-	-	-	(2,229)	-	-	-	-	(2,229)	-	-	10,358	-	10,358
- to exercise of warrants	3,311	-	4,966	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,277	-	8,277
New ESOS granted	-	-	-	-	-	-	-	-	-	28,426	-	-	-	-	28,426	-	-	28,426	-	28,426
Purchase of treasury shares	-	(29,275)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(29,275)	-	(29,275)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(172,322)	-	(172,322)	-	(172,322)
Dividends paid by the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dilution of equity interest in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1	83	84
Issuance of redeemable preference shares to non-controlling interests by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,200	21,200
Acquisition of equity interest from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,189	-	1,189	(1,189)	-
<b>Total transactions with owners</b>	7,055	(29,275)	13,809	-	-	-	-	-	-	26,197	-	-	-	-	26,197	(171,132)	-	(153,346)	(20,470)	(173,816)
At 31 December 2014	1,730,579	(29,275)	2,642,213	51,654	(1,192,040)	34,137	99,062	879	25,972	69,080	21,712	(4,896)	3,728	33,463	283,137	2,450,100	-	5,936,368	387,473	6,323,841

## STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (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	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	Non-controlling interests RM'000	Equity, total RM'000	
2013 Group	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
At 1 January 2013																			
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,490,371	-	1,490,371	272,964	1,763,335
Other comprehensive income	-	-	-	-	-	-	-	3,524	-	-	1,100	-	17,588	22,212	-	-	22,212	2731	24,943
Total recognised income and expense for the year	-	-	-	-	-	-	-	3,524	-	-	1,100	-	17,588	22,212	1,490,371	-	1,512,583	275,695	1,788,278
Reserve attributable to reserve of disposal group classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	(22,488)	(22,488)	-	22,488	-	-	-
Transfer to furniture & fittings reserve	-	-	-	-	-	-	-	-	-	-	3,591	(22,488)	(18,897)	(3,591)	22,488	-	-	-	-
Transactions with owners																			
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	732,477
Issuance of ordinary shares pursuant to exercise of warrants	116	208	-	-	-	-	-	-	-	-	-	-	-	-	-	324	-	324	324
New ESOS granted	-	-	-	-	-	-	-	-	39,732	-	-	-	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)	(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)	-	(1,857,597)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	713	-	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)	(52,429)	600,901	(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	316,900	5,645,199

## STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

	NON-DISTRIBUTABLE							
	Share capital (Note 43) RM'000	Treasury shares (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
<b>Company</b>								
<b>At 1 January 2013</b>	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 loss	-	-	-	-	(905)	(6,331)	-	(7,236)
<b>Total comprehensive (loss)/ income</b>	-	-	-	-	(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)
<b>At 31 December 2013</b>	1,723,524	-	2,628,404	39,713	(2,952)	(1,869)	98,813	4,485,633
Profit for the year	-	-	-	-	-	-	166,947	166,947
Other comprehensive income	-	-	-	-	1,721	7,102	-	8,823
<b>Total comprehensive income</b>	-	-	-	-	1,721	7,102	166,947	175,770
Issuance of ordinary shares pursuant to:								
Exercise of ESOS	3,744	-	8,843	(2,229)	-	-	-	10,358
Exercise of warrants	3,311	-	4,966	-	-	-	-	8,277
Purchase of treasury shares	-	(29,275)	-	-	-	-	-	(29,275)
ESOS granted	-	-	-	28,426	-	-	-	28,426
Dividends paid by the Company	-	-	-	-	-	-	(172,322)	(172,322)
<b>At 31 December 2014</b>	<b>1,730,579</b>	<b>(29,275)</b>	<b>2,642,213</b>	<b>65,910</b>	<b>(1,231)</b>	<b>5,233</b>	<b>93,438</b>	<b>4,506,867</b>

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

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000 (Restated)
<b>Cash flows from operating activities</b>				
Profit before tax	960,242	1,900,373	171,494	179,979
Adjustments for:				
Finance and other distribution income	(48,440)	(37,550)	(82,893)	(61,140)
Finance costs	78,859	137,983	45,113	49,488
Dividend income	-	-	(148,160)	(152,109)
Distribution of income from real estate investment trust	-	-	(2,123)	(1,359)
Allowance for impairment on amounts due from trade receivables, other receivables, associates and joint ventures	12,496	56,574	-	-
Cash flow hedge recycled to profit or loss	(113,284)	(72,958)	(33,503)	(38,400)
Depreciation and amortisation	117,761	137,046	773	643
Fair value adjustment of:				
- financial instruments	2,721	(219)	-	-
- investment properties and investment properties under construction	(198,792)	(359,566)	-	-
Effect of a former subsidiary becoming:				
- an associate	-	(661,254)	-	-
- a joint venture	-	(108,370)	-	-
Gain on:				
- derecognition of financial statements	-	(13)	-	-
- hedged instruments	(142)	(489)	-	-
(Gain)/loss on disposal of:				
- disposal group classified as held for sale	(13,810)	-	-	-
- land held for property development	-	(7)	-	-
- property, plant and equipment	(1,861)	(16,619)	-	2
- subsidiaries	1,124	(30,889)	-	(27,800)
Net cash generated from/(used in)				
operating activities carried forward	796,874	944,042	(49,299)	(50,696)



## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000 (Restated)
Net cash generated from/(used in)				
operating activities brought forward	796,874	944,042	(49,299)	(50,696)
Loss/(gain) on liquidation of:				
- an associate	335	-	-	-
- a subsidiary	(869)	(240)	-	-
Impairment losses on:				
- Property, plant and equipment	30	1,353	-	-
- Goodwill	-	24	-	-
- Investments in joint ventures	5,463	1,074	-	-
Net unrealised foreign exchange losses/(gains):				
- Hedged items	113,284	72,958	33,503	38,400
- Others	(1,730)	(2,717)	(1)	(2)
Reversal of allowance for impairment				
of trade receivables and other receivables	(1,535)	(3,579)	-	-
Share of results of:				
- associates	(147,194)	(13,645)	-	-
- joint ventures	(86,156)	(176,959)	-	-
Share options granted under ESOS	28,426	39,732	6,960	11,384
Unrealised profit arising from construction project	6,525	-	-	-
Write down of inventories to net realisable value	1,340	8,512	-	-
Write off of:				
- bad debts	1,017	1,231	-	-
- biological assets	38	82	-	-
- inventories	225	1,783	-	-
- property, plant and equipment	973	1,512	-	-
Operating cash flows before				
working capital changes carried forward	717,046	875,163	(8,837)	(914)

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000 (Restated)
Operating cash flows before				
working capital changes brought forward	717,046	875,163	(8,837)	(914)
Changes in working capital:				
Property development costs	(125,010)	(81,114)	-	-
Land held for property development	(102,033)	(33,114)	-	-
Inventories	38,551	24,457	-	-
Trade receivables	(85,129)	(2,105)	-	-
Other receivables	(251,746)	344,610	(1,946)	366
Trade payables	189,989	(2,899)	-	-
Other payables	187,671	(56,056)	676	2,515
Long term payables	64,637	2,002	-	-
Disposal group held for sale	-	59,368	-	-
Cash flow generated from/(used in) operations**	633,976	1,130,312	(10,107)	1,967
Interest received	46,622	36,798	81,724	61,140
Dividend received from:				
Joint ventures and associates	183,391	53,628	2,123	1,359
Subsidiaries	-	-	148,160	152,109
Tax refunded	16,211	24,246	-	-
Tax paid	(172,181)	(151,606)	(4,890)	(23,009)
Net cash flow generated from operating activities	708,019	1,093,378	217,010	193,566

\*\* Refer to page 405 for proforma comparatives after adjusting for effects of non-consolidation of Sunway REIT for the period from 1 January 2013 to 31 October 2013.

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000 (Restated)
<b>Cash flows from investing activities</b>				
Proceeds from disposal of:				
- biological assets	17	-	-	-
- equity interest in a subsidiary	83	-	-	-
- land held for development	-	951	-	-
- other investment	4	-	-	-
- property, plant and equipment	16,827	18,416	-	-
Acquisition of:				
- biological assets	(723)	(514)	-	-
- equity interest from non-controlling interest	-	(60,769)	-	-
- software	(3,175)	(3,078)	-	-
- investment properties and investment properties under construction (Note a)	(254,758)	(455,252)	-	-
- lands	(263,602)	(58,897)	-	-
- other investment	(11)	(32)	(10,559)	(11,800)
- property, plant and equipment (Note b)	(205,329)	(154,096)	(716)	(283)
- subsidiaries and subsequent investment in subsidiaries	-	(10,582)	(253,000)	(24,527)
Effect of a former subsidiary becoming an associate	-	(70,209)	-	-
Investments in:				
- joint ventures	(63,799)	(162,353)	-	-
- associates	(82,698)	(2,531)	-	-
Net cash flow from:				
- disposal of subsidiaries	2,713	31,479	-	28,000
- disposal of group classified as held for sale	12,243	-	-	-
- liquidation of subsidiaries	5,850	-	-	-
Advances (to)/from:				
- subsidiaries	-	-	(47,930)	(102,696)
- associates and joint ventures	(14,234)	107,526	(82)	(1,697)
Net cash flow from fund placements	(35,415)	(557,433)	165,357	(293,627)
Net cash used in investing activities	(886,007)	(1,377,374)	(146,930)	(406,630)

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000 (Restated)
<b>Cash flows from financing activities</b>				
Drawdown of:				
- term loans	2,246,360	1,338,309	671,329	-
- revolving credits	560,491	293,651	80,000	-
- commercial papers	-	315,000	-	400,000
- medium term notes	150,000	600,000	150,000	-
- other bank borrowings	338,417	70,163	-	-
Repayment of:				
- hire purchase and finance lease liabilities	(15,898)	(9,397)	-	-
- term loans	(1,654,989)	(1,680,966)	(675,882)	(420,551)
- revolving credits	(435,885)	(303,256)	-	-
- commercial papers	(35,000)	(676,995)	(35,000)	-
- medium term notes	-	(80,000)	-	(85,000)
- other bank borrowings	(286,122)	(88,325)	-	-
Interest paid	(69,671)	(125,440)	(40,574)	(49,488)
Proceeds from issuance of:				
- non-cumulative redeemable preference share to non-controlling interests	21,200	-	-	-
- issuance of shares pursuant to rights issue	-	732,477	-	732,477
- issuance of shares pursuant to exercise of warrants	8,277	324	8,277	324
- issuance of shares pursuant to exercise of ESOS	10,358	94	10,358	94
Advances from non-controlling interests of subsidiaries	6,052	6,421	-	-
Capital repayment to non-controlling interests	-	(5,364)	-	-
Dividends paid	(172,322)	(163,724)	(172,322)	(163,724)
Dividends paid to non-controlling interests of subsidiaries	(40,564)	(180,588)	-	-
Shares buyback	(29,275)	-	(29,275)	-
Net cash generated from/(used in) financing activities	601,429	42,384	(33,089)	414,132



## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000 (Restated)
Net increase/(decrease) in cash and cash equivalents	423,441	(241,612)	36,991	201,068
Effects of foreign exchange rates changes	(2,197)	10,966	-	-
Cash and cash equivalents at beginning of financial year	871,666	1,102,312	211,865	10,797
Cash and cash equivalents at end of financial year (Note 31) *	1,292,910	871,666	248,856	211,865

Note a:

Additions of investment properties and

investment properties under construction	254,758	456,941	-	-
Additions via deferred payment	-	(1,689)	-	-
Cash outflow for investment properties	254,758	455,252	-	-

Note b:

Additions of property, plant and equipment (Note 14)	210,920	158,795	716	283
Additions via hire purchase and finance lease liabilities	(5,591)	(4,699)	-	-
Cash outflow for acquisition of property, plant and equipment	205,329	154,096	716	283

\* Placement in funds and deposits with other financial institutions with maturity of over 3 months of the Group and the Company amounting to RM592,852,000 and RM128,270,000 (2013: RM557,433,000 and RM293,627,000) respectively are excluded from cash and cash equivalents.

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

## 1. CORPORATE INFORMATION

Sunway Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal place of business and registered office of the Company are 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 immediate and ultimate holding companies of the Company are Sungei Way Corporation Sdn. Bhd. and Active Equity Sdn. Bhd. respectively.

The financial statements for the financial year ended 31 December 2014 were authorised for issue in accordance with a resolution of the directors on 27 April 2015.

## 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 requirements of 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 2014 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 year except as follows:

On 1 January 2014, 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 2014.

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

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (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:

#### **Recoverable Amount Disclosures for Non-Financial Assets (Amendments to FRS 136)**

The amendments to FRS 136 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives has been allocated when there has been no impairment or reversal of impairment of the related CGU. In addition, the amendments introduce additional disclosure requirements when the recoverable amount is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by FRS 13 Fair Value Measurements.

### 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 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Amendment to FRS 2: Share-based Payment (Annual Improvements to FRSs 2010-2012 Cycle)	1 July 2014
Amendment to FRS 3: Business Combinations (Annual Improvements to FRSs 2010-2012 Cycle)	1 July 2014
Amendment to FRS 3: Business Combinations (Annual Improvements to FRSs 2011-2013 Cycle)	1 July 2014
Amendment to FRS 8: Operating Segments (Annual Improvements to FRSs 2010-2012 Cycle)	1 July 2014
Amendment to FRS 13: Fair Value Measurement (Annual Improvements to FRSs 2011-2013 Cycle)	1 July 2014
Amendment to FRS 116: Property, Plant & Equipment; Amendment to FRS 138: Intangible Assets (Annual Improvements to FRSs 2010-2012 Cycle)	1 July 2014
Amendment to FRS 124: Related Party Disclosures (Annual Improvements to FRSs 2010-2012 Cycle)	1 July 2014
Amendment to FRS 140: Investment Property (Annual Improvements to FRSs 2011-2013 Cycle)	1 July 2014
Amendment to FRS 5: Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements to FRSs 2012-2014 Cycle)	1 January 2016

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

## 2.3 Standards and interpretations issued but not yet effective (contd.)

Description	Effective for annual periods beginning on or after
Amendment to FRS 7: Financial Instruments: Disclosures (Annual Improvements to FRSs 2012-2014 Cycle)	1 January 2016
Amendments to FRS 119: Defined Benefit Plans: Employee Contributions (Annual Improvements to FRSs 2012-2014 Cycle)	1 January 2016
Amendments to FRS 134 Interim Financial Reporting (Annual Improvements to FRSs 2012-2014 Cycle)	1 January 2016
Amendment to FRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendment to FRS 127: Equity Method in Separate Financial Statement	1 January 2016
Amendment to FRS 101: Disclosure Initiatives FRS 14: Regulatory Deferral Accounts	1 January 2016
Amendment to FRS 116 and FRS 138: Clarification of Acceptable Method of Depreciation and Amortisation	1 January 2016
Amendment to FRS 10 and FRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendment to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the consolidation Exception	1 January 2016
Amendment to FRS 9: Financial Instruments	1 January 2018

**Amendments to FRS 119 Defined Benefit Plans: Employee Contributions**

The amendments to FRS 119 clarify how an entity should account for contributions made by employee or third parties to defined benefits plans, based on whether those contributions are dependent on the number of years of service provided by the employee. For contributions that are independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. For contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's and the Company's financial statements.

**Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation**

The amendments clarify that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of an asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

### 2.3 Standards and interpretations issued but not yet effective (contd.)

#### **Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation** (contd.)

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as the Group has not used a revenue-based method to depreciate its non-current assets.

#### **Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and
- gains and losses resulting from transactions involving the sale or contribution to an associate of a joint venture of assets that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after 1 January 2016. Earlier application is permitted.

#### **Amendments to FRS 11 Joint Arrangements: Accounting for Acquisition of Interest in Joint Operations**

The amendments to FRS 11 require that a joint operator which acquires an interest in a joint operations which constitute a business to apply the relevant FRS 3 Business Combinations principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to FRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. The Directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's consolidated financial statements.

#### **Amendments to FRS 127: Equity Method in Separate Financial Statements**

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying FRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of FRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to FRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

#### **Amendments to FRS 101: Disclosure Initiatives**

The amendments to FRS 101 include narrow-focus improvements in the following five areas:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

### 2.3 Standards and interpretations issued but not yet effective (contd.)

#### Amendments to FRS 101: Disclosure Initiatives (contd.)

The Directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

#### Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments further clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. In addition, the amendments also provides that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries.

The amendments are to be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

#### FRS 14 Regulatory Deferral Accounts

FRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulations, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of FRS. Entities that adopt FRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in the account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. Since the Group is an existing FRS preparer, this standard would not apply.

#### FRS 9 Financial Instruments

In November 2014, MASB issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

#### Annual Improvements to FRSS 2010–2012 Cycle

The Annual Improvements to FRSS 2010–2012 Cycle include a number of amendments to various FRSS, which are summarised below. The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's and the Company's financial statements.

#### (a) **Amendment to FRS 2 Share-based Payment**

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

### 2.3 Standards and interpretations issued but not yet effective (contd.)

#### Annual Improvements to FRSs 2010–2012 Cycle (contd.)

##### (a) Amendment to FRS 2 Share-based Payment (contd.)

- A performance condition must contain a service condition.
- A performance target must be met while the counterparty is rendering service.
- A performance target may relate to the operations or activities of an entity, or those of another entity in the same group.
- A performance condition may be a market or non-market condition.
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

This improvement is effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

##### (b) Amendment to FRS 3 Business Combinations

The amendments to FRS 3 clarifies that contingent consideration classified as liabilities (or assets) should be measured at fair value through profit or loss at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of FRS 9 or FRS 139. The amendments are effective for business combinations for which the acquisition date is on or after 1 July 2014.

##### (c) Amendment to FRS 8 Operating Segments

The amendments are applied retrospectively and clarifies that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in FRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar; and
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

##### (d) Amendment to FRS 116 Property, Plant and Equipment and Amendment to FRS 138 Intangible Assets

The amendments remove inconsistencies in the accounting for accumulated depreciation or amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amendments clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

##### (e) Amendment to FRS 124 Related Party Disclosures

The amendments clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. The reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services.

#### Annual Improvements to FRSs 2011–2013 Cycle

The Annual Improvements to FRSs 2011–2013 Cycle include a number of amendments to various FRSs, which are summarised below. The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's and the Company's financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

### 2.3 Standards and interpretations issued but not yet effective (contd.)

#### Annual Improvements to FRSs 2011-2013 Cycle (contd.)

##### (a) Amendment to FRS 3 Business Combinations

The amendments to FRS 3 clarify that the standard does not apply to the accounting for formation of all types of joint arrangement in the financial statements of the joint arrangement itself. This amendment is to be applied prospectively.

##### (b) Amendment to FRS 13 Fair Value Measurement

The amendments to FRS 13 clarify that the portfolio exception in FRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of FRS 9 (or FRS 139 as applicable).

##### (c) Amendment to FRS 140 Investment Property

The amendments to FRS 140 clarify that an entity acquiring investment property must determine whether:

- the property meets the definition of investment property in terms of FRS 140; and
- the transaction meets the definition of a business combination under FRS 3;

to determine if the transaction is a purchase of an asset or is a business combination.

#### Annual Improvements to FRSs 2012-2014 Cycle

The Annual Improvements to FRSs 2012-2014 Cycle include a number of amendments to various FRSs, which are summarised below. The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's and the Company's financial statements.

##### (a) FRS 5 Non-current Assets Held for Sale and Discontinued Operations

The amendment to FRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in FRS 5.

The amendment also clarifies that changing the disposal method does not change the date of classification. This amendment is to be applied prospectively to changes in methods of disposal that occur in annual periods beginning on or after 1 January 2016, with earlier application permitted.

##### (b) FRS 7 Financial Instruments: Disclosures

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in FRS 7 in order to assess whether the disclosures are required.

In addition, the amendment also clarifies that the disclosures in respect of offsetting of financial assets and financial liabilities are not required in the condensed interim financial report.

##### (c) FRS 119 Employee Benefits

The amendment to FRS 119 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

### 2.3 *Standards and interpretations issued but not yet effective (contd.)*

#### Annual Improvements to FRSs 2012–2014 Cycle (contd.)

##### (d) FRS 134 Interim Financial Reporting

FRS 134 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'.

The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.

#### Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called "Transitioning Entities").

Transitioning Entities are allowed to defer adoption of the new MFRS Framework for an additional two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2017.

The Group and the Company fall 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 2017. In presenting its first MFRS financial statements, the Group and the Company 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 2017.

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

### 2.4 Fair value measurement (contd.)

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

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 Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle;
- (ii) Held primarily for the purpose of trading;
- (iii) Expected to be realised within twelve months after the reporting period; or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

### 2.5 *Current versus non-current classification (contd.)*

A liability is current when:

- (i) It is expected to be settled in normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 2.6 *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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

### 2.6 Basis of consolidation (contd.)

#### **Business combinations**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

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 contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of FRS 139 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in either profit or loss or as a change to Other Comprehensive Income. If the contingent consideration is not within the scope of FRS 139, it is measured in accordance with the appropriate FRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

### 2.7 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.



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

### 2.7 Transactions with non-controlling interest (contd.)

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the parent.

### 2.8 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.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

### 2.9 Property, plant and equipment, and software

All items of property, plant and equipment, and software 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. Software is regarded as intangible assets with a finite useful lives.

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.

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
Software	20

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.

### 2.10 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.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

### 2.10 Biological assets (contd.)

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.

### 2.11 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 2.9 up to the date of change in use.

### 2.12 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.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

##### *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 Non-current assets held for sale*

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the assets is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current asset is brought up-to-date in accordance with applicable FRSSs.

##### *2.15 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.

##### *2.16 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.

##### *2.17 Investments in associates and joint ventures*

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

### 2.17 Investments in associates and joint ventures (contd.)

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 unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associates and joint ventures are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised 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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

### 2.18 Financial assets (contd.)

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

### 2.18 Financial assets (contd.)

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

### 2.19 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.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

### 2.19 Impairment of financial assets (contd.)

#### (c) Available-for-sale financial assets (contd.)

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

### 2.20 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks and short term deposits with a maturity of three months or less that are readily convertible to known amounts 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 current asset and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within current liability.



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

### 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.

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

### 2.24 Financial liabilities (contd.)

#### (b) Other financial liabilities (contd.)

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

### 2.25 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 2014 (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 ("ESOS")

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.

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

### 2.28 Leases (contd.)

#### (a) As lessee (contd.)

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.

### 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 2.12.

#### (c) Rental income

Rental income including those from investment properties, is recognised on the accrual basis unless recoverability is in doubt, in which case, it is recognised on receipt basis.

#### (d) Investment income

Dividend income is recognised when the Group's right to receive payment is established.

Interest income from short term deposits and advances is recognised on the accrual basis, using the effective interest method, unless recoverability is in doubt, in which case, it is recognised on receipt basis.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

### 2.29 Revenue (contd.)

#### (e) Sale of goods, services and rights of enjoyment

Revenue from sale of goods is recognised based on invoiced value of goods sold and revenue from sale of services is recognised net of service taxes and discounts as and when services are performed.

Entrance fees collected for rights of enjoyment of facilities are recognised when tickets are sold.

#### (f) Club subscription fees

Club subscription fees are recognised on the accrual basis.

#### (g) Time share revenue

Membership fees are recognised over the membership period.

Annual maintenance fees are recognised on the accrual basis based on fees chargeable to members upon execution and renewal of the membership.

#### (h) Management fees

Management fees from the management of real estate investment funds activity and the provision of management services to subsidiaries 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.

#### (j) Property management fees

Revenue from property management fees are recognised as income as and when the services are performed.

### 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



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

### 2.30 Income taxes (contd.)

#### (b) Deferred tax (contd.)

- 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.

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

### 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 Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

### 2.35 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.

## 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.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

#### 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (contd.)

##### 3.1 Judgements made in applying accounting policies (contd.)

###### (a) Operating lease commitments - as lessor (contd.)

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 2014 is RM319,444,000 (2013: RM319,444,000). Further details are disclosed in Note 23.

###### (b) Depreciation of property, plant and equipment, and software

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 22 years to 46 years.

The useful lives and residual values of other components of property, plant and equipment, and software 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.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

#### 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (contd.)

##### 3.2 Key sources of estimation uncertainty (contd.)

###### (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 2014, the total carrying value of recognised tax losses and capital allowances of the Group is RM85,529,000 (2013: RM88,112,000) and the unrecognised tax losses, capital allowances, investment tax allowances and other temporary differences of the Group is RM426,689,000 (2013: RM452,177,000). 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 RM848,057,000 (2013: RM781,124,000). Further details are disclosed in Note 16.

###### (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.

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)****3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (contd.)****3.2 Key sources of estimation uncertainty (contd.)****(g) Construction contracts (contd.)**

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 joint ventures amounting to RM5,463,000 (2013: RM1,074,000). The carrying amount of investments in associates and joint ventures as at 31 December 2014 are RM1,532,485,000 (2013: RM1,392,713,000) and RM988,928,000 (2013: RM912,182,000) 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.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 4. REVENUE

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
Property development:				
- sale of properties under development	1,130,961	1,055,540	-	-
- sale of completed properties	63,173	110,456	-	-
Construction contracts*	1,481,482	1,591,133	-	-
Sale of goods and services (Note 60)	1,770,257	1,622,219	-	-
Rental income*	98,067	338,867	-	-
Management fees from real estate investment trust fund	7,359	1,431	-	-
Lease and hire purchase	909	706	-	-
Time sharing fees	3,378	1,077	-	-
Dividend income from subsidiaries (Note 52)	-	-	148,160	152,109
Distribution of income from real estate investment trust (Note 52)	-	-	2,123	1,359
Management fees from:				
Subsidiaries (Note 52)	-	-	64,796	68,824
A joint venture (Note 52)	2,555	-	2,555	-
	4,558,141	4,721,429	217,634	222,292

## 5. COST OF SALES

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
Property development costs:				
- current year (Note 25)	(652,713)	(733,240)	-	-
- (under)/over recognised in prior years	(1,383)	32,566	-	-
Cost of completed properties sold	(36,180)	(72,052)	-	-
Construction contract costs	(1,202,334)	(1,318,446)	-	-
Cost of goods sold and services rendered	(1,212,904)	(1,046,425)	(64,109)	(65,546)
Lease and hire purchase	(130)	(530)	-	-
Cost of time sharing business operations	(2,393)	(792)	-	-
Property operating expenses*	-	(81,671)	-	-
	(3,108,037)	(3,220,590)	(64,109)	(65,546)

\* Refer to page 405 for proforma comparatives after adjusting for effects of non-consolidation of Sunway REIT for the period from 1 January 2013 to 31 October 2013.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 6. OTHER INCOME

Included in other income are the following:

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Fair value gain of:				
- investment properties* (Note 16)	144,795	325,849	-	-
- investment properties under construction (Note 16)	56,076	36,051	-	-
- derivative financial instruments	910	219	-	-
Gain upon former subsidiary becoming:				
- an associate	-	661,254	-	-
- a joint venture	-	108,370	-	-
Forfeiture income	1,396	1,961	-	-
Gain on disposal of:				
- assets held for sale	13,810	-	-	-
- subsidiaries	-	30,889	-	27,800
- property, plant and equipment	2,035	16,715	-	-
Gain on:				
- liquidation of subsidiaries (Note 19)	869	240	-	-
- derecognition of financial assets and financial liabilities	-	13	-	-
- hedged instruments	142	489	-	-
Rental income				
- equipment	14,234	12,391	-	-
- land and buildings	10,804	11,343	-	-
- others	11,950	11,372	-	-
Bad debts recovered	-	118	-	-
Reversal of allowance for impairment				
- trade receivables (Note 27)	1,535	3,493	-	-
- other receivables (Note 28)	-	86	-	-
Income receivable from back to back loan (Note 52)	-	-	-	821
Legal compensation	4,309	-	-	-
Foreign exchange gain				
- realised	8,930	8,656	2	-
- unrealised	5,052	4,593	12	2

\* Refer to page 405 for proforma comparatives after adjusting for effects of non-consolidation of Sunway REIT for the period from 1 January 2013 to 31 October 2013.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 7. FINANCE AND OTHER DISTRIBUTION INCOME AND FINANCE COSTS

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Finance and other distribution income</b>				
Finance and other distribution income from:				
Advances to subsidiaries (Note 52)	-	-	66,001	54,353
Accretion of interest	1,818	752	-	-
Deposits with licensed banks	6,385	14,678	-	-
Placement in funds	30,606	16,920	16,892	6,186
Others	9,631	5,200	-	601
	<b>48,440</b>	<b>37,550</b>	<b>82,893</b>	<b>61,140</b>
<b>Finance costs</b>				
Interest expense in relation to:				
Hire purchase and finance lease liabilities	(608)	(1,609)	-	-
Advances from subsidiaries (Note 52)	-	-	-	(576)
Bank overdrafts	(1,033)	(76)	-	-
Revolving credits	(5,945)	(10,760)	(315)	-
Commercial papers and medium term notes*	(25,877)	(47,806)	(25,877)	(6,803)
Term loans	(28,168)	(60,185)	(18,921)	(42,109)
Bankers' acceptance	(5,502)	(1,441)	-	-
Unwinding of discount	(9,188)	(12,543)	-	-
Amortisation of loan expense	-	(2,773)	-	-
Others	(2,538)	(790)	-	-
	<b>(78,859)</b>	<b>(137,983)</b>	<b>(45,113)</b>	<b>(49,488)</b>

\* Refer to page 405 for proforma comparatives after adjusting for effects of non-consolidation of Sunway REIT for the period from 1 January 2013 to 31 October 2013.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 8. PROFIT BEFORE TAX

The following amounts have been included in arriving at profit before tax:

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
Employee benefits expense (Note 9)	669,933	649,043	69,323	70,311
Non-executive directors' remuneration (Note 10)	428	410	428	410
Auditors' remuneration:				
- statutory audits	3,601	3,248	312	295
- other services	-	167	-	-
Hire of plant and machinery	442	1,007	-	-
Depreciation/amortisation:				
- property, plant and equipment* (Note 14)	113,783	133,096	773	643
- software (Note 14a)	3,299	3,625	-	-
- biological assets (Note 15)	416	64	-	-
- rock reserves (Note 17)	263	261	-	-
Foreign exchange loss:				
- realised	8,965	11,978	7	-
- unrealised	3,322	1,876	11	-
- unrealised (hedged items)	113,284	72,958	33,503	38,400
Cash flow hedge reserve recycled to profit or loss	(113,284)	(72,958)	(33,503)	(38,400)
Fair value loss of:				
- derivative financial instruments	3,631	-	-	-
- investment properties (Note 16)	2,079	2,334	-	-
Impairment losses on:				
- property, plant and equipment (Note 14)	30	1,353	-	-
- goodwill (Note 23)	-	24	-	-
- investments in joint ventures	5,463	1,074	-	-
Write down of inventories to net realisable value (Note 26)	1,340	8,512	-	-
Loss on disposal of:				
- subsidiaries (Note 19)	1,124	-	-	-
- property, plant and equipment	174	96	-	2

\* Refer to page 405 for proforma comparatives after adjusting for effects of non-consolidation of Sunway REIT for the period from 1 January 2013 to 31 October 2013.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 8. PROFIT BEFORE TAX (contd.)

