



BRAVING THE CHALLENGES

ANNUAL REPORT
2015

BRAVING THE CHALLENGES



Whether it is the icy Arctic Circle, the foreboding Amazon Rainforest or the barren Atacama Desert, animals living in these habitats possess distinct survival characteristics and extraordinary abilities to adapt to each extreme condition and survive against the odds.

Resembling the characteristics and abilities of these animals, Sunway has and will continue to brave the challenges and remain steadfast in delivering value to stakeholders.

We believe that limits and challenges only inspire us to work harder and succeed in the face of adversity.

VISION

TO BE THE LEADING REGIONAL PROPERTY-CONSTRUCTION GROUP

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

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

MISSION

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

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

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

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, S.M.S.

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

AUDIT COMMITTEE

Wong Chin Mun (*Chairman*)
Lim Swe Guan
Datuk Seri Yam Kong Choy
Tan Sri Dato' Dr. Lin See Yan

NOMINATION COMMITTEE

Lim Swe Guan (*Chairman*)
Wong Chin Mun
Datuk Seri Yam Kong Choy

REMUNERATION COMMITTEE

Datuk Seri Yam Kong Choy (*Chairman*)
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, S.M.S.
Foo Shiang Wyne

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

BDO
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

INVESTOR RELATIONS

Email : irsunwayberhad@sunway.com.my
Tel No : (603) 5639 8674

FINANCIAL CALENDAR

ANNOUNCEMENT OF QUARTERLY RESULTS

26 May 2015

Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2015

27 August 2015

Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2015

26 November 2015

Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2015

26 February 2016

Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2015

DIVIDEND

- Distribution of ordinary shares of RM0.20 each in Sunway Construction Group Berhad ("Distribution Shares") held by Sunway Berhad ("Sunway") to the entitled shareholders of Sunway by way of dividend-in-specie on a basis of one (1) Distribution Share for every ten (10) existing ordinary shares of RM1.00 each held in Sunway

Announcement of the notice of
entitlement and payment : 22 April 2015
Date of entitlement : 8 May 2015
Date of payment : 5 June 2015

- Special cash dividend of RM0.26 per ordinary share for the financial year ended 31 December 2015

Announcement of the notice of
entitlement and payment : 2 September 2015
Date of entitlement : 2 October 2015
Date of payment : 16 October 2015

- Single tier first interim dividend of 5% per ordinary share for the financial year ended 31 December 2015

Announcement of the notice of
entitlement and payment : 17 September 2015
Date of entitlement : 19 October 2015
Date of payment : 30 October 2015

- Single tier second interim dividend of 6% per ordinary share for the financial year ended 31 December 2015

Announcement of the notice of
entitlement and payment : 15 March 2016
Date of entitlement : 1 April 2016
Date of payment : 28 April 2016

ANNUAL REPORT & ANNUAL GENERAL MEETING

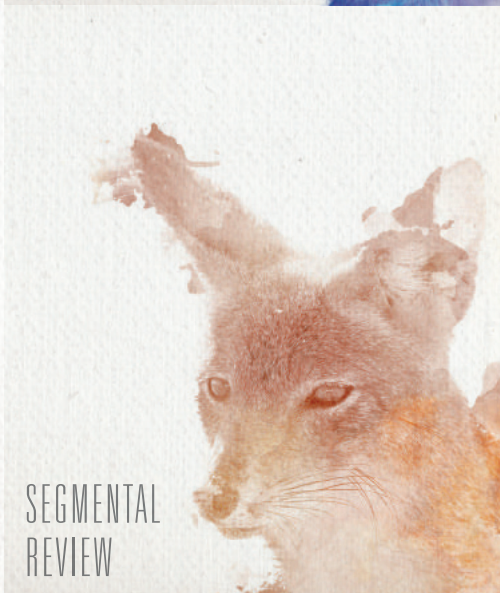
29 April 2016

Date of notice of 6th Annual General Meeting and date of issuance of Annual Report 2015

16 June 2016

Date of 6th Annual General Meeting

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CORPORATE
SUNWAY

SCALING THE HILL OF SUCCESS

Much like the polar bear acclimatising to the unforgivingly harsh Arctic with its thick layer of fur and blubber, Sunway has weathered several setbacks in the past to emerge as a tougher entity, ready to scale and conquer the hill of success.

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AWARDS AND ACCOLADES



CORPORATE PROFILE



SUNWAY BERHAD (“SUNWAY” OR “GROUP”)

A HUMBLE LEGACY

Widely known today as a leading property-construction conglomerate, Sunway Berhad started off from humble beginnings in the 1970s. Sungei Way Holdings Sdn Bhd was established on 26 January 1978 as a private limited company. Set up initially as a modest tin mining business, the business endured several setbacks but was resolute in overcoming these challenges. With immeasurable entrepreneurial adroitness, the company ventured into other businesses such as construction, quarrying, property development, trading and manufacturing and building materials. Over the years, the company grew from strength to strength and eventually listed on the Main Board of Bursa Malaysia on 16 February 1984 as Sungei Way Holdings Berhad. The company subsequently changed its name to Sunway Holdings Incorporated Berhad on 13 December 1999 before finally assuming the name of Sunway Holdings Berhad in 2007.

Sunway City Berhad, the sister company of Sunway Holdings Berhad was incorporated at roughly the same time to capitalize on opportunities arising from the growing property development landscape in Malaysia. Set up on 13 July 1982 as Sri Jasa Sdn Bhd, the company subsequently converted into a listed public company on 8 July 1996 as Sunway City Berhad. Solid business management coupled with an aspiration to evolve into an integrated real estate conglomerate propelled the company further to include interests in property investment, hospitality and healthcare. Sunway Resort City, Malaysia's first integrated resort city, is a testament to that aspiration, transformed from a former derelict tin-mine into one of the region's top tourist destinations today.

In 2010, Tan Sri Dato' Seri Dr Jeffrey Cheah, the Founder and Chairman of both Sunway Holdings Berhad and Sunway City Berhad initiated the consolidation of both companies. The merger rearticulated Sunway's brand as a property-construction conglomerate, positioning the group for larger business opportunities. The exercise was successfully completed with the listing of Sunway Berhad on the Main Market of Bursa Malaysia on 23 August 2011.

On 19 September 2014, Sunway Group announced intentions to re-list its construction arm on the Main Market of Bursa Malaysia. A restructuring exercise was carried out with the disposal of Sunway Construction Sdn Bhd by Sunway Holdings Sdn Bhd to Sunway Construction Group Berhad (“SCG”). SCG was successfully listed on 28 July 2015, attracting a market capitalisation of RM1.6 billion, making it the second largest Initial Public Offering on Bursa Malaysia in 2015. In spite of the weak domestic market at the time, the impressive debut of SCG has attested the strong confidence investors have in Sunway Group. SCG as a single entity now has the flexibility to pursue opportunities in tandem with the construction industry. With Sunway Berhad retaining a controlling stake in SCG of 54.4%, the two companies of Sunway Group will continue to take advantage of synergies for continued growth.



REPLICATING SUCCESS TODAY

Sunway Group today is a diversified business with interests in related upstream and downstream businesses, generating synergies with the Group's core businesses of property and construction. Complementing the core businesses are strategic business units comprising leisure, hospitality, trading and manufacturing, quarry, building materials and healthcare. These businesses not only serve to diversify the Group's revenue stream but are also industry leading businesses which provide steady and recurring income to the Group, thus ensuring consistent performance yearly, an advantage in withstanding sector-specific down cycles. In addition, the group continues to unlock adjacent synergies such as streamlined operational efficiency, procurement savings and treasury management to deliver better returns to shareholders.

Sunway's distinctive integrated business model, with a proven track record, covers the entire lifecycle of property development from land banking and master-planning to design and construction, marketing and sales, property management and finally to recycling capital via Sunway Real Estate Investment Trust ("REIT") when the properties mature. As this allows for Sunway Group to have control over the development value chain of its properties, design efficiencies and innovative products can be incorporated into Sunway's properties to add value for property purchasers.

A prime example of Sunway's unique business model of being a master community developer is Sunway Resort City. The 800-acre, Green Building Index (GBI) certified sustainable township seamlessly consolidates eight key components of residential, commercial, leisure, hospitality, retail, education, healthcare and industrial, where communities can live, learn, work and play. The township attracts more than 42 million visitors yearly and this is set to grow further with the completion of the country's first elevated Bus Rapid Transit, consisting of seven stations located throughout Sunway Resort City.

Sunway Group has replicated the same business model, of being the largest asset owner and co-investor in its townships, in Sunway City Ipoh and Sunway Velocity in Kuala Lumpur, and will be doing the same in Sunway Iskandar, the Group's next landmark development in Johor. The developments will ensure continuous sustainable growth for the Group and its communities into the future.

PROSPECTS FOR THE FUTURE

As Sunway Group breaks new frontiers in the nine different industries it operates in, the Group is unwavering in the core values of integrity, humility and excellence. These core values alongside corporate social responsibility initiatives continue to play an important role in the Group's sustainable business practices.

By virtue of this, Sunway Berhad has grown into a reputable corporation and is among the top 5 largest property stocks and top 100 largest stocks in Malaysia with a market capitalisation of RM5.5 billion (circa USD1.3 billion) as at 31 December 2015. Sunway Construction Group Berhad, the Group's newly listed subsidiary is the largest listed pure play construction company in Malaysia by revenue. Sunway REIT, a 37.3%-owned associate, is the second largest REIT by property value with a coveted portfolio of growing assets. All three companies have a combined market capitalisation of RM11.6 billion (circa USD2.7 billion) as at 31 December 2015. Backed by a strong track record stretching over four decades, a distinct business model, capable management and a team of 14,000 employees, Sunway Group is in a position to take on the challenges and opportunities in the market and to achieve its vision of becoming the leading regional property-construction conglomerate.

GROUP CORPORATE STRUCTURE



01 PROPERTY DEVELOPMENT

02 PROPERTY INVESTMENT

03 LEISURE

04 HOSPITALITY



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06 TRADING AND MANUFACTURING

07 QUARRY

08 BUILDING MATERIALS

09 HEALTHCARE

10 INVESTMENT HOLDINGS AND OTHERS

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 Monterez 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
- Sunway Dimension Stones Sdn Bhd

PROPERTY INVESTMENT

- Sunway Pinnacle Sdn Bhd
- Sunway Giza Mall Sdn Bhd
- Sunway Giza Parking Sdn Bhd
- Sunway Destiny Sdn Bhd
- Sunway MUSC Sdn Bhd
- Sunway Monash-U Residence Sdn Bhd
- Sunway Residence Sdn Bhd
- Sunway Pyramid Development Sdn Bhd
- Sunway Velocity Mall Sdn Bhd
- Sunway REIT Management Sdn Bhd
- Sunway Real Estate Investment Trust *^
- Sunway PFM Sdn Bhd
- Sunway IFM Sdn Bhd
- Sunway Parking Services Sdn Bhd
- Sunway Mall Parking Sdn Bhd
- Sunway Ambience Sdn Bhd
- Sunway Facility Management Sdn Bhd
- Sunway Forum Hotel Sdn Bhd
- 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
- Sunway Transit System Sdn Bhd
- Sunway Permai 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 *

HOSPITALITY

- Sunway Resort Hotel Sdn Bhd
- Sunway Putra Hotel Sdn Bhd
- Sunway Biz Hotel 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 Precast Industries Sdn Bhd
- Sunway Machinery Sdn Bhd

TRADING AND MANUFACTURING

- Sunway Marketing Sdn Bhd
- Sunway Enterprise (1988) Sdn Bhd
- Sunway Hydraulic Industries Sdn Bhd
- Sunway Marketing (East Malaysia) Sdn Bhd
- Sunway Hose Centre Sdn Bhd
- Sunway Architectural Products Sdn Bhd
- Sunway Marketing (S) Pte Ltd #
- Sunway Marketing (Thailand) Ltd #
- PT Sunway Flowtech #
- PT Sunway Trek Masindo #
- PT Sunway Pacific Flow #
- Sunway Totalrubber Ltd #
- Pacific Flow Technology Pty Ltd #
- Sunway Totalrubber Services Franchising Pty Ltd #
- Sunway Hydraulic Industries (Wuhu) Co. Ltd #
(formerly known as Sunway Xin Long (Anhui) Hydraulic Co. Ltd)
- Sunway Trading (Shanghai) Pte Ltd #
- Sunway Daechang Forging (Anhui) Co. Ltd #
- Winstar Trading Sdn Bhd
- Winstar Enterprise Sdn Bhd
- Rising Star Marketing Sdn Bhd
- Saf-T-Quip Sdn Bhd
- United Star Engineering & Hardware Sdn Bhd
- Hsing Yeat Sdn Bhd
- Multi Star Marketing Sdn Bhd
- Power Star Hardware Sdn Bhd
- Power Star Machinery Sdn Bhd
- Prestamin Sdn Bhd
- TactStar Sdn Bhd
- StarBridge Sdn Bhd
- PND Hardware & Trading Pte Ltd #

QUARRY

- Sunway Quarry Industries Sdn Bhd
- Sunway Quarry (Kuala Kangsar) Sdn Bhd
- Sunway Quarry Industries (Melaka) Sdn Bhd
- Twinners (Malaysia) Sdn Bhd

BUILDING MATERIALS

- Sunway Paving Solutions Sdn Bhd
- Sunway VCP Sdn Bhd
- Sunway Spun Pile (M) Sdn Bhd
- Sunway Spun Pile (Zhuhai) Co. Ltd #

HEALTHCARE

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

INVESTMENT HOLDINGS AND OTHERS

- Sunway City Sdn Bhd
- Sunway Holdings Sdn Bhd
- Sunway Holdings (Vietnam) Sdn Bhd
- Sunway Global Limited #
- Sunway Management Sdn Bhd
- Sunway Shared Services Sdn Bhd
- Sunway HR Shared Services Sdn Bhd
(formerly known as Sunway BPO Sdn Bhd)
- Sunway Leasing Sdn Bhd
- SWL Nominees (Tempatan) Sdn Bhd
- Sunway Elite Sdn Bhd
- Sunway Credit Sdn Bhd
- Sunway Risk Management Sdn Bhd
- Sunway Integrated Outsourcing Sdn Bhd
- Sunway Captive Insurance Ltd
- Gopeng Berhad *^
- SunCity Vietnam Sdn Bhd
- Hochimex Nominee Company Limited #
- Sunway City (S'pore) Pte Ltd #
- Sunway Real Estate (China) Limited #
- Eastern Glory Enterprises Limited #
- Konsep Objektif (M) Sdn Bhd
- Sunway REIT Holdings Sdn Bhd
- Sunway Treasury Sdn Bhd
- Sunway Treasury Sukuk 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 Limited
- Sunway Pals Loyalty Sdn Bhd
- Deco Style Sdn Bhd
- Sunway Design Sdn Bhd
- Sunway Construction Group Berhad ^
- Sunway Pendas Management Sdn Bhd
- Sunway Southern Management Sdn Bhd

Notes:

This Group Corporate Structure excludes dormant companies.

Overseas company

^ Public listed company

* Associated company / Joint Venture

[illegible]

Focusing its townships in transit-oriented areas is the way to go, says this master community developer.

[illegible]

A photograph showing two men in dark suits and red ties shaking hands. The man on the left is older, with white hair, and the man on the right is younger. They are standing in front of a red wall.

■刘明龙(左)及谢国雄,握手合作启动新一代医院资讯系统。

**雙威醫療中心
斥1200萬採用新系統**

(吉隆坡13日訊)雙威医疗 这个新系统, 双雄即有利未

Counter may ride on positive news from 11th M'sia Plan

BY DANIEL HOOG
 chief executive officer

PEWENGLI BAILI, former Creative that saw some failures as it went to listing on Nasdaq following the second round of its \$100 million IPO.

The company is one of the few large public offerings that will treat their debt in the market this year.

AND while the deal could be fairly well received by investors, just would not be regarded as the ideal vehicle for the offering will.

In most characteristics that is paid the company's debt, it is not a good idea to have a valuation of the two years ago, spent on public markets, and the company is not a good idea to have a valuation of the two years ago, spent on public markets, and the company is not a good idea to have a valuation of the two years ago, spent on public markets.

[illegible]

Diin Mahareze Abdul Aziz
mahareze_2008@yahoo.com

SUSWAT Medical Centre (Sambud) merencanakan membuka dua lus hospita

Maintain buy with a revised target price (TP) of RM4.24. Summary of share price has been revised to RM4.24 from RM3.80 as of Dec 31, 2014. Based on the illustrative retail price of RM1.10, this value SGP at a price-earnings (PE) multiple of 11.0x. Adding it to our projected narrow dividend of 11 sen/share, the stock is expected to offer dividend yield of 8% to 10%.

THESE RESULTS ARE IN ACCORD WITH THE FINDINGS OF OTHER STUDIES THAT HAVE SHOWN THAT THE USE OF A PRACTICE MANUAL CAN IMPROVE THE QUALITY OF THE TEACHING PROCESS AND THE LEARNING OUTCOMES OF STUDENTS.

第101名 丹新集团董事 何智勇：我一直相信，香港政府会保障自己，我们作为香港“经济第一”企业，必须会永远地忠告和提醒，提醒香港政府，香港政府必须永远地忠告和提醒，我们作为“香港”（Hong Kong）的公民，我们必须永远地忠告和提醒，提醒政府。

Sunway buys Winstar, PND Hardware

KUALA LUMPUR: Property and construction group Sunway Bhd is buying two hardware distributors, Winstar Trading Sdn Bhd and PND Hardware & Trading Pte Ltd. for a com-

Sunway buys Kelana Jaya land, plans RM1.8b mixed project

[illegible]

Samway Property was awarded the prestigious *Prime Minister's Award* by the International Trade and Industry Association for its outstanding performance in the company's 2014 business excellence awards.

A taste of Nickelodeon at Sunway Lagoon water theme park

[illegible]

Sarens will take over her new role in Surway's property development division when existing joint managing director Ong resigns.

[illegible]

companies & strategies

.....

RMN 661 Putrajaya job has better margin due to design-and-build concept

Singapore's political landscape has changed. The Singaporean people have elected a new government, and the political landscape has changed. The Singaporean people have elected a new government, and the political landscape has changed. The Singaporean people have elected a new government, and the political landscape has changed.

[illegible]

Chopping roots collected with NDO for annual lights off quest

Workplace safety is becoming a major concern for employers. While the Occupational Safety and Health Administration will have 2003's most likely top safety issues, the National Safety Council's research shows that the most common workplace safety problem is the lack of employee training. The National Safety Council's research shows that the most common workplace safety problem is the lack of employee training. The National Safety Council's research shows that the most common workplace safety problem is the lack of employee training.



Journal of Health Politics, Policy and Law

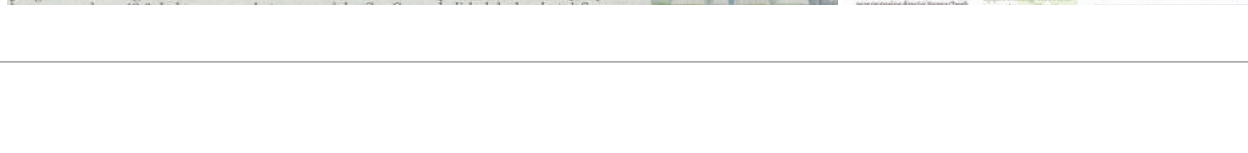
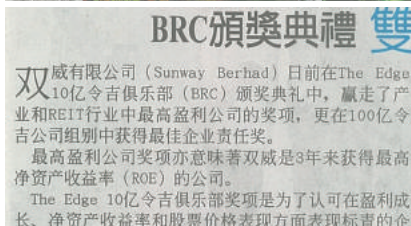
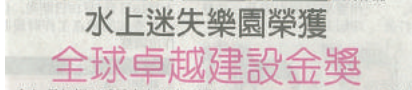
Reviewed intensively in residential areas on the outskirts of KL with children and their mothers subject



Double recognition
Sunway Group founder and chairman Tan Sri Dr Jeffery Chua (left) receiving the Institution of Engineers Malaysia (IEM) Honorary Fellow Award from IEM president Datuk Lim Chow Hock at IEM's 56th Annual Dinner and Awards Night. Meanwhile, Sunway Construction was awarded the IEM Award for Contribution to

**SUNWAY
PROPERTY**

[illegible]



CHAIRMAN'S STATEMENT



DEAR VALUED 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 2015 ("FY 2015"). Despite the various headwinds encountered throughout the year, the Group still managed to achieve a commendable set of financial results which is comparable to the solid financial performance recorded in 2014.

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

EXECUTIVE CHAIRMAN

LISTING OF SUNWAY CONSTRUCTION GROUP BERHAD ON BURSA MALAYSIA



CAUTIOUS BUT STAYING THE COURSE

The year 2015 has been another good year for the Group as a diversified property-construction conglomerate supported by some of our more resilient businesses in the quarry, building materials and healthcare sectors. In view of the various headwinds caused by the continued economic uncertainties which were affecting both the domestic and global economy, as well as the weakening currency and falling commodity prices, the Group adopted a cautious business strategy to mitigate any unforeseen challenges.

Having said that, the Group continued to execute its key business plans to strengthen its foundation for the new era of growth. As we envision to become a leading regional property-construction group, we have to remain steadfast in our mission which focuses on innovating to deliver better value, building more synergistic and sustainable relationships, and achieving the highest standards of quality and excellence. All these will be anchored by our core values of Integrity, Humility and Excellence, as we expand at home and regionally.

PERFORMANCE REVIEW

The Group delivered a commendable set of financial results in 2015, with revenue of RM4.4 billion and profit before tax of RM930.4 million. The operating performance of the business units was generally better, except for the Property Development and Trading and Manufacturing divisions, which were impacted by the weak economic environment. Nevertheless, the Property and Construction divisions remained key contributors to the Group's profitability, contributing close to 80% of profit before tax. Geographically, 91% of profit before tax was contributed by operations in Malaysia, with Singapore being the second largest contributor.

SUCCESSFUL LISTING OF SUNWAY CONSTRUCTION

The corporate highlight of the year was the successful listing of Sunway Construction Group Berhad ("SunCon") on the Main Market of Bursa Malaysia Securities Berhad on 28 July 2015. Making a comeback after 11 years of privatisation since 2004, the listing of SunCon was the second largest initial public offering ("IPO") in 2015 with a favourable oversubscription rate of 4.6 times for its institutional offering and a market capitalisation of RM1.6 billion on the first day of trading.

With the successful listing of SunCon, the company is now the largest listed pure-play construction company in Malaysia by revenue. Being a proxy to the nation's growth, SunCon was in the limelight amongst both domestic and international investors, and was recognised by The Edge, a local business publication, as the Best IPO in The Edge's Best Deals of the Year 2015. SunCon also emerged as the best performing IPO in 2015 with a capital appreciation of 17% since its listing. In tandem with the increase in share price, market capitalisation expanded to RM1.8 billion as at 31 December 2015.