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
Write off of:				
- bad debts	1,017	1,231	-	-
- property, plant and equipment	973	1,512	-	-
- biological assets	38	82	-	-
- inventories	225	1,783	-	-
Loss on liquidation of associate (Note 21)	335	-	-	-
Allowance for impairment:				
- trade receivables (Note 27)	12,327	31,240	-	-
- other receivables (Note 28)	169	956	-	-
- amounts due from associates	-	24,378	-	-
Rental expense:				
- land and buildings*	76,658	10,677	-	-
- plant and equipment	1,579	1,776	-	-
- others	633	549	-	-
Direct operating expenses arising from investment properties that generated rental income	14,281	13,691	-	-



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 9. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Wages, salaries and bonuses	534,022	499,951	52,221	48,722
Social security contributions	4,458	4,534	126	135
Contributions to defined contribution plan	52,642	47,316	8,113	7,408
ESOS	28,426	38,348	6,960	11,384
Other benefits	50,385	58,894	1,903	2,662
	669,933	649,043	69,323	70,311

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM26,374,000 (2013: RM25,511,000) as further disclosed in Note 10.

\* Refer to page 405 for proforma comparatives after adjusting for effects of non-consolidation of Sunway REIT for the period from 1 January 2013 to 31 October 2013.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)**

**10. DIRECTORS' REMUNERATION**

	GROUP / COMPANY	
	2014 RM'000	2013 RM'000
Executive directors' remuneration:		
Other emoluments	21,924	17,644
ESOS	4,450	7,867
Total executive directors' remuneration (excluding benefits-in-kind) (Note 9)	26,374	25,511
Estimated money value of benefits-in-kind	229	161
Total executive directors' remuneration	26,603	25,672
Non-executive directors' remuneration (Note 8):		
Fees	360	332
Other emoluments	68	78
Total non-executive directors' remuneration	428	410
Total directors' remuneration including benefits-in-kind (Note 53)	27,031	26,082

The details of remuneration receivable by directors of the Company during the financial year are as follows:

	COMPANY	
	2014 RM'000	2013 RM'000
Executive:		
Salaries, bonus and other emoluments	18,424	14,827
Contribution to defined contribution plan	3,500	2,817
ESOS	4,450	7,867
Total executive directors' remuneration (excluding benefits-in-kind) (Note 9)	26,374	25,511
Estimated money value of benefits-in-kind	229	161
	26,603	25,672
Non-executive:		
Fees	360	332
Other emoluments	68	78
	428	410
Total directors' remuneration including benefits-in-kind (Note 53)	27,031	26,082

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (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	
	2014	2013
Executive directors:		
RM500,000 - RM600,000	1	1
RM1,500,000 - RM2,000,000	1	1
RM5,400,000 - RM6,300,000	1	1
RM19,900,000 - RM22,050,000	1	1
Non-executive directors:		
RM100,000 - RM200,000	3	4

## 11. INCOME TAX EXPENSE

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current income tax:				
Malaysian income tax	129,904	110,340	4,615	23,242
Foreign tax	17,562	13,979	-	-
	147,466	124,319	4,615	23,242
(Over)/underprovision in prior years:				
Malaysian income tax	(2,221)	(2,819)	(68)	35
Foreign tax	(508)	(1,091)	-	-
	(2,729)	(3,910)	(68)	35
	144,737	120,409	4,547	23,277
Deferred tax (Note 38):				
Relating to origination and reversal of temporary differences	14,949	18,731	-	-
Overprovision in prior years	(11,093)	(2,102)	-	-
	3,856	16,629	-	-
Total income tax expense	148,593	137,038	4,547	23,277

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 11. INCOME TAX EXPENSE (contd.)

Domestic current income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 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. Deferred tax has been adjusted to reflect this reduction.

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	
	2014 RM'000	2013 RM'000
Profit before tax	960,242	1,900,373
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	240,061	475,093
Different tax rates in other countries	(5,909)	2,018
Deferred tax recognised at different tax rates	(30,561)	(45,064)
Income not subject to tax	(21,781)	(4,192)
Expenses not deductible for tax purposes	50,764	41,888
Utilisation of previously unrecognised tax losses, unabsorbed capital allowances and other deductible temporary differences	(7,183)	(1,456)
Deferred tax assets not recognised in respect of current year's tax losses, unabsorbed capital allowances and other deductible temporary differences	2,556	9,498
Deferred tax assets recognised on previously unrecognised tax losses, unabsorbed capital allowances and other deductible temporary differences	(1,745)	(4,277)
Effect of share of profit of associates	(36,798)	(3,411)
Effect of share of profit of joint ventures	(21,540)	(44,240)
Reversal of previously recognised revaluation of investment properties	(5,449)	-
Tax effect on gain arising from change in control (Note a)	-	(192,406)
Sunway REIT income not subject to tax (Note b)	-	(90,401)
Overprovision of income tax in prior years	(2,729)	(3,910)
Overprovision of deferred tax in prior years	(11,093)	(2,102)
Income tax expense for the year	148,593	137,038

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 11. INCOME TAX EXPENSE (contd.)

**Note (a):**

During the financial year ended 31 December 2013, 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.

**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	
	2014 RM'000	2013 RM'000
Profit before tax	171,494	179,979
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	42,874	44,995
Income not subject to tax	(41,319)	(26,383)
Expenses not deductible for tax purposes	3,034	4,910
(Over)/under provision of income tax in prior years	(68)	35
Utilisation of previously unrecognised tax losses, unabsorbed capital allowances and other deductible temporary differences	-	(280)
Deferred tax assets not recognised in respect of current year's tax losses, unabsorbed capital allowances and other deductible temporary differences	26	-
Income tax expense for the year	4,547	23,277

## 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	
	2014 RM'000	2013 RM'000
Profit attributable to owners of the parent (RM'000)	734,011	1,490,371
Weighted average number of ordinary shares in issue ('000)	1,724,906	1,576,976
Basic earnings per share (sen)	42.55	94.51



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (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 Notes 43(a), 43(b) and 43(c) 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 year have been adjusted for the dilutive effects of all potential ordinary shares, arising from share options granted to directors and employees and warrants.

	GROUP	
	2014 RM'000	2013 RM'000
Profit attributable to owners of the parent (RM'000)	<b>734,011</b>	1,490,371
Weighted average number of ordinary shares in issue ('000)	<b>1,724,906</b>	1,576,976
Effect of dilution of share options and warrants ('000)	<b>77,766</b>	11,359
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<b>1,802,672</b>	1,588,335
Diluted earnings per share (sen)	<b>40.72</b>	93.83

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 13. DIVIDENDS PAID AND PROPOSED

	GROUP	
	2014 RM'000	2013 RM'000
<b>Dividends on ordinary shares declared and paid:</b>		
Interim dividend for 2013: RM0.05 per share (2012: RM0.06)	<b>86,176</b>	77,550
First interim dividend for 2014: RM0.05 per share (2013: RM0.05)	<b>86,146</b>	86,174
	<b>172,322</b>	163,724

**Dividends declared on ordinary shares but not recognised at end of financial year:**

Second interim dividend for 2014: RM0.06 per share (2013: RM0.05 per share)	<b>103,847</b>	86,176
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Dividends on ordinary shares were declared on 25 February 2015 (2013: 27 February 2014) are to be paid on 30 April 2015 (2013: 30 April 2014) and accordingly, the amounts have not been recognised as a liability as at the end of the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

### 14. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Buildings RM'000	Leasehold land RM'000	Renovations RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Equipment, furniture and fittings RM'000	Quarry development expenditure RM'000	Capital work-in- progress RM'000	Total RM'000
<b>Group</b>										
<b>At 31 December 2014</b>										
<b>Cost</b>										
At 1 January 2014 (as previously stated)	61,452	521,055	20,008	13,215	995,983	65,327	174,837	31,573	49,376	1,932,826
Effect of reclassification (Note 60)	(26,000)	-	-	-	(10,166)	-	(14,219)	-	(4,428)	(54,813)
At 1 January 2014 (as restated)	35,452	521,055	20,008	13,215	985,817	65,327	160,618	31,573	44,948	1,878,013
Additions	-	10,255	1,834	5,241	104,504	6,180	13,378	4,387	65,141	210,920
Disposals/write-offs	-	(2,234)	-	(636)	(52,725)	(4,813)	(5,394)	-	-	(65,802)
Reclassifications	-	493	(15)	8,204	-	-	10,627	-	(19,309)	-
Transfer from investment properties under construction (Note 16)	-	-	-	-	-	-	-	-	97,290	97,290
Attributable to disposal group classified as held for sale (Note 32)	(3,828)	(23,210)	-	(17,845)	-	(90)	(17,343)	-	-	(62,316)
Exchange differences	-	4,935	316	48	7,022	330	1,367	-	1	14,019
<b>At 31 December 2014</b>	<b>31,624</b>	<b>511,294</b>	<b>22,143</b>	<b>8,227</b>	<b>1,044,618</b>	<b>66,934</b>	<b>163,253</b>	<b>35,960</b>	<b>188,071</b>	<b>2,072,124</b>
<b>Accumulated depreciation</b>										
At 1 January 2014 (as previously stated)	-	116,813	4,061	4,392	617,858	46,933	121,298	7,306	(2)	918,659
Effect of reclassification (Note 60)	-	-	-	-	(8,035)	-	(8,128)	-	-	(16,163)
At 1 January 2014 (as restated)	-	116,813	4,061	4,392	609,823	46,933	113,170	7,306	(2)	902,496
Depreciation charge for the year (Note 8)	-	12,097	338	2,890	73,239	5,156	17,602	1,808	653	113,783
Disposals/write-offs	-	(844)	-	(429)	(39,922)	(3,647)	(2,744)	-	-	(47,586)
Reclassifications	-	(46)	-	-	-	-	46	-	-	-
Attributable to disposal group classified as held for sale (Note 32)	-	(4,837)	-	(4,203)	-	(90)	(14,414)	-	-	(23,544)
Exchange differences	-	863	73	44	1,376	67	438	-	-	2,861
<b>At 31 December 2014</b>	<b>-</b>	<b>124,046</b>	<b>4,472</b>	<b>2,694</b>	<b>644,516</b>	<b>48,419</b>	<b>114,098</b>	<b>9,114</b>	<b>651</b>	<b>948,010</b>
<b>Accumulated impairment losses</b>										
At 1 January 2014	-	66,246	-	226	74,458	111	325	-	6,599	147,965
Impairment loss for the year (Note 8)	-	-	-	-	30	-	-	-	-	30
Disposals/write-offs	-	-	-	(208)	(1,154)	-	(70)	-	(845)	(2,277)
Exchange differences	-	-	-	-	1,305	4	2	-	1	1,312
<b>At 31 December 2014</b>	<b>-</b>	<b>66,246</b>	<b>-</b>	<b>18</b>	<b>74,639</b>	<b>115</b>	<b>257</b>	<b>-</b>	<b>5,755</b>	<b>147,030</b>
<b>Net carrying amount</b>	<b>31,624</b>	<b>321,002</b>	<b>17,671</b>	<b>5,515</b>	<b>325,463</b>	<b>18,400</b>	<b>48,898</b>	<b>26,846</b>	<b>181,665</b>	<b>977,084</b>

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 14. PROPERTY, PLANT AND EQUIPMENT (contd.)

	Freehold land RM'000	Buildings RM'000	Leasehold land RM'000	Renovations RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Equipment, furniture and fittings RM'000	Quarry development expenditure RM'000	Capital work-in- progress RM'000	Total RM'000
<b>Group (contd.)</b>										
<b>At 31 December 2013</b>										
<b>Cost</b>										
At 1 January 2013 (as previously stated)	61,452	1,232,278	30,991	17,634	982,276	63,398	384,428	24,564	32,651	2,829,672
Effect of reclassification (Note 60)	(26,000)	-	-	-	(9,428)	-	(12,020)	-	(4,428)	(51,876)
At 1 January 2013 (as restated)	35,452	1,232,278	30,991	17,634	972,848	63,398	372,408	24,564	28,223	2,777,796
Additions (restated)	-	13,959	1,504	1,024	88,123	7,038	14,012	1,877	31,258	158,795
Disposals/write-offs (restated)	-	(2,325)	-	-	(3,222)	(2,664)	(2,859)	-	(14)	(11,084)
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	35,452	521,055	20,008	13,215	985,817	65,327	160,618	31,573	44,948	1,878,013
<b>Accumulated depreciation</b>										
At 1 January 2013 (as previously stated)	-	168,028	6,535	5,868	608,666	44,431	283,623	6,313	-	1,123,464
Effect of reclassification (Note 60)	-	-	-	-	(6,889)	-	(5,790)	-	-	(12,679)
At 1 January 2013 (as restated)	-	168,028	6,535	5,868	601,777	44,431	277,833	6,313	-	1,110,785
Depreciation charge for the year (Note 8) (restated)	-	23,818	1,090	1,523	70,919	7,196	27,557	993	-	133,096
Disposals/write-offs (restated)	-	(2,067)	-	-	(785)	(2,198)	(2,725)	-	-	(7,775)
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	609,823	46,933	113,170	7,306	(2)	902,496
<b>Accumulated impairment loss</b>										
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
<b>Net carrying amount</b>	<b>35,452</b>	<b>337,996</b>	<b>15,947</b>	<b>8,597</b>	<b>301,536</b>	<b>18,283</b>	<b>47,123</b>	<b>24,267</b>	<b>38,351</b>	<b>827,552</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**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
<b>Company</b>				
<b>At 31 December 2014</b>				
<b>Cost</b>				
At 1 January 2014	330	2,782	693	3,805
Additions	650	66	-	716
At 31 December 2014	<b>980</b>	<b>2,848</b>	<b>693</b>	<b>4,521</b>
<b>Accumulated depreciation</b>				
At 1 January 2014	133	856	-	989
Depreciation charge for the year (Note 8)	200	573	-	773
At 31 December 2014	<b>333</b>	<b>1,429</b>	<b>-</b>	<b>1,762</b>
<b>Net carrying amount</b>	<b>647</b>	<b>1,419</b>	<b>693</b>	<b>2,759</b>
<b>At 31 December 2013</b>				
<b>Cost</b>				
At 1 January 2013	229	2,618	677	3,524
Additions	103	164	16	283
Disposals/write-offs	(2)	-	-	(2)
At 31 December 2013	330	2,782	693	3,805
<b>Accumulated depreciation</b>				
At 1 January 2013	39	307	-	346
Depreciation charge for the year (Note 8)	94	549	-	643
At 31 December 2013	133	856	-	989
<b>Net carrying amount</b>	<b>197</b>	<b>1,926</b>	<b>693</b>	<b>2,816</b>

(a) The net carrying amount of property, plant and equipment held under hire purchase and finance lease liabilities is as follows:

	<b>GROUP</b>	
	<b>2014 RM'000</b>	<b>2014 RM'000</b>
Motor vehicles	<b>1,054</b>	718
Equipment, furniture and fittings	<b>128</b>	884
Plant and machinery	<b>24,862</b>	31,581
	<b>26,044</b>	33,183

(b) Property, plant and equipment of the Group with net carrying amount of RM190,314,000 (2013: RM178,135,000) are pledged as securities for borrowings as disclosed in Note 33.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 14a. SOFTWARE

	GROUP	
	2014 RM'000	2013 RM'000
<b>Cost</b>		
At beginning of financial year (as previously stated)	24,385	-
Effect of reclassification (Note 60)	-	21,448
At beginning of financial year (as restated)	24,385	21,448
Additions	3,175	3,078
Write-offs	-	(141)
Exchange differences	(3)	-
At end of financial year	27,557	24,385
<b>Accumulated amortisation</b>		
At beginning of financial year (as previously stated)	16,163	-
Effect of reclassification (Note 60)	-	12,679
At beginning of financial year (as restated)	16,163	12,679
Amortisation charge for the year (Note 8)	3,299	3,625
Write-offs	-	(141)
Exchange differences	(1)	-
At end of financial year	19,461	16,163
<b>Net carrying amount</b>	<b>8,096</b>	8,222

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)**

**15. BIOLOGICAL ASSETS**

	GROUP	
	2014 RM'000	2013 RM'000
<b>Cost</b>		
At beginning of financial year	<b>1,269</b>	859
Additions	<b>723</b>	514
Disposals	<b>(46)</b>	-
Write-offs	<b>(50)</b>	(104)
At end of financial year	<b>1,896</b>	1,269
<b>Accumulated depreciation</b>		
At beginning of financial year	<b>288</b>	246
Depreciation charge for the year (Note 8)	<b>416</b>	64
Disposals	<b>(29)</b>	-
Write-offs	<b>(12)</b>	(22)
At end of financial year	<b>663</b>	288
<b>Net carrying amount</b>	<b>1,233</b>	981

Biological assets consist of animals used in petting zoos operated by subsidiaries.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 16. INVESTMENT PROPERTIES

	GROUP	
	2014 RM'000	2013 RM'000 (Restated)
Investment properties	1,522,363	1,052,262
Investment properties under construction	848,057	781,124
	2,370,420	1,833,386

## Investment properties

## At valuation

At beginning of financial year (as previously stated)	1,021,834	4,414,099
Effect of reclassification (Note 60)	30,428	30,428
At beginning of financial year (as restated)	1,052,262	4,444,527
Additions from acquisition	2,793	836
Additions from subsequent expenditure	-	73,380
Transfers from/(to):		
- land held for property development (Note 18)	-	1,352
- property, plant and equipment (Note 14)	-	1,566
- investment properties under construction	384,193	3,360
- non-current asset classified as held for sale (Note 32)	(59,257)	-
Fair value adjustment:		
- gain (Note 6)	144,795	325,849
- loss (Note 8)	(2,079)	(2,334)
Exchange differences	1	97
Reversal of overprovision*	(345)	(14,725)
Effects of a former subsidiary becoming an associate	-	(3,781,646)
At end of financial year	1,522,363	1,052,262

\* Overprovision of accruals were due to overprovision of development costs in prior years.

The investment properties consist of the following:

	GROUP	
	2014 RM'000	2013 RM'000 (Restated)
Long term leasehold land	363,897	336,100
Freehold land	90,170	39,840
Buildings	1,068,296	676,322
	1,522,363	1,052,262

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)**

**16. INVESTMENT PROPERTIES (contd.)**

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 RM602,642,000 (2013: RM558,618,000) are pledged as securities for borrowings as disclosed in Note 33.

The carrying values of the properties as at 31 December 2014 and 31 December 2013 are based on valuation carried out by C H Williams Talhar & Wong Sdn. Bhd. and Raine & Horne International Zaki + Partners respectively. Fair value is determined primarily based on income, investment and comparison approaches.

**Investment properties under construction**

	At cost RM'000	At valuation RM'000	Total RM'000
<b>Group</b>			
<b>At 31 December 2014</b>			
At beginning of financial year	455,124	326,000	781,124
Additions from subsequent expenditure	193,771	58,194	251,965
Reclassification during the year	(530,935)	530,935	-
Transfers from/(to):			
- property, plant and equipment (Note 14)	(97,290)	-	(97,290)
- property development cost (Note 25)	-	240,459	240,459
- investment properties	-	(384,193)	(384,193)
Fair value gain (Note 6)	-	56,076	56,076
Reversal of overprovision	(84)	-	(84)
At end of financial year	20,586	827,471	848,057

The investment properties under construction consist of the following:	At cost RM'000	At valuation RM'000	Total RM'000
Long term leasehold land	14,043	-	14,043
Freehold land	-	103,847	103,847
Buildings	6,543	723,624	730,167
	20,586	827,471	848,057

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 16. INVESTMENT PROPERTIES (contd.)

## Investment properties under construction (contd.)

	At cost RM'000	At valuation RM'000	Total RM'000
<b>Group</b>			
<b>At 31 December 2013</b>			
At beginning of financial year	364,990	-	364,990
Additions from subsequent expenditure	382,725	-	382,725
Reclassification during the year	(289,944)	289,944	-
Transfers from/(to):			
- property, plant and equipment (Note 14)	713	-	713
- land held for property development (Note 18)	-	5	5
- investment properties	(3,360)	-	(3,360)
Fair value gain (Note 6)	-	36,051	36,051
At end of financial year	455,124	326,000	781,124

The investment properties under construction consist of the following:

	At cost RM'000	At valuation RM'000	Total RM'000
Long term leasehold land	28,201	31,000	59,201
Freehold land	87,550	-	87,550
Buildings	339,373	295,000	634,373
	455,124	326,000	781,124

## 17. ROCK RESERVES

	GROUP	
	2014 RM'000	2013 RM'000
At beginning of financial year	7,183	7,444
Amortisation during the financial year (Note 8)	(263)	(261)
At end of financial year	6,920	7,183



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 18. LAND HELD FOR PROPERTY DEVELOPMENT

	GROUP			
	Freehold land RM'000	Long term leasehold land RM'000	Development costs RM'000	Total RM'000
<b>Group</b>				
<b>At 31 December 2014</b>				
<b>Cost</b>				
At 1 January 2014	665,110	32,032	192,630	889,772
Additions	5,835	291	14,564	20,690
Transfers to property development costs (Note 25)	(293,053)	(60,788)	(18,192)	(372,033)
Reclassification	(12,919)	71,371	(58,452)	-
<b>At 31 December 2014</b>	<b>364,973</b>	<b>42,906</b>	<b>130,550</b>	<b>538,429</b>
<b>Accumulated impairment losses</b>				
At 1 January/31 December 2014	(599)	-	(2,368)	(2,967)
<b>Carrying amount</b>	<b>364,374</b>	<b>42,906</b>	<b>128,182</b>	<b>535,462</b>
<b>At 31 December 2013</b>				
<b>Cost</b>				
At 1 January 2013	372,464	55,312	174,103	601,879
Additions	374,890	1,028	16,614	392,532
Transfers to 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)	-
<b>At 31 December 2013</b>	<b>665,110</b>	<b>32,032</b>	<b>192,630</b>	<b>889,772</b>
<b>Accumulated impairment losses</b>				
At 1 January/31 December 2013	(599)	-	(2,368)	(2,967)
<b>Carrying amount</b>	<b>664,511</b>	<b>32,032</b>	<b>190,262</b>	<b>886,805</b>

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

#### 18. LAND HELD FOR PROPERTY DEVELOPMENT (contd.)

In prior year, freehold land and related development costs of the Group with carrying amount of RM12,911,000 were 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 RM58,344,000 (2013: RM58,457,000) are pledged to financial institutions as securities for borrowings as disclosed in Note 33.

#### 19. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2014 RM'000	2013 RM'000
<b>At cost</b>	<b>365,782</b>	365,782
Unquoted ordinary shares	<b>3,533,810</b>	3,280,810
Unquoted preference shares	<b>3,899,592</b>	3,646,592

During the financial year, the Group completed the following acquisition and incorporation of a company:

- On 11 June 2014, Sunway Treasury Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired 100% equity interest in Sunway Treasury Sukuk Sdn. Bhd. (formerly known as Fantastic Prolink Sdn. Bhd.) for RM2 cash;
- On 10 September 2014, Sunway Holdings Sdn. Bhd. ("SHSB"), a wholly-owned subsidiary of the Company, had incorporated a new subsidiary known as Sunway Construction Group Berhad for RM2 cash.

During the year, the Company completed transactions involving non-convertible non-cumulative redeemable preference shares ("NCNCRPS"):

- Subscription of 3,000 NCNCRPS in Sunway City Sdn. Bhd. at an issue price of RM10,000 comprising par value of RM0.01 and premium of RM9,999.99 each for a total consideration of RM30,000,000;
- Subscription of 25,300 NCNCRPS in Sunway Holdings Sdn. Bhd. at an issue price of RM10,000 comprising par value of RM0.01 and premium of RM9,999.99 each for a total consideration of RM253,000,000; and
- Redemption of 3,000 NCNCRPS in Sunway Holdings Sdn. Bhd. for a total consideration of RM30,000,000.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)**

**19. INVESTMENTS IN SUBSIDIARIES (contd.)**

During the financial year, the Group subscribed additional shares in the following company:

On 7 August 2014, Sunway City Sdn. Bhd. ("SunCity") and SHSB subscribed additional 120,000,000 ordinary shares of RM1 each representing 80.75% equity interest in Sunway City (Ipoh) Sdn. Bhd. ("SCI") pursuant to the Rights Issue exercise for RM120,000,000 cash. As a result, SCI became a 95.96% owned subsidiary of SunCity.

During the financial year, the Group completed the following disposal:

On 26 November 2014, Sunway Global Limited, 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 (Shanghai) Co. Ltd. to Hong Kong Cheung Hung Metal & Plastic Products Co. Ltd. for RMB5,500,000 cash (equivalent to approximately RM2,928,000) at a loss on disposal of RM1,124,000. Further details are disclosed in Note 59; and

The disposal had the following effects on the financial position of the Group as at the end of the year:

	2014 RM'000
Net assets disposed	4,052
Total disposal proceeds	(2,928)
Loss on disposal to the Group (Note 8)	1,124
<b>Cash inflow arising from disposal:</b>	
Cash consideration	2,928
Cash and cash equivalent of subsidiary disposed	(215)
Net cash inflow on disposal	2,713

The above acquisition and disposal of the subsidiaries did not have any material effect on the financial results and position of the Group.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 19. INVESTMENTS IN SUBSIDIARIES (contd.)

During the financial year, the following subsidiaries of the Group had been struck off pursuant to Section 308 of the Companies Act, 1965:

- (a) On 14 October 2014, Logic Square Sdn. Bhd. was struck off; and
- (b) On 25 November 2014, Geneva Dua Sdn. Bhd. was struck off.

During the financial year, the following subsidiaries of the Group had been wound up:

- (a) On 13 January 2014, Sunway PMI-Pile Construction Sdn. Bhd. was wound up, resulting in a gain on liquidation of RM869,000 (Note 6) and a net cash inflow of RM1,000;
- (b) On 15 July 2014, Sun-Block (Beranang) Sdn. Bhd. and Sun-Block (Senai) Sdn. Bhd. were wound up, resulting in a net cash inflow of RM5,849,000.

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 2014

	Sunway South Quay Sdn. Bhd. Group RM'000	Sunway PKNS Sdn. Bhd. Group RM'000	Sunway Semenyih Sdn. Bhd. RM'000	Sunway Guanghao Real Estate (Jiangyin) RM'000	Eastern Glory Group RM'000	Sunway Velocity Mall Sdn. Bhd. RM'000	Total RM'000
Non-current assets	452,436	110,348	121,338	111	17,260	623,824	1,325,317
Current assets	526,226	272,580	13,478	188,606	27,201	1,826	1,029,917
Total assets	978,662	382,928	134,816	188,717	44,461	625,650	2,355,234
Non-current liabilities	146,255	3,010	-	75	-	5,000	154,340
Current liabilities	572,211	106,617	68	78,664	987	533,003	1,291,550
Total liabilities	718,466	109,627	68	78,739	987	538,003	1,445,890
Net assets	260,196	273,301	134,748	109,978	43,474	87,647	909,344
Equity attributable to owners of the parent	164,898	164,195	95,767	71,823	12,173	51,712	560,568
Non-controlling interests	95,298	109,106	38,981	38,155	31,301	35,935	348,776
Total equity	260,196	273,301	134,748	109,978	43,474	87,647	909,344

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 19. INVESTMENTS IN SUBSIDIARIES (contd.)

(i) Summarised statements of financial position (contd.)

At 31 December 2013

	Sunway South Quay Sdn. Bhd. Group RM'000	Sunway PKNS Sdn. Bhd. Group RM'000	Sunway Semenyih Sdn. Bhd. RM'000	Sunway Guanghao Real Estate (Jiangyin) RM'000	Eastern Glory Group RM'000	Sunway Velocity Mall 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
<b>Net assets</b>	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
<b>Total equity</b>	196,256	254,255	134,365	98,122	28,508	87,672	799,178



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 19. INVESTMENTS IN SUBSIDIARIES (contd.)

(ii) Summarised statements of comprehensive income

At 31 December 2014

	Sunway South Quay Sdn. Bhd. Group RM'000	Sunway PKNS Sdn. Bhd. Group RM'000	Sunway Semenyih Sdn. Bhd. RM'000	Sunway Guanghao Real Estate (Jiangyin) RM'000	Eastern Glory Group RM'000	Sunway Velocity Mall Sdn. Bhd. RM'000	Total RM'000
Revenue	239,896	250,386	-	1,163	-	-	491,445
Profit/(loss) for the year	46,814	114,046	383	7,998	6,807	(26)	176,022
Other comprehensive income	-	-	-	4,214	8,159	-	12,373
Total comprehensive income/(loss)	46,814	114,046	383	12,211	14,966	(26)	188,394
Profit/(loss) attributable to:							
- owners of the parent	26,597	68,428	268	5,199	3,063	(15)	103,540
- non-controlling interests	20,217	45,618	115	2,799	3,744	(11)	72,482
Total comprehensive income/(loss) attributable to:							
- owners of the parent	26,597	68,428	268	7,937	6,734	(15)	109,949
- non-controlling interests	20,217	45,618	115	4,274	8,232	(11)	78,445

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 19. INVESTMENTS IN SUBSIDIARIES (contd.)

(ii) Summarised statements of comprehensive income (contd.)

At 31 December 2013

	Sunway South Quay Sdn. Bhd. Group RM'000	Sunway PKNS Sdn. Bhd. Group RM'000	Sunway Semenyih Sdn. Bhd. RM'000	Sunway Guanghao Real Estate (Jiangyin) RM'000	Eastern Glory Group RM'000	Sunway Velocity Mall 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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 19. INVESTMENTS IN SUBSIDIARIES (contd.)

(iii) Summarised statements of cash flows

At 31 December 2014

	Sunway South Quay Sdn. Bhd. Group RM'000	Sunway PKNS Sdn. Bhd. Group RM'000	Sunway Semenyih Sdn. Bhd. RM'000	Sunway Guanghao Real Estate (Jiangyin) RM'000	Eastern Glory Group RM'000	Sunway Velocity Mall Sdn. Bhd. RM'000	Total RM'000
Net cash generated from/(used in):							
- operating activities	115,294	9,583	205	(4,388)	8,838	1,902	131,434
- investing activities	(21,607)	128,743	-	(16)	425	(1,369)	106,176
- financing activities	(96,824)	(96,000)	-	-	-	(226)	(193,050)
Net increase/(decrease) in cash and cash equivalents	(3,137)	42,326	205	(4,404)	9,263	307	44,560
Effects of foreign exchange rates changes	-	-	-	504	(735)	-	(231)
Cash and cash equivalents at beginning of the year	89,017	20,138	12,958	20,713	18,432	794	162,052
Cash and cash equivalents at end of the year	85,880	62,464	13,163	16,813	26,960	1,101	206,381

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 19. INVESTMENTS IN SUBSIDIARIES (contd.)

(iii) Summarised statements of cash flows (contd.)

At 31 December 2013

	Sunway South Quay Sdn. Bhd. Group RM'000	Sunway PKNS Sdn. Bhd. Group RM'000	Sunway Semenyih Sdn. Bhd. RM'000	Sunway Guanghao Real Estate (Jiangyin) RM'000	Eastern Glory Group RM'000	Sunway Velocity Mall Sdn. Bhd. RM'000	Total RM'000
Net cash generated from/(used in):							
- operating activities	144,508	83,665	(803)	(12,949)	7,792	(9)	222,204
- investing activities	(6,775)	(57,966)	366	(15)	9,995	(4,350)	(58,745)
- financing activities	(59,004)	(127,100)	-	-	(44,602)	5,000	(225,706)
Net increase/(decrease) in cash and cash equivalents	78,729	(101,401)	(437)	(12,964)	(26,815)	641	(62,247)
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	89,017	20,138	12,958	20,713	18,432	794	162,052

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 20. AMOUNTS DUE FROM SUBSIDIARIES

	COMPANY	
	2014 RM'000	2013 RM'000
Interest bearing amounts	1,425,360	1,365,235
Non-interest bearing amounts	57,918	48,929
Total amounts due from subsidiaries	1,483,278	1,414,164

The amounts due from subsidiaries are unsecured, repayable on demand and non-interest bearing except for amounts of RM1,425,360,000 (2013: RM1,365,235,000) which bear interest at rates ranging from 2.95% to 7.50% (2013: 2.95% to 4.35%) per annum.

## 21. INVESTMENTS IN ASSOCIATES

	GROUP	
	2014 RM'000	2013 RM'000
Unquoted shares at cost	35,677	13,103
Quoted shares at cost	1,589,532	1,531,408
Share of post-acquisition distributable reserves	33,324	(25,659)
Share of non-distributable reserves	25,648	25,557
	1,684,181	1,544,409
Less: Accumulated impairment losses	(151,696)	(151,696)
	1,532,485	1,392,713
Market value of quoted shares	1,617,622	1,275,823

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 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 2014 have been used.



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)**

**21. INVESTMENTS IN ASSOCIATES (contd.)**

The Group's share of revenue, profit, assets and liabilities of associates are as follows:

	2014 RM'000	2013 RM'000
<b>Assets and liabilities</b>		
Current assets	74,417	53,883
Non-current assets	2,082,691	1,849,765
<b>Total assets</b>	<b>2,157,108</b>	<b>1,903,648</b>
Current liabilities	(241,505)	(31,730)
Non-current liabilities	(383,118)	(479,205)
<b>Total liabilities</b>	<b>(624,623)</b>	<b>(510,935)</b>
<b>Results</b>		
Revenue	161,036	149,086
Profit for the year	147,194	13,645

Details of the associates are as follows:

Name of Companies	Country of incorporation	Principal activities	% of ownership interest	
			2014 %	2013 %
(a) Associate of Sunway City (S'pore) Pte. Ltd.				
Sunway MAK International Private Limited #	India	Property Development	26.3	26.3
(b) Associate of Sunway Leisure Sdn. Bhd.				
Pyramid Bowl Sdn. Bhd. #	Malaysia	Bowling alley operator	40	40
(c) Associate of Sunway Holdings Sdn. Bhd.				
Sungei Way-Saigon-Pilecon Engineering Company #	Vietnam	Dormant	42.3	42.3
(d) 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 2014 (CONTD.)

## 21. INVESTMENTS IN ASSOCIATES (contd.)

The Group's share of revenue, profit, assets and liabilities of associates are as follows:

Name of Companies	Country of incorporation	Principal activities	% of ownership interest	
			2014 %	2013 %
(e) Associate of SunwayMas Sdn. Bhd.				
Varich Industries Sdn. Bhd. #	Malaysia	Wound-up pursuant to members' voluntary winding up	-	50
(f) Associate of Sunway Marketing Sdn. Bhd.				
Buildtrend B.S.G. (M) Sdn. Bhd. #	Malaysia	Distribution of architectural building products and sanitary wares	30	30
(g) Associate of Sunway Builders Sdn. Bhd.				
ISZL Consortium #	Unincorporated	Construction	25	25
(h) Associate of Sunway REIT Holdings Sdn. Bhd.				
Sunway Real Estate Investment Trust ("Sunway REIT")	Malaysia	Investment in real estate	35.71 ^	34.49 @
(i) Associate of Sunway Global Limited				
MGlory Pte Ltd #	Singapore	Property development	39.32	-

# Audited by firms of auditors other than Ernst & Young

^ Inclusive of 1% held by Sunway Berhad

@ Inclusive of 0.74% held by Sunway Berhad

On 24 October 2014, Sunway Global Limited, a 98.75% owned subsidiary of the Company, had acquired 3,932 ordinary shares of SGD 1 each, representing 39.32% in MGlory Pte. Ltd. from Sociedade De Investimento E Desenvolvimento Glory, Limitada for RMB43,532,782 (equivalent to RM24,574,000).

During the year, Aktif-Sunway Sdn. Bhd. completed its members' voluntary liquidation, giving rise to a loss on liquidation of RM335,000, as disclosed in Note 8.

On 10 November 2014, Sunway REIT Holdings Sdn. Bhd., a wholly-owned subsidiary of the Company, had acquired 31,500,000 units in Sunway REIT from the open market for a total consideration of RM47,565,000.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-current assets	197,026	196,894	5,655,847	5,251,439	5,852,873	5,448,333
Current assets	106,651	111,927	138,131	81,612	244,782	193,539
Total assets	303,677	308,821	5,793,978	5,333,051	6,097,655	5,641,872
Non-current liabilities	11,110	11,765	1,066,846	1,382,809	1,077,956	1,394,574
Current liabilities	2,111	2,202	1,033,786	434,692	1,035,897	436,894
Total liabilities	13,221	13,967	2,100,632	1,817,501	2,113,853	1,831,468
Net assets	290,456	294,854	3,693,346	3,515,550	3,983,802	3,810,404

## (ii) Summarised statements of comprehensive income

	Gopeng		Sunway REIT		Total	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	9,491	10,201	445,107	72,918	454,598	83,119
Profit before tax from continuing operations	773	4,102	420,409	40,024	421,182	44,126
Profit for the year continuing operations representing total comprehensive income	925	21,450	417,521	40,024	418,446	61,474

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Net assets at 1 January	294,397	278,311	3,868,516 *	-	4,162,913	278,311
Effect of a former subsidiary becoming an associate	-	-	-	3,886,921 *	-	3,886,921
Capital injection	-	-	13,199	-	13,199	-
Comprehensive income for the year	925	21,450	417,521	40,024	418,446	61,474
Dividend paid during the year	(5,380)	(5,380)	(252,930)	(58,429)	(258,310)	(63,809)
Depreciation transfer on land, net of tax	63	16	-	-	63	16
Net assets at 31 December	290,005	294,397	4,046,306 *	3,868,516 *	4,336,311	4,162,913
Interest in associates as at year end	19.33%	19.33%	35.71%	34.49%	-	-
	56,058	56,907	1,444,936	1,334,251	1,500,994	1,391,158
Effect arising from change of shareholding	-	-	5,262	-	5,262	-
Carrying value of Group's interest in associates	56,058	56,907	1,450,198	1,334,251	1,506,256	1,391,158

\* 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 2014 (CONTD.)

## 21. INVESTMENTS IN ASSOCIATES (contd.)

Aggregate information of associates that are not individually material are as follows:

	2014 RM'000	2013 RM'000
The Group's share of profit/(loss) before tax	949	(71)
The Group's share of profit/(loss) after tax, representing total comprehensive income/(loss)	949	(70)
Carrying amount of the Group's interest	26,229	1,555

## 22. INVESTMENTS IN JOINT VENTURES

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unquoted shares at cost <sup>(1)</sup>	635,450	571,744	800	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	368,350	343,322	-	-
Unrealised profit arising from construction project to joint venture	(6,525)	-	-	-
	1,013,921	931,712	800	800
Less: Accumulated impairment losses	(24,993)	(19,530)	-	-
	988,928	912,182	800	800

<sup>(1)</sup> Included in the unquoted shares at cost as at 31 December 2013 was an amount due from joint venture totaling RM16,431,563 which the Group regard as part of the Group's investment in a joint venture. During the year, the said amount has been converted into Non-Convertible Non-Cumulative Redeemable Preference Shares in the joint venture as further disclosed in Note 22(a).



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 22. INVESTMENTS IN JOINT VENTURES (contd.)

Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	Principal activities	% of ownership interest	
			2014 %	2013 %
Joint venture with Sunway Berhad				
Sunway REIT Management Sdn. Bhd.	Malaysia	Managing and administering real estate investment trust	80	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
Suncity Medallion J.V.	Unincorporated	Property development	50	50
Eastern Creek Stage 3 #	Unincorporated	Property development	50	50
Tianjin Eco-City Sunway Property Development Co. Ltd. #	China	Property development	60	58.73
Sunway Iskandar Sdn. Bhd.	Malaysia	Property development	51.37	45.5
Sunway Iskandar Development Sdn. Bhd.	Malaysia	Property development	60	60

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)**

**22. INVESTMENTS IN JOINT VENTURES (contd.)**

Details of the joint ventures are as follows (contd.):

Name of joint ventures	Country of incorporation	Principal activities	% of ownership interest	
			2014 %	2013 %
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 works	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 development	30	30
Hoi Hup Sunway Pasir Ris Pte. Ltd. #	Singapore	Real estate development	30	30
Hoi Hup Sunway Tampines Pte. Ltd. #	Singapore	Real estate development	30	30
Hoi Hup Sunway Yuan Ching Pte. Ltd. #	Singapore	Real estate development	30	30
Hoi Hup Sunway Novena Pte. Ltd. #	Singapore	Real estate development	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 development	30	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	50

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (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 Sdn. Bhd. RM'000	Sunway REIT Management Sdn. Bhd. RM'000	Total RM'000
<b>At 31 December 2014</b>						
Non-current assets	1,698,000	912,061	843	397,587	697	3,009,188
Cash and cash equivalents	919,111	3,781	27,515	83	45	950,535
Other current assets	3,095,880	41,208	352,906	-	7,139	3,497,133
Current assets	4,014,991	44,989	380,421	83	7,184	4,447,668
Total assets	5,712,991	957,050	381,264	397,670	7,881	7,456,856
Current liabilities (excluding trade and other payables and provisions)	46,316	-	-	57,263	-	103,579
Trade and other payables and provisions	1,672,098	15,653	48,782	2,808	4,088	1,743,429
Total current liabilities	1,718,414	15,653	48,782	60,071	4,088	1,847,008
Non-current liabilities	2,777,980	491,360	-	255,887	104	3,525,331
Total liabilities	4,496,394	507,013	48,782	315,958	4,192	5,372,339
Net assets	1,216,597	450,037	332,482	81,712	3,689	2,084,517

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 22. INVESTMENTS IN JOINT VENTURES (contd.)

(i) Summarised statements of financial position (contd.)

	Hoi Hup Group RM'000	Sunway Iskandar Sdn. Bhd. RM'000	Tianjin Eco-City Sunway Property Development Co. Ltd. RM'000	Sunway Iskandar Development Sdn. Bhd. RM'000	Sunway REIT Management Sdn. Bhd. RM'000	Total RM'000
<b>At 31 December 2013</b>						
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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (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 Sdn. Bhd. RM'000	Sunway REIT Management Sdn. Bhd. RM'000	Total RM'000
<b>At 31 December 2014</b>						
Revenue	2,781,700	12,069	15,949	-	26,823	2,836,541
Depreciation and amortisation	(28)	(54)	(217)	-	(170)	(469)
Interest income	1,173	642	1,136	-	-	2,951
Interest expense	(1,213)	(19)	-	(77)	(1)	(1,310)
Profit/(loss) before tax	597,717	(9,552)	(7,258)	(343)	18,190	598,754
Income tax (expense)/ benefit	(107,473)	2,629	-	-	(4,535)	(109,379)
Profit/(loss) after tax, representing total comprehensive income/(loss)	490,244	(6,923)	(7,258)	(343)	13,655	489,375
Dividend received from joint venture during the year	67,251	-	-	-	10,559	77,810



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 22. INVESTMENTS IN JOINT VENTURES (contd.)

(ii) Summarised statements of comprehensive income (contd.)

	Hoi Hup Group RM'000	Sunway Iskandar Sdn. Bhd. RM'000	Tianjin Eco-City Sunway Property Development Co. Ltd. RM'000	Sunway Iskandar Development Sdn. Bhd. RM'000	Sunway REIT Management Sdn. Bhd. RM'000	Total RM'000
<b>At 31 December 2013</b>						
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, representing total comprehensive income/(loss)	515,352	(6,341)	(6,654)	(278)	1,860	503,939
Dividend received from joint venture during the year	-	-	-	-	2,531	2,531

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (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 Sdn. Bhd. RM'000	Sunway REIT Management Sdn. Bhd. RM'000	Total RM'000
<b>At 31 December 2014</b>						
Net assets at 1 January	929,072	403,480	316,953	82,055	3,233	1,734,793
Capital injection	-	53,480	10,227	-	-	63,707
Profit/(loss) for the year	490,244	(6,923)	(7,258)	(343)	13,655	489,375
Effect of translation to closing foreign exchange rates	21,450	-	12,560	-	-	34,010
Dividend paid during the year	(224,169)	-	-	-	(13,199)	(237,368)
Net assets at 31 December	<b>1,216,597</b>	<b>450,037</b>	<b>332,482</b>	<b>81,712</b>	<b>3,689</b>	<b>2,084,517</b>
Alignment to group accounting policies	(40,346)	-	-	-	-	(40,346)
	<b>1,176,251</b>	<b>450,037</b>	<b>332,482</b>	<b>81,712</b>	<b>3,689</b>	<b>2,044,171</b>
Interest in joint ventures as at year end	30%	51.37%	60%	60%	80%	
	<b>352,875</b>	<b>231,184</b>	<b>199,489</b>	<b>49,027</b>	<b>2,951</b>	<b>835,526</b>
Effect arising from change of shareholding during the year	-	2,700	-	-	-	2,700
Remeasurement gain	-	-	-	-	108,370	108,370
Carrying value of Group's interest in joint ventures	<b>352,875</b>	<b>233,884</b>	<b>199,489</b>	<b>49,027</b>	<b>111,321</b>	<b>946,596</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (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 (contd.)

	Hoi Hup Group RM'000	Sunway Iskandar Sdn. Bhd. RM'000	Tianjin Eco-City Sunway Property Development Co. Ltd. RM'000	Sunway Iskandar Development Sdn. Bhd. RM'000	Sunway REIT Management Sdn. Bhd. RM'000	Total RM'000
<b>At 31 December 2013</b>						
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	-	-	-	-	108,370	108,370
Carrying value of Group's interest in joint ventures	346,980	183,583	186,146	49,233	110,956	876,898

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 22. INVESTMENTS IN JOINT VENTURES (contd.)

Aggregate information of joint ventures that are not individually material are as follows:

	2014 RM'000	2013 RM'000
The Group's share of profit before tax	11,546	44,096
The Group's share of profit after tax, representing total comprehensive income	12,551	42,424
Carrying amount of the Group's interest	42,332	35,284

The details of goodwill included within the Group's carrying amount of investments in joint ventures are as follows:

	2014 RM'000	2013 RM'000
<b>Cost</b>		
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 March 2014, SunCity, a wholly-owned subsidiary of the Company subscribed additional 164,315 ordinary shares of RM1 each at par and 16,267,248 Non-Convertible Non-Cumulative Redeemable Preference Shares of RM0.01 each ("NCNCRPS") at an issue price of RM1 each in Sunway Iskandar Development Sdn. Bhd. amounting to RM16,431,563, satisfied by capitalizing the advances granted by SunCity amount to RM16,431,563;
- (b) On 18 July 2014, Sunway City (S'pore) Pte. Ltd., a wholly-owned subsidiary of SunCity, subscribed additional registered capital in Tianjin Eco-City Sunway Property Development Co. Ltd., amounting to RMB19,662,150 (equivalent to RM10,226,900), satisfied by cash;
- (c) On 3 June 2014, SunCity subscribed additional 495,000 ordinary shares of RM1 each at an issue price of RM9.04 each and 49,005,000 NCNCRPS at an issue price of RM1 each in Sunway Iskandar Sdn. Bhd. amounting to RM53,479,800, satisfied by cash.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**23. GOODWILL**

	GROUP	
	2014 RM'000	2013 RM'000
<b>Cost</b>		
At beginning of financial year	339,728	338,337
Acquisition of subsidiary	-	1,391
At end of financial year	339,728	339,728
<b>Accumulated impairment losses</b>		
At beginning of financial year	(20,284)	(20,260)
Impairment loss recognised in profit or loss (Note 8)	-	(24)
At end of financial year	(20,284)	(20,284)
<b>Net carrying amount</b>	<b>319,444</b>	<b>319,444</b>

**Allocation of goodwill**

Goodwill has been allocated to the Group's CGUs, according to business segments as follows:

	2014 RM'000	2013 RM'000
Property investment *	185,329	185,329
Construction	74,080	74,080
Quarry	40,647	40,647
Trading and manufacturing	8,673	8,673
Property development	247	247
Others	10,468	10,468
	<b>319,444</b>	<b>319,444</b>

\* The property investment segment includes property investment, leisure and hospitality.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (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 %
<b>At 31 December 2014</b>			
Gross margin	13.6	7.5	39.7
Growth rate	8.0	4.4	17.7
Discount rate	12.0	14.0	10.0
<b>At 31 December 2013</b>			
Gross margin	14.7	7.6	35.4
Growth rate	4.1	-	22.9
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 2014 (CONTD.)

## 24. OTHER INVESTMENTS

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000 (Restated)
<b>Non-current</b>				
At cost:				
Unquoted ordinary shares	3,457	3,446	-	-
Corporate membership	130	134	-	-
	3,587	3,580	-	-
Less: Accumulated impairment losses	(1,741)	(1,741)	-	-
	1,846	1,839	-	-
At fair value:				
Quoted shares				
- Available for sale investment	-	-	44,408	26,747
Total other investments	1,846	1,839	44,408	26,747

## 25. PROPERTY DEVELOPMENT COSTS

	GROUP	
	2014 RM'000	2013 RM'000
<b>Cumulative property development costs</b>		
At beginning 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
Costs incurred during the year:		
- Freehold land	10,397	44,177
- Long term leasehold land	77,072	12,436
- Development costs	800,140	798,086
	887,609	854,699
Exchange differences:		
- Long term leasehold land	2,123	5,036
- Development costs	12,667	27,362
	14,790	32,398

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 25. PROPERTY DEVELOPMENT COSTS (contd.)

	GROUP	
	2014 RM'000	2013 RM'000
Reclassification:		
- Freehold land	(2,167)	962
- Long term leasehold land	(662)	(23,004)
- Development costs	2,829	22,042
	-	-
Transfers from/(to):		
Land held for property development (Note 18):		
- Freehold land	293,053	76,455
- Long term leasehold land	60,788	43,756
- Development costs	18,192	(17,873)
	372,033	102,338
Inventories:		
- Freehold land	(145)	(853)
- Long term leasehold land	(315)	(1,322)
- Development costs	(3,797)	(41,010)
	(4,257)	(43,185)
Investment properties under construction (Note 16):		
- Development costs	(240,459)	-
Reversal of completed projects:		
- Freehold land	(4,629)	(23,927)
- Long term leasehold land	(6,494)	(22,465)
- Development costs	(185,344)	(150,078)
	(196,467)	(196,470)
Written off:		
- Development costs	-	(2,363)
At end of financial year:		
- Freehold land	834,602	538,093
- Long term leasehold land	342,618	210,106
- Development costs	2,204,728	1,800,500
	3,381,948	2,548,699

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)**

**25. PROPERTY DEVELOPMENT COSTS (contd.)**

	GROUP	
	2014 RM'000	2013 RM'000
<b>Accumulated impairment losses</b>		
<u>Development costs</u>		
At beginning of financial year	-	(1,561)
Impairment losses for the year	(22,207)	-
Exchange differences	-	(177)
Written off	-	1,738
At end of financial year	(22,207)	-
<b>Cumulative costs recognised in profit or loss</b>		
At beginning of financial year	(1,373,718)	(808,192)
Recognised during the year (Note 5)	(652,713)	(733,240)
Reversal of completed projects	196,467	196,470
Underprovision in prior year	(210)	-
Written off	-	625
Exchange differences	(11,250)	(29,381)
At end of financial year	(1,841,424)	(1,373,718)
<b>Property development costs at end of financial year</b>	<b>1,518,317</b>	<b>1,174,981</b>

Interest expense capitalised during the financial year under development costs of the Group amounted to RM5,348,000 (2013: RM9,706,000).

Freehold land and related development costs of the Group amounting to RM1,099,498,000 (2013: RM769,687,000) are pledged to financial institutions as securities for borrowings as disclosed in Note 33.

Leasehold land and related development costs of the Group amounting to RM400,411,000 (2013: RM317,124,000) 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 2014 (CONTD.)

## 26. INVENTORIES

	GROUP	
	2014 RM'000	2013 RM'000
<b>At cost</b>		
Properties held for sale	284,804	336,511
Trading inventories	168,499	139,793
Food and beverages	3,488	2,932
Consumables	10,894	8,854
Raw materials	12,827	13,478
Work in progress	3,028	2,418
Finished goods	67,682	77,283
	<b>551,222</b>	581,269
<b>Net realisable value</b>		
Properties held for sale	28,741	37,762
	<b>579,963</b>	619,031
Attributable to disposal classified as group held for sale (Note 32)	-	(3,209)
	<b>579,963</b>	615,822

A write down of inventories to net realisable value of RM1,340,000 (2013: RM8,512,000) was made during the year (Note 8).