During the year, SunCon achieved an order book high of RM4.3 billion with RM2.6 billion worth of new contracts secured during the year. The outstanding order book as at 31 December 2015 stood at RM3.8 billion and is expected to keep us busy for the next 2 to 3 years. We are excited on the positive outlook for the construction sector, reinforced by the Government's commitment to continue to roll out important large scale infrastructure projects.

OFFICIAL LAUNCH OF BRT - SUNWAY LINE



REWARDING SHAREHOLDERS

In line with the Group's commendable financial performance and the listing of SunCon, which raised gross proceeds of close to RM497.2 million, our shareholders were generously rewarded in 2015. In addition to the Group's first and second interim dividends of 5 sen and 6 sen per share respectively, shareholders received a special dividend-in-specie of one SunCon share for every 10 shares held in Sunway Berhad and a special cash dividend of 26 sen per share following SunCon's listing. This translates into a total dividend declared of 49 sen in FY 2015, which exceeds our commitment of a minimum dividend payout ratio of 20% of core net profit.

ENHANCING SUNWAY RESORT CITY

The Property Investment division, along with the Leisure, Hospitality and Healthcare divisions, underwent several expansions and asset enhancement initiatives during the year. Sunway Pyramid Phase 3 comprising a new shopping mall podium and 4-star hotel adjacent to the Sunway Pyramid Shopping Mall, as well as Sunway Lagoon's Nickelodeon Lost Lagoon, form Sunway Resort City's latest attractions, drawing more visitors to the 800-acre township. In addition, Sunway Medical Centre has started its third phase of expansion to house its Centre for Advanced Medicine, providing comprehensive cancer diagnostic and treatment services, and increasing the total number of beds from the current 365 beds to 600 by 2017.

BREAKING NEW FRONTIERS

Breaking new frontiers in public transportation, Malaysia's first elevated Bus Rapid Transit ("BRT") system in Sunway Resort City was launched on 1 June 2015. The landmark BRT – Sunway Line project, implemented under the innovative Public-Private Partnership (PPP) programme via a collaboration between Prasarana Malaysia Berhad and Sunway Berhad, was completed three weeks ahead of schedule and officially penned as the first BRT project in Malaysia in the Malaysia Book of Records ("MBOR"), the official keeper of Malaysia's outstanding records and achievements. The environmentally friendly buses were also recorded by MBOR as the nation's first electric bus public transportation system.

The nation's first-of-its-kind project stretches over a distance of 5.4km, serviced by 15 environmentally-friendly electric buses, seven stations including one with 'Park n Ride' facilities and a depot located across the SunU-Monash Station. The BRT – Sunway Line connects the KTM Komuter station in Setia Jaya to the extended LRT network in USJ7, which is scheduled for operations this year. The BRT system serves more than 500,000 residents within Bandar Sunway, Subang Jaya and USJ, enhancing mobility amongst the community and alleviating traffic congestion in the Klang Valley. Elevated pedestrian walkways were also constructed connecting the BRT stations to various destinations in Sunway Resort City, creating seamless connectivity for the community.

JEFFREY CHEAH FOUNDATION TEAMS UP WITH UNIVERSITY OF OXFORD



COMMITMENT TO SUSTAINABILITY

In today's context, the success of an organisation is not limited to its financial performance. There has been growing emphasis on business sustainability and its corresponding impact on the economy, environment and society ("EES"). A holistic approach to business management, incorporating EES risks and opportunities alongside financial implications, is necessary to ensure long-term business continuity.

Pursuant to the launch of the Sustainability Reporting Guide by Bursa Malaysia on 8 October 2015, Sunway has voluntarily embarked on early adoption of the Sustainability Reporting in accordance with the EES principles. In the second edition of our Sustainability Report, we share in great depth the major strides in our sustainability journey and our commitment to continue to deliver sustainable value creation in the areas of responsible business practices, product and innovation, process and resources efficiency, green initiatives and giving back to communities.

The independent, not-for-profit Jeffrey Cheah Foundation has cemented closer ties with Brasenose College, University of Oxford, following a landmark agreement in November 2015. This adds to the list of strategic collaborations, including that with Harvard University and University of Cambridge, which have been established through the Jeffrey Cheah Foundation over the years. The collaboration is timely with the completion of our New Academic Block, which the Group built and leased to Sunway University, with a capacity to house more than 9,000 students. Sunway University is now at the forefront of transforming into a world-class education institution to provide quality education to all and to uplift the standard of education in Malaysia.

Globally, there has been an emerging trend of socially responsible investors seeking to invest in corporations that deliver beyond just financial performance. These investors incorporate non-financial benchmarks in the areas of social, environmental and ethical performance in their evaluation process. Sunway has been a constituent of Bursa Malaysia's maiden Environmental, Social and Governance index, the FTSE4Good Bursa Malaysia Index, since December 2014, which is evidence of Sunway's commitment towards adopting good business practices in the various areas. SunCon was also included in the index following its listing on the Main Market of Bursa Malaysia in July 2015.

SUNWAY CLINCHES THREE AWARDS AT THE MITI INDUSTRY EXCELLENCE AWARDS



PAR EXCELLENCE

The year 2015 was an exciting year for Sunway as we received numerous recognitions for being the best of its class across the property and construction industries. The Group clinched more than 30 prestigious awards during the year, on both the local and international front. We are truly humbled by these recognitions and it gives me great pleasure to highlight several notable accolades.

At the Ministry of International Trade and Industry (MITI) Industry Excellence Awards, Sunway was honoured with the coveted Prime Minister's Award, the highest accolade at the award ceremony. Sunway Property was declared winner for the Open Category Services Sector Award while SunCon aced in the Category 3 Services Sector Award, acknowledging service excellence within the construction industry.

In another highly reputable award, Sunway maintained our top spot in The Edge Malaysia Top Property Developers' Award (TPDA) and Best in Qualitative Attributes sub-award for the second consecutive year. Following a decade long of being consistently ranked amongst the top 10 property developers, the awards are testimony to Sunway as a pre-eminent developer with distinctive product offerings, strong financial performance and value creation to the community. Going the extra mile, Sunway emphasises on delivering the best quality with intricacy of designs, innovation and value.

From a disclosure and transparency perspective, we are pleased to have bagged seven awards out of nine nominations at the 5th Malaysian Investor Relations Association (MIRA) Awards 2015. The awards honour public-listed companies which have demonstrated best investor relations practices. Further, at the National Annual Corporate Report Awards (NACRA) 2015, Sunway took home the Industry Excellence Award for the Properties and Hotels category for the ninth consecutive year, whilst Sunway REIT retained its Industry Excellence Award for the REIT and Investment Funds category for the fourth year. These recognitions reinforce our belief in proactive engagement with stakeholders, adoption of best practices and transparency in communication and disclosures.

TOP PROPERTY DEVELOPER AT THE EDGE MALAYSIA PROPERTY EXCELLENCE AWARDS 2015



BRAVING THE CHALLENGES AHEAD

The year ahead is expected to remain challenging in view of downside risks to global growth which remains elevated on the back of moderation in growth momentum, volatile commodity prices and weakening domestic currency. In the recent recalibrated Budget 2016, the Prime Minister announced a downward revision in 2016 Malaysian economic growth to 4.0% - 4.5%, from an initial forecast of 4.0% - 5.0%.

Although we are not insulated from the weaknesses in the macroeconomic environment, we will continue to drive growth, with greater agility, innovation and creativity. Our Build-Own-Operate business model will be the bulwark of our expansion. Furthermore, as a diversified conglomerate with a proven track record spanning across multiple industries, including property, construction, hospitality, leisure, trading and manufacturing, quarrying, building materials, and healthcare, we believe we are better positioned to face and manage the economic challenges ahead. The Group's steady income stream derived from the recurring rental income from its property investment assets and dividend income from the 37.3%-owned associate, Sunway REIT, will also help to strengthen its financial resilience.

ACKNOWLEDGEMENT

On behalf of the Board, I wish to extend my sincere appreciation to our management and valued employees for their dedication and commitment to the Group, and for continuously breaching new frontiers in pursuit of excellence. To our esteemed stakeholders, valued customers, suppliers, business partners, bankers, shareholders and the respective government authorities, we would like to extend our sincere gratitude for your unwavering support to Sunway.

I would also like to take this opportunity to express my deepest gratitude to Dato' Ngeow Voon Yean, Managing Director of the Property Investment division and Mr Kwan Foh Kwai, Senior Managing Director of the Construction division, who have retired, for their invaluable years of contribution to the Group.

With the continued dedication and support of all fellow Sunwayians, we will continue to make a difference for our communities while embracing our core values of Integrity, Humility and Excellence.

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

EXECUTIVE CHAIRMAN

CALENDAR OF SIGNIFICANT EVENTS

8 FEBRUARY 2015



HOPE FOR COMMUNITIES POST FLOODS

Sunway Group through its staff club, Kelab Sosial Sunway, brought joy and hope to the Kampung Pajak Potong community in Kuala Kangsar by hosting a cheerful Chinese New Year celebration at the Chiau Hooi Beo community hall. The initiative, carried out under Sunway's "Light of Hope" programme, also saw Sunway Group contributing a rescue boat to the community for humanitarian assistance involving water search and rescue missions.

100 employees from Sunway's northern and central regions volunteered to aid 35 families who were affected by the devastating floods. The team had brought with them Chinese New Year hampers, essential food items, goodie bags and medical kits for distribution, contributed through a charity drive amongst Sunway employees. Sunway Medical Centre also lent a helping hand by committing a team of medical staff and nurses to conduct free glucose and cholesterol checks for all residents.

13 FEBRUARY 2015



SUNWAY MEDICAL CENTRE INVESTS RM12.0 MILLION IN NEW HOSPITAL INFORMATION SYSTEM

Sunway Medical Centre selected Hitachi Sunway Information Systems Sdn Bhd to implement the next generation Hospital Information System (Arcus) by Telstra Health. The Arcus software is one of several cloud enabled, next generation healthcare solutions providing an end-to-end hospital information management system that includes a comprehensive range of clinical, administrative and diagnostic capabilities. The new software will replace the traditional paper-based approach of medical records handling with electronic medical records for seamless record transfers to and from the point of care.

With an investment of RM12.0 million, Sunway Medical Centre will be the first to introduce the use of tablet personal computers to doctors, pharmacists and nurses to improve mobility and flexibility in treating patients. The project will be implemented over two phases and is expected to be completed in the third quarter of 2016. Delivery of the hospital's 5-year digital transformation programme will realise the hospital's vision of fully digitalising and centralising its administration and records.

28 MARCH 2015



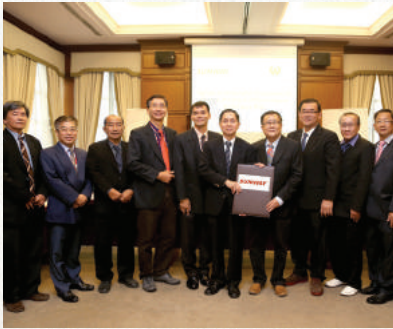
EARTH HOUR 2015

Earth Hour 2015, organised by WWF-Malaysia and Sunway Pyramid Shopping Mall, took place on 28 March 2015 from 8:30pm to 9:30pm. All non-essential lights within Sunway Resort City, Sunway Carnival in Penang and Sunway Giza in Kota Damansara were switched off for one hour as part of Sunway's commitment towards environmental conservation. The event is a global environmental initiative by WWF that encourages everyone to take personal accountability for their impact on the planet and make behavioural changes to facilitate a sustainable lifestyle and help minimise the adverse impacts of climate change.

More than 1,000 participants took part in a 1.8 km Night Walk organised in the mall to show their support for environmental conservation. Apart from the Night Walk, participants also experienced a unique energy free "step style" flash mob.

Sunway Pyramid was the first shopping mall in the country to officially celebrate Earth Hour together with WWF-Malaysia in 2011. Sunway hopes to inspire others to do more for Mother Nature with this green initiative.

9 APRIL 2015



SUNWAY EXPANDS TRADING & MANUFACTURING BUSINESS

Sunway Holdings Sdn Bhd, a wholly-owned subsidiary of Sunway Berhad, signed a Share Sale Agreement dated 9 April 2015 to acquire hardware and household products trader, Winstar Trading Sdn Bhd ("Winstar"). The acquisition was finalised on 15 September 2015 with the signing of a Second Supplemental Agreement, in which Sunway agreed to acquire 80% of Winstar, to be satisfied in three tranches. The first tranche consideration for a 60% stake in Winstar, calculated based on the aggregate net assets of the company, amounted to RM76.5 million.

In Malaysia, Winstar is the sole distributor of household hardware names such as WD-40 and Araldite, and authorised distributor for brands such as Bosch, 3M and Bahco. With over 30 years of experience, Winstar is a market leader in the wholesale supply of industrial and DIY hardware, safety products, lubricants and epoxy adhesives via its vast network.

8 MAY 2015



EMPOWERING THE WOMEN COMMUNITY THROUGH THE 30% CLUB

Tan Sri Dr Jeffrey Cheah was appointed Founding Chair of the 30% Club, a club striving to achieve gender balance at all levels of an organisation and to promote more women in decision-making positions. The Malaysian chapter was launched on 8 May 2015 with the purpose of raising awareness among business leaders of the benefits of gender diversity and to support sustainable business-led voluntary change to improve the current gender imbalance in Malaysia.

Companies in the 30% Club are committed to ensuring that women's talent, expertise and leadership are optimised in order to create diversity and inclusiveness in the workplace. In support of this, Sunway's key human resource programmes include the Sunway Diversity Council which aims to develop women as leaders of the organisation, and the Sunway Women Initiatives, which includes initiatives such as improved infrastructure for current and expecting mothers, flexible hours, and childcare support.

The 30% Club first started in the UK in 2010 with a primary goal of seeing 30% women on the boards of FTSE-100 companies. The Malaysian chapter is the seventh, after Ireland, US, South Africa, Hong Kong, Canada and Australia.

11 MAY 2015



SUNWAY ACQUIRES PRIME LAND IN KELANA JAYA

Sunway Berhad, via its wholly-owned subsidiary, Sunway Dimension Stones Sdn Bhd, entered into a Share Sale and Purchase Agreement with Kelana Resorts Sdn Bhd and a Sale and Purchase Agreement with Viva Variasi Sdn Bhd (a wholly-owned subsidiary of Kelana Resorts Sdn Bhd) to purchase land parcels in Kelana Jaya for approximately RM286.0 million.

The 17-acre prime land is located next to the Sungei Way Free Trade Zone and within close proximity to Sunway Resort City, Sunway's flagship integrated development. It is easily accessible via major highways including the Lebuhraya Damansara Puchong (LDP), Federal Highway and New Klang Valley Expressway (NKVE), and is approximately 600 metres from the Setia Jaya KTM station.

Sunway is proposing a high-rise residential development with an estimated Gross Development Value of RM1.8 billion.

CALENDAR OF SIGNIFICANT EVENTS

28 MAY 2015

**SOFT OPENING OF SUNWAY PUTRA MALL**

Sunway Putra Mall, Sunway's latest ultra-urban lifestyle mall, marked its soft opening to the public on 28 May 2015 post an extensive refurbishment. Situated within the Diamond Triangle, one of the most vibrant hubs and central business and residential districts of Kuala Lumpur, Sunway Putra is a self-sustaining integrated development comprising a mall, a hotel and an office tower.

In conjunction with the mall opening, Sunway Putra Mall partnered Sunway's loyalty card programme, Sunway Pals, for exclusive giveaways, welcome gifts and weekly lucky draws for shoppers, starting with the 'Blooming Rewards Contest' which ran from 8 August to 6 November 2015.

An exciting host of retail shops are now part of the rejuvenated Sunway Putra Mall, with two main mini-anchors – TGV Cinemas and Cold Storage. Completely revamped with an ultra-modern architecture design, stunning interior layout and housing over 300 outlets, Sunway Putra Mall is positioned to offer a brand-new lifestyle experience to its shoppers.

28 MAY 2015

**SUNWAY'S LOYALTY PROGRAMME PARTNERS CELCOM**

Sunway's fast growing loyalty programme, Sunway Pals, will be offering its members exclusive benefits via a new partnership with Celcom Axiata Berhad ("Celcom"). The strategic alliance is aimed at strengthening customers' loyalty whilst enhancing overall customer experience through several areas of collaboration.

Through the partnership, the loyalty programme members will enjoy special value packages, exclusive plans and priority access to device launches in addition to special discounts on selected devices and services offered by Celcom.

30 MAY 2015

**SUNWAY CELEBRATES WORLD ENVIRONMENT DAY**

Sunway's Property Development division, in partnership with Malaysian Environmental NGOs (MENGO) and supported by Eco Knights, celebrated the World Environment Day ("WED") with communities in Sunway Resort City as part of a nationwide WED initiative held across Peninsular Malaysia. A variety of green activities including DIY composting workshops and eco screenings were also conducted in several Sunway townships in Ipoh, Penang and Iskandar, Johor.

Another WED celebration was held by the pristine Emerald Lake adjacent to the Sunway Iskandar Sales Gallery, with a special attendance by U.S. Ambassador, H.E. Joseph Yun. Sunway Iskandar was a stop for the ambassador's bike ride with the U.S. Embassy's community from Putrajaya to Singapore, initiated to mark the United Nation's World Environment Day, with the objective of raising environmental awareness, encouraging healthy lifestyles, promoting green technology and supporting bicycle friendly policies.

As a Master Community Developer, Sunway is keen to integrate sustainability not only as a practice in its developments and townships but also in the daily lives of communities.

1 JUNE 2015



OFFICIAL LAUNCH OF MALAYSIA'S FIRST ELEVATED BUS RAPID TRANSIT SYSTEM

Sunway achieved a milestone for the nation's public transportation landscape with a first-of-its-kind elevated Bus Rapid Transit ("BRT") system. Launched three weeks ahead of schedule, the BRT combines the convenient features of a rail transit system with the usage of dedicated lanes and environmentally-friendly electric buses.

The BRT is a Public-Private Partnership project implemented via the collaboration of Prasarana Malaysia Berhad and Sunway Berhad and is the newest initiative for enhancing mobility and reducing congestion in Klang Valley. The BRT - Sunway Line is fully elevated with a distance of 5.4km and serviced by 15 environmentally friendly electric buses, seven stations including one with 'Park n Ride' facilities; and a depot.

The seven stations, which are Sunway-Setia Jaya, Mentari, Sunway Lagoon, SunMed, SunU-Monash, South Quay and USJ7, connect to the KTM Komuter station at Setia Jaya and the LRT network via the USJ7 station, which is currently under construction and slated to be opened in 2016.

4 JUNE 2015



SUNWAY ENTERS JOINT VENTURE WITH DAIWA

Daiwa House Malaysia Sdn Bhd ("Daiwa"), a subsidiary of Japan's largest pre-fabricated homebuilder and Fortune Global 500 company, Daiwa House Industry Co. Ltd., entered into a joint venture ("JV") with Sunway Iskandar Sdn Bhd ("SISB"), a subsidiary of Sunway Berhad, to develop 100 units of high quality pre-fabricated landed homes in Sunway Iskandar with a gross development value (GDV) of RM210 million.

Under the agreement, SISB has transferred the lease of a 13-acre land located in Sunway Iskandar to the JV Company, to be 70% owned by Daiwa and 30% by SISB, for a consideration of RM63.1 million.

The landed homes, to be constructed using prefabricated technologies, will comprise bungalows, semi-detached homes and cluster homes in a gated and guarded community with its own facilities such as a clubhouse, swimming pool, gymnasium, multi-purpose hall, child care centre and prayer facilities.

29 JUNE 2015



LAUNCH OF PROSPECTUS FOR SUNWAY CONSTRUCTION GROUP BERHAD

Sunway Construction Group Berhad launched its prospectus for the initial public offering of the company on 29 June 2015 in conjunction with its listing on the Main Market of Bursa Malaysia Securities Berhad.

The offering entails an offer for sale of up to 398.7 million shares and an over-allotment option of up to 59.8 million shares. Based on a price of RM1.20 per share, the company's market capitalisation of approximately RM1.6 billion upon listing will make it the country's second largest listing in 2015.

CALENDAR OF SIGNIFICANT EVENTS

1 JULY 2015



SUNWAY-CIDB COLLABORATION TO STRENGTHEN CONSTRUCTION SAFETY AND SUSTAINABILITY

Sunway Construction and the Construction Industry Development Board ("CIDB") signed a Memorandum of Understanding ("MoU") to strengthen collaborations between both parties in key areas of Environment, Safety and Health for the nation's construction industry.

Sunway Construction is the first construction company in Malaysia to sign this memorandum with CIDB in pursuance of project assessments using the Safety and Health Assessment System in Construction ("SHASSIC") developed by CIDB. Sunway Construction is committed to have all of its projects assessed using SHASSIC.

This strategic collaboration is aimed at elevating the standard of Environmental, Safety and Health practices in the construction industry. Sunway Construction has adapted the SHASSIC framework into its projects including Malaysia's first Bus Rapid Transit system and the ongoing development of Sunway Velocity.

13 JULY 2015



LIGHT OF HOPE: HEART WARMING RAYA

In the Raya spirit of giving, Sunway brought together 140 children and young adults aged between 5 and 17 from Pusat Jagaan Kanak-kanak Yatim / Miskin Rukaiyah, Rumah Titian Kaseh and Madrasah Hashimiah to celebrate Hari Raya. The initiative was carried out under Sunway's "Light of Hope" programme through Kelab Sosial Sunway which saw some 150 employees volunteering their time to make the festive celebration more meaningful.

The children were treated to a shopping expedition at the Sunway Pyramid Shopping Mall, interactive workshops on cupcake decorating and glass painting conducted by special students from G.O.L.D. (Generating Opportunities for the Learning Disabled), and a sumptuous Buka Puasa spread at Sunway Resort Hotel & Spa.

Each child also received a goodie bag containing a school bag, stationery set, water bottle, jelly beans and cookies, in addition to RM100 sponsorship per child to purchase new clothes and prayer mats for Hari Raya, generously donated by Sunway employees.

28 JULY 2015



SUNWAY CONSTRUCTION GROUP BERHAD DEBUTS ON BURSA MALAYSIA

Sunway Construction Group Berhad ("SunCon") officially commenced trading on the Main Market of Bursa Malaysia Securities Berhad on 28 July 2015. The share debuted at RM1.27 per share, translating into an implied market capitalisation of RM1.64 billion. Following the successful listing, SunCon is now Malaysia's largest listed pure-play construction company by revenue.