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 27. TRADE RECEIVABLES

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Non-current</b>				
Finance lease receivables	4,506	1,998	-	-
Hire purchase receivables	2,217	307	-	-
	6,723	2,305	-	-
<b>Current</b>				
Third parties	1,028,816	1,005,402	-	-
Retention sums (Note 41)	152,721	159,273	-	-
Finance lease receivables	2,339	2,689	-	-
Hire purchase receivables	853	589	-	-
Amounts due from customers on contracts (Note 41)	72,730	32,850	-	-
Accrued billings in respect of property development costs	-	30,612	-	-
	1,257,459	1,231,415	-	-
Less: Allowance for impairment	(72,720)	(116,587)	-	-
	1,184,739	1,114,828	-	-
Attributable to disposal group classified as held for sale (Note 32)	-	(721)	-	-
	1,184,739	1,114,107	-	-
<b>Total trade receivables</b>	<b>1,191,462</b>	<b>1,116,412</b>	<b>-</b>	<b>-</b>
<b>Total trade receivables</b>	<b>1,191,462</b>	<b>1,116,412</b>	<b>-</b>	<b>-</b>
Other receivables (Note 28)	200,501	119,495	3,697	582
Add: Amounts due from subsidiaries (Note 20)	-	-	1,483,278	1,414,164
Add: Amounts due from associates	9,992	5,945	-	-
Add: Amounts due from joint ventures	286,223	215,998	1,779	1,697
Less: Amounts due from customers on contracts (Note 41)	(72,730)	(32,850)	-	-
Less: Prepayments (Note 28)	(47,801)	(33,096)	(3,338)	(557)
Less: Accrued billings in respect of property development costs	-	(30,612)	-	-
Add: Cash and bank balances (Note 31)	1,647,528	961,385	336,036	211,865
<b>Total loans and receivables</b>	<b>3,215,175</b>	<b>2,322,677</b>	<b>1,821,452</b>	<b>1,627,751</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 27. TRADE RECEIVABLES (contd.)

The repayment terms of finance lease and hire purchase receivables are as follows:

	GROUP	
	2014 RM'000	2013 RM'000
Finance lease receivables:		
Not later than 1 year	2,404	2,798
Later than 1 year and not later than 5 years	4,562	2,119
	6,966	4,917
Less: Unearned interest	(121)	(230)
	6,845	4,687
Representing finance lease receivables:		
Not later than 1 year	2,339	2,689
Later than 1 year and not later than 5 years	4,506	1,998
	6,845	4,687
Hire purchase receivables:		
Not later than 1 year	1,020	622
Later than 1 year and not later than 5 years	2,492	323
	3,512	945
Less: Unearned interest	(442)	(49)
	3,070	896
Representing hire purchase receivables:		
Not later than 1 year	853	589
Later than 1 year and not later than 5 years	2,217	307
	3,070	896

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)**

**27. TRADE RECEIVABLES (contd.)**

	GROUP	
	2014 RM'000	2013 RM'000
The currency exposure profile of total trade receivables are as follows:		
Ringgit Malaysia ("RM")	<b>988,623</b>	957,172
Singapore Dollar ("SGD")	<b>118,903</b>	69,170
Renminbi ("RMB")	<b>42,799</b>	43,165
Trinidad and Tobago Dollar ("TTD")	<b>514</b>	9,619
Indian Rupee ("IR")	<b>12,281</b>	12,033
Australian Dollar ("AUD")	<b>7,937</b>	9,113
Indonesian Rupiah ("INR")	<b>8,743</b>	8,928
Thai Baht ("THB")	<b>4,470</b>	4,209
United Arab Emirates Dirham ("AED")	<b>953</b>	15
Vietnam Dong ("VND")	<b>759</b>	751
United States Dollar ("USD")	<b>4,414</b>	1,344
Macau Pataca ("MOP")	<b>1,037</b>	893
Others	<b>29</b>	-
	<b>1,191,462</b>	1,116,412

Included in trade receivables are the following amounts due from related parties:

	GROUP	
	2014 RM'000	2013 RM'000
Sunway Technology Sdn. Bhd. Group	<b>1,414</b>	590
Sunway REIT (RHB Trustees Bhd)	<b>1</b>	2

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 (2013: 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 2014 (CONTD.)

**27. TRADE RECEIVABLES (contd.)****Ageing analysis of trade receivables**

The ageing analysis of the Group's trade receivables is as follows:

	GROUP	
	2014 RM'000	2013 RM'000
Neither past due nor impaired	816,094	811,516
1 to 30 days past due not impaired	143,141	147,801
31 to 60 days past due not impaired	67,552	39,343
61 to 90 days past due not impaired	50,493	28,357
91 to 120 days past due not impaired	65,521	31,390
More than 120 days past due not impaired	48,661	58,726
	375,368	305,617
Impaired	72,720	116,587
	1,264,182	1,233,720

**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 2014 (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
<b>As at 31 December 2014</b>			
Trade receivables - nominal amounts	716	72,004	72,720
Less: Allowance for impairment	(716)	(72,004)	(72,720)
	-	-	-
<b>As at 31 December 2013</b>			
Trade receivables - nominal amounts	396	116,191	116,587
Less: Allowance for impairment	(396)	(116,191)	(116,587)
	-	-	-

Movement in allowance for impairment accounts:

	GROUP	
	2014 RM'000	2013 RM'000
At beginning of financial year	116,587	95,288
Charge for the year (Note 8)	12,327	31,240
Reversal of impairment losses (Note 6)	(1,535)	(3,493)
Written off	(51,244)	(2,011)
Exchange differences	(167)	133
Effects of a former subsidiary becoming an associate	-	(4,570)
Effects of disposal of subsidiaries	(3,248)	-
At end of financial year	72,720	116,587

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 2014 (CONTD.)

## 28. OTHER RECEIVABLES

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
<b>Non-current</b>				
Receivable	17,214	-	-	-
<b>Current</b>				
Deposits	23,197	21,096	5	3
Prepayments (Note 27)	47,801	33,096	3,338	557
Receivables	125,015	78,289	354	22
	196,013	132,481	3,697	582
Less: Allowance for impairment	(12,726)	(12,565)	-	-
	183,287	119,916	3,697	582
Attributable of disposal group classified as held for sale (Note 32)	-	(421)	-	-
	183,287	119,495	3,697	582
Total other receivables (Note 27)	200,501	119,495	3,697	582

Included in receivables are the following amounts due from related parties:

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Sunway Technology Sdn. Bhd. Group	59	9	-	-
Sunway REIT (RHB Trustee Bhd)	659	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	
	2014 RM'000	2013 RM'000
At beginning of financial year	12,565	11,695
Charge for the year (Note 8)	169	956
Reversal of impairment losses (Note 6)	-	(86)
Written off	(8)	-
At end of financial year	12,726	12,565

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (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, BANK BALANCES AND SHORT-TERM INVESTMENTS

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000 (Restated)
<b>Cash and bank balances</b>				
Cash at banks and on hand	543,815	393,705	5,931	1,421
Deposits with:				
Licensed banks	66,845	200,076	4,731	-
Other financial institutions	1,036,868	368,720	325,374	210,444
Less: Attributable to disposal group classified as held for sale (Note 32)	-	(1,116)	-	-
Total cash and bank balances (Note 27)	1,647,528	961,385	336,036	211,865
<b>Short-term investments</b>				
Placement in funds	330,672	557,433	41,090	293,627
Cash, bank balances and short-term investments	1,978,200	1,518,818	377,126	505,492

The funds are backed by a portfolio of investments in fixed-income instruments, namely fixed deposits, medium term notes and commercial papers.

Included in cash at banks of the Group are amounts of RM210,128,000 (2013: RM100,756,000) 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 3.74% (2013: 3.06%) and 1.06% (2013: 1.17%) per annum respectively.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

**31. CASH, BANK BALANCES AND SHORT-TERM INVESTMENTS (contd.)**

The average maturity of deposits with licensed banks and other financial institutions of the Group and of the Company are 67 days (2013: 25 days) and 21 days (2013: 6 days) respectively.

The average maturity of placement in funds of the Group and of the Company are 38 days (2013: 9 days) and 23 days (2013: 8 days) respectively. The weighted average distribution rate of placement in funds of the Group and of the Company are 2.58% (2013: 3.04%) and 0.45% (2013: 1.67%) 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	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000 (Restated)
Cash and bank balances	<b>1,647,528</b>	961,385	<b>336,036</b>	211,865
Bank overdrafts (Note 33)	<b>(92,438)</b>	(89,719)	-	-
Deposit with other financial institutions with maturity of over 3 months	<b>(262,180)</b>	-	<b>(87,180)</b>	-
Total cash and cash equivalents	<b>1,292,910</b>	871,666	<b>248,856</b>	211,865

**32. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE**

On 8 December 2014, the Group entered into negotiations with RHB Trustees Berhad ("Trustee"), as Trustee for Sunway REIT, to dispose certain property, plant and equipment and investment property. Accordingly, management has classified the said properties as held for sale in accordance with the requirements of FRS 5.

	GROUP RM'000
Property, plant and equipment (Note 14)	<b>38,772</b>
Investment properties (Note 16)	<b>59,257</b>
	<b>98,029</b>

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").

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)**

**32. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (contd.)**

As disclosed in the previous financial year's audited financial statements, notwithstanding that all conditions precedent to the completion of the ESPA 1 had been met, the sale had not qualified for recognition as there were certain significant costs to be incurred in respect of the transaction which could not be measured reliably as at the reporting date. Accordingly, as at 31 December 2013, management had classified the assets and liabilities of Sunway Hatay as held for sale in accordance with the requirements of FRS 5. During the financial year 31 December 2014, all conditions precedent to the completion of the ESPA 1 were duly fulfilled.

On 28 November 2013, SWHV 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. Accordingly, management had classified the assets and liabilities of Sungei Way Ocean as held for sale in accordance with the requirements of FRS 5.

All conditions precedent of ESPA 1 and ESPA 2 have been met, and significant costs attributed to ESPA 1 and ESPA 2 have been finalised in the current financial year. Accordingly, ESPA 1 were duly completed during the financial year ended 31 December 2014 and ESPA 2 were duly completed as at 25 April 2014.

- (i) The Group had disposed of its 86% equity interest in Sunway Hatay Construction & Building Materials JV. Co. Ltd. for a total cash consideration of USD3,200,000 (equivalent to approximately RM9,843,000).

The disposal had the following effects on the financial position of the Group:

	RM'000
Net assets disposed of	10,992
Transfer from foreign exchange reserve	(3,754)
	7,238
Total disposal proceeds	(9,843)
Gain on disposal of the Group	(2,605)
Cash inflow arising from disposal:	
Cash consideration	9,843
Cash and cash equivalent of subsidiary disposed of	(85)
Net cash inflow on disposal	9,758

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 32. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (contd.)

- (ii) The Group had disposed of its 70% equity interest in Sungei Way Ocean Joint Venture Ltd for a total cash consideration of USD1,000,000 (equivalent to approximately RM3,530,000).

The disposal had the following effects on the financial position of the Group:

	RM'000
Net liabilities disposed of	(16,217)
Transfer from foreign exchange reserve	8,542
	(7,675)
Total disposal proceeds	(3,530)
Gain on disposal of the Group	(11,205)
Cash inflow arising from disposal:	
Cash consideration	3,530
Cash and cash equivalent of subsidiary disposed of	(1,045)
Net cash inflow on disposal	2,485

The assets and liabilities of the companies classified as held for sale and the related reserves as at 31 December 2013 are as follows:

	GROUP	
	Note	RM'000
<b>Assets</b>		
<b>Non-current asset</b>		
Property, plant and equipment	14	3,219
<b>Current assets</b>		
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
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade payables	39	459
Other payables	40	64,376
Liabilities of disposal group classified as held for sale		64,835
<b>Reserve</b>		
Foreign currency reserve		22,488



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 33. BORROWINGS

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Short term borrowings</b>				
Secured:				
Bank overdrafts	91,713	88,720	-	-
Bankers' acceptance	952	14,092	-	-
Term loans	955,631	884,647	524,850	494,100
Revolving credits	287,654	293,216	-	-
Bills payable	1,494	13,257	-	-
	1,337,444	1,293,932	524,850	494,100
Unsecured:				
Bank overdrafts	725	999	-	-
Bankers' acceptance	9,071	14,042	-	-
Term loans	953	77,039	-	-
Revolving credits	130,168	-	80,000	-
Block discount creditors	492	4,161	-	-
Commercial papers	565,000	600,000	565,000	600,000
Bills discounting	83,839	-	-	-
Bills payable	2,491	-	-	-
	792,739	696,241	645,000	600,000
	2,130,183	1,990,173	1,169,850	1,094,100
<b>Long term borrowings</b>				
Secured:				
Term loans	1,494,748	739,077	-	-
Medium term notes	5,000	5,000	-	-
	1,499,748	744,077	-	-
Unsecured:				
Term loans	-	45,914	-	-
Medium term notes	150,000	-	150,000	-
Block discount creditors	-	492	-	-
	150,000	46,406	150,000	-
	1,649,748	790,483	150,000	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 33. BORROWINGS (contd.)

		GROUP		COMPANY	
		Note	2014 RM'000	2013 RM'000	2014 RM'000
Total borrowings					
Bank overdrafts	31	92,438	89,719	-	-
Term loans	(a)	2,451,332	1,746,677	524,850	494,100
Revolving credits	(b)	417,822	293,216	80,000	-
Medium term notes	(c)	155,000	5,000	150,000	-
Commercial papers		565,000	600,000	565,000	600,000
Bankers' acceptance		10,023	28,134	-	-
Block discount creditors	(d)	492	4,653	-	-
Bills discounting		83,839	-	-	-
Bills payable		3,985	13,257	-	-
	39	3,779,931	2,780,656	1,319,850	1,094,100

The weighted average interest rates per annum of borrowings that were effective as at reporting date were as follows:

	GROUP		COMPANY	
	2014 %	2013 %	2014 %	2013 %
Bank overdrafts	<b>5.85</b>	5.69	-	-
Term loans	<b>4.01</b>	3.99	<b>4.30</b>	3.76
Revolving credits	<b>4.02</b>	4.31	<b>4.20</b>	-
Medium term notes	<b>6.44</b>	4.37	<b>6.50</b>	-
Commercial papers	<b>3.75</b>	3.47	<b>3.75</b>	3.47
Bankers' acceptance	<b>3.75</b>	3.07	-	-
Block discount creditors	<b>4.84</b>	4.99	-	-
Bills discounting	<b>3.95</b>	-	-	-
Bills payable	<b>1.60</b>	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 2014 (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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Ringgit Malaysia ("RM")	1,727,786	1,522,394	795,000	600,000
US Dollar ("USD")	1,757,168	1,158,927	524,850	494,100
Singapore Dollar ("SGD")	238,510	66,953	-	-
Renminbi ("RMB")	52,999	30,750	-	-
Australian Dollar ("AUD")	3,468	632	-	-
Indonesian Rupiah ("INR")	-	1,000	-	-
	3,779,931	2,780,656	1,319,850	1,094,100

(a) The maturity of the term loans is as follows:

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Not later than 1 year	956,584	961,686	524,850	494,100
Later than 1 year and not later than 2 years	8,444	86,079	-	-
Later than 2 years and not later than 3 years	894,370	349,134	-	-
Later than 3 years and not later than 4 years	241,663	79,166	-	-
Later than 4 years and not later than 5 years	245,235	50,123	-	-
Later than 5 years	105,036	220,489	-	-
	2,451,332	1,746,677	524,850	494,100

(b) The maturity of the revolving credits is as follows:

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Not later than 1 year	417,822	293,216	80,000	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 33. BORROWINGS (contd.)

(c) The maturity of the medium term notes is as follows:

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Later than 2 years and not later than 3 years	150,000	-	150,000	-
Later than 5 years	5,000	5,000	-	-
	155,000	5,000	150,000	-

(d) The maturity of the block discount creditors is as follows:

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Not later than 1 year	492	4,161	-	-
Later than 1 year and not later than 2 years	-	492	-	-
	492	4,653	-	-

The secured borrowings of the Group are secured by legal charges as follows:

	Note	2014 RM'000	2013 RM'000
Property, plant and equipment	14	190,314	178,135
Investment properties	16	602,642	558,618
Land held for development	18	58,344	71,368
Property development costs	25	1,499,909	1,086,811
		2,351,209	1,894,932

## 34. LONG TERM LIABILITIES

	GROUP	
	2014 RM'000	2013 RM'000
Deferred income at end of financial year	17,458	19,367
To be recognised within 1 year (Note 40)	(1,714)	(1,714)
To be recognised after 1 year	15,744	17,653

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 2014 (CONTD.)

### 35. ADVANCES BY MINORITY SHAREHOLDERS OF SUBSIDIARIES

Included in advances by minority shareholders of subsidiaries was contribution of RM142,462,000 (2013: RM136,384,000) 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% (2013: 5.50%) per annum shall be paid from the Distributable Profits of SSQSB to the extent practicable.

### 36. AMOUNTS DUE TO SUBSIDIARIES

	COMPANY	
	2014 RM'000	2013 RM'000
Non-interest bearing amounts (Note 39)	232	516

The amounts due to subsidiaries are unsecured, interest free and repayable on demand.

### 37. HIRE PURCHASE AND FINANCE LEASE LIABILITIES

	GROUP	
	2014 RM'000	2013 RM'000
<b>Future minimum lease payments:</b>		
Not later than 1 year	2,875	11,248
Later than 1 year and not later than 2 years	979	4,066
Later than 2 years and not later than 3 years	730	247
Later than 3 years and not later than 4 years	172	60
Total future minimum lease payments	4,756	15,621
Less: Future finance charges	(257)	(815)
Present value of finance lease liabilities (Note 39)	4,499	14,806



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 37. HIRE PURCHASE AND FINANCE LEASE LIABILITIES (contd.)

	GROUP	
	2014 RM'000	2013 RM'000
<b>Analysis of present value of finance lease liabilities:</b>		
Not later than 1 year	2,708	10,573
Later than 1 year and not later than 2 years	914	3,957
Later than 2 years and not later than 3 years	706	217
Later than 3 years and not later than 4 years	171	59
	<b>4,499</b>	14,806
Less: Amount due within 12 months	(2,708)	(10,573)
Amount due after 12 months	<b>1,791</b>	4,233

The hire purchase and finance lease liabilities of the Group attract interest at rates ranging from 1.76% to 6.44% (2013: 1.90% to 7.94%) per annum.

## 38. DEFERRED TAX

	GROUP	
	2014 RM'000	2013 RM'000
At beginning of financial year	36,253	19,528
Recognised in profit or loss (Note 11)	3,856	16,629
Acquisition of subsidiaries	-	36
Effects of a former subsidiary becoming a joint venture	-	(108)
Exchange differences	81	168
At end of financial year	<b>40,190</b>	36,253
Presented after appropriate offsetting as follows:		
Deferred tax assets	(42,670)	(37,741)
Deferred tax liabilities	<b>82,860</b>	73,994
	<b>40,190</b>	36,253

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (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 2013	(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)
Recognised in profit or loss	1,501	(375)	(1,007)	156	(4,305)	(10,368)	(14,398)
Exchange differences	-	-	-	-	-	25	25
At 31 December 2014	<b>(20,527)</b>	<b>(16,220)</b>	<b>(10,032)</b>	<b>(8,440)</b>	<b>(4,387)</b>	<b>(18,433)</b>	<b>(78,039)</b>

**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 2013	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
Recognised in profit or loss	-	3,994	-	12,106	2,154	18,254
Exchange differences	-	-	-	-	56	56
At 31 December 2014	<b>5,276</b>	<b>36,661</b>	<b>-</b>	<b>69,828</b>	<b>6,464</b>	<b>118,229</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 38. DEFERRED TAX (contd.)

## Deferred tax asset of the Company:

	Unabsorbed capital allowances RM'000
At January 2014	(17)
Recognised in profit or loss	(31)
At 31 December 2014	(48)
At 1 January 2013/31 December 2013	(17)

## Deferred tax liability of the Company:

	Property, plant and equipment RM'000
At January 2014	(17)
Recognised in profit or loss	(31)
At 31 December 2014	(48)
At 1 January 2013/31 December 2013	(17)

Deferred tax assets have not been recognised in respect of the following items:

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unused tax losses	98,053	125,304	-	-
Unabsorbed capital allowances	61,445	41,369	546	-
Unused investment tax allowances	230,406	242,680	-	-
Other deductible temporary differences	36,785	42,824	685	1,128
	426,689	452,177	1,231	1,128

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (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	
	2014 RM'000	2013 RM'000
Third parties	1,088,941	915,092
Amounts due to customers on contracts (Note 41)	72,894	121,593
Amounts due to contractors and consultants	113,969	113,934
	1,275,804	1,150,619
Less: Attributable to disposal group classified as held for sale (Note 32)		
Total trade payables	-	(459)
	1,275,804	1,150,160

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 39. TRADE PAYABLES (contd.)

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total trade payables	1,275,804	1,150,160	-	-
Total other payables (Note 40)	1,200,040	1,115,215	30,645	25,430
Add: Amounts due to subsidiaries (Note 36)	-	-	232	516
Add: Amounts due to associates	3,134	1,596	-	-
Add: Amounts due to joint ventures	201	79,428	-	-
Add: Advances by minority shareholders of subsidiaries	142,506	136,454	-	-
Less: Amounts due to customers on contracts (Note 41)	(72,894)	(121,593)	-	-
Less: Progress billings in respect of property development costs (Note 40)	(113,455)	(49,744)	-	-
Less: Deferred income (Note 40)	(1,714)	(1,714)	-	-
Add: Hire purchase and finance lease liabilities (Note 37)	4,499	14,806	-	-
Add: Total borrowings (Note 33)	3,779,931	2,780,656	1,319,850	1,094,100
Total financial liabilities carried at amortised cost	6,218,052	5,105,264	1,350,727	1,120,046

Included in trade payables are the following amount due to a related party:

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Sunway Technology Sdn. Bhd. Group	905	710	-	-

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 (2013: 1 day to 180 days).



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 40. OTHER PAYABLES

		GROUP		COMPANY	
	Note	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
Non-current					
Payables	(a)	361,156	294,610	-	-
Current					
Payables	(a)	321,783	281,983	400	229
Amounts due to contractors and consultants		29,181	26,243	-	-
Progress billing in respect of property development costs	39	113,455	49,744	-	-
Accruals		333,926	504,065	30,245	25,201
Refundable deposits		38,825	21,232	-	-
Deferred income	(b), 34, 39	1,714	1,714	-	-
		838,884	884,981	30,645	25,430
Attributable to disposal group classified as held for sale	32	-	(64,376)	-	-
		838,884	820,605	30,645	25,430
Total other payables (Note 39)		1,200,040	1,115,215	30,645	25,430

(a) Included in payables is an amount of RM272,929,000 (2013: RM295,028,000) 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) Deferred income of the Group represents deferred timeshare membership fees.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 41. CONSTRUCTION CONTRACTS

	GROUP	
	2014 RM'000	2013 RM'000
Costs incurred to date	5,836,766	6,036,102
Accrued profits to date	969,870	1,008,062
Recognised losses to date	(23,996)	-
Total costs and accrued profits to date	6,782,640	7,044,164
Progress billings to date	(6,782,804)	(7,132,907)
	(164)	(88,743)
Amounts due from customers on contracts (Note 27)	(72,730)	(32,850)
Amounts due to customers on contracts (Note 39)	72,894	121,593
	-	-
Advances received on contracts (included in payables)	34,951	31,282
Retention sums (Note 27)	152,721	159,273

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)**

**42. DERIVATIVES**

	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000
<b>Group</b>			
<b>As at 31 December 2014</b>			
<b>Non-current</b>			
<b>Non-hedging derivatives:</b>			
Interest rate swap	650,000	847	-
<b>Hedging derivatives: Cash flow hedges</b>			
Cross currency swap	1,288,315	65,482	(3,682)
	1,938,315	66,329	(3,682)
<b>Current</b>			
<b>Non-hedging derivatives:</b>			
Interest rate swap	3,658	-	(3)
<b>Hedging derivatives: Cash flow hedges</b>			
Forward currency contract	1,894	-	(26)
Cross currency swap	868,720	73,671	-
	870,614	73,671	(26)
	874,272	73,671	(29)
<b>Group</b>			
<b>As at 31 December 2013</b>			
<b>Non-current</b>			
<b>Non-hedging derivatives:</b>			
Interest rate swap	10,921	-	(66)
<b>Hedging derivatives: Cash flow hedges</b>			
Cross currency swap	384,128	22,955	-
	395,049	22,955	(66)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 42. DERIVATIVES (contd.)

	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000
<b>Group</b>			
<b>As at 31 December 2013 (contd.)</b>			
<b>Current</b>			
<b>Hedging derivatives: Cash flow hedges</b>			
Forward currency contract	9,840	510	(142)
Cross currency swap	718,470	18,771	-
	728,310	19,281	(142)
<b>Company</b>			
<b>As at 31 December 2014</b>			
<b>Current</b>			
<b>Hedging derivatives: Cash flow hedges</b>			
Cross currency swap	479,648	43,970	-
<b>As at 31 December 2013</b>			
<b>Current</b>			
<b>Hedging derivatives: Cash flow hedges</b>			
Cross currency swap	484,200	6,947	-

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% (2013: 4.06%) per annum.

The fair value of the interest rate swap contracts are determined by using the market rates at the end of reporting date and changes in the fair value is recognised in the profit or loss.

The Group also entered into foreign currency forward contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

### 42. DERIVATIVES (contd.)

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 loss of RM2,721,000 (2013: net gain of RM219,000) arising from fair value changes of derivatives, as disclosed in Notes 6 and 8.

### 43. SHARE CAPITAL

		GROUP/ COMPANY			
	Note	Number of shares of RM1 each		Amount	
		2014 '000	2013 '000	2014 RM'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	10,000,000
Issued and fully paid					
Ordinary shares of RM1 each:					
At beginning of financial year		1,723,524	1,292,505	1,723,524	1,292,505
Issued during the financial year:					
- pursuant to rights issue		-	430,869	-	430,869
- pursuant to exercise of warrants	(a), (b)	3,311	116	3,311	116
- pursuant to ESOS	(a), (c)	3,744	34	3,744	34
At end of financial year		1,730,579	1,723,524	1,730,579	1,723,524

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 RM1,723,523,759 to RM1,730,579,384 by way of issuance of:

- (i) 3,310,994 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;
- (ii) 3,691,431 new ordinary shares of RM1 each pursuant to the exercise of ESOS at an exercise price of RM2.76 per ordinary share for cash; and



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

#### 43. SHARE CAPITAL (contd.)

##### (a) (contd.)

- (iii) 53,200 new ordinary shares of RM1 each pursuant to the exercise of ESOS at an exercise price of RM3.19 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.

During the financial year, the Company repurchased 8,919,400 of its issued ordinary shares from the open market at prices ranging from RM3.14 to RM3.53 per share. The total consideration paid for the repurchases including transaction costs was RM29,318,550 and was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 31 December 2014, the Company held a total of 8,919,400 ordinary shares as treasury shares out of its total issued and paid up share capital of 1,730,579,384 ordinary shares. Such treasury shares are recorded at a carrying amount of RM29,274,747. The total consideration paid for the purchase of treasury shares was RM29,274,747 and the related transaction costs amounted to RM43,803.

- (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, 3,310,994 new ordinary shares of RM1 each were issued pursuant to the exercise of warrants for the equivalent numbers by the registered holders.

- (c) The Sunway Berhad's ESOS ("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;

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)**

**43. SHARE CAPITAL (contd.)**

(c) (contd.)

- (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.