The institutional offering consisting of 327.6 million shares was oversubscribed by 4.6 times, whilst the retail offering of 71.1 million shares was oversubscribed by 2.7 times. Sunway Berhad continues to retain a 54.4% stake in SunCon post listing and continues to be a major force in the Malaysian construction industry.

17 AUGUST 2015



SUNWAY COMMITTED TO TRAINING YOUTH

Sunway Berhad signed a Memorandum of Understanding (MoU) with the Ministry of Youth and Sports to support the nation's agenda to accelerate human capital development. This socio economic Public-Private Partnership is in line with the Institut Kemahiran Belia Negara ("IKBN") Transformation programme to increase the employability of its students.

Under this collaboration, a minimum of 90 students from IKBN will be selected based on merit to undergo internships in Sunway Group. During the internship, the students will not only learn engineering, electrical and hospitality works, but also acquire soft skills to prepare themselves in facing real world challenges.

27 AUGUST 2015



SUNWAY PACKS 120,000 MEALS FOR THE IMPOVERISHED

Following the success of the Group's initiative with Stop Hunger Now in 2014, Sunway embarked on the Meal Packaging Programme for the second consecutive year to pack 120,000 meals across three locations in Peninsular Malaysia for the underserved and impoverished communities. Stop Hunger Now is an international hunger relief organisation which manages the distribution of food and other life-saving aids.

Some 200 student volunteers from Sunway International School, Sunway College, Sunway University and Monash University Malaysia, together with Sunway employees, gathered at Sunway Putra Mall in Kuala Lumpur to pack 70,000 nutritious meals for the earthquake and flood victims in Ranau, Sabah. Up north in Ipoh and Penang, 250 Sunway volunteers packed 25,000 meals for villagers through the Sahabat Orang Asli Project, and 25,000 meals for the victims of the earthquake and mud flood victims in Ranau, Sabah.

A cash and in-kind contribution amounting to RM100,000 was also made to Rotary Club K.K. South during the event to rebuild the villages of the earthquake and flood victims in Ranau, Sabah.

11 SEPTEMBER 2015



SUNWAY CONSTRUCTION AWARDED RM1.6 BILLION PROJECT IN PUTRAJAYA

Sunway Construction was awarded a RM1.6 billion design and build contract from Putrajaya Bina Sdn Bhd for the development of Precinct 1 Putrajaya. The developments sits on a 34-acre land and comprises 10 blocks of office towers, one block of shared facilities, a podium parking and external works.

The project will be implemented using Sunway Construction's Virtual Design and Construction (VDC) system to facilitate the project from inception to completion, improving project coordination, visualisation and clash detection to reduce error. Completion is expected to be within 34 months, and the contract will positively contribute to the Group's earnings from 2015 onwards.

CALENDAR OF SIGNIFICANT EVENTS

18 OCTOBER 2015



**LIGHT OF HOPE:
DIWALI FESTIVITIES**

In the true spirit of Deepavali, Sunway Group together with YB Professor Dr Ramasamy Palanisamy, Deputy Chief Minister II, State Government of Penang spread early Deepavali cheer to underserved children from four local charity homes at Sunway Hotel Georgetown, in conjunction with the "Light of Hope" project.

Children and caretakers from Pusat Jagaan YWCA, Pertubuhan Rumah Kebajikan Seri Cahaya Pulau Pinang, St Joseph's Home, and Pusat Jagaan The Ramakrishna were feted with a sumptuous dinner and entertained by clowns and dancers.

The children also received goodie bags containing school bags, stationery sets and groceries courtesy of Sunway Group employees. Mr Nagaswaran, Sunway Hotel Georgetown's general manager, and YB Professor Dr Palanisamy jointly presented these items together with Deepavali packets to the delighted children and their caretakers.

1 NOVEMBER 2015



SUNWAY FAMILY DAY

Sunway Lagoon played host once again to Sunway's annual Family Day. More than 10,000 Sunway employees and their families attended the yearly event to enjoy the attractions that the theme park has to offer. The event was officiated by the Kelab Social Sunway President and kicked-off with a performance by Sunway Lagoon's own marching band, followed by telematches and games.

Sunway employees received goodie bags upon entry, as well as meal vouchers for a selection of over 20 stalls located throughout the theme park. The Sunway Family Day is held yearly to foster closer relationships amongst Sunway employees and their families.

6 NOVEMBER 2015



**SUNWAY MANAGERS CONFERENCE
2015**

Close to 2,000 managerial employees attended Sunway's 20th Managers Conference, held at the Sunway Pyramid Convention Centre. The one-day conference is held annually to inspire Sunway executives to lead with passion and take a lead in changing mindsets.

Notable speakers such as YBhg Tan Sri Rafidah Aziz, Chairman of Air Asia X Berhad, and Mr Senthil, Director (Consulting) for Arbinger South East Asia, spoke on a number of pertinent issues and thought-provoking ideas such as "Leading the Next Generation" and "Changing Mindsets".

Participants also had the opportunity to vote for the winners of the "Leader Look-Alike" photo competition and "What Leadership Means to Me" video competition, organised to inspire leadership within Sunway Group.

14 NOVEMBER 2015



SUNWAY MEDICAL CENTRE HOSTS WORLD DIABETES DAY

Entering the fourth year of a five-year campaign under the 'Let's Take 5' umbrella, Sunway Medical Centre is making progress in its focus on diabetes awareness through the annual World Diabetes Day. Themed 'Eliminate Diabetes', the 2015 campaign focused on diabetes-related kidney failures with the National Kidney Foundation of Malaysia ("NKF") coming onboard as a partner.

The 30 Days to Happy Kidneys campaign, held in conjunction with Sunway Medical Centre's World Diabetes Day aims to encourage kidney-healthy practices by providing a 30-day calendar of different activities. Funds were raised for NKF by making the calendar cum pledge card available with a minimum donation of RM11. Sunway Medical Centre matched the total amount donated by the public, bringing the total amount of donation raised as at 31 December 2015 to over RM20,000, which is equivalent to a total of 322 dialysis sessions.

In 2015, Sunway Medical Centre conducted 72 screening programmes for over 5,000 corporate employees on obesity, diabetes and cholesterol and organised more than 20 health talks and forums in support of national healthcare goals.

23 NOVEMBER 2015



ANOTHER FOUNDATION JOB FOR KLCC

Sunway Construction Group Berhad, through its subsidiary Sunway Construction Sdn Bhd, clinched another award from Cititower Sdn Bhd, a joint venture company between KLCC (Holdings) Sdn Bhd and QD Asia Pacific Ltd, for substructure works and associated works for the proposed mixed commercial development at Persiaran KLCC, Kuala Lumpur City Centre. The RM106.8 million project is expected to complete at the end of 2017 and will start contributing positively to earnings from 2016 onwards.

5 DECEMBER 2015



TRIKSTARS: MASTERS OF TRICKERY

TrikStars: Masters of Trickery made its debut in Sunway Lagoon Amphitheatre featuring an array of internationally acclaimed magicians, illusionists, singers and dancers. Performers from Las Vegas and Europe enthralled audiences with a non-stop visual feast of pyrotechnics and impressive stage costumes.

The line-up of magical performances included The Wizardry of Phelston which combined satire and magic, The King Charles Troupe with a crowd-baffling game of high-energy basketball played on unicycles, and the reigning World Champions of Magic, Magus Utopia in a unique combination of story-telling and magical illusions. Sylvester the Jester, The 'Coolest Magician on Earth' Rudy Colby and multi award winning elite artistry for art of dance and magical transformations, Sebastian & Kristina wrapped up the 2-hour show that ran from December 5 to 20.

AWARDS AND ACCOLADES

WINNER OF 2015 TRIPADVISOR TRAVELLERS' CHOICE AWARDS

28 JANUARY 2015



EVENT:

TripAdvisor Travellers' Choice Awards 2015

AWARDS RECEIVED:

- Certificate of Excellence 2015
- Top 25 Small Hotels in Malaysia
- Top 25 Hotels for Romance in Malaysia
- Top 25 Luxury Hotels in Malaysia
- Top 25 Hotels for Service in Malaysia
- Top 10 Hotels for Families in Malaysia

The Banjaran Hotsprings Retreat and Sunway Putra Hotel were awarded TripAdvisor's Certificate of Excellence 2015, an accolade which honours excellence in the hospitality industry based on consistent outstanding reviews by travellers. The Banjaran Hotsprings Retreat also received four Travellers' Choice Awards for Top 25 Small Hotels, Top 25 Hotels for Romance, Top 25 Luxury Hotels and Top 25 Hotels for Service in Malaysia.

Meanwhile, Sunway Resort Hotel & Spa was again selected as one of the Top 10 Hotels for Families in Malaysia by TripAdvisor, demonstrating Sunway's consistent delivery of quality accommodation and customer service.

TRIPLE WIN AT THE MITI INDUSTRY EXCELLENCE AWARDS

2 APRIL 2015



EVENT:

Ministry of International Trade and Industry ("MITI") Industry Excellence Awards 2014

AWARDS RECEIVED:

- Prime Minister's Award
- Open Category Services Sector Award
- Category 3 Services Sector Award

Sunway Berhad clinched three awards at the MITI Industry Excellence Awards including the coveted Prime Minister's Award, which is the highest accolade at the awards ceremony. The Prime Minister's Award is awarded to the most outstanding company chosen from a selection of winners across nine categories in the manufacturing and services sector each year.

Sunway Group's Property Development division was declared winner of the Open Category Services Sector Award while Sunway Construction secured in the Category 3 Services Sector Award which acknowledges service excellence within the construction industry.

TAN SRI DR JEFFREY CHEAH CONFERRED IEM HONORARY FELLOW AWARD

22 APRIL 2015



EVENT:

Institution of Engineers, Malaysia ("IEM") Awards

AWARDS RECEIVED:

- IEM Honorary Fellow Award
- IEM Award for Contribution to Engineering Industry in Malaysia

Sunway Group received two awards from the Institution of Engineers, Malaysia at its 56th Annual Dinner and Awards Night. Sunway Group's Founder and Chairman, Tan Sri Dr Jeffrey Cheah, was conferred the IEM Honorary Fellow Award, which recognises distinguished individuals of acknowledged eminence and exemplary personalities who have rendered substantial and outstanding services to the engineering profession, the institution and the nation. Tan Sri Dr Jeffrey Cheah was unanimously voted by the IEM Council consisting distinguished industry leaders.

Meanwhile, Sunway Construction was awarded the IEM Award for Contribution to Engineering Industry in Malaysia. Sunway Construction has contributed substantially to nation-building initiatives and completed numerous iconic projects such as the Kuala Lumpur Convention Centre, Pinewood Iskandar Malaysia Studios and Malaysia's first elevated Bus Rapid Transit (BRT).

SUNWAY CITY IPOH FIRST IN SOUTHEAST ASIA TO WIN FIVE FIABCI TITLES

30 MAY 2015



EVENT:

FIABCI World Prix d'Excellence Awards 2015

AWARD RECEIVED:

- World Gold Winner – Resort Category

Lost World of Tambun, an anchor component of Sunway City Ipoh ("SCI"), clinched the World Gold Winner award in the Resort Category at the recent FIABCI World Prix d'Excellence Awards 2015 held in Petaling Jaya, making SCI the first integrated development in Southeast Asia to win five FIABCI accolades including two world titles.

Prior to this, SCI garnered FIABCI Malaysia Property Award 2010 for the Master Plan Category; The Banjaran Hotsprings Retreat was awarded FIABCI Malaysia Property Award 2011 and FIABCI World Prix d'Excellence Award 2012 for the Resort Development Category, while Lost World of Tambun clinched FIABCI Malaysia Property Award in 2014 for the Resort Category.

Awarded by an international panel comprising 80 top real estate professionals and experts from 38 different countries, the FIABCI World Prix d'Excellence recognises international real estate projects that display distinction in various aspects including concept, architecture, development and construction, community benefits, environmental impact, and financial and marketing.

AWARDS AND ACCOLADES

SUNWAY SWEEPS SEVEN INVESTOR RELATIONS AWARDS

4 JUNE 2015



EVENT:

The Investor Relations Awards 2015

AWARDS RECEIVED:

- Best Company for Investor Relations (Mid Cap)
- Best Chief Executive Officer for Investor Relations (Mid Cap)
- Best Chief Financial Officer for Investor Relations (Mid Cap)
- Best Investor Relations Professional (Mid Cap)
- Best Investor Relations Website (Mid Cap)
- Best Knowledge & Insights of Investor Relations Team
- Most Improved Service from Investor Relations Team

Sunway Berhad emerged triumphant, winning a respectable seven awards under the Mid Cap category at the fifth Malaysian Investor Relations Association ("MIRA") awards ceremony. Out of the 10 Mid Cap categories, Sunway was nominated for nine and took home seven awards including Best Company for Investor Relations, Best Chief Executive Officer for Investor Relations, Best Chief Financial Officer for Investor Relations, Best Investor Relations Professional, Best Investor Relations Website, Best Knowledge and Insights of Investor Relations Team and Most Improved Service from Investor Relations Team.

The awards recognise individuals and companies that have successfully embraced best investor relations practices. The winners were chosen based on surveys undertaken by NASDAQ in partnership with MIRA, and was extended to over 2,200 buy-side and sell-side professionals globally.

FIFTH CONSECUTIVE WIN IN BCI ASIA AWARDS

18 JUNE 2015



EVENT:

BCI Asia Awards 2015

AWARD RECEIVED:

- Malaysia's Top 10 Property Developer

Sunway's Property Development division was one of Malaysia's Top 10 Property Developers at the BCI Asia Awards 2015. This is Sunway's fifth consecutive win and a strong testimony of Sunway's commitment to incorporating sustainability in all its developments.

Winners are selected based on the greatest aggregate value of their projects during the last full calendar year, weighted by the extent of their sustainability as established by BCI Asia and confirmed green building ratings awarded through World Green Building Council (WGBC) accredited certifications. Sunway's Property Development division, supported by its extensive portfolio of sustainable projects was identified as one of the top ten leaders in design and development in Asia.

SUNWAY VOTED MALAYSIA'S BEST IN PROPERTY AND ENTERTAINMENT

26 AUGUST 2015



EVENT:

Putra Brand Awards 2015

AWARDS RECEIVED:

- Gold Award – Property Development Category
- Silver Award – Entertainment Category

Sunway was voted Malaysia's best brand again in the Property Development and Entertainment categories at the prestigious Putra Brand Awards 2015. This is Sunway's second consecutive Gold Award for the Property Development Category and the first Silver Award for Sunway Lagoon under the Entertainment Category.

Over 6,000 respondents cast their votes for their favorite brands in the nationwide survey. Organised by the Association of Accredited Advertising Agents of Malaysia (4As) and endorsed by the Malaysia External Trade Development Corporation (MATRADE), the Putra Brand Award is solely dependent on consumer choice as winners of the award are selected based on consumer polls. Sunway's continued success in the event demonstrates enduring brand loyalty and support from customers.

TWO AWARDS AT THE EDGE BILLION RINGGIT CLUB CORPORATE AWARDS

26 OCTOBER 2015



EVENT:

"The Edge Billion Ringgit Club" Corporate Awards 2015

AWARDS RECEIVED:

- Most Profitable Company – Property and REIT Sectors
- Best Corporate Responsibility Initiatives (Below RM10 billion Market Capitalisation)

Sunway Berhad bagged two prestigious awards at The Edge Billion Ringgit Club Corporate Awards ceremony, taking home the Most Profitable Company award within the Property and REIT sectors and the Best Corporate Responsibility ("CR") Initiatives award for companies with a market capitalisation under RM10 billion.

A total of 166 companies with at least RM1 billion market capitalisation as of 31 March 2015 were judged on their corporate responsibility efforts on top of financial performance. The Most Profitable Company is determined based on the highest weighted return on equity (ROE) over three years, while the Best CR Initiatives award is judged by a panel based on four focal areas, which are Community, Environment, Marketplace and Workplace.

Tan Sri Dr Jeffrey Cheah, Founder and Chairman of Sunway Group, bagged Malaysia's Outstanding CEO award at the same award ceremony last year.

AWARDS AND ACCOLADES

SUNWAY ISKANDAR NAMED BEST TOWNSHIP OF THE YEAR

5 NOVEMBER 2015



EVENT:

iProperty.com People's Choice Awards 2015

AWARD RECEIVED:

- Best Township of the Year Award

Sunway Iskandar was named Best Township of the Year at the iProperty.com People's Choice Awards. This is the second consecutive win for the integrated township. Sunway Velocity was also honoured last year as the Best Integrated Development.

The iProperty.com People's Choice Awards is aimed at acknowledging Malaysia's best in the property industry from the consumers' perspective and is shortlisted by judges comprising industry experts based on design, innovation, concepts, potential capital appreciation, developer's track record, amenities, sustainability and more. An estimated 20,000 Malaysians took part in the voting this year, which doubled the number of voters from last year.

TAN SRI DR JEFFREY CHEAH AWARDED LIFETIME EXCELLENCE ACHIEVEMENT AWARD

6 NOVEMBER 2015



EVENT:

Sin Chew Business Excellence Awards 2015

AWARD RECEIVED:

- Lifetime Excellence Achievement Award

Tan Sri Dr Jeffrey Cheah was honoured with the Lifetime Excellence Achievement Award at the Sin Chew Business Excellence Awards 2015. Voted unanimously by a panel of professionals and industry leaders, Tan Sri Dr Jeffrey Cheah was awarded for being a highly recognised and greatly respected leader with a long track record of personal and organisational milestone achievements, who has made significant contributions to the community, industry and country.

Running for the third time, this award ceremony with the theme of "Innovation, Transformation, Sustainability" aims to encourage the sharing of success stories and models of winning businesses for more enterprises to learn and emulate.

SUNWAY ACCORDED PROPERTY DEVELOPER OF THE YEAR

13 NOVEMBER 2015



EVENT:

Malaysian Property Press Awards ("MPPA") 2015

AWARD RECEIVED:

- Property Developer of the Year

Sunway Berhad claimed yet another award, being recognised among the media as the Property Developer of the Year at the Malaysian Property Press Awards 2015.

Now in its sixth year, MPPA serves to recognise outstanding property personalities and organisations for contributions to the industry. The event is organised by strategic property content provider, Terra Value Sdn Bhd, and is the only property awards ceremony that is adjudicated exclusively by senior members of the press. MPPA utilises a comprehensive selection process, taking into account positive market impact, performance, quality of products, calibre of services and the scope of corporate social responsibility exhibited by candidates.

SUNWAY AMONG MALAYSIA'S LEADING GRADUATE EMPLOYERS

13 NOVEMBER 2015



EVENT:

Malaysia's 100 Leading Graduate Employers Awards 2015

AWARDS RECEIVED:

- Most Popular Graduate Employer Finalist in Property & Construction
- Most Popular Graduate Employer Finalist in Leisure, Travel and Hospitality
- Most Popular Graduate Employer Finalist in Education

Sunway was a finalist for three sectors at Malaysia's 100 Leading Graduate Employers Awards 2015. The Group clinched three awards namely Finalists in the Property and Construction Sector; Leisure, Travel and Hospitality Sector; and the Education Sector, and advanced five notches from Rank 17 in 2014, to Rank 12 in the Overall Rankings in 2015. The event, organised by GTI Media, is a definitive benchmark for students and graduates on potential employers. This year, 20,770 voters participated in the survey that determined the award recipients. Sunway is proud to receive the recognition as it highlights Sunway's efforts in talent acquisition and reinforces Sunway's reputation as a preferred employer amongst Malaysian conglomerates and corporations.

AWARDS AND ACCOLADES

SUNWAY EXCELS AT NACRA

26 NOVEMBER 2015



EVENT:

National Annual Corporate Report Awards ("NACRA") 2015

AWARDS RECEIVED:

- Industry Excellence Award – Properties & Hotels Category
- Industry Excellence Award – Real Estate Investment Trusts (REITs) & Investment Funds Category

Sunway Group has, once again, clinched two Industry Excellence Awards at NACRA 2015 in the Properties & Hotels category and the Real Estate Investment Trusts (REITs) & Investment Funds category. This is Sunway Berhad's ninth consecutive win, and Sunway REIT's fourth consecutive win in the respective categories.

NACRA is a collaborative effort by Bursa Malaysia Berhad, Malaysian Institute of Accountants (MIA) and Malaysian Institute of Certified Public Accountants (MICPA). NACRA has been the epitome of corporate reporting excellence and accountability, aimed at promoting greater and more effective communication by organisations through the publication of timely, informative, factual, and reader-friendly annual reports, as well as promoting higher standards of corporate governance. The Industry Excellence Awards are presented to companies listed on the Main Market and ACE Market of Bursa Malaysia which have achieved excellence in annual reporting.

SUNWAY IS NO.1 AGAIN IN TOP PROPERTY DEVELOPERS AWARD

28 NOVEMBER 2015



EVENT:

The Edge Malaysia Property Excellence Awards 2015

AWARDS RECEIVED:

- The Edge Top Property Developers Award
- Best in Qualitative Attributes Award

Sunway Berhad made headlines once again when it claimed the top spot in The Edge Top Property Developers Awards (TPDA) for the second year running at The Edge Malaysia Property Excellence Awards 2015. The Edge Malaysia Property Excellence Awards is one of the country's most authoritative awards, ranking Malaysian developers who deliver the most value and quality to its buyers. The methodology and judging process are transparent and results for the Top Property Developers Award are audited by an external auditor.

Sunway also won the Best in Qualitative Attributes Award for the second consecutive year. Sunway previously clinched the same award in 2014 along with The Edge-PAM Green Excellence Award for The Banjaran Hotsprings Retreat in Sunway City Ipoh and an honorary mention for Sunway Rymba Hills in Kota Damansara in the same category.

SUNWAY MEDICAL CENTRE WINS HUMAN RESOURCES VENDORS OF THE YEAR AWARD

1 DECEMBER 2015



EVENT:

Human Resources ("HR") Vendors of The Year Awards Malaysia 2015

AWARD RECEIVED:

- Best Corporate Healthcare Provider Award

Recognising the achievements of Sunway Medical Centre, the HR Vendors of The Year accorded Sunway Medical Centre with the Best Corporate Healthcare Provider Award in December 2015. The HR Vendors of The Year is an annual print publication established in 2006 which has an immense following by Human Resources professionals across the region.

Sunway Medical Centre stresses on the importance of staff well-being and development, creating a wide range of staff recognition and appreciation programmes for identified talents. To ensure a high standard of care, clinical staff from the nursing and ancillary support services, which makes up 75% of the hospital's total staff force, are sent for specialised training to fast track their skills and knowledge on post basic courses such as the Intensive Care Unit and Operating Theatre course. The affirmation demonstrates Sunway Medical Centre's commitment to achieving its vision of becoming the leading healthcare provider in ASEAN.