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

Options granted

Grant number	Grant date	Number of share options '000	Balance as at 1.1.2014/ grant date '000	Movement during the year			Balance as at 31.12.2014 '000	Exercise price RM/Option	Exercise period
				Exercised '000	Forfeited '000	Rejected '000			
First	3.9.2013	133,564	128,774	(3,691)	(7,232)	-	<b>117,851</b>	2.76	3.9.2013 - 2.9.2019
Second	2.9.2014	15,735	15,735	(53)	(213)	(783)	<b>14,686</b>	3.19	2.9.2014 - 2.9.2019

Options vested

(i) First grant of options over ordinary shares

Vesting date	Vested '000	Exercisable as at 1.1.2014/ grant date '000	Movement during the year			Exercisable as at 31.12.2014 '000	Exercise price RM/Option	Exercise period
			Exercised '000	Forfeited '000	Rejected '000			
3.9.2013	29,993	28,964	(2,632)	(1,492)	-	<b>24,840</b>	2.76	3.9.2013 - 2.9.2016
2.9.2014	27,853	27,853	(1,059)	(301)	-	<b>26,493</b>	2.76	2.9.2014 - 2.9.2017

(ii) Second grant of options over ordinary shares

Vesting date	Vested '000	Exercisable as at 1.1.2014/ grant date '000	Movement during the year			Exercisable as at 31.12.2014 '000	Exercise price RM/Option	Exercise period
			Exercised '000	Forfeited '000	Rejected '000			
2.9.2014	4,526	4,526	(53)	(59)	(205)	<b>4,209</b>	3.19	2.9.2014 - 2.9.2017

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 43. SHARE CAPITAL (contd.)

(c) (contd.)

Share options exercised during the financial year resulted in the issuance of:

- (i) 3,691,431 ordinary shares at an option price of RM2.76 each.
- (ii) 53,200 ordinary shares at an option price of RM3.19 each.

The fair value of share options measured at grant date and the assumptions used are as follows:

	GROUP/ COMPANY	
	2014	2013
Expected price of option offered (RM)	3.19	2.76
Weighted average share price (RM)	3.18	2.84
Expected life (years)	3	4
Expected volatility (%)	30.10	30.99
Expected dividend yield (%)	3.00	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.

## 44. SHARE PREMIUM

	Note	GROUP/ COMPANY	
		2014 RM'000	2013 RM'000
At beginning of financial year		2,628,404	2,326,509
Arising from issuance of new ordinary shares:			
- pursuant to rights issue		-	301,608
- pursuant to exercise of warrants	43 (b)	4,966	208
- pursuant to ESOS	43 (c)	8,843	79
At end of financial year		2,642,213	2,628,404

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

### 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	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
Non-distributable reserves:					
Capital reserve	(a)	34,137	34,137	-	-
Capital redemption reserve	(b)	99,062	99,062	-	-
Statutory reserve	(c)	879	879	-	-
Revaluation reserve	(d)	25,972	25,881	-	-
Share option reserve	(e)	69,080	42,883	65,910	39,713
Equity contribution reserve	(f)	21,712	21,712	-	-
Cash flow hedge reserve	(g)	(4,896)	1,307	(1,231)	(2,952)
Furniture, fittings and equipment reserve	(h)	3,728	5,288	-	-
Foreign currency translation reserve	(i)	33,463	(22,541)	-	-
Fair value reserve	(j)	-	-	5,233	(1,869)
Total non-distributable reserves		283,137	208,608	69,912	34,892
Distributable reserve:					
Retained earnings		2,450,100	1,885,661	93,438	98,813
		2,733,237	2,094,269	163,350	133,705

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 2014 (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, fittings and equipment 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.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

### 47. RESERVES (contd.)

The nature of each category of reserve are as follows: (contd.)

#### (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.

### 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.

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	
	2014 RM'000	2013 RM'000
Not later than 1 year	78,658	77,753
Later than 1 year and not later than 5 years	289,583	281,704
Later than 5 years	110,003	161,246
	478,244	520,703

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 49. OPERATING LEASE AGREEMENTS (contd.)

## (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	
	2014 RM'000	2013 RM'000
Not later than 1 year	56,406	54,664
Later than 1 year and not later than 5 years	196,737	189,059
Later than 5 years	285,542	338,825
	538,685	582,548

Rental income recognised in profit or loss during the financial year is disclosed in Note 4 and Note 6.

## 50. CAPITAL COMMITMENTS

	GROUP	
	2014 RM'000	2013 RM'000
Capital expenditure:		
Approved and contracted for property, plant and equipment and investment properties	74,935	71,745
Approved but not contracted for property, plant and equipment and investment properties	365,816	635,582
	440,751	707,327

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)**

**51. CONTINGENT LIABILITIES**

**(a) Guarantees**

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unsecured:				
Guarantees given to third parties in respect of trade and contracts	<b>2,315,922</b>	2,125,176	<b>874,840</b>	566,416

**(b) Material outstanding litigations**

- (i) Pursuant to an agreement entered into between Sunway Construction Sdn. Bhd. ("SunCon") and the National Highway Authority of India for the rehabilitation and upgrading of highway NH-25 in the state of Uttar Pradesh to four-lane configuration, being a part of the East-West Corridor Project, SunCon entered into a work order for a portion of the project with an Indian company called Shristi Infrastructure Development Corporation Ltd ("Shristi"). The total value of the work order was INR1,34,37,91,938 (equivalent to approximately RM74.18 million). Shristi had in accordance with the work order provided two bank guarantees to SunCon.

Shristi failed, refused and/or neglected to carry out its obligations with due care under the work order. As a result, SunCon was compelled to terminate the contract by a letter dated 16 June 2007 and also invoked the bank guarantee given by Shristi. SunCon has recovered a sum of INR11,72,97,625 (equivalent to approximately RM6.47 million) from the encashment of the bank guarantees.

Shristi filed an application at the Supreme Court of India in the year 2007 for the appointment of an arbitrator to arbitrate the disputes between the parties. Shristi filed its statement of claim for a sum of INR89,14,55,048 (equivalent to approximately RM49.21 million). In response to Shristi's claim, SunCon filed its counterclaim amounting to INR78,13,94,629 (equivalent to approximately RM43.13 million).

The arbitration at present cannot proceed due to the demise of the sole arbitrator on 11 January 2013, and Shristi has yet to take any steps to have the tribunal re-constituted. At the time of demise of the sole arbitrator, the arbitration was at evidence stage and Shristi's first witness was being cross-examined. No proceedings can take place unless the tribunal is re-constituted and the arbitration tribunal has not yet been re-constituted.

The Directors are of the opinion, after taking appropriate legal advice, that no provision for the abovementioned claims is necessary.

- (ii) Sunway Construction Caribbean Limited ("Sunway Construction Caribbean") was awarded a contract to construct the Ministry of Legal Affairs Tower ("MLA Tower") by the Urban Development Corporation of Trinidad and Tobago ("UDCTT") in year 2006. Sunway Construction Caribbean has, via a letter of award dated 12 January 2006 ("MLA Tower Sub-Contract"), sub-contracted ANSA MCAL Enterprises Limited ("AMEL") for, inter alia, the provision and installation of curtain walling, facade panelling and window washing equipment in respect of the MLA Tower at the contract price of TTD81,229,508.00 (approximately RM45.78 million). AMEL has alleged, inter-alia, that Sunway Construction Caribbean was in breach of the MLA Tower Sub-Contract by failing to:

- (a) Pay the balance of retention sum and continues withholding the retention sum from AMEL; and
- (b) Review the shop drawings in a timely manner which has resulted the delays of AMEL's works.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 51. CONTINGENT LIABILITIES (contd.)

## (b) Material outstanding litigations (contd.)

## (ii) (contd.)

AMEL had via a claim form and statement of case dated 29 August 2014 and 15 December 2014 respectively, filed its claim against Sunway Construction Caribbean at the High Court of Justice, Republic of Trinidad and Tobago, for an accumulated sum of TTD35,289,007.12 (approximately RM19.90 million), being loss and damages arising from the alleged Sunway Construction Caribbean's breach of the MLA Tower Sub-Contract.

A case management conference for the above claim is fixed on 7 May 2015 at the High Court of Justice, Port-of-Spain, Trinidad and Tobago. The Directors, after consulting the company's acting lawyer, are of the view that it would be premature to express a view on the case as at this juncture prior to the finalisation of Sunway Construction Caribbean's defence.

The Directors are of the opinion that no provision for the abovementioned claims is necessary.

## 52. SIGNIFICANT INTER-COMPANY TRANSACTIONS

	Note	COMPANY	
		2014 RM'000	2013 RM'000
Dividends receivable from subsidiaries	4	148,160	152,109
Distribution of income from real estate investment trust	4	2,123	1,359
Interest receivable from subsidiaries	(i), 7	66,001	54,353
Management fees receivable from:			
- subsidiaries	4	64,796	68,824
- a joint venture	4	2,555	-
Income receivable from back to back loan	6	-	821
IT and related expenses payable to a subsidiary		(1,295)	(1,274)
Insurance expenses payable to a subsidiary		(708)	(691)
Secretarial fees and share registration fees payable to a subsidiary		(536)	(614)
Accounting services fees payable to a subsidiary		(272)	(195)
Hotel and related expenses payable to a subsidiary		(199)	(261)
Parking and related services payable to subsidiaries		(1)	(2)
Air ticket and related services payable to a subsidiary		(224)	(152)
Interest payable to subsidiaries	(ii), 7	-	(576)
Medical services expenses payable to a subsidiary		(34)	(229)
Subscription and related expenses payable to a subsidiary		(24)	(7)

(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 2014 (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:

			GROUP	
Name of companies	Nature of transactions	2014 RM'000	2013 RM'000	
(a) Sunway Technology Sdn. Bhd. Group ("STSB Group")	Information systems products and consultancy fees	(879)	(2,176)	
	Sales of financial and IT related services	621	93	
	Rental of office equipment, motor vehicles and other related services	838	63	
	Secretarial and management services	1,085	-	
	Provision of ticketing and tour related services	109	-	
(b) Perbadanan Kemajuan Negeri Selangor ("PKNS") Group	Dividends paid	(38,000)	(43,240)	
(c) Akitek Akiprima Sdn. Bhd.	Procurement of architectural related services	-	(106)	
(d) Sunway Real Estate Investment Trust ("Sunway REIT") (RHB Trustees Bhd)	Lease of Sunway Resort Hotel & Spa	(57,186)	(10,785)	
	Lease of Sunway Hotel Seberang Jaya	(378)	(670)	
	Lease of Sunway Putra Hotel	(4,900)	(1,322)	
	Leasing/rental of properties in respect of:			
	Sunway Medical Centre building	(19,977)	(3,167)	
	Menara Sunway and accommodation for security staff	(2,465)	(3,389)	
	Rental and management of car parks and related services	(21,561)	(2,757)	
	Management services	7,359	1,431	
	Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	137,679	13,893	
(e) Jef-San Enterprise Sdn. Bhd.	Provision of medical services	19	12	



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 53. SIGNIFICANT RELATED PARTY TRANSACTIONS (contd.)

- (i) During the financial year, the Group transacted with certain related parties. The transactions with the related parties are in respect of: (contd.)

		GROUP	
		2014	2013
Name of companies	Nature of transactions	RM'000	RM'000
(f)	Infra-Melia Sdn. Bhd. Rendering of recreational club facilities, theme park, timesharing services and related services	15	11
	Provision of secretarial services & property management services	369	-
(g)	Sunway Iskandar Sdn. Bhd. Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	53,757	-

- (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.) ("Sunway PKNS Sdn. Bhd."), which is a 60% owned subsidiary of the Group. PKNS also has 30% deemed interest in Sunway D'Mont Kiara Sdn. Bhd., which is an associated company of Sunway PKNS 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 2014 (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..

- (g) Sunway Iskandar Sdn. Bhd. is a joint venture of Sunway City Sdn. Bhd., a wholly-owned subsidiary of the Company.

Information regarding outstanding balances arising from related party transactions as at 31 December 2014 and 2013 are disclosed in Note 27, Note 28 and Note 39.

- (iii) Key management personnel are the persons who have authorities and responsibilities for planning, directing and controlling the activities of the Group or the Company either directly or indirectly.

The remuneration of the directors and other members of key management during the financial year are as follows:

	GROUP		COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Short-term employee benefits	34,495	27,787	19,080	15,349
Post-employment benefits:				
- Defined contribution plan	6,251	5,006	3,501	2,817
ESOS	7,852	13,882	5,440	9,090
	48,598	46,675	28,021	27,256

- (iv) Included in the total key management personnel are:

	GROUP/ COMPANY	
	2014 RM'000	2013 RM'000
Directors' remuneration (Note 10)	27,031	26,082

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 54. SUBSIDIARIES

Details of the subsidiaries are as follows:

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
<b>(a) Subsidiaries of Sunway Berhad</b>						
Sunway Holdings Sdn. Bhd.	Malaysia	Investment holding and provision of management services	100	100	-	-
Sunway City Sdn. Bhd.	Malaysia	Investment holding	100	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. (held in trust by Sunway City Sdn. Bhd.)	Malaysia	Operator of a medical centre	99.52	99.52	0.48	0.48
Suncity Suncon JV (50% held by Sunway City Sdn. Bhd. and 50% held by Sunway Construction Sdn. Bhd.)	Unincorporated	Property development	100	100	-	-

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)**

**54. SUBSIDIARIES (contd.)**

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
(b) Subsidiary of Sunway Treasury Sdn. Bhd.						
Sunway Treasury Sukuk Sdn. Bhd. (formerly known as Fantastic Prolink Sdn. Bhd.)	Malaysia	Dormant	100	-	-	-
(c) Subsidiaries of Sunway Medical Centre Sdn. Bhd.						
SunMed@Home Sdn. Bhd. #	Malaysia	Provision of medical services	99.52	99.52	0.48	0.48
SunMed Clinics Sdn. Bhd.	Malaysia	Provision of medical consultation services and facility services	99.52	99.52	0.48	0.48
(d) Subsidiary of Sunway Real Estate (China) Ltd.						
Sunway Guanghao Real Estate (Jiangyin) Co. Ltd. #	China	Property development	65	65	35	35
(e) Subsidiaries of Sunway Holdings Sdn. Bhd.						
Sunway Construction Sdn. Bhd.	Malaysia	Turnkey, construction related design and build, civil engineering and building works	100	100	-	-
Sunway Construction Group Berhad	Malaysia	Investment holding	100	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 54. SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
(e) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
Sunway Permai Sdn. Bhd.	Malaysia	Property development	80	-	20	-
Sunway Transit System Sdn. Bhd.	Malaysia	Dormant	100	-	-	-
Sunway Dimension Stones Sdn. Bhd. #	Malaysia	Investment properties	100	-	-	-
Sunway Developments Pte. Ltd. #	Singapore	Other investment holding companies and general contractors (building construction including major upgrading works)	100	-	-	-
SunwayMas Sdn. Bhd.	Malaysia	Property and housing development, and investment holding	100	100	-	-
Sunway VCP Sdn. Bhd.	Malaysia	Marketing, manufacturing and sale of glazed vitrified clay pipes and other similar related clay products	100	100	-	-



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 54. SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows (contd.):

Name of companies			% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
(e) Subsidiaries of						
Sunway Holdings Sdn. Bhd. (contd.)						
Sunway Marketing Sdn. Bhd.	Malaysia	Marketing, distribution and sale of construction related products and industrial products	100	100	-	-
Sunway Marketing (S) Pte. Ltd. #	Singapore	Trading in hose and fittings and hose assembly	100	100	-	-
Sunway Leasing Sdn. Bhd.	Malaysia	Provision of finance through leasing, hire purchase, money lending and share financing	100	100	-	-
Sunway Risk Management Sdn. Bhd.	Malaysia	General and life insurance agency providing insurance underwriting and consultancy services	100	100	-	-
Sunway Management Sdn. Bhd.	Malaysia	Share registration and secretarial services	100	100	-	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 54. SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
<b>(e) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)</b>						
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	-	-
Sunway Shared Services 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 2014 (CONTD.)

## 54. SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
(e) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
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	Property investment and property dealing	100	100	-	-
ABS Land & Properties Berhad	Malaysia	Wound up pursuant to members' voluntary winding up	-	100	-	-
Sunway Quarry Industries Sdn. Bhd.	Malaysia	Manufacturing and supplying of premix, quarry operations and to carry out contract works for civil projects	100	100	-	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 54. SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
(e) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
Sunway Spun Pile (M) Sdn. Bhd. (formerly known as 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	-	-
Sunway Quarry (Kuala Kangsar) Sdn. Bhd.	Malaysia	To sell or otherwise deal in stones, aggregates, premix or other construction related products	100	100	-	-
Sunway Elite Sdn. Bhd.	Malaysia	To coordinate and provide administration of employees' health care benefits and insurance services	100	100	-	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 54. SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
(e) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
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	60	40	40
Sunway Cavity Wall Panel Sdn. Bhd.	Malaysia	Manufacturing and marketing of cavity wall panel	100	100	-	-
Sunway Cavity Wall Panel (S) Pte. Ltd. #	Singapore	Manufacturing and marketing of cavity wall panel	100	100	-	-
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	Dormant	100	100	-	-
Sunway Quarry Industries (Caribbean) Limited #	Trinidad and Tobago	Dormant	100	100	-	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 54. SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows (contd.):

Name of companies			% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
(e) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
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
PT Sunway Quarry Indonesia #	Indonesia	Dormant	95	95	5	5
Sunway Global Limited #	Hong Kong	Investment holding and provision of management services	98.75	98.75	1.25	1.25
(f) Subsidiary of Sunway Leasing Sdn. Bhd.						
SWL Nominees (Tempatan) Sdn. Bhd.	Malaysia	Provision of shares nominee services	100	100	-	-



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 54. SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows (contd.):

Name of companies			Country of incorporation		Principal activities		% of ownership interest held by			
							Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %				
(g) 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. # (In liquidation)	Malaysia	Dormant	100	100	-	-				
Sunway Machinery Sdn. Bhd.	Malaysia	Renting of machinery and site equipment and undertaking sub-contract work	100	100	-	-				
Sunway Engineering Sdn. Bhd.	Malaysia	Provision of mechanical and engineering works	100	100	-	-				
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	-	-				

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 54. SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
<b>(g) Subsidiaries of</b>						
<b>Sunway Construction Sdn. Bhd.</b>						
(contd.)						
Sunspan Sdn. Bhd. #	Malaysia	Dormant	100	100	-	-
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	Dormant	100	100	-	-
Sunway Creative Stones Sdn. Bhd.	Malaysia	Dormant	70	70	30	30
Sunway GD Piling Sdn. Bhd. #	Malaysia	Dormant	100	100	-	-
Sunway Construction Caribbean Limited #	Trinidad and Tobago	Dormant	100	100	-	-
Sunway IBS Sdn. Bhd. #	Malaysia	Dormant	70	70	30	30
Sun-Block (Batang Kali) 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 Construction (S) Pte. Ltd. #	Singapore	Dormant	100	100	-	-

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)**

**54. SUBSIDIARIES (contd.)**

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
(g) Subsidiaries of Sunway Construction Sdn. Bhd. (contd.)						
Sunway Permai Sdn. Bhd.	Malaysia	Property development	-	80	-	20
Sunway Transit System Sdn. Bhd.	Malaysia	Dormant	-	100	-	-
Sunway Dimension Stones Sdn. Bhd. #	Malaysia	Investment properties	-	100	-	-
(h) Subsidiary of Sunway Industrial Products Sdn. Bhd.						
Sunway Concrete Products (S) Pte. Ltd. #	Singapore	Building construction NEC+ and manufacturing of miscellaneous products of petroleum and coal	100	100	-	-
(i) 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	-	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 54. SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
<b>(j) Subsidiary of Sunway Developments Pte. Ltd.</b>						
Sunway Land Pte. Ltd. #	Singapore	Real estate developers and building contractor NEC <sup>+</sup>	100	100	-	-
<b>(k) Subsidiaries of Sunway Machineries Services Sdn. Bhd.</b>						
Sunway PMI-Pile Construction Sdn. Bhd. <sup>++</sup>	Malaysia	Dormant	-	99.40	-	0.60
Sunway SK Sdn. Bhd.	Malaysia	Construction of building and civil works	100	100	-	-
<b>(l) Subsidiary of Sunway Engineering Sdn. Bhd.</b>						
Sunway Smartek Sdn. Bhd. (In Liquidation)	Malaysia	Dormant	100	100	-	-
<b>(m) Subsidiary of Sunway Geotechnics (M) Sdn. Bhd.</b>						
Sunway Geotechnics (S) Pte. Ltd. #	Singapore	Dormant	100	100	-	-
<b>(n) Subsidiaries of SunwayMas Sdn. Bhd.</b>						
Sunway Bangi Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Mujurmas Sdn. Bhd. #	Malaysia	Dormant	100	100	-	-

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)**

**54. SUBSIDIARIES (contd.)**

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
(n) Subsidiaries of SunwayMas Sdn. Bhd. (contd.)						
Pembangunan Risjaya Sdn. Bhd. #	Malaysia	Property development	100	100	-	-
Sunway Rawang Heights Sdn. Bhd. #	Malaysia	Property development	100	100	-	-
Sunway Kanching Heights Sdn. Bhd. #	Malaysia	Property development	100	100	-	-
Eaglefield Sdn. Bhd. #	Malaysia	Dormant	100	100	-	-
Sunway Rydgeway Sdn. Bhd.	Malaysia	Property and housing development	80	80	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	Struck off pursuant to Section 308 of the Companies Act, 1965	-	100	-	-
Sunway PJ51A Sdn. Bhd. #	Malaysia	Dormant	100	100	-	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 54. SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
(n) Subsidiaries of SunwayMas Sdn. Bhd. (contd.)						
Daksina Harta Sdn. Bhd. #	Malaysia	Property investment	100	100	-	-
(o) Subsidiary of Sunway Quarry Industries Sdn. Bhd.						
Sunway Quarry Industries (Taiping) Sdn. Bhd. #	Malaysia	Dormant	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
Sunway Architectural Products Sdn. Bhd.	Malaysia	Trading in architectural and finishing products	85	85	15	15
Sunway Pharma Sdn. Bhd. #	Malaysia	Dormant	100	100	-	-



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)**

**54. SUBSIDIARIES (contd.)**

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
(p) Subsidiaries of Sunway Marketing Sdn. Bhd. (contd.)						
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	-	-
PT Sunway Trek Masindo #	Indonesia	Trading in hose and fittings, hose assembly and heavy equipment parts	100	100	-	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 54. SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
<b>(q) Subsidiaries of Sunway Marketing (S) Pte. Ltd. (contd.)</b>						
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	100	-	-
<b>(r) Subsidiaries of Sunway Holdings (Vietnam) Sdn. Bhd.</b>						
Sungei Way Ocean Joint Venture Ltd. #	Vietnam	Quarrying and production of building stones	-	70	-	30
Realty Investments (HB) Inc. #	Panama	Investment holding	100	100	-	-

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)**

**54. SUBSIDIARIES (contd.)**

Details of the subsidiaries are as follows (contd.):

Name of companies			% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
(s) Subsidiaries of Sunway Paving Solutions Sdn. Bhd.						
Sun-Block (Senai) Sdn. Bhd.	Malaysia	Wound up pursuant to member's voluntary winding up	-	100	-	-
Sun-Block (Beranang) Sdn. Bhd.	Malaysia	Wound up pursuant to member's voluntary winding up	-	100	-	-
(t) Subsidiaries of Sunway Global Limited						
Sunway Building Materials (Shanghai) 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 2014 (CONTD.)

## 54. SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows (contd.):

Name of companies			% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
(t) 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 2014 (CONTD.)**

**54. SUBSIDIARIES (contd.)**

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
(u) 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	-	-
(v) 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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 54. SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
(v) Subsidiaries of						
Sunway GD Foundation						
Engineering Co. Ltd. (contd.) #						
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
PT Sunway Construction Engineering #	Indonesia	To carry out foundation and construction works	32.59	32.59	67.41	67.41



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 54. SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows (contd.):

			% of ownership interest held by			
Name of companies	Country of incorporation	Principal activities	Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
(w) 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
(x) 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 2014 (CONTD.)

## 54. SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows (contd.):

Name of companies			Country of incorporation	Principal activities	% of ownership interest held by			
					Group		Non-controlling interest	
					2014 %	2013 %	2014 %	2013 %
(y) 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	-	-		
(z) 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 Biz Hotel Sdn. Bhd. (formerly known as Sunway Hotel (Penang) Sdn. Bhd.)	Malaysia	Hotelier	100	100	-	-		

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)**

**54. SUBSIDIARIES (contd.)**

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
(z) Subsidiaries of						
Sunway City Sdn. Bhd.						
(contd.)						
Sunway City (Penang) Sdn. Bhd.	Malaysia	Property development, provision of property management services and investment holding	100	100	-	-
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	100	100	-	-
Sunway Hospitality Holdings Ltd. #	British Virgin Islands	Investment holding	100	100	-	-
Emerald Tycoon Sdn. Bhd. #	Malaysia	Investment holding	100	100	-	-
Sunway Grand Sdn. Bhd.	Malaysia	Property development	100	100	-	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 54. SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by				
			Group		Non-controlling interest		
			2014 %	2013 %	2014 %	2013 %	
(z) Subsidiaries of Sunway City Sdn. Bhd. (contd.)							
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	-	-	
Sunway City (Cambodia) Sdn. Bhd. #	Malaysia	Investment holding	76	76	24	24	
Sunway City (Ipoh) Sdn. Bhd.	Malaysia	Property development and investment holding	95.96	79.02	4.04	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	-	-	

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 54. SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
(z) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Area Star Sdn. Bhd. #	Malaysia	Property investment and property dealing	100	100	-	-
Sunway Development Sdn. Bhd. #	Malaysia	Dormant	100	100	-	-
Sunway City (S'pore) Pte. Ltd. #	Singapore	Promotion and marketing services and investment holding	100	100	-	-
Sunway Destiny Sdn. Bhd.	Malaysia	Management and letting out of properties	100	100	-	-
Sunway Facility Management Sdn. Bhd.	Malaysia	Building facilities management 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	-	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 54. SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
<b>(z) Subsidiaries of Sunway City Sdn. Bhd. (contd.)</b>						
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	-	-
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	-	-



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 54. SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
(z) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
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 City India Private Limited #	India	Property development and investment holding	100	100	-	-
Sunway REM Sdn. Bhd.	Malaysia	Building facilities management	100	100	-	-
Sunway Ambience Sdn. Bhd. #	Malaysia	Property investment	100	100	-	-
Sunway Rahman Putra Sdn. Bhd. #	Malaysia	Property development	100	100	-	-
Sunway Pals Loyalty 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	-	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 54. SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
<b>(z) Subsidiaries of</b>						
<b>Sunway City Sdn. Bhd.</b>						
(contd.)						
Sunway Forum Hotel Sdn. Bhd.	Malaysia	Hotel operator	100	100	-	-
Sunway Kiara Sdn. Bhd. #	Malaysia	Dormant	100	100	-	-
Sunway Century Sdn. Bhd. #	Malaysia	Property investment	100	100	-	-
Sejati Pesona Sdn. Bhd. ¥ (in the midst of striking off pursuant to Section 308 of the Companies Act, 1965)	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 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	-	-

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)**

**54. SUBSIDIARIES (contd.)**

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
<b>(z) Subsidiaries of Sunway City Sdn. Bhd. (contd.)</b>						
Logic Square Sdn. Bhd.	Malaysia	Struck off pursuant to Section 308 of the Companies Act, 1965	-	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.	Malaysia	Management company	100	100	-	-
Deco Style Sdn. Bhd. #	Malaysia	Specialist contractor in renovation of commercial/residential projects	100	100	-	-
Sunway Pendas Management Sdn. Bhd. (formerly known as Winning Desire Sdn. Bhd.)	Malaysia	Management company	100	100	-	-
<b>(aa) Subsidiaries of Sunway City (Penang) Sdn. Bhd.</b>						
Fame Parade Sdn. Bhd. #	Malaysia	Letting, management of departmental stores and property development	100	100	-	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 54. SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
<b>(aa) Subsidiaries of</b>						
<b>Sunway City (Penang) Sdn. Bhd.</b>						
(contd.)						
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	Property investment	100	100	-	-
<b>(ab) Subsidiary of</b>						
<b>Konsep Objektif (M) Sdn. Bhd.</b>						
Sunway Hotel Phnom Penh Ltd. #	Cambodia	Hotel business	52.50	52.50	47.50	47.50