SUNWAY BERHAD AND SUNWAY CONSTRUCTION GROUP BERHAD CERTIFIED IN THE FTSE4GOOD INDEX SERIES

8 DECEMBER 2015



EVENT:

FTSE4GOOD Bursa Malaysia Index

AWARD RECEIVED:

- FTSE4GOOD Bursa Malaysia Index Constituent

Following the second FTSE4GOOD Index and FTSE ESG (Environmental, Social and Governance) Ratings review in October 2015, Sunway Berhad continues to successfully meet the inclusion criteria and remains a valued member of the FTSE4GOOD Index Series. Sunway Construction Group Berhad, upon its successful listing on Bursa Malaysia on 28 July 2015, has also been included in the index. This certification by UK-based FTSE Group, one of the best known indices in the world for socially responsible investment communities, is an outstanding testament to both entities' commitment to balancing profitability and sustainability.

PERFORMANCE
REVIEWTURNING
UP
THE
HEAT

The camel is able to survive in the extreme hot and dry climate with the help of its one-of-a-kind humps. Resembling the camel, Sunway, with its diverse array of businesses and unique capability as a master community developer, is built to thrive when things get heated.

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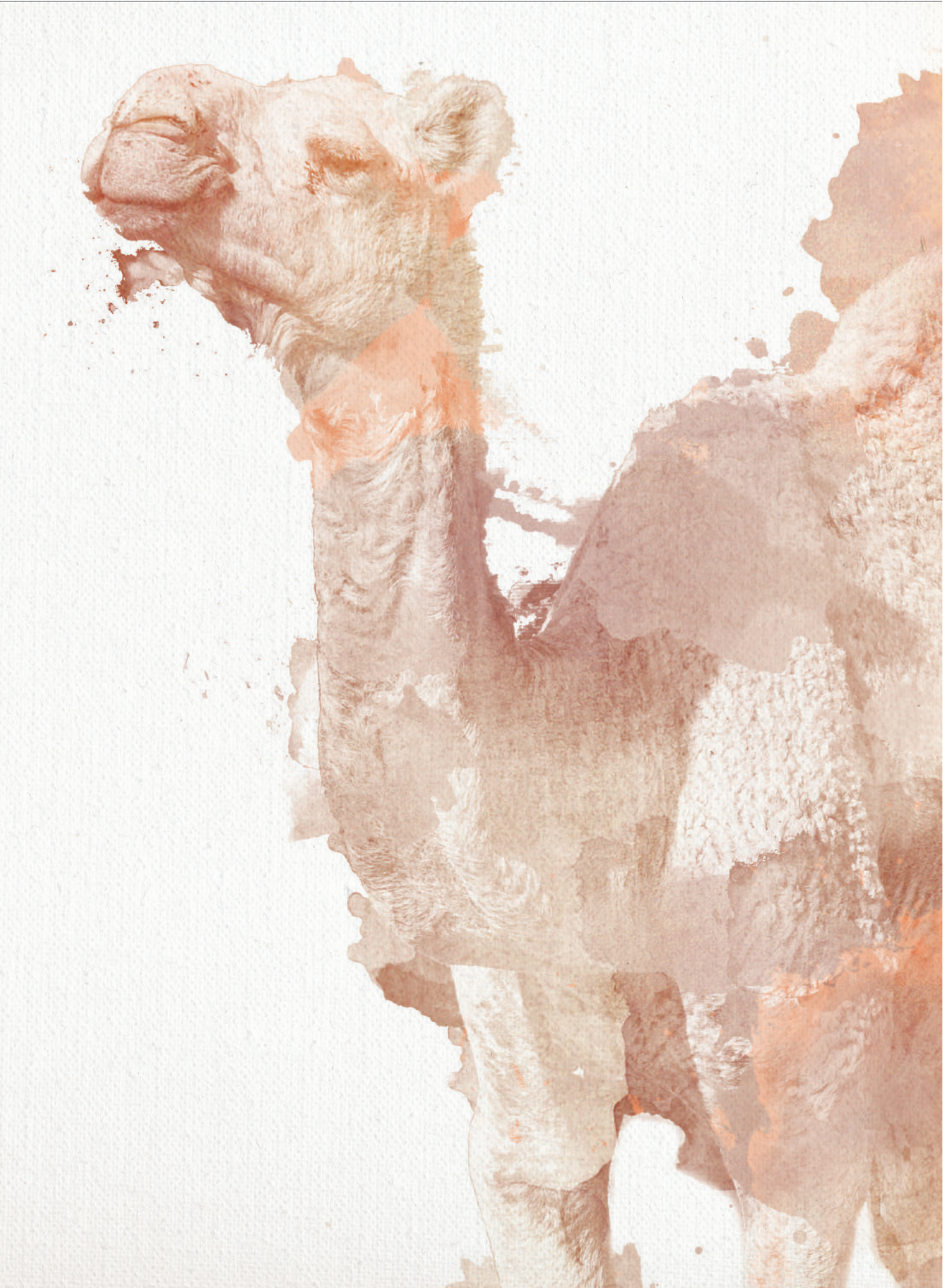
CHIEF FINANCIAL OFFICER'S REVIEW

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VALUE ADDED STATEMENT

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SHARE PERFORMANCE



PRESIDENT'S REVIEW



The Group delivered solid results in 2015, with profit after tax and minority interests (PATMI) of RM732.4 million comparable to the record achieved in 2014. We faced challenging economic conditions during the year, but our businesses remained robust and we continued to pursue growth opportunities.

DATO' CHEW CHEE KIN

PRESIDENT

EMERALD RESIDENCE, SUNWAY'S MAIDEN LANDED RESIDENTIAL PROJECT IN SUNWAY ISKANDAR



INTEGRATED PROPERTIES

PROPERTY DEVELOPMENT

The Group launched RM1.4 billion of properties and achieved sales of RM1.2 billion in 2015, compared with RM1.7 billion of properties launched and sales of RM1.7 billion in 2014. Market conditions were challenging as property demand and consumer sentiment were dampened by the weakening Ringgit and the decline in commodity prices. We recalibrated our strategy and deferred selected launches.

In the Klang Valley, we launched the second phase of Sunway Velocity Signature Shops and Offices with a gross development value ("GDV") of RM120.0 million. This development forms part of a 23-acre self-sustaining freehold integrated development strategically located within close proximity to the Kuala Lumpur City Centre. The take-up rate for the development, including bookings, is approximately 90% as at 31 December 2015.

In Sunway Iskandar, Johor, we launched Emerald Residence and Emerald Boulevard 88, with a combined GDV of RM490.0 million. Emerald Residence, our maiden landed residential project in Sunway Iskandar, comprises 222 units of homes, set on 22 acres of prime land in Medini, Johor, with panoramic views of the 20-acre Emerald Lake Garden. Emerald Boulevard 88 comprises 2- and 3-storey retail shops, and will be part of the retail core of Sunway Iskandar's Lakeview Precinct. These two developments have achieved a booking rate of over 60% at the end of December 2015.

In Penang, we launched the final phase of the Sunway Cassia development in Batu Maung, featuring 48 units of 2-storey semi-detached homes with a GDV of RM80.0 million. The take-up rate for this launch was approximately 20% at the end of the year. In Singapore, the Group launched Sophia Hills, a low-rise residential development comprising 493 units across 12 blocks with a GDV of SGD722.0 million. The take-up rate for Sophia Hills was around 20%. In addition, we launched three blocks of the Sunway Gardens development in Tianjin Eco City, China, with a GDV of RM150.0 million. As at 31 December 2015, the development achieved an overall take up rate of close to 85%.

In May 2015, we expanded our landbank with the acquisition of 17 acres of prime land in Kelana Jaya at a price of RM286.0 million. The Group closed the year with a landbank of 3,295 acres and strong unbilled sales of RM2.1 billion, providing earnings visibility and sustainability over the next 2 years.

SUNWAY PUTRA INTEGRATED DEVELOPMENT IN KUALA LUMPUR



PROPERTY INVESTMENT AND REIT

The Group continued to enjoy a steady stream of income from its 37.3% stake in Sunway Real Estate Investment Trust ("REIT"). The REIT distributed 8.57 sen per unit for the period from 1 January 2015 to 31 December 2015, contributing RM91.6 million of income to the Group.

Sunway REIT completed the acquisition of Sunway Hotel Georgetown in Penang and Wisma Sunway in Shah Alam, bringing its total property value to RM6.3 billion and reinforcing its position as the second largest REIT in the country. In addition, Sunway built and leased a new 12-storey academic building to Sunway University. The new building, with state-of-the-art facilities, will accommodate 9,000 additional students.

The REIT completed the largest asset enhancement project in the country by value, the revamp of Sunway Putra into an ultra-modern integrated development in the heart of Kuala Lumpur. Other projects by Sunway Group include improvements to the infrastructure in Sunway Resort City and surrounding areas. The Bus Rapid Transit ("BRT") – Sunway Line, commissioned by Prasarana Malaysia Berhad, and connecting elevated canopy walkways from the BRT stations to various properties within the township were completed and operational in June 2015. These projects improved connectivity in the township and increased footfall to the Group's various assets. Sunway Pinnacle benefited from these improvements, increasing its occupancy rate to over 90% as of December 2015.

LEISURE AND HOSPITALITY

Our theme parks, Sunway Lagoon in Sunway Resort City and Lost World of Tambun in Sunway City Ipoh, entertained 1.8 million visitors in 2015, unchanged from 2014. Demand was dampened by the decline in tourist arrivals to Malaysia, weaker consumer sentiment as a result of the implementation of the Goods and Services Tax, and the slowdown in the domestic economy.

We continued to invest in new attractions to enhance the customer experience. In early 2016, Sunway Lagoon unveiled the Nickelodeon Lost Lagoon, Asia's 1st Nickelodeon-themed land, with 14 new attractions based on characters from programmes by the American television network.

The hospitality division remained committed to renewing and enhancing its products and services to accelerate growth. Sunway Resort Hotel & Spa, our flagship 5-star hotel in Sunway Resort City, consolidated and refreshed its Food and Beverage offerings with the opening of Busaba Thai in February 2015 and The Resort Café in April 2015. Sunway Putra Hotel was launched after extensive renovation, with an increased capacity of 650 rooms. In addition, we opened the 401-room Sunway Pyramid Hotel West in the first quarter of 2016 and expect to launch Sunway Velocity Hotel in Kuala Lumpur in 2017, with 351 rooms. By 2018, we expect to operate a total of over 3,300 rooms.

MODEL OF PARCEL F PROJECT IN PUTRAJAYA



CONSTRUCTION

The Construction division achieved a milestone with the listing of Sunway Construction Group Berhad on Bursa Malaysia Securities Berhad in July 2015. It is now the largest publicly-listed pure-play construction company in Malaysia by revenue.

In 2015, the division recorded a peak order book of RM4.3 billion and order book replenishment of RM2.6 billion. As at the end of 2015, the outstanding order book was RM3.8 billion, comprising external infrastructure and building projects, in-house projects and precast orders.

We made significant progress on existing projects, completing three projects with a total contract value of RM914.8 million, namely the BRT – Sunway Line, a new academic block at Sunway University, and refurbishment of Sunway Putra Mall in Kuala Lumpur.

The major contracts secured during the year include the Design and Build project for the Parcel F Complex in Putrajaya containing government office buildings (RM1.6 billion), the second phase of Sunway Geo Retail Shops & Flexi Suites (RM243.7 million), Sunway Lenang Heights in Johor (RM95.7 million), Emerald Residence in Sunway Iskandar (RM174.5 million), KLCC Package 2A substructure works (RM120.0 million) and precast orders (RM310.0 million).

STRATEGIC INVESTMENTS

TRADING AND MANUFACTURING

The Trading and Manufacturing division's performance was adversely affected by weak economic growth linked to the implementation of GST and depreciation of the Ringgit. In addition, overseas operations generated lower profits as a result of a decline in 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.

We expanded into Industrial Hardware, a segment that is complementary to our existing business, through the acquisition of Winstar Trading Sdn Bhd ("Winstar"). Winstar is a market leader in its segment, and the Group will be able to tap into Winstar's vast distribution network to gain market access for our products.

We remained focused on our global sourcing initiatives and the expansion of distribution channels, despite the domestic and global economic headwinds. In 2015, we grew the number of agency lines carried from 128 to 146. New agency lines include Exmar fittings from Germany, CASE heavy equipment for the construction industry from the United States, and 14 agency lines from Winstar, including the sole distributorship for WD-40 and Araldite. In addition, we were appointed the exclusive distributor for Fukukawa Crushers.

SUNWAY'S NEW ASPHALT PLANT IN SUNGAI BAKAP, PENANG



QUARRY AND BUILDING MATERIALS

The Quarry division grew strongly in 2015, fuelled by strong local demand for aggregates and premix. We are a major supplier of aggregates to the nation's mega infrastructure projects, including the Klang Valley Mass Rapid Transit project and Light Rail Transit line extension project.

We continued our expansion in key high-growth locations. We expanded to Penang with a new quarry in Sungai Ara and a new asphalt plant in Sungai Bakap. The Group now operates a total of 7 quarries and 9 asphalt plants along key development corridors in Malaysia.

The Building Materials division's performance was underpinned by the growth of the local construction sector. The pavers business promoted greater acceptance of its products, achieved a higher conversion rate from premix roads and has over 70% market share domestically. Our vitrified clay pipes business achieved a new milestone in 2015 by emerging as a market leader with close to 50% of the domestic market share. In South China, the spun pile business has established a strong presence with approximately 70% market share.

HEALTHCARE

We continue to expand in healthcare services, with a vision of being the leading healthcare provider in ASEAN. Sunway Medical Centre's third phase of expansion is underway and slated for completion in phases by mid-2017. We are adding a new 10-storey building, featuring a Centre for Advanced Medicine, which will increase the hospital's capacity from 365 to 600 beds, and from 130 to 180 medical consultation suites. During the year, Sunway Medical Centre launched two new Centres of Excellence, a Fertility Centre and Behavioural Health Centre, bringing its total to 22 Centres of Excellence.

In addition, we are building a 240-bed medical centre in Sunway Velocity, Kuala Lumpur and a 180-bed medical centre in Seberang Jaya, Penang. Upon completion of these projects, we expect to be among the largest private healthcare providers in the ASEAN region with total capacity of over 1,000 beds.

SUNWAY RESORT CITY



OUTLOOK AND PROSPECTS

Global growth slowed to 2.4% in 2015, and the World Bank expects recovery to be at a slower pace than previously predicted. In 2016, growth is projected to reach 2.9%, as a modest recovery in advanced economies continues and activity stabilises among major commodity exporters. In Asia, a gradual slowdown in China is projected to be offset by a modest pickup in the rest of the region, driven by the large ASEAN economies.

The Malaysian Government projects economic growth to be 4.0%-4.5% in 2016, revised down from its original projection of 4.0%-5.0%. The domestic economy will be driven by private sector activity and public spending on major infrastructure projects. The Group expects the property market to further consolidate, until consumer sentiment and business confidence start to recover.

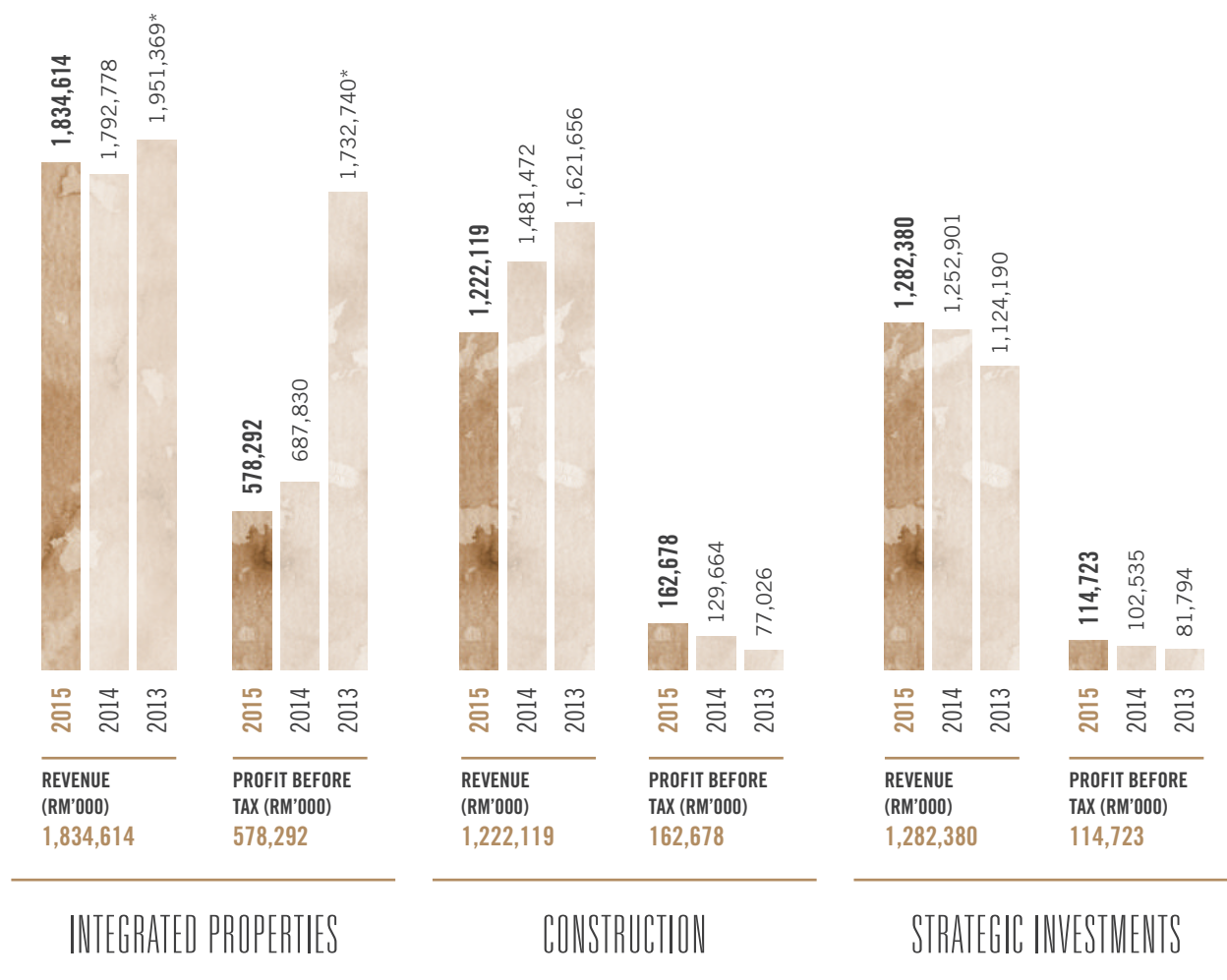
We remain committed to our strategy and will continue to strengthen and expand our businesses, while being cognisant of the challenges from the macroeconomic environment. We believe that our diverse portfolio of businesses will perform well and mitigate any impact of potential weaker performance from the Property Development segment.

Thank you for your continued support.

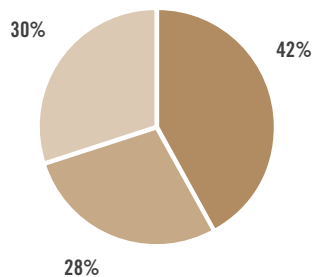
DATO' CHEW CHEE KIN

PRESIDENT

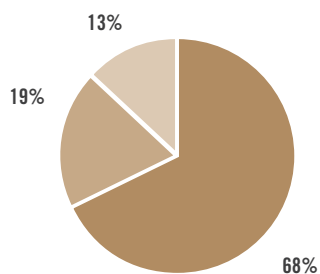
SEGMENTAL PERFORMANCE



*Includes adjustments due to FRS10.



REVENUE 2015



PROFIT BEFORE TAX 2015

- INTEGRATED PROPERTIES
- CONSTRUCTION
- STRATEGIC INVESTMENTS

FINANCIAL HIGHLIGHTS

	FINANCIAL YEAR ENDED			QUARTER ENDED			
	2015 RM'000	2014 RM'000	2013 RM'000	31/3/15 RM'000	30/6/15 RM'000	30/9/15 RM'000	31/12/15 RM'000
OPERATING RESULTS							
Revenue	4,448,390	4,558,141	4,721,429	1,060,001	1,041,520	951,043	1,398,762
Profit before tax	930,362	960,242	1,900,373	193,495	280,923	170,956	283,845
Income tax expense	(130,939)	(148,593)	(137,038)	(36,077)	(33,077)	(31,478)	(29,180)
Profit net of tax	799,423	811,649	1,763,335	157,418	247,846	139,478	254,665
Non-controlling interests	66,974	77,638	272,964	10,878	9,938	6,169	39,989
Profit attributable to owners of the parent	732,449	734,011	1,490,371	146,540	237,908	133,309	214,676
KEY BALANCE SHEET DATA							
Property, plant and equipment	1,333,563	977,084	827,552	1,046,630	1,139,969	1,200,713	1,364,280
Investment properties	2,722,348	2,370,420	1,833,386	2,460,828	2,559,777	2,659,691	2,717,185
Rock reserves	6,657	6,920	7,183	6,855	6,789	6,723	6,658
Land held for property development	1,194,112	535,462	886,805	539,588	551,144	545,539	1,166,253
Investments in associates and joint ventures	3,181,173	2,521,413	2,304,895	2,547,228	2,724,738	2,782,115	2,890,343
Goodwill	320,060	319,444	319,444	319,444	319,444	319,444	320,060
Deferred tax assets	83,714	42,670	37,741	57,863	56,486	66,942	83,714
Trade receivables	10,521	6,723	2,305	24,529	38,989	27,336	28,450
Derivatives	351,271	66,329	22,955	129,727	157,447	420,506	351,270
Other non-current assets	57,878	28,389	11,042	3,010	2,251	2,206	1,622
Current assets	6,739,560	5,884,262	4,839,567	6,147,623	6,231,177	7,546,336	7,064,599
Assets of disposal group classified as held for sale	-	98,029	8,686	-	-	-	-
Total assets	16,000,857	12,857,145	11,101,561	13,283,325	13,788,211	15,577,551	15,994,434
Long term borrowings	2,818,189	1,651,539	794,716	1,717,178	1,767,909	2,582,304	2,585,479
Deferred tax liabilities	90,886	82,860	73,994	88,210	78,277	81,269	90,128
Derivatives	7,709	3,682	66	5,967	12,382	2,868	7,709
Other non-current liabilities	306,648	519,406	448,717	508,273	488,761	344,261	317,722
Current liabilities	5,564,151	4,275,817	4,074,034	4,480,298	4,744,864	5,086,904	5,793,022
Liabilities of disposal group classified as held for sale	-	-	64,835	-	-	-	-
Total liabilities	8,787,583	6,533,304	5,456,362	6,799,926	7,092,193	8,097,606	8,794,060
Total equity	7,213,274	6,323,841	5,645,199	6,483,399	6,696,018	7,479,945	7,200,374
Non-controlling interests	650,558	387,473	316,900	360,594	427,660	614,515	650,558
Shareholders' equity	6,562,716	5,936,368	5,328,299	6,122,805	6,268,358	6,865,430	6,549,816
FINANCIAL RATIOS							
Profit before tax margin (%)	20.91%	21.07%	40.25%	18.25%	26.97%	17.98%	20.29%
Basic earnings per share (sen)	41.77	42.55	94.51	8.45	13.54	7.54	12.04
Diluted earnings per share (sen)	39.16	40.72	93.83	7.96	12.65	7.10	11.55
Closing share price as at end of period (RM)	3.08	3.29	2.72	3.65	3.44	3.15	3.08
Price-earning ratio (times)	7.57	7.76	3.15	N/A	N/A	N/A	N/A
Return on capital employed (ROCE) (%)	7.69%	10.19%	24.63%	N/A	N/A	N/A	N/A
Return on equity (ROE) (%)	11.16%	12.36%	27.97%	N/A	N/A	N/A	N/A
Net gearing ratio (times)	0.45	0.29	0.23	0.30	0.33	0.35	0.45
Net tangible assets per share (sen)	346.49	324.17	290.20	333.16	336.80	363.48	345.77
Net assets per share (sen)	364.64	343.03	309.15	351.92	355.29	381.61	363.93
Share capital ('000)	1,799,755	1,730,579	1,723,524	1,739,853	1,764,313	1,799,089	1,799,755

CHIEF FINANCIAL OFFICER'S REVIEW



The Group performed commendably in FY 2015 despite the challenging economic environment mentioned in the President's Review.