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 54. SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
(ac) 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	-	-
Sunway South Quay Sdn. Bhd.	Malaysia	Property development	60	60	40	40
Frontier Acres Sdn. Bhd. #	Malaysia	Property investment	100	100	-	-
(ad) 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	40.2	60	59.8	40
(ae) 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	-	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 54. SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
<b>(ae) Subsidiaries of Sunway Hospitality Holdings Ltd.</b>						
(contd.)						
Sunway International Hotels & Resorts Sdn. Bhd.	Malaysia	Hotel management	100	100	-	-
Allson International Hotels & Resorts Sdn. Bhd. #	Malaysia	Dormant	100	100	-	-
<b>(af) Subsidiary of SunCity Vietnam Sdn. Bhd.</b>						
Hochimex Nominee Company Limited #	Hong Kong	Investment holding	100	100	-	-
<b>(ag) Subsidiary of Hochimex Nominee Company Limited</b>						
Sunway Hotel Hanoi Liability Limited Company with One Member #	Vietnam	Hotel business	100	100	-	-
<b>(ah) Subsidiary of Sunway City (Cambodia) Sdn. Bhd.</b>						
Sunway City Cambodia Limited #	Cambodia	Dormant	60.80	60.80	39.20	39.20
<b>(ai) Subsidiaries of Sunway City (Ipoh) Sdn. Bhd.</b>						
Kinta Sunway Resort Sdn. Bhd.	Malaysia	Property investment and hotel owner and operator	95.96	79.02	4.04	20.98



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)**

**54. SUBSIDIARIES (contd.)**

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
(ai) Subsidiaries of Sunway City (Ipoh) Sdn. Bhd. (contd.)						
Objektif Ekuiti (M) Sdn. Bhd. #	Malaysia	Dormant	95.96	79.02	4.04	20.98
Peluang Klasik (M) Sdn. Bhd. #	Malaysia	Dormant	95.96	79.02	4.04	20.98
Sunway Lost World Water Park Sdn. Bhd.	Malaysia	Development and operation of a water theme park	95.96	79.02	4.04	20.98
Lagoon Fantasy Sdn. Bhd. #	Malaysia	Dormant	95.96	79.02	4.04	20.98
Semangat Kancil (M) Sdn. Bhd. #	Malaysia	Dormant	95.96	79.02	4.04	20.98
Ganda Antik Sdn. Bhd. #	Malaysia	Dormant	95.96	79.02	4.04	20.98
Sunway Hotel Services (Ipoh) Sdn. Bhd. #	Malaysia	Dormant	95.96	79.02	4.04	20.98
Sunway Lost World Hotel Sdn. Bhd.	Malaysia	Operation of a hotel	95.96	79.02	4.04	20.98
(aj) Subsidiary of Deco Style Sdn. Bhd.						
Sunway Design Sdn. Bhd. #	Malaysia	An interior decorator and contractor	80	80	20	20

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 54. SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
<b>(ak) Subsidiaries of Sunway</b>						
<b>PKNS Sdn. Bhd. (formerly known as Sunway Damansara Sdn. Bhd.)</b>						
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
Sunway Nexis Parking Sdn. Bhd. (formerly known as 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
Sumber Dorongan Sdn. Bhd. #	Malaysia	Dormant	60	60	40	40

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)**

**54. SUBSIDIARIES (contd.)**

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
(ak) Subsidiaries of Sunway						
PKNS Sdn. Bhd. (formerly known as Sunway Damansara Sdn. Bhd.) (contd.)						
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
(al) 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
(am) 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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 54. SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows (contd.):

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by			
			Group		Non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
(an) 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 &amp; Young

+ Refers to 'not elsewhere classified'

++ On 13 January 2014, Sunway PMI-Pile Construction Sdn. Bhd. has received a sealed Order for winding-up made by High Court of Malaya in Kuala Lumpur pursuant to Section 218 (1) (e) &amp; (i) of the Companies Act, 1965

\* Sunway Lagoon Sdn. Bhd. controls the composition of the board of directors of Eastern Glory Enterprises Limited

¥ Dissolved pursuant to Section 308 of the Companies Act, 1965 with effect from 20 January 2015

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Fixed rate instruments</b>				
Financial assets	<b>1,103,713</b>	568,796	<b>330,105</b>	210,444
Financial liabilities	<b>(1,261,438)</b>	(945,809)	<b>(795,000)</b>	(600,000)
	<b>(157,725)</b>	(377,013)	<b>(464,895)</b>	(389,556)
<b>Variable rate instruments</b>				
Financial assets	<b>540,800</b>	658,189	<b>1,466,450</b>	1,658,862
Financial liabilities	<b>(2,665,498)</b>	(1,986,107)	<b>(524,850)</b>	(494,100)
	<b>(2,124,698)</b>	(1,327,918)	<b>941,600</b>	1,164,762

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 funds.

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 31% (2013: 33%) of the Group's borrowings are at fixed rates of interest.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>25 basis points increase</b>				
Variable rate instruments	(5,312)	(3,320)	2,354	2,912
<b>25 basis points decrease</b>				
Variable rate instruments	5,312	3,320	(2,354)	(2,912)

## (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 Dirham ("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% (2013: 12%) of the Group's sales are denominated in foreign currencies whilst almost 12% (2013: 13%) of costs are denominated in the respective functional currencies of the Group entities.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the revenue stream to be generated from its investments.

The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances amount to RM143 million (2013: RM175 million).

Material foreign currency transactions exposures are hedged, mainly with derivative financial instruments such as forward foreign exchange contracts and cross currency swap contracts.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 55. FINANCIAL INSTRUMENTS (contd.)

## (c) Foreign currency risk (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.

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	
	31.12.2014 Profit net of tax RM'000	31.12.2013 Profit net of tax RM'000	31.12.2014 Profit net of tax RM'000	31.12.2013 Profit net of tax RM'000
SGD/RM				
- strengthened 0.5% (2013: 0.4%)	372	87	-	1
- weakened 0.5% (2013: 0.4%)	(372)	(87)	-	(1)
USD/RM				
- strengthened 4% (2013: 1%)	(49)	141	-	-
- weakened 4% (2013: 1%)	49	(141)	-	-
RMB/RM				
- strengthened 5% (2013: 2%)	(29)	405	-	-
- weakened 5% (2013: 2%)	29	(405)	-	-
IR/RM				
- strengthened 4% (2013: 1%)	375	106	-	-
- weakened 4% (2013: 1%)	(375)	(106)	-	-
TTD/RM				
- strengthened 7% (2013: 7%)	135	(753)	-	-
- weakened 7% (2013: 7%)	(135)	753	-	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 55. FINANCIAL INSTRUMENTS (contd.)

## (c) Foreign currency risk (contd.)

	GROUP		COMPANY	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	Profit	Profit	Profit	Profit
	net of tax	net of tax	net of tax	net of tax
	RM'000	RM'000	RM'000	RM'000
AUD/RM				
- strengthened 5% (2013: 2%)	871	707	-	-
- weakened 5% (2013: 2%)	(871)	(707)	-	-
AED/RM				
- strengthened 6% (2013: 7%)	11	259	-	-
- weakened 6% (2013: 7%)	(11)	(259)	-	-
INR/RM				
- strengthened 9% (2013: 26%)	832	(856)	-	-
- weakened 9% (2013: 26%)	(832)	856	-	-

## (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 2014 (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
<b>Group</b>				
<b>At 31 December 2014</b>				
<b>Financial liabilities:</b>				
Trade payables (excluding amounts due to customers on contracts)	1,202,910	-	-	1,202,910
Amounts due to associates	3,134	-	-	3,134
Amounts due to joint ventures	201	-	-	201
Advances by minority shareholders of subsidiaries	-	50,400	96,378	146,778
Other payables (excluding deferred income and progress billings in respect of property development costs)	723,715	361,156	-	1,084,871
Borrowings	2,168,277	1,712,936	239,652	4,120,865
Hire purchase and finance lease liabilities	2,875	1,881	-	4,756
Derivatives- settled net	29	3,682	-	3,711
<b>Total undiscounted financial liabilities</b>	<b>4,101,141</b>	<b>2,130,055</b>	<b>336,030</b>	<b>6,567,226</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 55. FINANCIAL INSTRUMENTS (contd.)

## (d) Liquidity risk (contd.)

## Analysis of financial instruments by remaining contractual maturities (contd.)

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
<b>Group</b>				
<b>At 31 December 2013</b>				
<b>Financial liabilities:</b>				
Trade payables (excluding amounts due to customers on contracts)	1,029,026	-	-	1,029,026
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 and progress billings in respect of property development costs)	833,523	174,745	119,865	1,128,133
Borrowings	2,031,314	824,432	5,255	2,861,001
Hire purchase and finance lease liabilities	11,248	4,373	-	15,621
Derivatives - settled net	142	66	-	208
<b>Total undiscounted financial liabilities</b>	<b>3,986,277</b>	<b>1,150,389</b>	<b>125,120</b>	<b>5,261,786</b>

## (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 arise 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 2014 (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 total trade receivables at the reporting date are as follows:

	GROUP		GROUP	
	2014		2013	
	RM'000	% of total	RM'000	% of total
<b>By country:</b>				
Malaysia	987,930	82.92%	957,172	85.73%
Singapore	119,215	10.01%	69,170	6.20%
China	42,799	3.59%	43,165	3.86%
Trinidad and Tobago	514	0.04%	9,619	0.86%
India	12,281	1.03%	12,033	1.08%
Australia	7,988	0.67%	9,113	0.82%
Indonesia	8,927	0.75%	8,928	0.80%
Thailand	4,470	0.38%	4,209	0.38%
United Arab Emirates	953	0.08%	15	0.00%
Vietnam	764	0.06%	751	0.07%
United States of America	3,548	0.30%	1,344	0.12%
Others	2,073	0.17%	893	0.08%
	<b>1,191,462</b>	<b>100.00%</b>	<b>1,116,412</b>	<b>100.00%</b>
<b>By segment:</b>				
Property development	216,346	18.15%	271,376	24.31%
Property investment	19,605	1.65%	27,215	2.44%
Construction	682,693	57.30%	592,937	53.11%
Trading and marketing	122,961	10.32%	103,023	9.23%
Quarry	61,701	5.18%	49,148	4.40%
Others	88,156	7.40%	72,713	6.51%
	<b>1,191,462</b>	<b>100.00%</b>	<b>1,116,412</b>	<b>100.00%</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (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
<b>At 31 December 2014</b>		
<b>Financial assets</b>		
Finance lease receivables (Non-current)	4,506	4,489
Hire purchase receivables (Non-current)	2,217	2,097
<b>Financial liabilities</b>		
Finance lease and hire purchase obligations (Non-current)	1,791	1,711
<b>At 31 December 2013</b>		
<b>Financial assets</b>		
Finance lease receivables (Non-current)	1,998	2,116
Hire purchase receivables (Non-current)	307	309
<b>Financial liabilities</b>		
Finance lease and hire purchase obligations (Non-current)	4,233	4,034

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
Hire purchase and finance lease liabilities (current)	37
Hire purchase and finance lease liabilities (non-current)	37
Advances by minority shareholders of subsidiaries	35
Trade payables (current)	39
Other payables (current)	40



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

#### 55. FINANCIAL INSTRUMENTS (contd.)

##### (f) Fair values (contd.)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

##### Derivatives

Interest rate swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties and interest rate curves.

Forward currency contracts are valued using a valuation technique with market observable inputs. The derivatives arising from the forward currency contracts are stated at fair value using the prevailing market rate. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

Cross currency swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties and interest rate curves.

The Company provides financial guarantees to financial institutions for borrowings amounting to RM2,471,984,000 (2013: RM1,514,416,000) 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 56. FAIR VALUE MEASUREMENT (contd.)

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.

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
<b>Group</b>				
<b>At 31 December 2014</b>				
Investment properties (Note 16):				
Commercial properties	-	400	1,017,571	1,017,971
Education properties	-	78,000	645,202	723,202
Leisure properties	-	1,473	12,267	13,740
Residential properties	-	415,295	-	415,295
Other properties	-	167,980	11,646	179,626
	-	663,148	1,686,686	2,349,834

**At 31 December 2013 (Restated)**

Investment properties (Note 16):

Commercial properties	-	70,764	333,647	404,411
Education properties	-	76,000	401,200	477,200
Leisure properties	-	1,723	12,107	13,830
Residential properties	-	362,843	-	362,843
Other properties	-	119,978	-	119,978
	-	631,308	746,954	1,378,262

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)**

**56. FAIR VALUE MEASUREMENT (contd.)**

**Fair value reconciliation of investment properties measured at Level 3**

	<b>Leisure RM'000</b>	<b>Commercial RM'000</b>	<b>Education RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>At 31 December 2014</b>					
<b>At 1 January 2014</b>	12,107	333,647	401,200	-	746,954
Re-measurement recognised in profit or loss	160	6,271	42,012	-	48,443
Additions from acquisition	-	-	9,622	11,646	21,268
Additions from subsequent expenditure	-	177,697	109,763	-	287,460
Revalued during the year	-	259,497	82,950	-	342,447
Transfer from property development costs (Note 25)	-	240,459	-	-	240,459
Reversal of overprovision	-	-	(345)	-	(345)
<b>At 31 December 2014</b>	<b>12,267</b>	<b>1,017,571</b>	<b>645,202</b>	<b>11,646</b>	<b>1,686,686</b>

**Group**

Unrealised gains for the period included in profit or loss (recognised in other operating expenses)

**160      6,271      42,012      -      48,443**

	<b>Leisure RM'000</b>	<b>Commercial RM'000</b>	<b>Education RM'000</b>	<b>REIT RM'000</b>	<b>Total RM'000</b>
<b>At 31 December 2013</b>					
<b>At 1 January 2013</b>	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)
<b>At 31 December 2013</b>	<b>12,107</b>	<b>333,647</b>	<b>401,200</b>	<b>-</b>	<b>746,954</b>

**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**

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 56. FAIR VALUE MEASUREMENT (contd.)

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	
At 31 December 2014				
Commercial	Investment method	Estimated rental value per square feet per month	RM2.11 - RM91.67	
		Estimated rental value per parking bay per month	RM119.05 - RM143.00	
		Estimated outgoings per square feet per month	RM Nil - RM6.83	
		Estimated outgoings per parking bay per month	RM21.48 - RM33.58	
		Void allowance	10.0%	
		Market yield rate	6.25% - 7.50%	
		Discount rate	7.5%	
Education	Market comparable approach	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-25.0% to 5%	
	Depreciated replacement cost	Estimated replacement cost per square feet	RM100 to RM250	
		Depreciation rate	2.0%	
	Cost method	Profit yield	7.0%	
		Risk factor	5.0%	
		Discount rate	8.5%	
	At 31 December 2013			
	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%	

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)**

**56. FAIR VALUE MEASUREMENT (contd.)**

Description of valuation techniques used and key inputs to valuation on investment properties measured at Level 3 (contd.) :

Property category	Valuation technique	Significant unobservable inputs	Range
<b>At 31 December 2013 (contd.)</b>			
Education	Market comparable approach	Difference in location, time factor, size, land usage, shape, tenure	-30.0% to 10%
	Depreciated replacement cost	Estimated replacement cost per square feet Depreciation rate	RM100 to RM250 2.0%
	Cost method	Profit yield	2.5%-8.0%

**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.

Buildings under construction are valued by reference to the total development costs incurred to date plus profits expected from its designated usage, discounted to their present value at a discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

#### 56. FAIR VALUE MEASUREMENT (contd.)

##### 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.

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 2014 (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
<b>Group - At 31 December 2014</b>				
<b>Financial assets</b>				
Fair value through profit or loss				
Placement in funds	330,672	-	-	330,672
Derivatives	-	140,000	-	140,000
	330,672	140,000	-	470,672
Finance lease receivables (Non-current)	-	4,489	-	4,489
Hire purchase receivables (Non-current)	-	2,097	-	2,097
	330,672	146,586	-	477,258
<b>Financial liabilities</b>				
Fair value through profit or loss				
Derivatives	-	(3,711)	-	(3,711)
Finance lease and hire purchase obligations (Non-current)	-	(1,711)	-	(1,711)
	-	(5,422)	-	(5,422)
<b>Group - At 31 December 2013</b>				
<b>Financial assets</b>				
Fair value through profit or loss				
Placement in funds	557,433	-	-	557,433
Derivatives	-	42,236	-	42,236
	557,433	42,236	-	599,669
Finance lease receivables (Non-current)	-	2,116	-	2,116
Hire purchase receivables (Non-current)	-	309	-	309
	557,433	44,661	-	602,094
<b>Financial liabilities</b>				
Fair value through profit or loss				
Derivatives	-	(208)	-	(208)
Finance lease and hire purchase obligations (Non-current)	-	(4,034)	-	(4,034)
	-	(4,242)	-	(4,242)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 56. FAIR VALUE MEASUREMENT (contd.)

The following table provides the fair value hierarchy for financial instruments: (contd.)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Company - At 31 December 2014</b>				
<b>Financial assets</b>				
Fair value through profit or loss				
Derivatives	-	43,970	-	43,970
Placement in funds	41,090	-	-	41,090
	41,090	43,970	-	85,060
Available-for-sale - Quoted shares	44,408	-	-	44,408
	85,498	43,970	-	129,468

**Company - At 31 December 2013****Financial assets**

Fair value through profit or loss

Derivatives	-	6,947	-	6,947
Placement in funds	293,627	-	-	293,627
	293,627	6,947	-	300,574
Available-for-sale - Quoted shares	26,747	-	-	26,747
	320,374	6,947	-	327,321

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (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, bank balances and short-term investments, while total equity is the equity attributable to owners of the parent.

	Note	GROUP		COMPANY	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Borrowings	33	<b>3,779,931</b>	2,780,656	<b>1,319,850</b>	1,094,100
Less: Cash, bank balances and short-term investments	31	<b>(1,978,200)</b>	(1,518,818)	<b>(377,126)</b>	(505,492)
Net debt		<b>1,801,731</b>	1,261,838	<b>942,724</b>	588,608
Equity attributable to owners of the parent		<b>5,936,368</b>	5,328,299	<b>4,506,867</b>	4,485,633
Gearing ratio		<b>30%</b>	24%	<b>21%</b>	13%

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

#### 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, investment in real estate investment fund.
- (iii) Construction - construction of building and civil works and provision of mechanical, electrical and piling works.
- (iv) Trading and manufacturing - trading and manufacturing of construction and industrial products, building materials and importing and distribution of pharmaceutical products.
- (v) Quarry - quarrying, manufacturing and supplying of premix, manufacturing of ready-mixed concrete and production of building stones.
- (vi) Investment holdings - management and letting of properties, provision of financial services to companies within the Group, 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, interior design and renovation.

Except as indicated above, no operating segments has been aggregated to form the above reporting segment.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise corporate assets, liabilities and expenses.

Segment revenue, expenses and results include transfers between business segments. These are eliminated on consolidation.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 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:

	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	Adjustments/ eliminations RM'000	Non-core items RM'000	Note	Total RM'000
<b>At 31 December 2014</b>											
<b>Revenue</b>											
Sales to external customers	1,198,345	594,433	1,481,472	639,393	236,697	2,528	405,273	-	-	-	4,558,141
Inter-segment revenue	65	212,412	411,068	147,466	3,877	368,529	93,162	(1,236,579)	-	A	-
Total revenue	1,198,410	806,845	1,892,540	786,859	240,574	371,057	498,435	(1,236,579)	-	-	4,558,141
<b>Results</b>											
Operating profit/(loss) (excluding fair value loss on derivatives)	287,311	128,174	132,090	40,114	36,738	(13,497)	38,566	(59,972)	170,366	A	759,890
Fair value loss on derivatives	-	-	-	-	-	-	-	-	(2,579)	-	(2,579)
Finance and other distribution income	14,006	5,442	3,645	281	1,087	73,038	11,410	(60,469)	-	-	48,440
Finance costs	(11,655)	(95,399)	(2,173)	(4,503)	-	(22,419)	(3,179)	60,469	-	-	(78,859)
Share of results of associates	3	84,115	-	946	-	-	225	-	61,905	-	147,194
Share of results of joint ventures	72,545	10,924	2,687	-	-	-	-	-	-	-	86,156
Profit before tax	362,210	133,256	136,249	36,838	37,825	37,122	47,022	(59,972)	229,692	-	960,242
Income tax expense	(70,044)	(19,212)	(23,715)	(9,794)	(2,280)	(8,652)	(7,955)	-	(6,941)	-	(148,593)
Net profit for the year	292,166	114,044	112,534	27,044	35,545	28,470	39,067	(59,972)	222,751	-	811,649
Non-controlling interests	(61,347)	(4,276)	1,283	(349)	(224)	(1,782)	1,707	-	(12,650)	-	(77,638)
Attributable to owners of the parent	230,819	109,768	113,817	26,695	35,321	26,688	40,774	(59,972)	210,101	C	734,011

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 58. SEGMENT INFORMATION (contd.)

## Business segments (contd.)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment (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	Adjustments/ eliminations RM'000	Non-core items RM'000	Note	Total RM'000
<b>At 31 December 2014 (contd.)</b>											
<b>Assets</b>											
Segment assets	3,751,843	3,033,896	1,293,197	471,210	186,624	838,264	361,935	-	-		9,936,969
Investments in associates	5	1,451,732	-	108	-	-	80,640	-	-		1,532,485
Investments in joint ventures	870,577	111,321	7,030	-	-	-	-	-	-		988,928
Unallocated assets											398,763
<b>Total assets</b>											<b>12,857,145</b>
<b>Liabilities</b>											
Segment liabilities	1,050,545	623,999	926,336	179,005	55,533	3,402,544	187,407	-	-		6,425,369
Unallocated liabilities											107,935
<b>Total liabilities</b>											<b>6,533,304</b>
<b>Other segment information</b>											
Capital expenditure	2,072	357,564	46,715	27,395	23,043	778	12,009	-	-	B	469,576
Depreciation and amortisation	2,155	25,276	47,127	10,915	6,681	1,097	24,510	-	-		117,761



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 58. SEGMENT INFORMATION (contd.)

## Business segments (contd.)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment (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	Adjustments/ eliminations RM'000	Non-core items RM'000	Note	Total RM'000
<b>At 31 December 2013</b>											
<b>Revenue</b>											
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 revenue	131	34,244	219,603	195,422	5,542	312,511	37,513	(804,966)	-	A	-
<b>Total revenue</b>	<b>1,167,209</b>	<b>612,519</b>	<b>1,841,259</b>	<b>782,206</b>	<b>203,258</b>	<b>312,511</b>	<b>401,417</b>	<b>(804,966)</b>	<b>206,016</b>		<b>4,721,429</b>
<b>Results</b>											
Operating profit/(loss)											
(excluding fair value gain on derivatives)	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 and other distribution 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)
<b>Net profit for the year</b>	<b>293,539</b>	<b>101,800</b>	<b>57,413</b>	<b>33,233</b>	<b>15,736</b>	<b>6,976</b>	<b>25,934</b>	<b>-</b>	<b>1,228,704</b>		<b>1,763,335</b>
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	C	1,490,371

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 58. SEGMENT INFORMATION (contd.)

## Business segments (contd.)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment (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	Adjustments/ eliminations RM'000	Non-core items RM'000	Note	Total RM'000
<b>At 31 December 2013 (contd.)</b>											
<b>Assets</b>											
Segment assets	3,243,839	2,323,449	1,279,650	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	18,127	-	-	-	-	-	-		912,182
Unallocated assets											308,859
<b>Total assets</b>											11,101,561
<b>Liabilities</b>											
Segment liabilities	1,452,572	331,722	920,245	188,158	50,739	2,142,161	195,986	-	-		5,281,583
Unallocated liabilities											174,779
<b>Total liabilities</b>											5,456,362
<b>Other segment information</b>											
Capital expenditure	4,566	494,222	76,762	5,302	6,815	472	31,189	-	-	B	619,328
Depreciation and amortisation	2,168	52,555	55,725	2,086	8,762	932	14,818	-	-		137,046

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (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	Net profit/(loss) attributable to owners of the parent RM'000	Segment assets RM'000
<b>At 31 December 2014</b>					
Malaysia	4,005,827	825,760	694,441	622,780	8,455,802
Singapore	316,674	125,450	110,354	110,354	842,790
China	97,794	(13,925)	(14,165)	(15,445)	361,620
India	105	(338)	(340)	(340)	33,597
Australia	55,972	5,456	5,068	1,146	67,194
Abu Dhabi	1,291	2,857	2,857	2,857	30,092
Other countries	80,478	14,982	13,434	12,659	145,874
	<b>4,558,141</b>	<b>960,242</b>	<b>811,649</b>	<b>734,011</b>	<b>9,936,969</b>

**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
	<b>4,721,429</b>	<b>1,900,373</b>	<b>1,763,335</b>	<b>1,490,371</b>	<b>8,487,807</b>

**Note Nature of eliminations to arrive at amounts reported in the consolidated financial statements**

A Inter-segment revenues and profit are eliminated on consolidation.

B Capital expenditures consist of:

	2014 RM'000	2013 RM'000
Property, plant and equipment	210,920	158,795
Software	3,175	3,078
Biological assets	723	514
Investment properties	254,758	456,941
	<b>469,576</b>	<b>619,328</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 58. SEGMENT INFORMATION (contd.)

C Non-core items are the results arising from the non-operational activities. Detailed breakdown as below:

	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
<b>At 31 December 2014</b>								
<b>Results</b>								
Fair value gain from investment properties	400	137,490	58,972	-	-	-	1,930	<b>198,792</b>
Fair value gain arising from investment properties from Sunway REIT	-	61,905	-	-	-	-	-	<b>61,905</b>
Fair value gain/(loss) on derivatives/gain/(loss) on derecognition of financial assets/liabilities	-	-	142	-	-	(2,721)	-	<b>(2,579)</b>
Share-based payment arising from ESOS	(1,878)	(5,552)	(5,726)	(1,424)	(807)	(7,297)	(5,742)	<b>(28,426)</b>
(Loss)/profit before tax	(1,478)	193,843	53,388	(1,424)	(807)	(10,018)	(3,812)	<b>229,692</b>
Income tax (expense)/benefit:								
- Fair value gain/(loss) from investment properties	(20)	(6,874)	50	-	-	-	(97)	<b>(6,941)</b>
Net (loss)/profit for the year	(1,498)	186,969	53,438	(1,424)	(807)	(10,018)	(3,909)	<b>222,751</b>
Non-controlling interests:								
- Fair value loss from investment properties	-	(12,650)	-	-	-	-	-	<b>(12,650)</b>
Attributable to owners of the parent	(1,498)	174,319	53,438	(1,424)	(807)	(10,018)	(3,909)	<b>210,101</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 58. SEGMENT INFORMATION (contd.)

C Non-core items are the results arising from the non-operational activities. Detailed breakdown as below (contd.) :

At 31 December 2013									
	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	
<b>Revenue</b>									
Consolidation adjustment due to adoption of FRS 10	-	206,016	-	-	-	-	-	206,016	
<b>Results</b>									
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 (loss)/gain 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)	
(Loss)/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 2014 (CONTD.)

## 59. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS

## (a) Significant events during the financial year

- (i) Status of utilisation of proceeds from the renounceable rights issue of up to 430,868,877 new ordinary shares of RM1 each ("Rights Issue")

On 13 August 2013, 430,868,877 Rights Issue was listed and quoted on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

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 2014 is as follows:

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	170,000	-	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	90,000	-	Within 18 months
Repayment of existing borrowings	300,000	300,000	-	Within 12 months
General working capital of the Group	31,706	31,706	-	Within 12 months
Estimated expenses in relation to the Rights issue	771	771	-	Within 6 months
	732,477	732,477	-	

- (ii) 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. ("SHSB") 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 RM3,530,000) (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.



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

#### 59. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS (contd.)

##### (a) Significant events during the financial year (contd.)

- (ii) Disposal of equity interest of Sungei Way Ocean Joint Venture Company Limited by Sunway Holdings (Vietnam) Sdn. Bhd. (contd.)

The Proposed Disposal has no 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 it was completed on 25 April 2014.

- (iii) Subscription and Shareholders' Agreement between Sunway City Sdn. Bhd. and Iskandar Assets Sdn. Bhd. in relation 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. ("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 Pulau, District of Johor Bahru, measuring approximately 412.75 acres ("Pendas North Land"); and
- (ii) Portion of the Land held under HSD 452656, PTD 2398, Mukim of Tanjung Kupang, District of Johor Bahru measuring approximately 366.32 acres ("Western Pendas South Land").

SID has also on even date, entered into 2 Sale and Purchase Agreements ("SPA") with IASB for the acquisition of the Land on an "as is where is" basis and free from encumbrances but otherwise subject only to the express or implied conditions of the land title and restrictions-in interest endorsed on the land title or otherwise affecting the Land for a total purchase consideration of up to RM412,727,480.

Salient terms of the SSA includes, inter-alia, the following:

- (a) 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 2014 (CONTD.)

#### 59. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS (contd.)

##### (a) Significant events during the financial year (contd.)

##### (iii) Subscription and Shareholders' Agreement between Sunway City Sdn. Bhd. and Iskandar Assets Sdn. Bhd. in relation 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 6 instalments with the deposit to be paid upon 14 days from the date of the SPA and the balance in 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 6 instalments with the deposit to be paid upon 14 days from the date of the SPA and the balance in 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.

Salient terms of the Supplemental SPA 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.
- (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 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 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 Land has been completed as at the date of this report. However, full payment has not been made as at the date of this report.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

#### 59. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS (contd.)

##### (a) Significant events during the financial year (contd.)

- (iv) 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 SHSB which in turn is a wholly-owned subsidiary of the Company, had entered into an Equity Sale and Purchase Agreement with Mr Yu De Mao ("Purchaser") for the proposed disposal of Sunway Global's entire 60% equity interest in Sunway GD as well as its group of subsidiaries ("Proposed Disposal"), to the Purchaser for a nominal consideration after the Purchaser has discharged the liabilities of Sunway GD of RMB12,071,872 and HKD35,850,430 in 6 instalments and all accrued interest over the liabilities up to the date of payment of each of the instalments ("Liabilities").

The Proposed Disposal is conditional upon, amongst others, the Purchaser having discharge the Liabilities within a period of 22 months from the payment of the first instalment of the liabilities (i.e. 7 days from the date of signing the Equity Sale and Purchase Agreement). Upon completion of the Proposed Disposal, Sunway GD and its group of subsidiaries will cease to be subsidiaries of the Company.

Sunway GD was incorporated in Macau on 4 November 2005 with a total registered capital of MOP\$31,000,000. The principal activity of Sunway GD is to carry out foundation and construction works.

The Proposed Disposal is not expected to have any material effect on the earnings per share and net assets per share of the Company, and it has no effect on the Company's share capital and substantial shareholders' shareholding.

The Proposed Disposal does not require approval from the shareholders of the Company.

The Proposed Disposal of equity interest has not been completed as at the date of this report.

- (v) Disposal of equity interest of Sunway Hatay Construction & Building Materials JV Co. Ltd. ("Sunway Hatay"), by Sunway Holdings (Vietnam) Sdn. Bhd.

On 18 May 2012, Sunway Holdings (Vietnam) Sdn. Bhd., a wholly-owned subsidiary of SHSB which in turn is a wholly-owned subsidiary of the Company, had entered into an equity sale and purchase agreement with Hatay Trading Production Construction Joint Stock Company ("Purchaser") for the disposal of 86% equity interest in Sunway Hatay to the Purchaser for a total cash consideration of USD3,200,000 (equivalent to approximately RM9,843,000) or the final purchase price to be agreed after the fulfillment of the conditions precedent and prior to completion (hereinafter referred to as "the Disposal"). Upon the completion of the 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 Disposal has no 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 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 Disposal.

The Disposal of equity interest has been completed during the financial year.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

#### 59. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS (contd.)

##### (a) Significant events during the financial year (contd.)

- (vi) Proposed listing of Sunway Construction Group Berhad ("SCG"), an indirect wholly-owned subsidiary of the Company on the Main Market of Bursa Securities

On 19 September 2014, the Group announced the proposed listing of its construction division which is currently held under its indirect wholly-owned subsidiary, Sunway Construction Sdn Bhd ("SunCon") on the Main Market of Bursa Securities. A new company, SCG, has been incorporated by SHSB, a wholly-owned subsidiary of the Company, to be the listing vehicle to acquire the entire shareholdings in SunCon (including its subsidiaries, jointly controlled entities, unincorporated joint ventures and unincorporated consortium) (collectively, the "SunCon Group"). In conjunction with the proposed listing of SCG, the following will be undertaken:

- (a) proposed disposal of the entire issued and paid-up share capital of SunCon (including its subsidiaries, jointly controlled entities, unincorporated joint ventures and unincorporated consortium) by SHSB to SCG ("Proposed Transfer of SunCon").
- (b) proposed offering of up to 573.4 million ordinary shares of RM0.20 each in SCG ("SCG Shares") comprising a proposed distribution of at least 172.4 million SCG Shares to the entitled shareholders of the Company and a proposed offer for sale of up to 401.0 million SCG Shares to the retail and institutional investors, subject to the over-allotment option and clawback and reallocation provisions ("Proposed Offering"); and
- (c) proposed listing of and quotation for the entire issued and paid-up share capital of SCG on the Main Market of Bursa Securities ("Proposed Listing").

On 7 November 2014, SCG and SHSB have entered into a conditional share sale agreement setting out the terms and conditions of the Proposed Transfer of SunCon. SHSB will sell and transfer its entire 193,954,000 ordinary shares of RM1 each in SunCon to SCG at an aggregate sale and purchase consideration of RM258,580,000, which will be satisfied entirely via the issuance of 1,292,900,000 new SCG Shares at an issue price of RM0.20 per SCG Share.

On 12 November 2014, the Group announced that the issued and paid-up share capital of the Company (excluding treasury shares) has changed resulting in the number of SCG Shares being offered under the Proposed Offering to be revised.

The revised number of SCG Shares being offered under the Proposed Offering has been computed based on the issued and paid-up share capital of the Company as at 30 September 2014 and takes into consideration, among others, the following:

- (a) number of new ordinary shares of RM1 each in the Company ("Sunway Shares") to be allotted and issued pursuant to the exercise of the options granted under the Employees' Share Option Scheme and exercise of the Warrants 2011/2016 of the Company; and
- (b) maximum number Sunway Shares which the Company is authorised by its shareholders to buy back (i.e. up to 10% of the issued and paid-up share capital of the Company).

On 18 November 2014, SCG had submitted the following applications to the relevant authorities:

- (i) the Securities Commission ("SC") for the Proposed Transfer of SunCon, Proposed Offering and Proposed Listing; and
- (ii) the SC (Equity Compliance Unit) under the equity requirement for public companies for the Proposed Offering and Proposed Listing

The proposed listing has not been completed as at the date of this report.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

#### 59. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS (contd.)

##### (a) Significant events during the financial year (contd.)

###### (vii) Disposal of equity interest of Sunway Building Materials (Shanghai) Co. Ltd. by Sunway Global Limited

On 12 November 2014, Sunway Global Limited, a 98.75% owned subsidiary of SHSB which in turn is a wholly-owned subsidiary of the Company entered into a Sale and Purchase Agreement ("SPA") with Hong Kong Cheung Hung Metal & Plastic Products Co. Ltd. ("the Purchaser") for the disposal of its 100% equity interest in Sunway Building Materials (Shanghai) Co. Ltd. ("Sunway Shanghai") to the Purchaser for a total cash consideration of RMB5.5 million (equivalent to approximately RM2,945,800) (based on the status of assets and finance of Sunway Shanghai reflected in the audited balance sheet as at 31 July 2014) ("Sunway Shanghai Disposal"). Upon completion of the Sunway Shanghai Disposal, Sunway Shanghai will cease to be a subsidiary of the Company.

Sunway Shanghai was established under the laws of the People's Republic of China on 1 August 2005 and has a total investment and registered capital of USD2.35 million (equivalent to approximately RM7,853,665). The principal activities of Sunway Shanghai are manufacturing, sale and marketing of interlocking pavers in China.

The Sunway Shanghai Disposal has no 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 Sunway Shanghai Disposal was completed on 26 November 2014 in accordance with the SPA.

###### (viii) Proposed disposal of Sunway Hotel Georgetown and Wisma Sunway

On 8 December 2014, the Group entered into the following agreements with RHB Trustees Berhad, as Trustee for Sunway REIT:-

- (i) Sunway Biz Hotel Sdn. Bhd. (formerly known as Sunway Hotel (Penang) Sdn. Bhd.) ("SBH"), a wholly-owned subsidiary of the Suncity had entered into a sale and purchase agreement ("1st SPA") with the Trustee to dispose 2 parcels of freehold land held under GRN 63519 Lot 2220, Seksyen 12, Bandar Georgetown, Daerah Timor Laut, Pulau Pinang and GRN 35332 Lot 1754, Seksyen 12, Bandar Georgetown, Daerah Timor Laut, Negeri Pulau Pinang together with a 16-storey building comprising 250-room hotel erected thereon known as "Sunway Hotel Georgetown" ("Sunway Hotel Georgetown Property") for a total consideration of RM74,000,000; and
- (ii) SunwayMas Sdn. Bhd. and Daksina Harta Sdn. Bhd. (both of which are wholly-owned subsidiaries of SHSB) entered into a sale and purchase agreement ("2nd SPA") with the Trustee to dispose of all the individual strata titles for the various floors/storeys of an office building known as "Wisma Sunway" located at No. 1, Jalan Tengku Ampuan Zabedah C9/C, Seksyen 9, 40100 Shah Alam, Selangor ("Wisma Sunway Property") for a consideration of RM60,000,000.

In addition, SBH had simultaneously with the 1st SPA, entered into a master lease agreement ("MLA") on 8 December 2014 with the Trustee and Sunway REIT Management Sdn. Bhd., as the Manager of Sunway REIT for the leaseback of Sunway Hotel Georgetown Property from the Trustee for a period of 10 years commencing from the commencement date of the lease with an option to renew for a further term of 10 years.

The disposal of Sunway Hotel Georgetown Property has been completed on 28 January 2015 in accordance with the terms and conditions of the 1st SPA and the commencement date of the lease under the MLA shall be on 28 January 2015.

The proposed disposal of Wisma Sunway Property has been completed on 23 March 2015 in accordance with the terms and conditions of the 2nd SPA.

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 59. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS (contd.)

## (a) Significant events during the financial year (contd.)

(ix) Joint Venture Agreement between Sunway Iskandar Sdn. Bhd. and Tajul Green Sdn. Bhd

Sunway Iskandar Sdn Bhd ("SISB"), a 51% owned jointly controlled entity of Suncity had on 24 July 2014, entered into a Joint Venture Agreement ("JVA") with Tajul Green Sdn. Bhd. ("TGSB") for the purpose of formalising and setting out the basic terms of the parties' relationship via their respective investment participation in the joint venture through Sunway Nursery and Landscape Sdn. Bhd. (formerly known as Trillion Desire Sdn. Bhd.) ("SNLSB") to share resources and expertise in tree planting, nurturing and ensuring consistent supply of grown trees to the property development projects in Sunway Iskandar ("Proposed Joint Venture").

Under the JVA, the shareholding of SNLSB shall be structured as follows:-

Shareholder	Number of Ordinary Shares of RM1 each	Number of Redeemable Preference Shares of RM0.01 each	Agreed Proportion (%)
SISB	50,000	2,700,000	50
TGSB	50,000	2,700,000	50
	100,000	5,400,000	100

The Proposed Joint Venture is to share TGSB's resources and expertise in tree planting, nurturing and ensuring consistent supply of grown trees to the Sunway Iskandar developments.

The 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 Proposed Joint Venture is not expected to have any immediate material effect on the earnings per share, net assets per share and gearing of the Company for the financial year ended 31 December 2014. However, the Proposed Joint Venture is expected to contribute positively to the future earnings of the Group.

The JVA was completed on 24 July 2014.

## (b) Subsequent events

(i) Share Sale Agreement between Sunway Holdings Sdn. Bhd. and Khoo Ah Thim @ Khoo Chai Thiam, Khoo Chai Ee, Khoo Chai Heng, Khoo Chai Kiat, Khoo Chai Pek, Lee Bang Sing, Peng Gai Hock, Soh Tian Song and Toh Soon Seng (collectively, "Winstar Vendors")

On 9 April 2015, SHSB, a wholly-owned subsidiary of the Company entered into a Share Sale Agreement ("Winstar SSA") with Winstar Vendors for the acquisition of 6,717,472 ordinary shares of RM1 each, representing 100% of the total issued and paid-up share capital of Winstar Trading Sdn. Bhd. ("WTSB") at an estimated purchase consideration of approximately RM130,953,294 ("the Proposed Winstar Acquisition").

The estimated purchase consideration for the Proposed Winstar Acquisition was arrived at based on aggregate net asset value (excluding minority interests) ("NAV") of WTSB and its group of subsidiaries ("WTSB Group") as at 31 December 2013 together with goodwill ("Pre-Adjustment Purchase Consideration"). The amount of the purchase consideration is subject to adjustments and will be payable by SHSB in 3 tranches as follows:



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

#### 59. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS (contd.)

##### (b) Subsequent events (contd.)

- (i) Share Sale Agreement between Sunway Holdings Sdn. Bhd. and Khoo Ah Thim @ Khoo Chai Thiam, Khoo Chai Ee, Khoo Chai Heng, Khoo Chai Kiat, Khoo Chai Pek, Lee Bang Sing, Peng Gai Hock, Soh Tian Song and Toh Soon Seng (collectively, "Winstar Vendors") (contd.)

- (i) On the completion date of the first tranche, SHSB shall acquire 60% of the total issued and paid-up share capital of WTSB by paying part of the consideration amounting to RM78,571,972.50 ("First Tranche Consideration") or the adjusted first tranche consideration, as the case may be, which shall be computed in the following manner:

- (a) In the event the NAV of WTSB Group is less than the Pre-Adjustment Purchase Consideration after deduction of the goodwill, there shall be a corresponding downwards adjustment of the First Tranche Consideration; and
- (b) In the event the NAV of WTSB Group is greater than the Pre-Adjustment Purchase Consideration after deduction of the goodwill, there shall be no adjustment in the First Tranche Consideration.

The completion date of the first tranche shall mean the business day falling 45 days after the Winstar SSA becomes unconditional or such other date as may be agreed by the parties.

- (ii) On the completion date of the second tranche, SHSB shall acquire another 20% of the total issued and paid-up share capital of WTSB by paying an amount equivalent to 20% of 5 times the average EBITDA of WTSB Group as recorded in its audited consolidated financial statements for the 2 financial years ending 31 December immediately preceding the second tranche completion date.

The completion date of the second tranche shall mean the second anniversary of the first tranche completion date or such other date as may be agreed upon by the parties.

- (iii) On the completion date of the third tranche, SHSB shall acquire the remaining 20% of the total issued and paid-up share capital of WTSB by paying an amount equivalent to 20% of 5 times the average EBITDA of WTSB Group as recorded in its audited consolidated financial statements for the 2 financial years ending 31 December immediately preceding the third tranche completion date.

The completion date of the third tranche shall mean the third anniversary of the first tranche completion date or such other date as may be agreed upon by the parties.

Upon the completion of the Proposed Winstar Acquisition, WTSB Group will become subsidiaries of SHSB.

Under the Winstar SSA, the Winstar Vendors have jointly and severally guaranteed that WTSB Group will achieve profit after tax ("PAT") of RM15.0 million per annum ("Profit Guarantee") for the financial years ending 31 December 2015, 2016 and 2017, failing which Winstar Vendors will pay SHSB an amount equivalent to, the difference between the Profit Guarantee and actual PAT achieved for the respective financial year, multiplied by the shareholding of SHSB in WTSB in the respective financial year.

The Proposed Winstar Acquisition has not been completed as at the date of this report.

- (ii) Share Sale Agreement between Sunway Holdings Sdn. Bhd. and Lim Poh Lo, Lau Chor Geok, Lim Hwee Guan, Khoo Chai Ee, Khoo Chai Pek and Peng Gai Hock (collectively, "PND Vendors")

On 9 April 2015, SHSB, a wholly-owned subsidiary of the Company entered into a Share Sale Agreement ("PND SSA") with PND Vendors for the acquisition of 500,000 ordinary shares of S\$1 each, representing 100% of the total issued and paid-up share capital of PND Hardware & Trading Pte Ltd ("PND") at an estimated purchase consideration of approximately S\$2,567,192 ("the Proposed PND Acquisition").

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

#### 59. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS (contd.)

##### (b) Subsequent events (contd.)

- (ii) Share Sale Agreement between Sunway Holdings Sdn. Bhd. and Lim Poh Lo, Lau Chor Geok, Lim Hwee Guan, Khoo Chai Ee, Khoo Chai Pek and Peng Gai Hock (collectively, "PND Vendors") (contd.)

The estimated purchase consideration for the Proposed PND Acquisition was arrived at based on net asset value (excluding minority interests) ("NAV") of PND as at 31 December 2013 together with goodwill ("Pre-Adjustment Purchase Consideration"). The amount of the purchase consideration is subject to adjustments and will be payable by SHSB in 3 tranches as follows:

- (i) On the completion date of the first tranche, SHSB shall acquire 60% of the total issued and paid-up share capital of PND by paying part of the consideration amounting to S\$1,540,315.20 ("First Tranche Consideration") or the adjusted first tranche consideration, as the case may be, which shall be computed in the following manner:
  - (a) In the event the NAV of PND is less than the Pre-Adjustment Purchase Consideration after deduction of the goodwill, there shall be a corresponding downwards adjustment of the First Tranche Consideration; and
  - (b) In the event the NAV of PND is greater than the Pre-Adjustment Purchase Consideration after deduction of the goodwill, there shall be no adjustment in the First Tranche Consideration.

The completion date of the first tranche shall mean the business day falling 45 days after the PND SSA becomes unconditional or such other date as may be agreed by the parties.

- (ii) On the completion date of the second tranche, SHSB shall acquire another 20% of the total issued and paid-up share capital of PND by paying an amount equivalent to 20% of 5 times the average EBITDA of PND as recorded in its audited financial statements for the 2 financial years ending 31 December immediately preceding the second tranche completion date.

The completion date of the second tranche shall mean the second anniversary of the first tranche completion date or such other date as may be agreed upon by the parties.

- (iii) On the completion date of the third tranche, SHSB shall acquire the remaining 20% of the total issued and paid-up share capital of PND by paying an amount equivalent to 20% of 5 times the average EBITDA of PND as recorded in its audited financial statements for the 2 financial years ending 31 December immediately preceding the third tranche completion date.

The completion date of the third tranche shall mean the third anniversary of the first tranche completion date or such other date as may be agreed upon by the parties.

Upon the completion of the Proposed PND Acquisition, PND will become a subsidiary of SHSB.

Under the PND SSA, the PND Vendors have jointly and severally guaranteed that PND will achieve profit after tax ("PAT") of S\$250,000 per annum ("Profit Guarantee") for the financial years ending 31 December 2015, 2016 and 2017, failing which PND Vendors will pay SHSB an amount equivalent to, the difference between the Profit Guarantee and actual PAT achieved for the respective financial year, multiplied by the shareholding of SHSB in PND in the respective financial year.

The Proposed PND Acquisition has not been completed as at the date of this report.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)**

**60. COMPARATIVES**

	Note	Statements of financial position		
		As previously stated RM'000	Reclassi- fications RM'000	As restated RM'000
Group				
As at 31 December 2013				
Non-current assets				
Property, plant and equipment	(a)	866,202	(38,650)	827,552
Investment properties	(a)	1,802,958	30,428	1,833,386
Software	(a)	-	8,222	8,222
Current assets				
Other investments	(b)	70,000	(70,000)	-
Short-term investments	(b)	-	557,433	557,433
Cash and bank balances	(b)	1,448,818	(487,433)	961,385
As at 1 January 2013				
Non-current assets				
Property, plant and equipment	(a)	1,562,783	(39,197)	1,523,586
Investment properties	(a)	4,779,089	30,428	4,809,517
Software	(a)	-	8,769	8,769
Current assets				
Short-term investments	(b)	-	539,461	539,461
Cash and bank balances	(b)	1,197,490	(539,461)	658,029
Company				
As at 31 December 2013				
Current assets				
Other investments	(b)	70,000	(70,000)	-
Short-term investments	(b)	-	293,627	293,627
Cash and bank balances	(b)	435,492	(223,627)	211,865

There are no reclassifications to the Company's statement of financial position as at 1 January 2013. Accordingly, the Company's statement of financial position as at 1 January 2013 is not presented.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 60. COMPARATIVES (contd.)

	Note	Income statements for the financial year ended 31 December 2013		
		As previously stated RM'000	Reclassi- fications RM'000	As restated RM'000
Group				
Revenue				
Sale of goods and services	(b)	1,604,044	18,175	1,622,219
Rendering of services, subscription fees and others	(b)	18,175	(18,175)	-
Cash flows from investing activities				
Acquisition of:				
Software	(a)	-	(3,078)	(3,078)
Property, plant and equipment	(a)	(157,174)	3,078	(154,096)
Net cash flow from fund placements	(b)	-	(557,433)	(557,433)
Other investments in cash funds	(b)	(70,000)	70,000	-
Cash and cash equivalents at end of financial year	(b)	1,359,099	(487,433)	871,666
Company				
Cash flows from investing activities				
Net cash flow from fund placements	(b)	-	(293,627)	(293,627)
Other investments in cash funds	(b)	(70,000)	70,000	-
Cash and cash equivalents at end of financial year	(b)	435,492	(223,627)	211,865

- (a) The Group has reassessed the classification of its assets in accordance with FRS 138: Intangible Assets and FRS 140: Investment Property and resulting therefrom, certain costs relating to computer software and investment properties that were previously classified as property, plant and equipment have been reclassified as software and investment properties, respectively.
- (b) The comparatives have been reclassified to conform with current year's presentation.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## 61. SUPPLEMENTARY INFORMATION

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2014 and 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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total retained earnings				
- realised	1,308,931	1,076,548	79,188	84,563
- unrealised	116,828	100,455	14,250	14,250
Total share of retained earnings from associated companies				
- realised	326,988	179,794	-	-
- unrealised	494,293	494,293	-	-
Total share of retained earnings from joint ventures				
- realised	473,132	398,144	-	-
- unrealised	108,370	108,370	-	-
	2,828,542	2,357,604	93,438	98,813
Less: Consolidation adjustments	(378,442)	(471,943)	-	-
Total retained earnings	2,450,100	1,885,661	93,438	98,813

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTD.)

## PROFORMA COMPARATIVES

On 14 November 2013, the Company disposed its 20% equity interest in Sunway REIT Management Sdn. Bhd. ("SRM") (previously a wholly owned subsidiary of the Company) to Millennium Pavilion Sdn. Bhd. ("MPSB") for a total consideration of RM28,000,000. 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 ceased to consolidate SRM upon its disposal and has accordingly accounted for its interests in SRM and Sunway REIT as a joint venture and an associate respectively.

The following are proforma comparatives showing the effects had the Group not consolidated Sunway REIT for the period from 1 January 2013 to 31 October 2013:

	GROUP			
	2014	2013		
		As reported	Proforma adjustments	Proforma comparatives
	RM'000	RM'000	(Note a) RM'000	(Note b) RM'000
<b>Revenue (Note 4)</b>				
Rental income	98,067	338,867	257,181	81,686
Construction contracts	1,481,482	1,591,133	(30,730)	1,621,863
<b>Cost of sales (Note 5)</b>				
Property operating expenses	-	(81,671)	(81,671)	-
<b>Other income (Note 6)</b>				
Fair value gain of investment properties	144,795	325,849	170,871	154,978
<b>Finance costs (Note 7)</b>				
Commercial papers and medium term notes	(25,877)	(47,806)	(41,003)	(6,803)
<b>Profit before tax (Note 8)</b>				
Depreciation of property, plant and equipment	113,783	133,096	30,578	102,518
Rental expense: Land and buildings	76,658	10,677	(55,223)	65,900

- (a) Proforma adjustments on the effects of non-consolidation of the results of Sunway REIT for the period from 1 January 2013 to 31 October 2013 ("Proforma Adjustments").
- (b) Proforma comparatives represent the Company's audited consolidated results for the year ended 31 December 2013 after Proforma Adjustments.

In addition to the above, included in operating cash flows of the Group for the year ended 31 December 2013 were operating cash flows amounting to RM560,825,000 arising from consolidation of Sunway REIT. Operating cash flows of the Group without consolidating Sunway REIT would have been RM569,487,000.



## LIST OF MATERIAL PROPERTIES

AS AT 31 DECEMBER 2014

LOCATION / ADDRESS	LAND AREA (ACRES) / BUILT UP AREA (SQ FT)	DESCRIPTION / EXISTING USE	AGE OF BUILDING (YEARS)	TENURE	NET BOOK VALUE AS AT 31.12.2014 RM'000	DATE OF ACQUISITION (A) / REVALUATION (R)
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 and New Block under construction)	21	Leasehold expiring 01.04.2097	407,000	R: Dec-14
Lot No. 61759 (Previously known as PT638) PN 17103 (Previously known as HS(D) 174431) Bandar Sunway Daerah Petaling Selangor Darul Ehsan	1.80 / 1,141,449.00	Sunway Pinnacle	1	Leasehold expiring 01.04.2097	336,000	R: Dec-14
PT894 HSD(T) 238253 PT907 HSD(T) 238960 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	11.96 / 916,640.00	Monash University Campus Existing and Extension Block 4 & 5A	8	Leasehold expiring 02.04.2106 & 15.05.2106	308,500	R: Dec-14
Lot 1385, 2102, 3224 & 7629 Mukim 13, Daerah Timur Laut Pulau Pinang	24.46	Land under development and held for development	-	Freehold	285,734	A: Dec-13
Lot 20000 Seksyen 90 Mukim Bandar Kuala Lumpur Daerah Kuala Lumpur Wilayah Persekutuan	21.39	Sunway Velocity Shopping Mall (Investment property under construction)	-	Freehold	383,365	A: Dec-14
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	3.5	Leasehold expiring 15.03.2106 & 02.04.2106	256,658	R: Dec-14

LOCATION / ADDRESS	LAND AREA (ACRES) / BUILT UP AREA (SQ FT)	DESCRIPTION / EXISTING USE	AGE OF BUILDING (YEARS)	TENURE	NET BOOK VALUE AS AT 31.12.2014 RM'000	DATE OF ACQUISITION (A) / REVALUATION (R)
Lot 62637 - 62639, Lot 62654 Lot 62656 PT1351 HS(D) 297665 PT97615 HS(D) 64729 PT1352 HS(D) 297666 PT1353 HS(D) 297667 PT1348 HS(D) 293750 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	56.12	Sunway South Quay (Land under development and held for development)	-	Leasehold expiring 15.05.2106 & 20.05.2113 & 05.07.2104 & 05.07.2111	401,930	A: Apr-04 Nov-05 Mar-06
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	196,592	A: Dec-10
HSD 259881, Lot 1333 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	1.78	Sunway Pyramid 3 (Investment property under construction)	-	Leasehold expiring 16.11.2108	162,430	A: Dec-14
No. GM 382, Lot No. 565 No. Geran 41265, Lot No. 114 No. Geran 41266, Lot No. 115 No. Geran 41271, Lot No. 133 No Geran 19199, Lot 90 No. Geran 19200, Lot 95 No. Geran 41270, Lot 122 Lot 119 Lot 113 No. Geran 22315, Lot 138 No. Geran 49131, Lot 1295 No. Geran 49132, Lot 1296 Lot 509 GM No. 374 Lot 564 GM No. 381 Lot 1093 GM No. 345 Lot 1094, 455, 451, 1092, 458, 1095, 1096 Lot 457, 1107, 443, 1156, 510, 432, 452, 453, 454 Lot 426, 449 & 1105 Section 1, Bandar Bukit Mertajam Daerah Sebarang Perai Tengah	78.77	Sunway Wellesley (Land under devel- opment and held for development)	-	Freehold	142,733	A: Jul-10 Aug-10 Dec-10 Jan-11 Feb-11 Mar-11 Apr-11 to May-13 Dec-13 Dec-14

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Directors' Interests in Shares,  
Options Over Ordinary  
Shares and Warrants

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Analysis of Shareholdings

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Analysis of Warrantholdings

**PAVING A STRONG FOUNDATION**

Sunway's Building Materials division supplies Pavers, Vitrified Clay Pipes and Spun Piles to a diversified customer base all over Peninsular Malaysia as well as in China. As market leaders in their respective industries, the division places emphasis on product innovation and product development to sustain its competitive advantage.