CHONG CHANG CHOONG

CHIEF FINANCIAL OFFICER

KEY FINANCIAL HIGHLIGHTS FOR FY 2015

- PBT eased marginally by 3%
- PATMI maintained at RM732.4 million
- Total cash dividend for the year of 37 sen per share
- Dividend-in-specie of one free SunCon share for every 10 Sunway Berhad shares

RM'MILLION	FY 2015	FY 2014	% CHANGE
Revenue	4,448.4	4,558.1	(2%)
Profit before tax ("PBT")	930.4	960.2	(3%)
Profit after tax and minority interests ("PATMI") / profit attributable to owners of the parent	732.4	734.0	0%
PBT margin	21%	21%	
PATMI margin	16%	16%	
Basic earnings per share (sen)	41.8	42.6	(2%)

The resilient performance in FY 2015 was underpinned by the healthy performance across most of our businesses with the exception of the Property Development and Trading and Manufacturing divisions, which were affected by the economic condition. Despite the lower contribution from the two aforesaid divisions and the lower PATMI contribution from the Construction division following the listing of Sunway Construction Group Berhad ("SunCon") since 28 July 2015, the Group's PATMI was maintained at RM732.4 million (FY 2014: RM734.0 million) with further improvement in PATMI margin to 16.5% (FY 2014: 16.1%).

The Property Development and Property Investment divisions, which collectively form the Integrated Properties division, remained the largest contributor to the Group PATMI at 63%. This was followed by the Construction division with a contribution of 17% to the Group's PATMI. Geographically, Malaysia remained the most dominant market where over 93% of the Group's PATMI was contributed by operations locally, followed by Singapore.

PROPERTY DEVELOPMENT

The Property Development division achieved a revenue of RM1.2 billion and profit before tax of RM262.6 million for FY 2015 (FY 2014: RM1.2 billion and RM360.7 million). Although the revenue was comparable to last year, the division's bottom line was lower primarily due to lower profit recognition and lower margins from some of the local projects, as well as lower profit contribution from the Singapore projects.

During the year, we launched our maiden landed, gated and guarded residential project in Sunway Iskandar, Emerald Residence, comprising 222 units of link homes, courtyard homes, garden villas and semi-detached homes. The Group also launched Emerald Boulevard 88, consisting of 88 exclusive units of 2 and 3-storey retail shops, forming the retail core of Sunway Iskandar's Lakeview Precinct. Both developments achieved a booking rate in excess of 60% at the end of December 2015. Other notable launches in 2015 include the second phase of Sunway Velocity Signature Shops and Offices, the final phase of Sunway Cassia, Sophia Hills in Singapore, and a further three blocks in Sunway Gardens, Tianjin, China.

PROPERTY INVESTMENT

The Property Investment division registered revenue of RM638.9 million and profit before tax of RM315.6 million in FY 2015 (FY 2014: RM594.4 million and RM327.1 million). Topline growth was boosted by a higher occupancy rate at Sunway Pinnacle which has reached 90% at the end of December 2015, and commencement of revenue contributions from the New Academic Block which was built and leased to Sunway University and the newly refurbished Sunway Putra Hotel. The lower profit in FY 2015 was mainly due to lower fair value gains recorded from the revaluation of investment properties which was RM63.1 million in FY 2015 compared to RM144.8 million in the preceding year. After taking into account of the fair value gain differential and the capital gains from the sale of investment properties to Sunway REIT in the first quarter of FY 2015, the operating performance of the division in FY 2015 was comparable to the previous year.

CHIEF FINANCIAL OFFICER'S REVIEW

CONSTRUCTION

The Construction division remained a key contributor to the Group's revenue, underpinned by a strong order book. The division registered revenue of RM1.2 billion and profit before tax of RM162.7 million in FY 2015 (FY 2014: RM1.5 billion and RM129.7 million). The lower revenue in FY 2015 was primarily attributable to higher intra-group revenue eliminations, resulting from the higher proportion of in-house jobs during the year. However, the improved profit before tax was contributed by better profit margins achieved on some of the construction projects.

In FY 2015, the division completed the construction of the Bus Rapid Transit (BRT) – Sunway Line project, the New Academic Block at Sunway University and refurbishment of Sunway Putra Mall. In addition, good construction progress was made on the Light Rail Transit and Mass Rapid Transit projects, Putrajaya Parcel F, Coastal Highway Southern Link, Sunway Pyramid Phase 3 and Sunway Velocity Shopping Mall.

Following the successful listing of SunCon on the Main Market of Bursa Malaysia Securities on 28 July 2015, the effective shareholding of the Group in SunCon has been reduced to 54.4%. As a result, the profit contribution from the Construction division to the Group's PATMI will be reduced accordingly.

TRADING AND MANUFACTURING

The Trading and Manufacturing division registered revenue of RM650.0 million and profit before tax of RM24.1 million in FY 2015 (FY 2014: RM639.4 million and RM35.4 million). The higher revenue was mainly due to the contribution from the newly acquired Winstar Group. It also contributed towards the bottom line which helped to mitigate the drop in the overall profit. The lower overall performance was mainly due to the adverse impacts from the implementation of the Goods and Services Tax (GST), the weaker Ringgit and lower contributions from the overseas operations.

QUARRY AND BUILDING MATERIALS

In FY 2015, the Quarry division realised a revenue of RM242.1 million and profit before tax of RM39.2 million (FY 2014: RM236.7 million and RM37.0 million). The better performance was underpinned by strong domestic demand for aggregates and premix supported by robust construction activities during the first half of the year.

The Building Materials division was also a beneficiary of the buoyant construction sector, registering a revenue of RM138.1 million and profit before tax of RM15.4 million (FY 2014: RM142.2 million and RM6.8 million). The significant improvement in performance was a result of an improved product mix and better margins due to higher productivity.

HEALTHCARE

The Healthcare division continued to perform well in FY 2015, contributing RM252.1 million and RM36.0 million to the Group's revenue and profit before tax respectively (FY 2014: RM234.6 million and RM23.3 million). The improved performance was driven by higher patient volume and improved operational efficiency. Sunway Medical Centre has embarked on the third phase expansion, which will feature the Centre for Advanced Medicine, catering to the growing demand for quality healthcare services. Upon the completion of the expansion, the hospital's total capacity will increase from 365 beds to 600 beds.

SOLID BALANCE SHEET

Although the Group continued to generate healthy cash flow from its business operations, its net borrowings, nevertheless, increased from RM1.8 billion to RM3.3 billion. The net increase in borrowings was mainly used to finance the construction of investment property assets and new land acquisitions for property development.

The Group operates a centralised treasury to primarily optimise the deployment of its financial resources and minimise the financing costs of its business operations. Hence, it is common for the Group to borrow in foreign currency denominated loans to take advantage of the lower effective interest rates when they are hedged and swapped back to Ringgit denominated loans to neutralise the foreign currency exchange risk.

In the second half of 2015, the Group engaged Malaysian Rating Corporation Berhad ("MARC") to become the credit rating agency for the Group's private debt securities programmes. In recognition of the Group's financial strength, the new credit rating assigned by MARC is MARC-1/AA- which is two notches higher than the previous credit rating of A2 by RAM Rating Services Berhad.

RM'MILLION	FY 2015	FY 2014
Shareholders' fund	6,562.7	5,936.4
Total equity	7,213.3	6,323.8
Gross borrowings	5,889.1	3,784.4
Cash and bank balances & short-term investments	2,631.0	1,978.2
Net borrowings	3,258.1	1,806.2
Gross gearing ratio	0.82	0.60
Net gearing ratio	0.45*	0.29
Net assets per share (sen)	364.6	343.0

* The Group's borrowings in foreign currencies are always hedged using cross currency swaps. However, the translated borrowing amount in Ringgit is required to be marked-to-market at the prevailing exchange rate during the tenure of the loan. If based on the hedged borrowing amount, the net gearing ratio as at 31 December 2015 would be lower at 0.40 times.

DIVIDENDS

The Group has maintained the annual dividend payout to its shareholders at 11 sen per share for FY 2015. Shareholders were also rewarded during the year with an additional special cash dividend of 26 sen per share and dividend-in-specie of one free SunCon share for every 10 Sunway Berhad shares held following the listing of SunCon in July 2015.

Sunway is committed to delivering satisfactory results in 2016, and maintaining its minimum dividend payout policy of 20% of core net profit, which will be paid semi-annually to our shareholders.



CHONG CHANG CHOONG

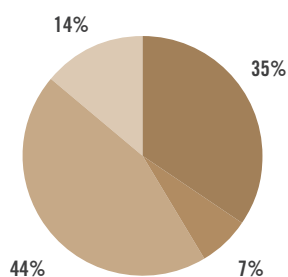
CHIEF FINANCIAL OFFICER

VALUE ADDED STATEMENT

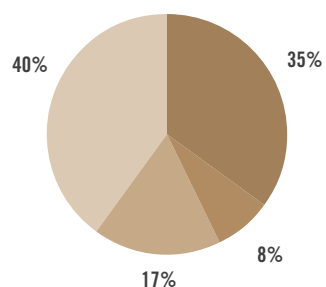
FINANCIAL YEAR ENDED	2015 RM'000	2014 RM'000
VALUE ADDED		
Total Turnover	4,448,390	4,558,141
Purchases of goods and services	(2,987,069)	(3,147,098)
VALUE ADDED BY THE GROUP	1,461,321	1,411,043
Share of profits of associates	201,832	147,194
Share of profits of joint ventures	68,111	86,156
Net gain on revaluation of investment properties	175,795	260,697
TOTAL VALUE ADDED	1,907,059	1,905,090

RECONCILIATION:		
Profit for the year	799,423	811,649
Add: Depreciation and amortisation	117,347	117,761
Finance cost	124,479	78,859
Staff costs	667,897	670,590
Taxation	130,939	148,593
Minority Interests	66,974	77,638
TOTAL VALUE ADDED	1,907,059	1,905,090

VALUE DISTRIBUTED		
Employees		
Salaries and other staff costs	667,897	670,590
Government		
Corporate Taxation	130,939	148,593
Providers of capital		
Dividends	656,731	172,322
Finance Costs	124,479	78,859
Minority Interest	66,974	77,638
Reinvestment and growth		
Depreciation and amortisation	117,347	117,761
Income retained by the Group	142,692	639,327
TOTAL DISTRIBUTED	1,907,059	1,905,090



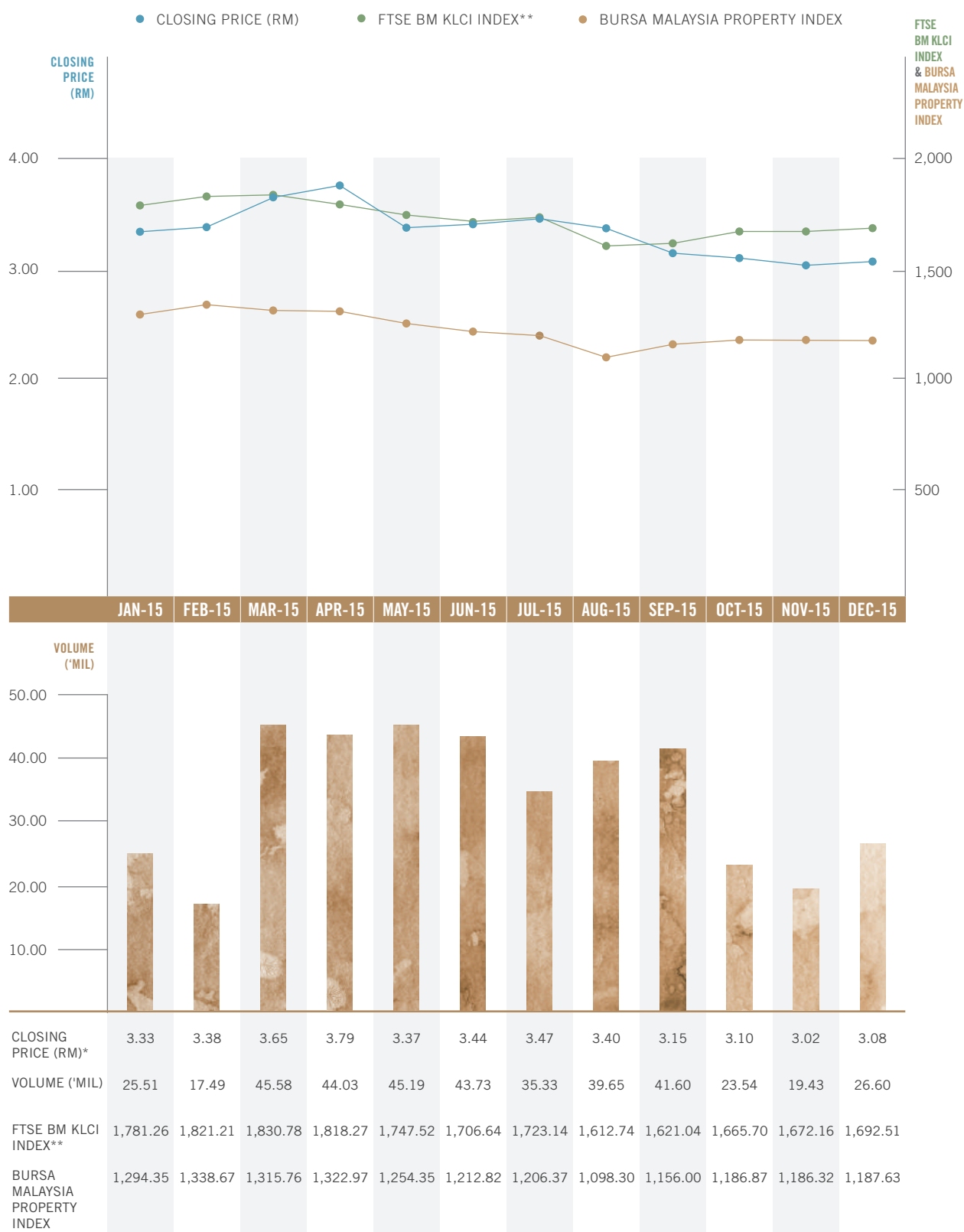
VALUE DISTRIBUTED 2015



VALUE DISTRIBUTED 2014



SHARE PERFORMANCE



* Share price was adjusted on 6 May for dividend in specie on the basis of 1 distribution share in Sunway Construction Group Berhad for every 10 ordinary shares of RM1.00 each in Sunway Berhad

* Share price was adjusted on 30 September for special cash dividend of RM0.26 per ordinary share of RM1.00 each in Sunway Berhad

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

EXEMPLARY
LEADERSHIP

AN EYE FOR HEIGHTENED PROGRESS

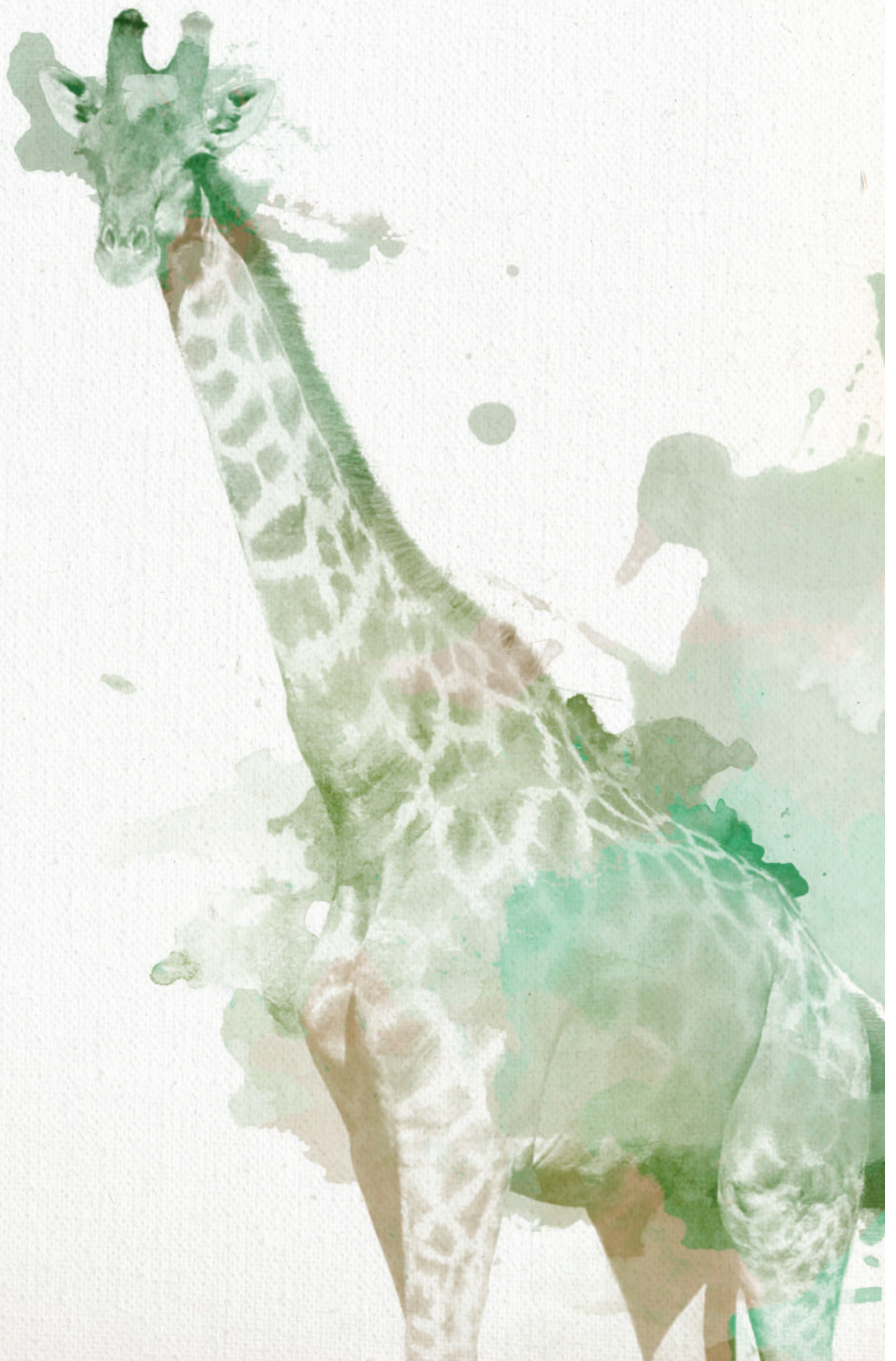
With its distinctively long neck, the giraffe benefits from its towering height to scout for food, similar to how Sunway's exemplary leaders are keeping a vigilant eye on areas of opportunities and growth.

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PROFILE OF BOARD OF DIRECTORS

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PROFILE OF SENIOR MANAGEMENT



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 71, is the Founder and Executive Chairman of Sunway Group, one of Malaysia's most formidable property-construction groups, with a multitude of established businesses in more than 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 transferred the ownership of Sunway Education Group in its entirety together with its subsidiaries worth more than RM720 million to the Jeffrey Cheah Foundation ("JCF"). Sunway Education Group comprises, inter alia, Sunway University, Sunway College, Monash University Malaysia, Jeffrey Cheah School of Medicine and Health Sciences and Sunway International School. 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. To-date, JCF has awarded more than RM210 million worth of scholarships to thousands of deserving students.

In November 2015, Tan Sri Dr Jeffrey Cheah was appointed a member of Putrajaya Higher Education Task Force for a period of 2 years to review and transform the higher education system of Malaysia.

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. In recognition of Tan Sri Dr Jeffrey Cheah's continued commitment to Harvard, he was also bestowed the membership on Harvard's COUR- the Committee on University Resources, among a select group of benefactors, to strengthen university resources through the unique power of philanthropy.

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

With generous endowments, Tan Sri Dr Jeffrey Cheah through JCF has forged academic ties with Harvard University in July 2013 to establish the Jeffrey Cheah Professorship, the Jeffrey Cheah Funds for Southeast Asia Studies, the Jeffrey Cheah Visiting Professorship and the Jeffrey Cheah Travel Grants, in perpetuity.

In February 2013, Tan Sri Dr Jeffrey Cheah was conferred the Honorary Assistant Commissioner of Police title by Malaysia's Inspector-General of Police for his commendable efforts in crime awareness and prevention as Chairman of Malaysia Crime Prevention Foundation (Selangor Chapter). He received 2012 Honorary Gold Award, a top honour from the Royal Rotary Club of Kuala Lumpur, in recognition of his leadership and development of education and research in Malaysia. Prior to that, he was conferred the Honorary Fellow 2012 by the Malaysian Scientific Association (MSA) for his meritorious contribution to the development of science education, as well as for his overall contribution in the advancement of science and technology in Malaysia.

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

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

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

- 2012** - Appointed as Permanent Honorary President to the Federation of Hakka Associations Malaysia, in appreciation of his invaluable contributions to the Associations.
- 2007** - Monash University School of Medicine and Health Sciences was named after Tan Sri Dr Jeffrey Cheah in appreciation of his contribution to Monash University Malaysia and Malaysia-Australia bilateral ties.
- 2006** - His Royal Highness Sultan of Selangor installed him as the Foundation Chancellor of Sunway University.
- 2002** - Deputy President of National Kidney Foundation of Malaysia.
- First non-Malay Honorary Member of Kuala Lumpur Malay Chamber of Commerce.
- 1999** - Founding Trustee of Malaysian Liver Foundation.
- 1997** - President of Malaysian Hakka Association (until 2004).
- Council Member of the Financial Reporting Foundation, 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.
- 1990** - Director of National Productivity Centre, Malaysia

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

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

His directorships in other public companies are 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 76, 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.



PRESIDENT, NON-INDEPENDENT EXECUTIVE DIRECTOR
MALAYSIAN

Dato' Chew, aged 70, 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 the Sunway Group in 1981 as the General Manager. In 1984, he was promoted to the General Manager (Operations) and was subsequently 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 YEAP TIH, S.M.S.

EXECUTIVE DIRECTOR, NON-INDEPENDENT EXECUTIVE DIRECTOR MALAYSIAN

Ms Sarena Cheah, aged 41, 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. She is a member of CPA Australia.

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 and a license holder of Capital Markets and Services Representative for Sunway REIT Management Sdn Bhd.

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 71, 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 Institute 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

**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 62, 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 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. He is the immediate past President of the Real Estate and Housing Developers of Malaysia.

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, Malaysia Property Incorporated, Construction Labour Exchange Centre Berhad, Cahya Mata Sarawak Berhad and MRCB International Berhad.

PROFILE OF BOARD OF DIRECTORS



TAN SRI DATO' DR. LIN SEE YAN

INDEPENDENT NON-EXECUTIVE DIRECTOR MALAYSIAN

Tan Sri Dato' Dr. Lin aged 76 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, IGB REIT Management Sdn Bhd (Manager for IGB REIT), Jeffrey Cheah Foundation 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) 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, of which principal activities are similar to Sunway Group, which include property development and investment holding.
- (b) Dato' Chew Chee Kin is a Director and shareholder of Sunway. He is also a Director and shareholder of Sunway Global Limited, of which 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.
- (c) Datuk Seri Yam Kong Choy is a Director of Paramount Corporation Berhad, Samalaju Property Development Sdn Bhd and Kwasa Land Sdn Bhd, of which 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 2015 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 Behad 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 is 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.



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 and Information Technology businesses. Effective 1 March 2015, he was redesignated as Executive Vice President – President Office with additional role of assisting the President's Office to identify potential business growth opportunities for Sunway Group and driving the Group synergy.

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



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.



LEE WENG KENG (DR)

CHIEF EXECUTIVE OFFICER – HEALTHCARE DIVISION
BACHELOR OF ECONOMICS (HONOURS) DEGREE,
UNIVERSITY OF MALAYA;
MASTERS IN BUSINESS ADMINISTRATION,
CRANFIELD UNIVERSITY, UNITED KINGDOM

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

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

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

PROFILE OF SENIOR MANAGEMENT



CHUNG SOO KIONG

**MANAGING DIRECTOR –
CONSTRUCTION DIVISION**
**BACHELOR OF SCIENCE (HONS) DEGREE IN
QUANTITY SURVEYING,
UNIVERSITY OF ABERTAY DUNDEE;
DIPLOMA IN BUILDING (TECHNOLOGY),
TUNKU ABDUL RAHMAN COLLEGE**

Mr Chung began his career with TAISEI Corporation in 1990 where over a period of seven years he rose to the position of Section Manager – Quantity Surveying. He was responsible for carrying out pre- and post-contract works for various projects, including the KL International Airport Project, Plaza Pelangi Shopping Complex in Johor Bahru and DBKL-Pernas Sogo Commercial Development/Shopping Complex.

In 1997, he joined Sunway Construction Sdn Bhd and served as the Contract Manager of Business Development & Marketing Department. His role included overall management of the contracts administration and operations, develop action plans to review pre- and post-contract related matters of various projects. In 2005, he was promoted to General Manager, Business Development and Marketing. His role included developing action plans to review operations and pre & post contracts related matters of various projects, overall management of business research and development activities to achieve growth and profitability, developing strategies to identify and venture into new businesses and/or markets, and continuously improve the policies and procedures with regard to business research and development. Thereafter, Mr Chung acted as the Country Manager/Project Director of Sunway Innopave Sdn Bhd (Abu Dhabi Branch) for the period from 2007 to 2013. Mr Chung was the Deputy Managing Director of Sunway Construction Sdn Bhd since 2013 before he was promoted to the position as Managing Director of Sunway Construction Group Berhad in November 2015. Mr Chung has over 20 years of experience in the construction sector.



WONG FOOK CHAI

**CHIEF EXECUTIVE OFFICER –
TRADING AND MANUFACTURING DIVISION**
**BACHELOR OF ENGINEERING (HONOURS),
UNIVERSITY OF MALAYA**

Having more than 30 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 25 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 was re-elected as President of Malaysia Quarries Association for the second term in 2015.



DANNY NG BOON LIANG

**CHIEF EXECUTIVE OFFICER –
BUILDING MATERIALS DIVISION
BACHELOR OF ECONOMICS (BUSINESS
ADMINISTRATION),
UNIVERSITY OF MALAYA**

Mr Danny Ng has 35 years of working experience, including 16 years in quarry operations and road construction for the Quarry division of Sunway Group.

He joined Sunway Group in 1986. 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.



CHAN HOI CHOY

**CHIEF EXECUTIVE OFFICER –
SUNWAY SHOPPING MALLS AND THEME PARKS
BACHELOR OF SCIENCE (HONS) DEGREE IN
MANAGERIAL AND ADMINISTRATIVE STUDIES,
UNIVERSITY OF ASTON, BIRMINGHAM,
UNITED KINGDOM**

Having spent his entire 33 years of professional career in mall management and development, Mr Chan has acquired extensive experience in general mall management, operations and marketing management. Mr Chan began his career in Sungei Wang Plaza in 1983 where he spent 11 years with this successful shopping mall before joining Berjaya Starcity (now known as Times Square) as the General Manager, principally responsible for the development of this major shopping mall in the heart of Kuala Lumpur from 1994 to 1999. His next career move was to Sunway Pyramid.

He currently serves as the Chief Executive Officer of Sunway Shopping Malls and Theme Parks. He oversees the portfolio of Sunway Pyramid, Sunway Carnival, Sunway Giza, Sunway Putra, Sunway Velocity, Sunway Lagoon and Lost World of Tambun.

He is the current Advisor of Malaysia Shopping Malls Association (PPK Malaysia) after serving a two-term presidency in advocating the industry interest at both international and national levels. He also serves as the current Advisor of Council of Asian Shopping Centres (CASC).



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 as the General Manager of Group Human Resources, where she heads the Organizational Development and Recruitment function. 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 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.

Effective 1 January 2015, Ms Foo was appointed as the Chief Resources Officer of Sunway Group and is responsible for overseeing the Group Human Resources and Human Resources Shared Services. 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 strengthening employer brand through strategic collaboration with top universities locally and abroad. She is also spearheading the groupwide HR System Implementation & Transformation initiative across all Business Units within Sunway.

SEGMENTAL
REVIEWTHE
TOUGH
GETS
GOING

The fennec fox is known for its ability to survive in a volatile desert environment, enduring the searing heat during the day and bitter cold during the night. Just like the fennec fox, Sunway as a diverse conglomerate exhibits qualities of adaptability to help protect its performance, irrespective of sectorial fluctuations.

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INTEGRATED PROPERTIES

- PROPERTY DEVELOPMENT
- PROPERTY INVESTMENT AND
REAL ESTATE INVESTMENT TRUST
- LEISURE
- HOSPITALITY

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CONSTRUCTION

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STRATEGIC INVESTMENTS

- TRADING AND MANUFACTURING
- QUARRY
- BUILDING MATERIALS
- HEALTHCARE



PROPERTY DEVELOPMENT

ARTIST'S IMPRESSION OF EMERALD COLLECTION IN SUNWAY ISKANDAR



LAUNCHES:

RM1.4 BILLION

SALES:

RM1.2 BILLION

UNBILLED SALES:

RM2.1 BILLION

LANDBANK:

3,295 ACRES

INTRODUCTION

Sunway is a top property developer in Malaysia, with an established reputation in developing innovative residential, commercial and retail properties. Besides Malaysia, the division has established a presence in Singapore, China, India and Australia through joint ventures with local partners. To date, the division has delivered more than 25,000 units with a gross development value ("GDV") of more than RM25.0 billion.

Since inception, the division has applied its unique "Build, Own, Operate" business model, with which it has successfully built up its portfolio of integrated developments. The Group's flagship township, Sunway Resort City, is an award-winning township, measuring 800 acres, which boasts eight components, namely residential, commercial, leisure, hospitality, retail, education, healthcare and industrial.

The success of its flagship township, and the replicable nature of its business model, were the basis for the development of Sunway City Ipoh, Sunway Damansara and Sunway Velocity, strengthening Sunway's status as a Master Community Developer. Aside from delivering quality products and services to the buyers of the properties, Sunway continues to co-invest in the townships, by owning and managing some of the components, improving infrastructure, and ensuring a safe community.

The division's next integrated township will be its largest yet, spreading over 1,800 acres in Sunway Iskandar. The integrated township will feature six precincts, namely The Capital, The Parkview, The Marketplace, The Lakeview, The Riverside and The Seafrost.

Besides having the expertise to develop award-winning integrated developments, the division is also capable of offering unique stand-alone developments. Some examples of these developments, which the Group has successfully delivered in the past, include Kiara Hills, Sunway Palazzo, Sunway Vivaldi, Sunway SPK Damansara, Sunway Montana and Sunway Eastwood.

SUNWAY IS NO.1 AGAIN IN THE EDGE TOP PROPERTY DEVELOPERS AWARDS 2015



KEY MILESTONES

MALAYSIA'S NUMBER 1 PROPERTY DEVELOPER STATUS REAFFIRMED

Sunway once again took the top spot at The Edge Malaysia Top Property Developers' Awards ("TPDA") 2015. This is the Group's second consecutive year being recognised as Malaysia's best property developer by The Edge in an award based on both quantitative and qualitative attributes. This follows the Group's continuous efforts to build on its strong track record and brand.

Sunway was also honoured at TPDA 2015 with the Best in Qualitative Attributes sub-category for the second year running. This reaffirms the division's standing as a property developer that constantly delivers quality products, credible workmanship and excellent customer service. Sunway's emphasis on the details and finer design features sets it apart from its competitors, and its efforts in going the extra mile have been recognised through not just the TPDA but other awards garnered by the division in the year including the BCI Asia Top 10 Award and the Putra Brand Gold Award in the Property Development Category.

LAUNCHES AND SALES FOR THE YEAR

The Malaysian property market was particularly challenging in 2015, following weak consumer sentiment post Goods and Services Tax (GST) implementation and depreciation of the Ringgit, causing a drop in overall demand. The implementation of the Strata Management Act 2013 from 1 June 2015 had also impacted Sunway's planned launches for the year. The Act required greater planning and certainty by developers on the master plan, composition, product mix and sizes of stratified developments and this had impacted progress of some of the Group's integrated developments. As a result, the division had to re-strategise its launches and some projects were deferred but the Group still managed to launch RM1.4 billion worth of properties into the market for 2015 (2014: RM1.7 billion).

From the new launches and other ongoing projects, the Group registered sales totaling RM1.2 billion for the year (2014: RM1.7 billion), which was achieved despite the reduced launches and softer market conditions.

ARTIST'S IMPRESSION OF SIGNATURE SHOPS AND OFFICES IN SUNWAY VELOCITY



*Klang Valley –
Sunway Velocity Signature Shops and Offices*

Following the successful launch of the first phase of the Sunway Velocity Signature Shops and Offices in Kuala Lumpur in 2014, the Group launched its second phase, the Signature 2 Shops and Offices, comprising 24 units of shops and 40 units of offices. Unit sizes for the shops ranged from 1,991 to 3,848 square feet, whilst the offices ranged from 1,814 to 3,364 square feet. The take up rate for the development, including bookings, has reached close to 90% as at 31 December 2015.

The layout of the development has been designed to allow every unit to benefit from double frontage to the main road and to a dedicated 2-acre central park. The modern and flexible internal layout of each of the shops and offices allows the setup of a variety of businesses. Connectivity within the entire development is made convenient via an environmental deck, which connects occupants to all the other facilities and amenities within the development, including a shopping mall. Further, accessibility to and from the development is enhanced with direct links to two Mass Rapid Transit ("MRT") stations and a Light Rail Transit ("LRT") station.

*Johor –
Emerald Residence and Emerald Boulevard 88, Sunway Iskandar*

Sunway launched its first landed residential project in Sunway Iskandar, the Emerald Residence, consisting of 222 units of homes on 22 acres of land in Medini, Johor. With a diverse range of property types that include link homes, courtyard homes, garden villas, and semi-detached homes, buyers are spoilt with a collection of different layouts and sizes to choose from. The development is gated and guarded, and has its own private clubhouse, with facilities such as a swimming pool, jacuzzi, barbeque area, viewing deck and a gym. The development is built on the hilltop, with views of the 20-acre Emerald Lake Garden. Buyers will also be able to benefit from the availability of quality education at Sunway International School located nearby, which is expected to be completed in 2017.

The second component of the development, the Emerald Boulevard 88, which is part of the retail core of the Lakeview precinct, presents 88 exclusive units of 2 and 3-storey retail shops. Once operational, these shops will provide the first commercial conveniences for residents in Sunway Iskandar. These retail units have flexible layouts, and are suitable for a variety of businesses, from retail outlets to showrooms and workspaces.

Both developments are located approximately 5km from the Second Link to Singapore via the upcoming Coastal Highway Southern Link (CHSL) and 5km from the Legoland Theme Park and Pinewood Iskandar Studios. The close proximity of the developments to Singapore, coupled with the special Medini incentives such as exemptions from Real Property Gains Tax and no restrictions on foreign ownership, has increased the attractiveness of the development to foreigners.

SUNWAY GARDENS CONDOMINIUM IN TIANJIN ECO CITY, CHINA



*Penang –
Sunway Cassia Semi-Detached Homes*

Sunway previewed its final phase of the Sunway Cassia development in Batu Maung, Penang, featuring 48 units of 2-storey semi-detached homes amidst lush landscaped parks. The development is strategically located in close proximity to the Second Penang Bridge and the Penang International Airport, and is surrounded by a wide selection of shopping malls, educational institutions, healthcare facilities and hotels.

Like the previous phases, the units boast large built-ups ranging from 3,196 to 3,770 square feet. Each home integrates features such as a dedicated walk-in wardrobe and balcony in the master suites, solar water heaters for the showers, individual home alarms, as well as 12-feet high ceilings in the living and dining areas and large glass window panels and sliding doors for ample natural lighting and cross ventilation throughout the house.

*Singapore –
Sophia Hills Condominium*

Sophia Hills, Sunway's latest development in Mount Sophia, Singapore via its joint venture with Hoi Hup Realty Pte Ltd and SC Wong Holdings Pte Ltd, was launched in the third quarter of 2015. The development is a low-rise residential project, comprising 493 units across 12 blocks. Facilities include a clubhouse, indoor gym, swimming pool, sun deck, barbeque areas and a playground.

Located in a prime location in central Singapore, the development is just 5 minutes away on foot from the Dhoby Ghaut MRT station and 10 minutes by car from Orchard Road. Yet, despite the closeness to the vibrant city center, future residents of Sophia Hills will benefit from the exclusivity of the development and enjoy serene surroundings, courtesy of the project's location at the top of Mount Sophia.

*China –
Sunway Gardens Condominium*

With gradual improvements noted in the China property market in the second half of 2015, the Group launched another three blocks of the Sunway Gardens development in Tianjin Eco City, comprising 210 residential units. The development was well received with overall take up for the development increasing to about 85% of the launched units as at 31 December 2015.

Sunway Gardens is a 25-acre development located in the Tianjin Eco City. It is developed by Sunway via a joint venture with Sino-Singapore Tianjin Eco-City Investment and Development Co. Ltd, the master developer for Tianjin Eco-City. Sunway Gardens is envisioned to be a green development with the master plan for Sunway Gardens incorporating 40% as green spaces and will have non-motorised lanes in efforts to promote an environmentally friendly and resource conserving city in China.

SEA ESTA CONDOMINIUMS IN SINGAPORE

**PIONEERING NEW BUILDING TECHNOLOGY WITH DAIWA HOUSE**

In June 2015, the Property Development division, through its subsidiary, Sunway Iskandar Sdn Bhd ("SISB"), entered into a 30%:70% joint venture with Daiwa House Malaysia Sdn Bhd. The joint venture company acquired a 13-acre land parcel in Sunway Iskandar from SISB in 2015 for a purchase consideration of RM63.1 million and will be developing 100 units of prefabricated landed homes in Sunway Iskandar, targeted to be launched by 2016.

The collaboration allows Sunway to introduce Daiwa House's world-renowned expertise in prefabricated building technologies to Malaysia. Daiwa House is Japan's largest prefabricated homebuilder and it is expected that their initial homes in Sunway Iskandar will be fitted with cutting-edge design features such as home energy management systems and child friendly door designs. With their prefabricated building technology, the homes are also expected to have shorter construction times and possess reduced defect rates.

DELIVERED 984 UNITS, RM2.1 BILLION UNBILLED SALES TO GO

The division delivered a total of 984 residential and commercial units during the year. In Malaysia alone, 608 units were delivered, which include 315 units of townhouses, courtyard villas and semi-detached homes in Sunway Montana, 72 units of terrace villas in Sunway Eastwood, 90 units of townhouses in Sunway City Ipoh, 100 units of terrace homes in Sunway Cassia, and 31 units of shop offices in Sunway Wellesley. Another 376 units completed and delivered in the year were at the Sea Esta condominium development in Pasir Ris, Singapore.

The Group's unbilled sales continued to be strong at RM2.1 billion (2014: RM2.5 billion), which will provide earnings visibility and sustainability over the next 2 years.

LANDBANKING FOR FUTURE DEVELOPMENTS

Sunway boosted its landbank in May 2015 with the purchase of 17 acres of prime land in Kelana Jaya for RM286.0 million. The parcel is strategically located next to the Sungei Way Free Trade Zone, and is easily accessible via major highways including the Lebuhraya Damansara Puchong (LDP), Federal Highway, New Klang Valley Expressway (NKVE) and other local roads. In addition, the land is located a short walking distance from the Setia Jaya KTM station, which grants the future residents of the development accessibility to the public transportation network.

Sunway plans to launch a high-rise residential project comprising serviced apartments and a retail podium, with an expected total GDV of RM1.8 billion. The residential units will be designed to take advantage of the view of the Kelab Golf Negara Subang 18-hole golf course and a 15-acre pond which will be beautified and enhanced with additional recreational activities together with the local authorities.

The land purchase is strategic, as it adds to the division's landbank available for immediate launch. The first launch of the development is expected by early 2017. It is also located within a matured and well-developed neighbourhood, and within close proximity to the Group's first and main township, Sunway Resort City. With this addition, the Group had a remaining landbank of 3,295 acres as at 31 December 2015.

ARTIST'S IMPRESSION OF SUNWAY GEO 3 CONDOMINIUMS IN SUNWAY SOUTH QUAY



FUTURE PLANS

In recent years, the division has placed great emphasis in ensuring new launches comprise products suited for the market and are likely to enjoy good take ups. In 2015, given the weak market sentiment, some launches were deferred and targets were revised. Nonetheless, the year closed with RM1.4 billion in launches and RM1.2 billion of sales, with stock levels well monitored and managed. Moving forward, the division will continue to monitor the market closely, especially in view of the challenges posed by the current headwinds. In 2016, launches will be focused in two main locations, Klang Valley and Johor.

In the Klang Valley, the first launch of 2016 is expected to be Sunway Gandaria in Bangi, an integrated development comprising 34 units of retail shops and 259 units of serviced apartments. The unique features of this development, which has a GDV of approximately RM200.0 million, are the unobstructed views of the Bangi Golf Course and the dual key serviced apartment units, which will be the first of its kind in Bangi. Next, the final phase of Sunway Geo, the Sunway Geo 3 condominiums, in Sunway South Quay will be launched within the first half of 2016. This development's selling point lies in its integration within the mature Sunway Resort City township with multiple world class amenities at its door step including education, healthcare and retail institutions. The launch will comprise 420 condominium units with an estimated GDV of RM400.0 million.

Over in Mont Kiara, a strategic location close to the Kuala Lumpur City Centre, the division is expected to showcase a high rise condominium, with small sizes and efficient layouts to meet the needs of modern, young families.

Down south, the Group plans to continue the momentum generated by the good take ups of Emerald Residence by launching the next phase of landed residential homes in Sunway Iskandar. Up north, in Ipoh, the division will kick-start its development of the Lost World serviced apartments. This development is strategically located in front of the Lost World Hotel and Lost World of Tambun theme park. Comprising 252 units with a GDV of approximately RM100.0 million, this will be the Group's first high-rise residential project in Ipoh.

Whilst the volatility in market conditions creates an uncertain business environment, the Property Development division will be looking to capitalize on any opportunities created by such uncertainties. Land banking opportunities will be intensified in 2016 especially in the central region in search of new strategic sites. Focus will be on land suitable for stand-alone developments and ready for immediate launch and development. At the same time, the division will be combing for sites suitable for new Transit Oriented Developments and in the vicinity of public transportation hubs, in anticipation of the completion of MRT 1 and LRT 2 lines in 2016-2017 and new MRT 2 and LRT 3 lines to be rolled out during the year. The division believes it will be able to leverage on its prior experience in developing integrated mixed developments to further enhance the usage of the new public transportation systems and create new economic hubs.

PROPERTY INVESTMENT AND REAL ESTATE INVESTMENT TRUST

SUNWAY PYRAMID PHASE 3 IN SUNWAY RESORT CITY



ASSETS UNDER MANAGEMENT:

RM7.9 BILLION

TOTAL NET LETTABLE AREA:

8.6 MILLION SQUARE FEET

INTRODUCTION

Pioneering the “Build, Own, Operate” business model, Sunway is one of the largest Property Investment and Real Estate Investment Trust (“REIT”) portfolio owners in the country. The assets are primarily located in integrated townships, built to support the lifestyle needs of communities and in turn, enjoy tremendous synergies across the various components within the township. The properties are held either directly through subsidiaries of the Group or via its 37.3% owned associate, Sunway REIT. The total Assets Under Management (AUM) of the division is in excess of RM7.9 billion with a total net lettable area (“NLA”) of approximately 8.6 million square feet.