## SHAREHOLDINGS' INFORMATION

# **DIRECTORS' INTERESTS IN SHARES, OPTIONS OVER ORDINARY SHARES AND WARRANTS**

**AS AT 30 APRIL 2015**

## **DIRECTORS' INTEREST IN SUNWAY**

	ORDINARY SHARES OF RM1.00 EACH	
	No.	%
<b>Direct interest</b>		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	77,238,939	4.42
Tan Sri 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	#
Tan Sri Dato' Dr Lin See Yan	100,000	0.01
<b>Deemed interest</b>		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO <sup>a</sup>	908,339,803	51.93
Dato' Chew Chee Kin <sup>b</sup>	346,956	0.02
Sarena Cheah Yean Tih <sup>c</sup>	984,868,100	56.31

	WARRANTS 2011/2016	
	No.	%
<b>Direct interest</b>		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	11,142,367	4.07
Tan Sri Datuk Seri Razman M Hashim	134,961	0.05
Dato' Chew Chee Kin	869,171	0.32
Sarena Cheah Yean Tih	97,058	0.04
<b>Deemed interest</b>		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO <sup>a</sup>	144,762,490	52.85
Dato' Chew Chee Kin <sup>b</sup>	303,976	0.11
Sarena Cheah Yean Tih <sup>c</sup>	155,785,375	56.87

	OPTIONS OVER ORDINARY SHARES OF RM1.00 EACH	
	No. Granted	No. Vested
<b>Direct interest</b>		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	17,200,000	8,600,000
Tan Sri Datuk Seri Razman M Hashim	500,000	250,000
Dato' Chew Chee Kin	4,500,000	2,250,000
Sarena Cheah Yean Tih	1,600,000	800,000



**DIRECTORS' INTEREST IN SUNWAY'S HOLDING COMPANY  
SUNGEI WAY CORPORATION SDN BHD**

	ORDINARY SHARES OF RM1.00 EACH	
	No.	%
<b>Deemed interest</b>		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO <sup>d</sup>	10,000,000	100.00
Sarena Cheah Yean Tih <sup>e</sup>	10,000,000	100.00
	NUMBER OF NON-CUMULATIVE REDEEMABLE PREFERENCE SHARES OF RM0.01 EACH	
	No.	%
<b>Direct interest</b>		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	261,100,000	100.00
<b>Deemed interest</b>		
Sarena Cheah Yean Tih <sup>f</sup>	261,100,000	100.00

**DIRECTORS' INTEREST IN SUNWAY'S ULTIMATE HOLDING COMPANY  
ACTIVE EQUITY SDN BHD**

	ORDINARY SHARES OF RM1.00 EACH	
	No.	%
<b>Direct interest</b>		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	102,000	80.00
Sarena Cheah Yean Tih	12,750	10.00
<b>Deemed interest</b>		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO <sup>g</sup>	25,500	20.00
Sarena Cheah Yean Tih <sup>f</sup>	102,000	80.00

NOTES:

- <sup>a</sup> Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Jef-San Enterprise Sdn Bhd, Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd and children.
- <sup>b</sup> Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through spouse.
- <sup>c</sup> 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.
- <sup>d</sup> Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn Bhd and children.
- <sup>e</sup> Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn Bhd and parent.
- <sup>f</sup> Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through parent.
- <sup>g</sup> Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through children.
- <sup>#</sup> Negligible

**DIRECTORS' INTEREST IN SUNWAY'S SUBSIDIARY  
SUNWAY GLOBAL LIMITED**

	ORDINARY SHARES OF HK\$1.00 EACH	
	No.	%
<b>Direct interest</b>		
Dato' Chew Chee Kin	869,684	0.31



## ANALYSIS OF SHAREHOLDINGS

### AS AT 30 APRIL 2015

Authorised Share Capital	- RM10,000,000,000
Issued and Paid-up Share Capital	- RM1,758,212,003
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	1,861	12.61	47,847	0.01
100 - 1,000	3,224	21.85	2,333,639	0.13
1,001 - 10,000	7,518	50.95	27,283,276	1.55
10,001 - 100,000	1,712	11.60	47,436,935	2.70
100,001 - 87,910,599 (Less than 5% of issued shares)	439	2.97	882,910,306	50.22
87,910,600 (5%) and above	3	0.02	798,200,000	45.40
	14,757	100.00	1,758,212,003	100.00

### THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

	Name of Shareholders	No. of Shares	%
1	Sungei Way Corporation Sendirian Berhad	555,200,000	31.74
2	HSBC Nominees (Tempatan) Sdn Bhd - Sungei Way Corporation Sendirian Berhad	130,000,000	7.43
3	RHB Capital Nominees (Tempatan) Sdn Bhd - Sungei Way Corporation Sendirian Berhad	113,000,000	6.46
4	Amanahraya Trustees Berhad - Skim Amanah Saham Bumiputera	86,000,000	4.92
5	Sungei Way Corporation Sendirian Berhad	78,729,000	4.50
6	Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	75,564,068	4.32
7	Sharp Ventures Sdn Bhd	70,134,400	4.01
8	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	51,057,732	2.92
9	Jef-San Enterprise Sdn Bhd	30,699,172	1.76
10	Amanahraya Trustees Berhad - Amanah Saham Malaysia	30,627,500	1.75
11	Cartaban Nominees (Tempatan) Sdn Bhd - Exempt AN for Eastspring Investments Berhad	22,397,741	1.28
12	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt AN for AIA Berhad	22,313,133	1.28
13	Amanahraya Trustees Berhad - Amanah Saham Wawasan 2020	21,498,188	1.23
14	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	15,839,000	0.91
15	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for J. P. Morgan Bank Luxembourg S. A.	13,560,092	0.78
16	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Dimensional Emerging Markets Value Fund	13,418,326	0.77
17	Amanahraya Trustees Berhad - As 1Malaysia	13,150,000	0.75
18	Amanahraya Trustees Berhad - Public Islamic Select Treasures Fund	10,410,680	0.60
19	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (NOMURA)	9,628,800	0.55
20	Amanahraya Trustees Berhad - Public Islamic Select Enterprises Fund	8,291,100	0.47
21	Amanahraya Trustees Berhad - Amanah Saham Didik	8,000,000	0.46

## THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS (CONTD.)

	Name of Shareholders	No. of Shares	%
22	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for JPMorgan Chase Bank, National Association (U.S.A.)	7,386,737	0.42
23	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (AMUNDI)	7,002,033	0.40
24	Citigroup Nominees (Tempatan) Sdn Bhd - Kumpulan Wang Persaraan (Diperbadankan) (VCAM Equity FD)	6,500,000	0.37
25	Citigroup Nominees (Asing) Sdn Bhd - Exempt AN Citibank New York (Norges Bank 14)	5,864,600	0.34
26	HSBC Nominees (Asing) Sdn Bhd - Exempt AN The Bank Of New York Mellon (Mellon Acct)	5,679,987	0.32
27	Citigroup Nominees (Asing) Sdn Bhd - UBS AG	5,560,574	0.32
28	Citigroup Nominees (Asing) Sdn Bhd - CBNY Emerging Market Core Equity Portfolio DFA Investment Dimensions Group INC	5,507,293	0.31
29	Amanahraya Trustees Berhad - Amanah Saham Nasional 3 Imbang	5,060,833	0.29
30	Amanahraya Trustees Berhad - Amanah Saham Nasional 2	4,900,733	0.28

## SUBSTANTIAL SHAREHOLDERS

	Name of Shareholders	No. of Shares	%
1	Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO		
	· Direct interest	77,238,939	4.42
	· Deemed interest <sup>a</sup>	908,339,803	51.93
2	Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng	985,578,742	56.35
	· Deemed interest <sup>b</sup>		
3	Sarena Cheah Yean Tih		
	· Direct interest	577,274	0.03
	· Deemed interest <sup>c</sup>	984,868,100	56.31
4	Evan Cheah Yean Shin		
	· Direct interest	134,357	0.01
	· Deemed interest <sup>d</sup>	984,867,111	56.31
5	Sungei Way Corporation Sdn Bhd	876,929,000	50.13
6	Active Equity Sdn Bhd		
	· Deemed interest <sup>e</sup>	876,929,000	50.13

## NOTES:

<sup>a</sup> Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Jef-San Enterprise Sdn Bhd, Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd and children.

<sup>b</sup> Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Jef-San Enterprise Sdn Bhd, spouse and children.

<sup>c</sup> 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.

<sup>d</sup> Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd and parents.

<sup>e</sup> Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Sungei Way Corporation Sdn Bhd.





## ANNUAL GENERAL MEETING

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### 418

Notice of  
5<sup>th</sup> Annual  
General Meeting

### 424

Notice of  
Nomination of Auditors

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Proxy Form

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**A COMMITMENT TO IMPROVING LIVES**

Sunway Medical Centre is committed to improving the lives of the community with the well-equipped Centres of Excellence, led by renowned medical consultants. Sunway Medical Centre strongly believes in providing the community with education and awareness about health and wellness as well as giving hope to the recovering.





## NOTICE OF 5<sup>TH</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 5th Annual General Meeting of SUNWAY BERHAD (921551-D) will be held at Grand Caymans, Level 10, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on Thursday, 25 June 2015 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 2014 together with the Directors' and Auditors' Reports thereon. (Ordinary Resolution 1)
2. To approve the payment of Directors' fees amounting to RM360,000.00 for the financial year ended 31 December 2014. (Ordinary Resolution 2)
3. To re-elect the following Directors:-
  - 3.1 Dato' Chew Chee Kin who retires by rotation pursuant to Article 107 of the Company's Articles of Association and being eligible, offers himself for re-election. (Ordinary Resolution 3)
  - 3.2 Tan Sri Dato' Dr Lin See Yan who retires pursuant to Article 90 of the Company's Articles of Association and being eligible, offers himself for re-election. (Ordinary Resolution 4)
4. To consider and if thought fit, to pass the following resolutions in accordance with Section 129 of the Companies Act, 1965:-
  - 4.1 "THAT pursuant to Section 129 of the Companies Act, 1965, Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling who is over the age of 70 years, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company." (Ordinary Resolution 5)
  - 4.2 "THAT pursuant to Section 129 of the Companies Act, 1965, Tan Sri 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)
  - 4.3 "THAT pursuant to Section 129 of the Companies Act, 1965, Mr Wong Chin Mun 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 7)
5. To appoint Messrs BDO as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.

Notice of Nomination pursuant to Section 172 (11) of the Companies Act, 1965, a copy of which is annexed hereto as "Annexure A", has been received by the Company for the nomination of Messrs BDO who have given their consent to act, for appointment as Auditors and of the intention to propose the following ordinary resolution:-

"THAT Messrs BDO be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs Ernst & Young, to hold office until the conclusion of the next Annual General Meeting at a remuneration to be agreed between the Directors and Auditors."

(Ordinary Resolution 8)

## 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 9)

### 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 29 May 2015 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 10)

## NOTICE OF 5<sup>TH</sup> ANNUAL GENERAL MEETING

### 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;
- (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 11)

### 9. **ORDINARY RESOLUTION:**

#### ***Proposed Renewal of the Authority for Directors to Allot and Issue New Ordinary Shares of RM1.00 each in the Company (“Sunway Shares”) in relation to the Dividend Reinvestment Scheme that provides the Shareholders of the Company with the Option to Elect to Reinvest their Cash Dividend Entitlements in New Ordinary Shares of RM1.00 each in the Company (Dividend Reinvestment Scheme)***

"THAT pursuant to the Dividend Reinvestment Scheme ("DRS") approved at the Extraordinary General Meeting held on 26 June 2014, approval be and is hereby given to the Company to allot and issue such number of new Sunway Shares for the DRS until the conclusion of the next Annual General Meeting, upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and in the interest of the Company PROVIDED THAT the issue price of the said new Sunway Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5)-market day volume weighted average market price ("VWAP") of Sunway Shares immediately preceding the price-fixing date, of which the VWAP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price and not less than the par value of Sunway Shares at the material time.

AND THAT the Directors and the Secretary of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the DRS with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments or at the discretion of the Directors in the best interest of the Company."

(Ordinary Resolution 12)

10. **SPECIAL RESOLUTION NO. 1**

***Proposed Amendment to Article 124 of the Company's Articles of Association***

"THAT the Company's Articles of Association be hereby amended by deleting the existing Article 124 in its entirety and in substituting with the following new Article 124:-

**Existing Article 124**

A resolution in writing signed or approved by letter, telefax or electronic mail by a majority of the Directors or members of a Committee for the time being in Malaysia, shall be as valid and effective for all purposes as a resolution passed at a meeting of the Directors or Committee duly convened, held and constituted, and an alternate director may sign such resolution on behalf of his appointor. All such resolutions may consist of several documents in like form, each signed by one (1) or more Directors or members of the Committee, or their alternates.

**New Article 124**

A resolution in writing signed or approved by a majority of the Directors or members of a Committee for the time being in Malaysia by letter, telefax, electronic mail or any form of electronic approval or electronic signature or digital signature via software, electronic devices or other means of telecommunication apparatus or devices, shall be as valid and effective for all purposes as a resolution passed at a meeting of the Directors or Committee duly convened, held and constituted, and an alternate director may sign such resolution on behalf of his appointor. All such resolutions may consist of several documents in like form, each signed by one (1) or more Directors or members of the Committee, or their alternates."

(Special Resolution 1)

By Order of the Board

**TAN KIM AUN** (MAICSA 7002988)  
**CHIN LEE CHIN** (MAICSA 7012347)  
 Company Secretaries

Bandar Sunway  
 29 May 2015

## NOTICE OF 5<sup>TH</sup> ANNUAL GENERAL MEETING

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### 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 17 June 2015, shall be entitled to attend, speak and vote at the general meeting.

**EXPLANATORY NOTES ON SPECIAL BUSINESS:****1. Ordinary Resolution 9 -*****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 10 -*****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 29 May 2015.

**3. Ordinary Resolution 11 -*****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 29 May 2015.

**4. Ordinary Resolution 12 -*****Proposed renewal of the authority for Directors to allot and issue new ordinary shares of RM1.00 each in the Company in relation to the Dividend Reinvestment Scheme***

This proposed Ordinary Resolution 12 will give authority to the Directors to allot and issue ordinary shares in the Company in respect of dividends to be declared, if any, under the Dividend Reinvestment Scheme, until the conclusion of the next Annual General Meeting. A renewal of this authority will be sought at the subsequent Annual General Meeting.

**5. Special Resolution 1 -*****Proposed Amendment to Article 124 of the Company's Articles of Association***

This proposed Special Resolution 1 is to enable Directors or members of a Committee to use, amongst others, the latest mobile digital technology to approve the circular resolutions. This will improve and expedite the approval process of circular resolutions.



## NOTICE OF NOMINATION OF AUDITORS

ANNEXURE A

**SUNGEI WAY CORPORATION SDN BHD**

(Company No.18105-V)

Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Selangor Darul Ehsan

Tel: 03-5639 8889 Fax: 03-5639 9507

Date: 22 April 2015

The Board of Directors

**SUNWAY BERHAD**

Level 16, Menara Sunway

Jalan Lagoon Timur

Bandar Sunway

47500 Subang Jaya

Selangor Darul Ehsan

Dear Sirs,

**NOTICE OF NOMINATION OF AUDITORS**

Pursuant to Section 172(11) of the Companies Act, 1965, we being a shareholder of Sunway Berhad, hereby give notice of our intention to nominate Messrs BDO for appointment as Auditors of Sunway Berhad in place of the retiring Auditors, Messrs Ernst & Young and of our intention to propose the following as an ordinary resolution to be tabled at the forthcoming Annual General Meeting of Sunway Berhad:-

*"THAT Messrs BDO be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs Ernst & Young, to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration."*

Thank you.

Yours faithfully,

For and on behalf of

**SUNGEI WAY CORPORATION SDN BHD**

SARENA CHEAH YEAP TIH

Director

# PROXY FORM

## 5<sup>TH</sup> ANNUAL GENERAL MEETING

Number of share(s) held	
CDS Account No.	

**SUNWAY™**

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:-

**1<sup>ST</sup> PROXY 'A'**

Full Name	Tel./Mobile No.	Proportion of shareholdings represented	
Address	NRIC No./Passport No.	No. of Shares	%

and/or failing \*him/her,

**2<sup>ND</sup> 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 5<sup>th</sup> Annual General Meeting of the Company to be held at Grand Caymans, Level 10, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on Thursday, 25 June 2015 at 3.30 p.m. and at any adjournment thereof.

**In the case of a vote taken by a show of hands, \*1<sup>st</sup> Proxy 'A' / \*2<sup>nd</sup> 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 <sup>ST</sup> PROXY 'A'		2 <sup>ND</sup> PROXY 'B'	
		FOR	AGAINST	FOR	AGAINST
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2014 together with the Directors' and Auditors' Reports thereon				
2.	To approve the payment of Directors' fees				
3.	To re-elect Dato' Chew Chee Kin as Director				
4.	To re-elect Tan Sri Dato' Dr Lin See Yan as Director				
5.	To approve the re-appointment of Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling as Director				
6.	To approve the re-appointment of Tan Sri Datuk Seri Razman M Hashim as Director				
7.	To approve the re-appointment of Mr Wong Chin Mun as Director				
8.	To appoint Messrs BDO as Auditors of the Company and authorise the Directors to fix their remuneration				
9.	To authorise the issue of shares pursuant to Section 132D of the Companies Act, 1965				
10.	To approve the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature				
11.	To authorise the purchase of own shares by the Company				
12.	To approve the Proposed Renewal of the authority for Directors to allot and issue new ordinary shares in relation to the Dividend Reinvestment Scheme				
	SPECIAL RESOLUTION				
1.	To approve the Proposed Amendments to the Company's Articles of Association				

Dated this ..... day of ..... 2015

Signature of Member .....

Common  
Seal

## 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 17 June 2015, shall be entitled to attend, speak and vote at the general meeting.

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THE COMPANY SECRETARY  
**SUNWAY BERHAD** (921551-D)  
LEVEL 16, MENARA SUNWAY  
JALAN LAGOON TIMUR  
BANDAR SUNWAY  
47500 SUBANG JAYA  
SELANGOR DARUL EHSAN  
MALAYSIA

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# CORPORATE DIRECTORY

## HEAD OFFICE

### MENARA SUNWAY

Jalan Lagoon Timur, Bandar Sunway  
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia

## INVESTMENT HOLDING

SUNWAY BERHAD\* (921551-D)

SUNWAY CITY SDN BHD\* (87564-X)

SUNWAY HOLDINGS SDN BHD\* (37465-A)

### Head Office:

Level 17, Menara Sunway

Tel: (603) 5639 8888 Fax: (603) 5639 9507

## 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)

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: vivaldi@sunway.com.my

Website: www.sunwayvivaldi.com

SUNWAY DAMANSARA SDN BHD\* (179182-V)

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 Amsa 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 (355988-A)

SUNWAY HOTEL SERVICES (IPOH)

SDN BHD

### Corporate Office:

No. 52, Jalan SCI 1/3  
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 GAMBIER 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:

Level 1-3 & 5, Menara Sunway  
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: 1800-222-988

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: 1800-222-988

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: 1800-222-988

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  
Tianjin 300480, China.  
Tel: (+86-22) 5999 9589 Fax: (+86-22) 5999 9590

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

(U70102AP2007PTC05084)

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

Tel: (+91) 40 2303 8888 & (+91) 40 2303 8000

Email: sunwayopusgrand@sunway.com.my

Website: www.sunwayopus.com

### Project / Admin

Tel: (+91) 40 2303 8888, Fax: (+91) 40 2303 8008

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

Tel: (+91) 40 2303 8888 Fax: (+91) 40 2303 8008

## 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

## 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

47500 Subang Jaya, Selangor Darul Ehsan, Malaysia

Tel: (603) 7494 3000 Fax: (603) 7492 6333

SUNWAY DESTINY SDN BHD (443511-H)

SUNWAY MUSC SDN BHD (545957-T)

SUNWAY RESIDENCE SDN BHD (538641-W)

SUNWAY PINNACLE SDN BHD (895562-K)

SUNWAY PFM SDN BHD (218317-K)

SUNWAY PYRAMID DEVELOPMENT SDN BHD (926145-W)

SUNWAY CENTURY SDN BHD (883253-V)

SUNWAY REM SDN BHD (542070-M)

(Formerly known as Sunway Tower 2 Sdn Bhd)

Unit 4.5, Level 4 East Lobby, Menara Sunway Annexe

Jalan Lagoon Timur, Bandar Sunway

47500 Subang Jaya, Selangor Darul Ehsan, Malaysia

Tel: (603) 5639 8888 Fax: (603) 5639 9595

SHAHAWAN (M) SDN BHD\* (454336-K)

SUNWAY TOWER 1 SDN BHD\* (545955-D)

Level 17, Menara Sunway

Tel: (603) 5639 8889 Fax: (603) 5639 9507

## LEISURE

SUNWAY LAGOON SDN BHD (211311-A)

SUNWAY LAGOON

3 Jalan PJS 11/11, Bandar Sunway

47500 Subang Jaya, Selangor Darul Ehsan, Malaysia

Tel: (603) 5639 0000 Fax: (603) 5639 0050

Email: ask\_lagoon@sunway.com.my

Website: www.sunwaylagoon.com

SUNWAY LOST WORLD WATER PARK SDN BHD (240342-P)

LOST WORLD OF TAMBUN

No. 1, Persiaran Lagun Sunway 1

Sunway City Ipoh, 31150 Ipoh

Perak Darul Ridzuan, Malaysia

Tel: (605) 542 8888 Fax: (605) 542 8899

Email: lostworldoftambun@sunway.com.my

Website: www.sunwaylostworldoftambun.com

SUNWAY LAGOON CLUB BERHAD (185477-W)

No. 3, Jalan Lagoon Timur, Bandar Sunway

47500 Subang Jaya, Selangor Darul Ehsan, Malaysia

Tel: (603) 5639 8600

Fax: (603) 5639 9588 / 9589 (Accounts Dept)

Website: www.sunway.com.my/club

PYRAMID BOWL SDN BHD (397399-M)

Lot F2.22 Level 1, Sunway Pyramid Shopping Mall

No. 3, Jalan PJS 11/15, Bandar Sunway

## HOSPITALITY

### SUNWAY INTERNATIONAL HOTELS & RESORTS

#### SDN BHD\* (430654-V)

#### SUNWAY FORUM HOTEL SDN BHD\* (454068-M)

##### Corporate Office:

Level 1, Menara Sunway  
Tel: (603) 5639 8181 Fax: (603) 5639 8182  
Email: corporate@sihr.com Website: www.sihhr.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: enquiryshr@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: enquiryshp@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: enquiryshg@sunwayhotels.com  
Website: www.georgetown.sunwayhotels.com

#### SUNWAY HOTEL (SEBERANG JAYA) SDN BHD (238606-A)

11, Lebuh Tenggiri Dua, Pusat Bandar Seberang Jaya  
13700 Prai, Butterworth, Malaysia  
Tel: (604) 370 7788 Fax: (604) 370 0555  
Email: enquiryshsj@sunwayhotels.com  
Website: www.seberangjaya.sunwayhotels.com

#### SUNWAY HOTEL PHNOM PENH LTD (239/96/E)

1, Street 92, Sangkat Wat Phnom, P.O. Box 633  
Phnom Penh 12202, Kingdom of Cambodia  
Tel: (855) 23 430 333 Fax: (855) 23 430 339  
Email: enquiryshpp@sunwayhotels.com  
Website: www.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: enquiryshh@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 INNOVATE 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 INNOVATE 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 (T10FC0138K)

#### 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 (1160600)  
P.O. Box 131139, Abu Dhabi, UAE

## MACHINERY / EQUIPMENT RENTAL

#### SUNWAY MACHINERY SDN BHD (389253-P)

Lot 656, Jalan Subang 1, Off Persiaran Subang  
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

## 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

## TRADING AND MANUFACTURING DIVISION

### MALAYSIA OFFICES & BRANCHES

#### SUNWAY MARKETING SDN BHD\* (110342-X)

#### SUNWAY HOSE CENTRE SDN BHD\* (350617-H)

#### BUILDTREND B.S.G (M) SDN BHD\* (68350-H)

##### Main Office:

Level 11, Menara Sunway  
Tel: (603) 5639 9997 Fax: (603) 5639 9522  
Website: www.sunway.com.my/sunwaymarketing

##### Warehouse:

Lot PT. 1490, No. 1, Jalan PJS 11/1  
Bandar Sunway, 46150 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel: (603) 5637 9049 / 5636 7870 / 5635 4323  
Fax: (603) 5637 8046

##### Branches:

Ipoh  
34-A, Jalan Ghazali Jawi  
31400 Ipoh, Perak, Malaysia  
Tel: (605) 545 4490 Fax: (605) 545 4490

##### Johor Bahru

No. 7, Jalan Kempas Utama 3/2  
Taman Kempas Utama  
81200 Johor Bahru, Johor, Malaysia  
Tel: (607) 559 0645 Fax: (607) 559 0667

##### Penang

2-1-43 Tingkat Mahsuri 1  
One Square, Bayan Lepas  
11900 Bayan Lepas, Penang, Malaysia  
Tel: (604) 638 4822 Fax: (604) 638 4880

#### SUNWAY ARCHITECTURAL PRODUCTS

#### SDN BHD\* (146551-W)

##### Head Office:

Level 11, Menara Sunway  
Tel: (603) 5639 9997 Fax: (603) 5639 9522

#### SUNWAY HYDRAULIC INDUSTRIES SDN BHD (103260-H)

Lot PT.1490, No. 1, Jalan PJS 11/1  
Bandar Sunway, 46150 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel: (603) 5636 7870 / 5635 4323 Fax: (603) 5637 8046  
Email: sunflex@sunway.com.my  
Website: www.sunway.com.my/sunflex

#### SUNWAY MARKETING (EAST MALAYSIA)

#### SDN BHD (353248-U)

Email: ipsales@sunway.com.my

##### Bintulu

S/Lot 15, Lot 294, Sibiyu Industrial Estate  
Jalan Bintulu-Tatau, 97000 Bintulu  
Sarawak, Malaysia  
Tel: (6086) 313 778 / 313 779 Fax: (6086) 313 772

##### Sibu

No. 1B & 3A, Lorong 37  
Jalan Ding Lik Kong  
96000 Sibu, Sarawak, Malaysia  
Tel: 6084 216 955/214 552/213 378  
Fax: 6084 219 950

##### Miri

Lot 1993, Jalan Piasau Utara 4  
SEDC Industrial Estate, 98000 Miri, Sarawak  
Tel: (6085) 656 354 / 656 292 / 659 197  
Fax: (6085) 656 431

##### Tawau

Lot 4, Building No. 7774  
Mile 3.5, Jalan Sungai Tajong  
91000 Tawau, Sabah, Malaysia  
Tel: (6089) 715070 / 712070 Fax: (6089) 715 881

##### Kuching

Lot 496 S/L 5 Muara Tuang Batu 8  
93250 Kuching, Sarawak, Malaysia  
Tel: (6082) 610 608 / 611 608 Fax: (6082) 612 508

##### Lahad Datu

MDLD 7089, Lot No. 123, Ground Floor  
Taman Sri Perdana, Jalan Silan  
91000 Lahad, Datu Sabah, Malaysia  
Tel: (6089) 862 217 Fax: (6089) 862 201

##### Sandakan

Lot 2, Labuk Road Mile 9  
90000 Sandakan, Sabah  
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