RETAIL

The retail division owns and manages a portfolio of leading retail malls across Malaysia, strategically located in master-planned townships or mixed developments. The Group manages five retail malls with a combined NLA in excess of 3.1 million square feet including the flagship retail property, Sunway Pyramid Shopping Mall in Sunway Resort City, Sunway Putra Mall, Sunway Giza Shopping Mall, Sunway Carnival Shopping Mall, and the Giant Hypermarket in Sunway City Ipoh. The retail portfolio is expected to expand to six malls upon the completion of Sunway Velocity Shopping Mall in the second half of 2016. At the same time, Sunway Pyramid Shopping Mall is into its third phase.

COMMERCIAL

The commercial division holds a diversified portfolio of commercial properties encompassing office towers, university campuses, student accommodation, and a medical centre. The Group owns and/or manages five premium office towers in the Klang Valley including Menara Sunway and Sunway Pinnacle in Sunway Resort City; Sunway Tower and Sunway Putra Tower in central Kuala Lumpur, and Wisma Sunway in Shah Alam.

The education portfolio under the commercial division houses two premier private education establishments in Sunway Resort City, namely Sunway University and Monash University Malaysia alongside their student hostels and accommodation. The Group also manages Sunway Medical Centre, the first and only Australian Council on Healthcare Standard (ACHS) accredited private hospital in the country. In all, the commercial division manages commercial properties with an NLA in excess of 5.5 million square feet.

SUNWAY PUTRA INTEGRATED DEVELOPMENT IN KUALA LUMPUR



KEY MILESTONES

TRANSFORMATION OF SUNWAY PUTRA

Sunway, through Sunway REIT, embarked on a RM460.0 million refurbishment to transform the distressed Sunway Putra (formerly known as Sunway Putra Place) into a self-sustained three-in-one integrated development comprising Sunway Putra Mall, Sunway Putra Hotel and Sunway Putra Tower. The refurbishment of the retail mall was completed during the year and subsequently reopened on 28 May 2015, while the refurbishment of Sunway Putra Tower was completed in June 2015, followed by the rooms and common areas at Sunway Putra Hotel in December 2015.

Transformed into an ultra-modern lifestyle mall with an accentuated sun-drop design exterior, the mall now records a committed occupancy rate of over 85% as at 31 December 2015. The mall has two mini anchors - Cold Storage and TGV Cinemas, and an extensive list of more than 300 outlets such as internationally renowned tenants - H&M, Uniqlo, Swarovski, Birkenstock and a delectable list of food and beverage ("F&B") delights such as Red Lobster, DC Superheroes Café, Rakuzen, Lygon Bistro and Pascucci Espresso Bar to name a few. It also boasts themed precincts with the likes of Selera Street and Market Place that carry a unique and distinct interior design to accentuate the lifestyle experience.

Other Asset Enhancement Initiatives (AEI) undertaken at Sunway Putra include infrastructure enhancements involving the installation of escalators and the construction of connecting elevated pedestrian walkways to the mall from the Putra World Trade Centre ("PWTC") LRT station and the Putra KTM Komuter station. These initiatives ensure seamless connectivity to other prominent landmarks nearby such as PWTC, UMNO Headquarters and even the MATRADE Exhibition and Convention Centre through rail and feeder bus services.

In recognition of the massive transformation of Sunway Putra, Sunway Putra Mall clinched the Bronze award at the MIPIM Asia Awards 2015 for Best Refurbished Building, being the only Malaysian recipient of the coveted award. The internationally renowned award recognises the regional property industry's best, and rewards innovation and achievement in a variety of fields with a focus on project developments.

SANRIO HELLO KITTY GOURMET CAFÉ IN SUNWAY PYRAMID SHOPPING MALL



REVOLUTIONISING THE RETAIL BUSINESS

Sunway Pyramid Shopping Mall, the Group's flagship retail mall, continued to refresh its tenancy mix in 2015 in order to stay ahead of trends. The mall added another 3,600 square feet of NLA through the refurbishment of its al fresco space, attracting a French-themed café operator, Sanrio Hello Kitty Gourmet Café to make its debut in Malaysia. The mall also welcomed Coliseum Café and Grill Room, a veritable institution since 1921 which is famed for Western Hainanese Cuisine, Madam Kwan's, Morganfield's, Hungry Bunch, Lifejuice, Juice D'Fruit and Hana Dining & Sake Bar to its F&B segments while several high street brands such as PALLADIUM, Under Armour, Box of Bricks, Estee Lauder, DIOR, Missha and REDEYE joined the fashion segment.

Following the completion of Malaysia's first Bus Rapid Transit (BRT) - Sunway Line in June 2015, a 427-metre covered walkway was constructed to connect the Sunway Lagoon Station to Sunway Pyramid Shopping Mall. In addition, an 800-metre elevated covered walkway was built to link Taylor's University to the Sunway Medical Station, benefitting the communities in Bandar Sunway and forming part of the overall infrastructure connectivity integration programme in Sunway Resort City.

COMPLETION OF NEW ACADEMIC BLOCK AT SUNWAY UNIVERSITY

In achieving Sunway University's vision of being a world-class university, Sunway Group has invested approximately RM320.0 million in the expansion of the university to include a cutting edge New Academic Block. Completed in mid-2015, the New Academic Block occupies a gross floor area of 640,000 square feet, providing one of the most advanced educational facilities in Malaysia with lecture theatres, mini theatres, a large scale auditorium and training rooms.

Academic facilities aside, the campus is equipped with a training restaurant, a wine laboratory, an art gallery, a Power Centre for sports, dance and music and a FIFA-certified synthetic turfed football field. Seating capacity in the new Tun Hussein Onn Library at Sunway University is now more than doubled to 1,000 seats offering extended-hour study areas, collaborative study zones, group project rooms, personal study spaces, IT zones and phone areas.

ARTIST'S IMPRESSION OF SUNWAY VELOCITY MALL

**INCREASING CUSTOMER LOYALTY**

Sunway's premier loyalty programme, Sunway Pals, continues to gain traction since its launch in February 2014. The loyalty programme rewards customers with exclusive discounts and special privileges from an extensive list of more than 550 participating merchants and still growing. The card is enhanced with a cashless parking feature for the ease of customers. Membership has more than doubled to 450,000 members including 47,000 e-channel acquisitions over a short span of 2 years.

During the year, Sunway's loyalty programme has been extended beyond Sunway Resort City to Penang, Ipoh and Kuala Lumpur where members can now enjoy exclusive privileges from the Group's extensive suite of retail, hospitality and leisure assets, namely, Sunway Hotel Seberang Jaya, Sunway Hotel Georgetown, Sunway Putra Hotel, Sunway Putra Mall, The Banjaran Hotsprings Retreat and Lost World of Tambun. Apart from the ongoing developments undertaken by the Group, it is the Group's aspiration to offer the first of its kind loyalty programme to holistically cover the Sunway ecosystem.

HALF A DECADE OF GROWTH FOR REIT

Sunway REIT celebrated its 5th anniversary of its listing on the Main Market of Bursa Malaysia Securities Berhad in 2015. Through its unwavering endeavours, from acquisitions to active asset enhancement initiatives, Sunway REIT's property value expanded by 83% since listing to RM6.3 billion as at 30 June 2015. Sunway REIT remained as the second largest Malaysian REIT by property value, and Sunway Group continues to play an imperative role in supporting the growth of Sunway REIT.

FUTURE PLANS

The Group embarked on an active Asset Expansion Programme to ensure growth sustainability of the property investment and REIT portfolio. For the upcoming financial year, pipeline projects are Sunway Pyramid Phase 3 and Sunway Velocity Shopping Mall.

Sunway Pyramid Phase 3 will unveil a brand new 26-storey four-star hotel with an integrated retail mall of approximately 90,000 square feet in NLA in the first quarter of 2016. The 401-room Sunway Pyramid Hotel West will complement the retail mall extension, and the entire development is conveniently linked to the existing Sunway Pyramid Shopping Mall via a link bridge, creating a seamless experience. Amongst the committed tenants for Sunway Pyramid Phase 3 are The Parenthood, Sanook, Impresseoul, Hokkaido Ramen and Starbucks. The approximately RM380.0 million development will also add an additional 760 parking bays to the existing 10,000 interconnected parking bays in Sunway Resort City.

Sunway Velocity Shopping Mall is expected to be completed and launched in the second half of 2016. The shopping mall will feature cutting edge architecture, neo futuristic façades, a contemporary interior and distinctive retail precincts, bringing an additional 900,000 square feet of NLA to the Group's retail portfolio.

Meanwhile, in addition to Sunway's new developments and pipeline projects, Sunway REIT will continuously look out for yield accretive third party acquisition opportunities to deliver sustainable growth.

LEISURE

IPOH STREET AT LOST WORLD OF TAMBUN



TOTAL PARK SIZE:

100 ACRES

VISITORSHIP IN 2015:

1.8 MILLION

INTRODUCTION

Sunway's Leisure division brings wholesome fun to the Group through its two premier multi-park attractions; Sunway Lagoon in Sunway Resort City and Lost World of Tambun in Sunway City Ipoh, Perak.

Sunway Lagoon, Malaysia's premier multi-park destination offers more than 90 attractions across its six parks – Water Park, Amusement Park, Wildlife Park, Extreme Park, Scream Park and its latest addition, Nickelodeon Lost Lagoon. Rated highly among the international community with the title of "Asia's Best Attraction" for four consecutive years by the International Association of Amusement Parks and Attractions ("IAAPA"), the 88-acre theme park excites visitors of all ages with family-friendly fun to adrenaline-pumping thrills. The park is also home to attractions such as the World's Largest Water Ride - Vuvuzela, the World's First Waterplexx 5D, the World's Largest Man-Made Surf Beach, Malaysia's First Interactive Zoo and FlowRider, Malaysia's First Surf Simulator.

The Lost World of Tambun offers a unique park setting within an enclave surrounded by lush greenery and limestone hills. Within the backdrop of a "lost" city, visitors can enjoy the Water Park, Amusement Park, Lost World Hot Springs and Spa, Tiger Valley, Lost World Petting Zoo, Tin Valley and Team Building Park while delighting in the natural beauty of its surroundings.

MTV WORLD STAGE MALAYSIA 2015 AT SUNWAY LAGOON'S SURF BEACH



KEY MILESTONES

WINNING AWARDS AND HEARTS

2015 was the year to impress for both theme parks with Sunway Lagoon bagging several awards including the Silver Award in the Entertainment Category at the Putra Brand Awards 2015. More than 6,000 respondents voted on their favourite brands in the nationwide survey and Sunway Lagoon was a firm favourite among Malaysian consumers. Sunway Lagoon also won the Expatriate Lifestyle's Best of Malaysia's Best Attraction/Tourism Experience of Kids award and was recognised as TripAdvisor's Travelers Choice 2015 as the 4th Best Water Theme Park in Asia. Meanwhile, Lost World of Tambun clinched the World Gold Winner in Resort Category at the FIABCI World Prix d'Excellence Award 2015 awarded by an international panel of 80 top real estate professionals across 38 countries.

To encourage more visits to Sunway Lagoon, the park extended rewards through the 'Quacktastic Tuesday', 'Happy Birthday', and 'Seniors Play for Free' promotions. In 2015, Sunway Lagoon's Annual Pass was launched, entitling pass holders to unlimited entry into the theme park for 12 months. Ardent visitors of Sunway Lagoon can now enjoy the multi-award winning theme park the whole year round with an additional month of access exclusively for Sunway's premier loyalty card members.

INTERNATIONAL LINE-UP

MTV World Stage Malaysia was back for the sixth time at Sunway Lagoon's iconic Surf Beach, one of the world's largest man-made surf beaches. This year, the one-night only outdoor music event achieved a significant milestone with a record-breaking attendance of nearly 20,000 fans in Southeast Asia's biggest music night of the year. The show was punctuated with amazing moments for fans, delivered by explosive performances from the stellar line-up of performers such as the award-winning R&B artist, Jason Derulo, best-selling Canadian singer and songwriter, Carly Rae Jepsen, South Korean girl group Apink, Japan's Sekai No Owari and Malaysia's #MostWanted local act, Stacy.

Other major crowd-pullers in 2015 were performances by international artists Slash, Avenged Sevenfold and Anirudh. Sunway Lagoon was also the venue of choice for the 'Largest Malaysian Live Band Music Festival' - My Music Festival, ACV Music Festival with world-renowned DJs Paris Hilton and Havana Brown as headlining acts, along with Retrofest 2015 featuring MC Hammer, Diana King, Tommy Page and All-4-One.

Sunway Lagoon also hosted the Asia Flow Tour 2015 which saw over 20 talented flowboarders from Malaysia, Thailand and Singapore competing in the region's premier flowboarding competition. Professionals competed in four categories which consists the men and women series of the Mixed Open Bodyboard & Flowboard and Pro Bodyboard & Flowboard. The winners of this pro-qualifier leg would earn a spot to compete at the Asia Tour Finals in Thailand.

CAST OF TRIKSTARS: MASTERS OF TRICKERY



NEW WET N' WILD ATTRACTIONS

The newly upgraded eight-acre Wildlife Park welcomed its first pair of white lions Zola and Zuri from the Kruger region in South Africa along with the world's smallest monkey, a pair of Pygmy Marmosets. In conjunction with the additions, Sunway Lagoon hosted its first ever walkathon cum treasure hunt in March 2015. More than 500 Malaysians participated in 'Walk & Hunt in the Wild', a wildlife themed treasure hunt challenge in teams of four to six. The one-of-a-kind event was aimed at educating the public on the 150 species of exotic animals housed in species-specific exhibits as well as to re-launch Malaysia's first interactive and educational wildlife park.

Lost World of Tambun's Hot Springs & Spa completed its expansion during the year with the addition of new pools, water slides, massage huts and food outlets. The Lost World Hot Springs & Spa by Night, an extension of the day hot springs and spa was introduced in 2015 for those looking to enjoy the seven natural hot springs at night. Guests can now extend their time in the park as the Lost World of Tambun's Hot Springs & Spa come alive at night with food, entertainment and relaxation.

TRIK OR TREATS

Sunway's annual Nights of Fright returned for the third time with three times the fear and three times the chaos. Nights of Fright has become a staple Halloween celebration in partnership with New York based The Sudden Impact! Entertainment. Kevill Hill, the latest and scariest addition to Lynton V. Harris' Scream Park adds a whole new level of scare with hordes of 'The Frozen Dead' unleashed from their cryonic hibernation. The fear factor was amped up with new scare zones and scare mazes such as Terrortory-X; featuring inmates and chainsaw wielding mutants from "Escape from Pudu 2" and "Toxic-The Scariest Place Unearthed", Pirate Jack's zombie-filled "Locker O' Lanterns" and the Ring's Sadako Dori. Visitors get to enjoy a night of spooks and thrills with unlimited rides and attractions opened until 11:30pm.

Sunway Lagoon concluded the year with TrikStars: Masters of Trickery, its first magical show featuring an array of internationally acclaimed magicians, illusionists, singers and dancers. Audiences were left spellbound by the non-stop visual feast of pyrotechnics and extravagant stage costumes, all while being entertained by the sleight of hand of critically acclaimed magicians from Las Vegas and Europe. In the line-up of magical performances were The Wizardry of Phelston, The King Charles Troupe, a high-energy basketball game on unicycles; the comical Sylvester the Jester, 'Coolest Magician on Earth' Rudy Colby, World Champions of Magic and winners of numerous highly coveted Magic Awards – Magus Utopia, with their unique combination of storytelling and visual effects and Sebastian & Kristina, an award winning pair in the art of dance and magical transformation. The show ran from December 5 to 20.

NICKELODEON LOST LAGOON AT SUNWAY LAGOON



FUTURE PLANS

Nickelodeon Lost Lagoon, scheduled to open in early 2016 is the first Nickelodeon-branded attraction in Asia spanning 10 acres amongst lush greens and stone hills. Its origins are of a lost civilisation surrounded by lush, natural rainforest and a utopia for all those who venture through its majestic gates.

Visitors to the Lost Lagoon will be in for a wet adventure as the rainforest fantasyland is filled with colossal water rides, meandering walkways, recreational rest spots and rich flora. With 14 new rides, the Lost Lagoon will feature various key Nickelodeon-themed attractions, such as SpongeBob Splash Adventure, the Primeval, Jungle Fury, Monsoon 360 and more. Besides that, park goers can expect to be slimed with green slime daily during the "Great Slime Deluge". Guests will not be short of entertainment with scheduled walkabouts within the park by favourite Nickelodeon characters such as SpongeBob SquarePants, Dora the Explorer and Teenage Mutant Ninja Turtles.

Five more attractions are in the works for the Lost World of Tambun's Hot Springs & Spa in January 2016. Saphira's Twisters, the first hot spring slides in Malaysia; Crystal Falls, a mystical hot springs waterfall; three Jacuzzi Pools, illuminated in the serene colour of their namesakes - Amethyst, Sapphire and Topaz; the Emerald Lagoon, for a peaceful and relaxing soak and Saphira's Bistro, serving healthy delicacies, will be opened in early 2016 to refresh and revitalise the local sanctuary of hot springs enthusiasts.

Over in the Lost World Petting Zoo, attractions are being upgraded to include a hippo and giraffe enclosure. The Lost World Hippo Valley will be home to two hippos and giraffes, adding to more than 95 species in the petting zoo which offers visitors a close encounter with exotic animals in their natural environment. Night Safari, an extension of the Lost World Petting Zoo will see the zoo opened for night time excursions in 2016.

HOSPITALITY

SUNWAY'S FLAGSHIP HOTEL, SUNWAY RESORT HOTEL & SPA



**NUMBER OF
HOTELS AND RESORTS MANAGED:**

9

NUMBER OF GUESTROOMS:

2,601

INTRODUCTION

Sunway's Hospitality division operates nine hotels and resorts in key cities in Malaysia, Cambodia and Vietnam, representing a collection of over 2,600 guestrooms, suites and villas. The division's diverse portfolio of hospitality assets and services includes ownership and management of cluster of hotels with large-scale convention, meeting and exhibition facilities in an integrated resort city, private villas, a wellness retreat and a portfolio of 5, 4 and 3-star hotels.

Sunway's flagship hotel, Sunway Resort Hotel & Spa, is one of the most sought after hotels by corporate and leisure travelers in the Klang Valley. The 5-star property commands unimpeded views of Sunway Resort City and the Sunway Lagoon theme park, and offers a wide selection of guestrooms, suites and villas. Hotel facilities include food and beverage ("F&B") outlets, a free-form landscaped swimming pool and an internationally renowned spa, while business and events facilities include a convention centre, a grand lagoon ballroom, 55 meeting rooms and exhibition spaces. Adjacent to Sunway Resort Hotel & Spa is Sunway Pyramid Hotel East, offering 4-star accommodation options. Guests can enjoy convenient access to the Sunway Lagoon theme park and Sunway Pyramid Shopping Mall via dedicated linkages from both hotels.

The Group's presence is further anchored by the newly renovated Sunway Putra Hotel in Kuala Lumpur, The Banjaran Hotsprings Retreat and Sunway Lost World Hotel in Sunway City Ipoh, and Sunway Hotel Georgetown and Sunway Hotel Seberang Jaya in Penang. Overseas in the Indochina region, Sunway owns and manages Sunway Hotel Phnom Penh in Cambodia and Sunway Hotel Hanoi in Vietnam.

The Banjaran Hotsprings Retreat is the Group's foray into the luxury hospitality segment. The multi-award winning destination is located just a 2-hour drive north of Kuala Lumpur and it presents a distinct eco-luxury hot springs destination in Ipoh for those seeking a sublime escape from the ordinary. The 5-star retreat features 25 luxurious villas, a spa and wellness centre, and a myriad of wellness facilities, all located within the idyllic surroundings of 260 million-year-old limestone hills.

Complementing the Group's hospitality portfolio are the meetings, incentives, conferences and exhibitions facilities at Sunway Pyramid Convention Centre in Sunway Resort City and Sunway Carnival Convention Centre in Seberang Jaya, Penang.

WATER VILLA AT THE BANJARAN HOTSPRINGS RETREAT



KEY MILESTONES

TOP IN CLASS

Consistent positive traveler reviews in popular partner sites such as TripAdvisor.com, Booking.com, Agoda.com and Expedia.com, to name a few, have culminated in higher rankings for the division's hotels in overall service and guest experience. The Banjaran Hot Springs Retreat was ranked highly once again in TripAdvisor's Top 25 Small Hotels, Top 25 Hotels for Romance, Top 25 Luxury Hotels and Top 25 Hotels for Service. TripAdvisor also awarded The Banjaran Hot Springs Retreat and newly refurbished Sunway Putra Hotel the Certificate of Excellence in 2015, an award which is only accorded to the top performing 10 percent of businesses listed on TripAdvisor.

Meanwhile, Sunway Resort Hotel & Spa was ranked in the Top 10 Hotels for Families in Malaysia by TripAdvisor, and in the Top 10 Resorts in 2015 by Australia's largest circulating travel magazine, Holidays with Kids, positioning the hotel as the preferred destination for families looking for a value-for-money and family-friendly experience. Sunway Hotel Phnom Penh was awarded The Luxury Travel Guide Awards 2015 under the Business Hotel Category.

Booking.com further recognised Sunway Resort Hotel & Spa and Sunway Pyramid Hotel East as the Best Performing Hotel in Selangor for showing highest performance in that category, while Sunway Putra Hotel and Sunway Hotel Georgetown were awarded Best Supportive Hotel.

The Hospitality division also recently established close ties with Ctrip, China's largest travel website, taking advantage of the recent outbound travel boom from the Chinese market. Ctrip awarded Sunway Hotel Georgetown the New Rising Star 2015 award, a timely recognition of the hotel's transformation and enhanced standards post refurbishment.

STRATEGIC PARTNERSHIPS

In 2015, with the aim of driving room bookings to its collection of hotels, Sunway established a partnership with AirAsia BIG, which is touted as one of the highest value travel reward loyalty programmes in the market. The loyalty programme supports an extensive membership base, and by leveraging on this, Sunway worked collaboratively to significantly reach a new customer base.

Under the partnership, members of the AirAsia BIG loyalty programme are able to earn between 4X to 7X BIG Points when they book directly on www.sunwayhotels.com and stay a minimum of two nights at participating Sunway Hotels & Resorts in Malaysia, Cambodia and Vietnam. BIG members can then use the points to redeem AirAsia flights and many other specialty merchandise and rewards, further encouraging customer loyalty and retention.

ATRIUM LOUNGE AT SUNWAY PUTRA HOTEL



UPGRADING TO SERVE GUESTS BETTER

The refurbishment of the rooms at Sunway Putra Hotel was completed in 2015, with its massive renovation and refurbishment exercise now repositioning the hotel as a new entry level 5-star hotel. Situated strategically within Kuala Lumpur's Diamond Triangle, opposite the Putra World Trade Centre (PWTC), Sunway Putra Hotel provides easy access to the heart of the city's financial, commercial and shopping districts. The hotel now offers 650 tastefully furnished rooms with Superior, Deluxe, Classic Suite and Club Rooms. The Club Rooms, once two-bedroom apartment units, were converted into an extensive living area featuring a kitchenette, bedroom, walk-in closet and bathroom, as well as commanding views of the city centre's skyline. Guests of The Club Rooms have direct access to the Executive Lounge, a relaxing space that offers complimentary daily breakfast, a premium selection of beverages and other club privileges. The completion of the Atrium Lounge and a brand new Japanese restaurant, Gen, serving a variety of delectable Japanese cuisines adds to the selection of F&B options.

New meeting facilities are now available post renovation on Levels 9 and 10. Previously a Chinese Restaurant, the converted area on Level 9 is now known as Meet-On-9, featuring seven function rooms that can host meetings, private functions and business workshops. Meet-On-10 is designed with a similar concept and hosts two boardrooms and a secretariat room. With the introduction of these ten additional function rooms, Sunway Putra Hotel now has a total of 14 individual function rooms from only four previously, along with its other facilities such as a fitness centre and a 25-metre swimming pool.

Meanwhile, in Sunway Resort City, Sunway Resort Hotel & Spa undertook a massive revamp of its F&B offerings with a new coffee house. The Resort Café, inspired by Asia's lively food halls, opened in April 2015, serving a wide selection of authentic, nostalgic and popular Malaysian, Singaporean, Indonesian, Thai, Chinese, Middle Eastern and Western dishes. Adjoining The Resort Café is Busaba Thai, an independently operated Thai fine dining restaurant, which opened in February.

In Ipoh, The Banjaran Hotsprings Retreat completed the replacement of the rooftops of all villas, and underwent several upgrading works to improve accessibility, including the refurbishment of walkways and construction of a new bridge outside the Steam Cave. A dining platform was added to Jeff's Cellar, to facilitate a better dining experience for guests. New spa treatments were also introduced at the eco-luxury retreat, including the Sound Bath and Sound Healing treatments at the Meditation Cave, which make use of sound and vibrations from musical instruments for stress relief, and The Banjaran Fullmoon Experience, a candle-lit geothermal night bath for those looking for a romantic moonlight dip.

The division has also embarked on digital enhancing features with the installation of a state-of-the-art 1,152 square meters digital video wall in Sunway Carnival Convention Centre and a new LED display wall at Sunway Putra Hotel and Sunway Resort Hotel & Spa's Grand Lagoon Ballroom. The latest additions serve to provide a new perspective on interactive and dynamic digital backdrop and informational video wall applications.

SUNWAY PYRAMID HOTEL WEST IN SUNWAY RESORT CITY



FUTURE PLANS

The Hospitality division's latest 4-star hotel, Sunway Pyramid Hotel West is scheduled to commence operations in the first quarter of 2016. The 401-room hotel is located on the west side of the iconic Sunway Pyramid Shopping Mall, which is currently extended to include a selection of retail outlets and F&B offerings. The opening of the hotel will complement the existing cluster of hotels in Sunway Resort City – Sunway Resort Hotel & Spa and Sunway Pyramid Hotel East.

Following the opening of Sunway Pyramid Hotel West, Sunway Pyramid Hotel East will be closed for refurbishment from the second quarter of 2016, and works are expected to be completed in the first quarter of 2017. Thereafter, plans are also in place to redevelop the 5-star flagship Sunway Resort Hotel & Spa. Upon the completion of the redevelopment works by mid-2018, the cluster of three hotels in Sunway Resort City will offer guests an enhanced and refreshed experience, with more than 1,400 refurbished rooms, suites and villas, and an extensive range of leisure and business amenities.

Over in Kuala Lumpur, the division will witness the completion of the renovation programme for its 5-star Sunway Putra Hotel in 2016. The finishing stages will involve the purpose-built Club Lounge facility, located on Level 34 of the hotel, and a multipurpose function space on Level 35.

Moving forward, new additions to the Group's hospitality portfolio will include Sunway Velocity Hotel in Kuala Lumpur, featuring 351 rooms, and the second development phase of The Banjaran Hotsprings Retreat in Sunway City Ipoh, which will see 20 new villas added to the retreat's inventory. Both of these developments are expected to be completed in 2017.

By 2018, with the opening of new hotels, increased rooms and villas inventory available to the market, Sunway's Hospitality division will proudly boast a collection of 11 hotels and resorts with a combined inventory of over 3,300 rooms.

CONSTRUCTION

MRT PACKAGE V4 AT SEMANTAN



NEW CONTRACTS SECURED:

RM2.6 BILLION

OUTSTANDING ORDER BOOK:

RM3.8 BILLION

INTRODUCTION

Sunway Construction is known for its ability to provide fully integrated construction services, which include building, civil and infrastructure engineering, foundation and geotechnical engineering, mechanical, electrical and plumbing, and the manufacture and sale of precast concrete products. With this range of multi-disciplinary specialties, the division is able to tailor end-to-end and cost effective solutions for its clients, taking projects from conception to completion. Coupled with its passion and commitment to project execution and delivery, the division has grown steadily in Malaysia, and has progressed to undertake challenges beyond its borders, venturing into Singapore, the Middle East, India and Trinidad & Tobago.

Over the last 34 years, the division has contributed significantly to nation building, with the completion of many landmark building projects, including 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. Notable civil infrastructure projects include the SILK Highway, sections of the Maju Expressway and South Klang Valley Expressway, Klang Valley Mass Rapid Transit ("MRT") Package V4, Light Rail Transit ("LRT") Kelana Jaya Line Extension (Package B), Bus Rapid Transit ("BRT") – Sunway Line, as well as seven highway projects in India. With its proven capabilities and excellence in the field of construction, Sunway Construction was recognised as the only construction company to win the Malaysian Construction Industry Excellence Award (MCIEA) - Builder of The Year award three times.

Sunway is also an advocate of the Industrialised Building Systems ("IBS") or precast concrete products, and has precast manufacturing facilities in Tampines, Singapore and Senai, Johor with a combined capacity of more than 200,000m³. The division is a major supplier of precast concrete products in Singapore, sustaining a stable flow of orders from the Housing Development Board's developments.

Being at the forefront of the construction industry, the division continuously builds on its capabilities and invests in the latest tools and technologies. It leverages on its proprietary Virtual Design and Construction ("VDC") tool, which is a computer-aided design and modelling technology covering all aspects of design, build and project management. The division is also the owner of one of the largest fleets of machinery and equipment in the local construction industry.

LISTING OF SUNWAY CONSTRUCTION GROUP BERHAD ON BURSA MALAYSIA



KEY MILESTONES

LARGEST LISTED PURE PLAY CONSTRUCTION COMPANY

Sunway Construction was successfully relisted on Bursa Malaysia Securities Berhad on 28 July 2015, following an 11-year gap since its delisting in 2004. The listing was the second largest on the main market of Bursa Malaysia for the year, with the company recording an implied market capitalisation of RM1.6 billion upon its debut based on an opening price of RM1.27 per share and a share capital of 1.3 billion shares. At the close of 2015, market capitalisation expanded to RM1.8 billion, based on a closing share price of RM1.40 per share. The Initial Public Offering (“IPO”) was recognised by The Edge as the Best IPO of 2015 and Best IPO for Retail Investors of the year in Southeast Asia at the 9th Annual Alpha Southeast Asia Deal & Solution Awards.

Sunway retained a majority stake of 54.4% in the listed Sunway Construction Group Berhad, with the remaining distributed to Sunway Berhad's shareholders in the form of a dividend-in-specie and offered for sale to institutional and retail shareholders. The bulk of the proceeds from the offer for sale of the shares was distributed to the Sunway shareholders in the form of a special cash dividend. By maintaining a majority stake in the company, Sunway will retain a strong interest in the strategic direction and financial performance of the business.

Following the listing, the company is now the largest listed pure-play construction company in Malaysia by revenue, which in turn creates greater visibility for the company as a leading construction player in the country. The listing will further enhance Sunway's brand recognition and propel the company in winning more contracts locally and abroad.

COMMITMENT TO PROJECT DELIVERY

Sunway Construction completed three major projects in 2015 with a total contract sum of RM914.8 million. In Sunway Resort City, the division successfully completed the construction of the 12-storey Sunway University New Academic Block (RM203.9 million), which can house an additional 9,000 students, and the BRT – Sunway Line (RM452.5 million), the first landmark BRT project and first eco-friendly electric bus public transportation system in Malaysia. The BRT – Sunway Line project, which attracted a positive response from the public, was completed and launched three weeks ahead of schedule and opened to the public the following day, on 2 June 2015.

The Sunway University New Academic Block, which was subjected to the Quality Assessment System in Construction (“QLASSIC”) verification by the Construction Industry Development Board (CIDB), received a commendable score of 74.6%. This is testament of the division's passion in delivering superior build quality and workmanship.

Meanwhile, in the City Centre, the division completed the refurbishment of Sunway Putra Mall (RM258.4 million). Following the extensive transformation, the mall is now repositioned as a lifestyle mall, with a modern architecture design and impressive interior layout.

KLCC NORTH EAST CARPARK, PACKAGE 2 & 2A



SURPASSING TARGET ORDER BOOK REPLENISHMENT

The division's order book reached a high of RM4.3 billion during the year, with new projects worth RM2.6 billion secured in 2015, surpassing the division's target replenishment of RM2.5 billion. These projects included a combination of in-house projects and external building projects. As at 31 December 2015, the outstanding order book of the division stood at RM3.8 billion.

The major project secured during the year was the Design and Build Parcel F Complex project for the Government of Malaysia, involving the design, construction and completion of 10 government office buildings, one block of shared facilities, podium parking and external works on a 34-acre land in Precinct 1, Putrajaya. The project will be implemented using Building Information Modelling (BIM) through Sunway Construction's own VDC system, a computer-aided design and modelling technology covering all aspects of design, build and project management. With a contract sum of RM1.6 billion, this is the largest single project secured by the division thus far.

In Kuala Lumpur, the division secured another contract from Cititower Sdn Bhd, a joint venture company between KLCC (Holdings) Sdn Bhd and QD Asia Pasific Ltd, for the construction of substructure works and associated works for a mixed commercial development on Lot 176 at Persiaran KLCC, Kuala Lumpur City Centre. This project, valued at RM120.0 million, is the division's third project secured from the joint venture, demonstrating a solid business relationship through repeat contracts awarded by clients.

Internally, the division was awarded the contract for the construction of the second phase of Sunway Geo Retails Shops and Flexi Suites in Sunway South Quay (RM243.7 million), Sunway Lenang Heights in Johor (RM95.7 million), and Emerald Residence, the Group's first landed residential project in Sunway Iskandar (RM174.5 million).

Down south, the precast division secured contracts for the manufacture and sale of precast products from various clients, with a total value of approximately RM310.0 million.

SUNWAY VELOCITY IN KUALA LUMPUR



FUTURE PLANS

The positive outlook for the construction sector is expected to persist throughout 2016 with the implementation of large infrastructure projects announced in Budget 2016, such as the MRT Line 2 and LRT Line 3, as well as the BRT – KL to Klang Line. Sunway Construction has the expertise and capabilities to take on all three projects, having been a contractor in the earlier phases of the said developments. It has also invested substantially in plant and machinery required for the infrastructure projects. Further, in East Malaysia, the Government has announced the Pan-Borneo Highway project, for which the division has been pre-qualified.

Besides the upcoming infrastructure jobs, Sunway Construction will continue to provide end-to-end integrated solutions for other building projects, delivering turnkey design and build capabilities. With these projects in the pipeline, the division is confident of a strong order book replenishment in 2016 and is targeting another RM2.5 billion replenishment for the year.

The government has been promoting the use of IBS to increase productivity, quality and safety in the local construction industry, and to be less dependent on foreign workers. The division has plans to expand its precast manufacturing facility from its current two yards in Tampines, Singapore and Senai, Johor to three, with the addition of a third plant in Sunway Iskandar, Johor. This third plant is expected to commence operations in the first quarter of 2016, and will manufacture a range of precast products including facades, non-prestressed planks and beams.

Moving forward, the division aims to leverage on its established track record and core competitive strengths to capture future growth opportunities in Malaysia and abroad. Driven by a strong management direction and supported by a dedicated team, the Construction division is well poised to continue generating sustainable returns for its stakeholders.

TRADING AND MANUFACTURING

SUNWAY'S WAREHOUSE IN THAILAND



REGIONAL PRESENCE:

6 COUNTRIES

DISTRIBUTION POINTS:

41

AGENCY LINES:

146

CUSTOMER BASE:

13,000

INTRODUCTION

Sunway's Trading and Manufacturing division is a regional leader in providing world-class products and services. For more than 30 years since it started operations in 1985, the division has focused on four major product lines, namely Hoses & Fittings, Heavy Equipment Parts, Heavy Equipment and Building Materials. In 2015, the division ventured into a new business specialising in Industrial Hardware, through the acquisition of a market leader in the field, the Winstar Trading Sdn Bhd ("Winstar") group of companies.

Sunway has established a regional presence via its network of 41 locations and warehouses across six countries, including Malaysia, Singapore, Indonesia, Thailand, China and Australia, from which it serves a customer base of close to 13,000 active customers from various industries. The division's diverse range of products can be applied across a multitude of industries, including mining, plantation, agriculture, quarry, logging, construction, manufacturing, marine, and oil and gas.

The strategy of the division is to partner with strong brand names which are synonymous with quality and value. The division has 146 agency lines (2014: 128) for a wide range of well-established brands such as CASE, SANY, Furukawa, Unic, Airman and Lonking for heavy equipment; FP Diesel and DCF Trek for heavy equipment parts; Copperstate and KLAH for hoses and fittings; and WD-40, Bosch and Araldite for industrial hardware.

Complementing the strong agency lines, Sunway has developed a range of high quality in-house brands, which include Sunflex and Totalrubber hoses and fittings, Suntrak undercarriage parts and Sunguard oil filters. The newly acquired Winstar has also developed numerous in-house brands, such as the Nietz hand tools and abrasive; Sobar safety shoes, general hardware and abrasive; Winsir household and gardening tools; and Galaxy spray paint and waterproofing, to name a few.

WD-40 LUBRICANTS



KEY MILESTONES

ACQUISITION OF WINSTAR

LOCATION	NO. OF DISTRIBUTION POINTS
Malaysia	16
Singapore	2
Thailand	5
Indonesia	9
China	4
Australia	5

In 2015, the Group successfully acquired Winstar group of companies, which is one of the largest hardware distributors in Malaysia. Winstar was established in 1980, and specialises in supplying a range of hardware products including industrial and DIY hardware tools, safety products, lubricants, epoxy adhesives, car care products, and building materials. The company carries products from reputable international names such as WD-40, Araldite, Bosch, Cigweld, Osram and 3M, as well as its own in-house brands such as Nietz, Sobar, Winsir and Galaxy.

In January 2016, the division also completed the acquisition of Winstar's related company in Singapore, PND Hardware & Trading Pte Ltd ("PND"), which specialises in the distribution of general hardware items for industrial and construction industries.

The acquisitions are synergistic additions to the Group's Trading and Manufacturing business, with the division positioned to benefit from Winstar and PND's vast network and multiple distribution points, as well as cross-selling opportunities to their 6,000 active customers nationwide. Resources can also be shared between the companies to enable economies of scale, business process improvements and greater regional expansion. Other divisions within the Group, particularly the Construction and Property divisions, also set to benefit from indirect synergies arising from both acquisitions through potential cost savings and revenue-enhancing collaborations.

CASE N-SERIES BACKHOE LOADERS



NEW AGENCY LINES

Sunway is dedicated towards its global sourcing initiatives, centred on identifying and securing the distribution rights for the best products from the best manufacturers across the globe. In 2015, the division increased its agency lines from 128 in 2014 to 146. The new additions cover a broad range of quality brands across all five of the division's major product lines.

A prominent addition to the division's list of agency lines is the CASE full range of heavy equipment for the construction industry. CASE offers a comprehensive collection of construction equipment, ranging from backhoe loaders and wheel loaders to excavators and bulldozers. In the heavy equipment product line, Sunway was also appointed the exclusive distributor for Furukawa Crushers, an agency line which the division acquired in 2014.

As many as 14 agency lines were taken over by Sunway from Winstar, following the acquisition. These agency lines cover many international well-known brands, and includes the sole distributorship for WD-40 and Araldite. With these newly acquired agency lines, Sunway will continue to build on its reputation as a one-stop centre with an expanding range of products to meet the needs of its customers.

PRODUCT LINE	NEW AGENCY LINES
Hoses & Fittings	Exmar, Desen
Heavy Equipment	CASE
Heavy Equipment Parts	Liaocheng, Tsuyo
Building Materials	Bisazza
Industrial Hardware	WD-40, Bosch, Araldite, Esicut, Bahco, Stanley, KDS, Thermadyne, 3M, Papermate, King Shoe, Norton, Osram, GP Battery

MOBILE VAN SERVICES

The division expanded its mobile van services with the setup of one new unit in Thailand and another unit in Batam. This added to the divisions existing fleet of 13 mobile vans in Singapore and three in Malaysia, bringing the total to 18 units. With the mobile van services, Sunway aims to differentiate itself from its competitors by offering customers 24-hour, 7 days a week hose maintenance services. This reduces machinery downtime, improves productivity, and indirectly increases the division's market share by attracting customers which ascribe great value to such convenience and low downtime.

SUNFLEX HOSES



IMPROVING WORK EFFICIENCIES

With business units and distribution points dispersed across 41 locations worldwide, integration and live information updates are crucial to facilitate greater work efficiencies. In 2015, the division embarked on an Information and Communication Technology (ICT) and business infrastructure transformation programme, which saw the implementation of an online cloud technology combining social networking, messaging and web conference tools to support all 41 locations worldwide.

To automate processes and develop efficient, cost effective systems, especially in the areas of inventory management and stock replenishment, the division enhanced its tracking of physical assets and stocks to recognise parts which were available and needed, allowing better control of its stock replenishment exercises and ultimately minimising operating costs. The barcode system used by the division in managing its warehouses was modified and fine-tuned to improve the accuracy of inventory counts. Following the acquisition of Winstar, the division also embarked on streamlining the IT system and inventory tracking system for all Winstar warehouses.

Further, the division is implementing a mobile app field service solution for its mobile van operations, which will automate and replace the existing manual process of field service and operations. This will allow better communications, stock control and provide a better overall experience for the customers.

FUTURE PLANS

Sunway's Trading and Manufacturing division will continue to build on its strong foundation and take advantage of the replicable nature of its business model to continuously expand geographically, although such initiatives will be conducted in a cautious and well-planned manner. Winstar, being a supplier of industrial hardware, could potentially benefit from the export market, and this will be a key area to be explored in 2016 to open up new avenues for its expansion. Co-sourcing at lower costs and co-marketing with the Winstar group of companies will also be the division's strategy in the coming year.

In order to remain competitive and to uphold the division's reputation as a one-stop centre for high quality products, Sunway will continue to source globally for new products and agency lines and continue its research and development initiatives to develop in-house brands.

For the Hoses & Fittings division, Sunway will aim to penetrate new markets by creating new ranges of hoses suitable for the food and beverage industry and the concrete pump industry. As for the division's Heavy Equipment rental business, the division seeks to expand its equipment range to include excavators, skid steer loaders, telescopic handlers, compactors and mini crawler cranes, to complement its current list of equipment which includes, amongst others, drilling rigs, wheel loaders and concrete pumps. This will substantially increase the division's customer base, and increase its market share.

Other key focus areas for the division will be cost containment and better inventory management to improve the division's performance. Employee engagement and motivation will also be vital to keep employees focused and improve productivity in a challenging economic environment.

QUARRY

SUNWAY'S NEW ASPHALT PLANT IN SUNGAI BAKAP, PENANG



NUMBER OF QUARRIES:

7

NUMBER OF ASPHALT PLANTS:

9

INTRODUCTION

Sunway's Quarry division is a leading quarry and asphalt operator in Malaysia, producing aggregates for ready mixed concrete and other construction activities, and asphalt for pavement of roads and highways. Sunway re-entered the industry in 2005, after a short period of absence, and has since rebuilt its operations to 7 quarries and 9 asphalt plants. The division operates in several strategic locations throughout Peninsular Malaysia, along development corridors and in close proximity to major highways, allowing the Group to meet the development needs of its customers.

KEY MILESTONES

SOLIDIFYING MARKET POSITIONS

Supported by the buoyant construction industry in Malaysia and the roll-out of infrastructure and resurfacing projects, the Quarry division recorded strong sales in its aggregates and asphalt operations during the year, which translated into a strong profit growth for the division.

The strong sales was mainly driven by the division's involvement in major infrastructure projects including the Mass Rapid Transit ("MRT") Sungai Buloh - Kajang Line, Light Rail Transit ("LRT") - Kelana Jaya Line, Bus Rapid Transit ("BRT") - Sunway Line, Duta - Ulu Kelang Expressway (DUKE) Phase 2, and the PLUS highway resurfacing and widening project. The division also benefitted from the supply of asphalt for the resurfacing of the runways and other associated works at the Penang International Airport.

During the year, several road upgrading initiatives were undertaken by the state government of Selangor which included resurfacing road works and patchworks to maintain the quality of the state's roads. Sunway was a major beneficiary of the many packages awarded for road maintenance jobs due to its ability to deliver an integrated range of asphalt and complementary services of pavement overlay, further boosting the division's sale of asphalt.

SUNWAY'S NEW QUARRY PLANT IN SUNGAI ARA, PENANG



EXPANDING OUR GEOGRAPHIC FOOTPRINT

The level of demand for aggregates and asphalt is largely determined by the number of construction and infrastructure projects being executed. Sunway's ability to meet the increasing demand from these new projects is in turn linked to the location of the division's quarries and plants, and its proximity to the development area.

In 2015, Sunway expanded up north to Penang, setting up a new quarry in Sungai Ara and a new asphalt plant in Sungai Bakap. This move is strategic for the division, as it positions the Group to benefit from new infrastructure projects to be rolled out under the Penang Integrated Transport Master Plan. The master plan, spearheaded by the state government of Penang, is a plan for the construction of an extensive public transportation system covering the entire state of Penang, which will involve the construction of an undersea channel tunnel and major infrastructure works such as LRT lines, new roads and highways. The new asphalt plant in Sungai Bakap also opens up new opportunities up north to participate in resurfacing and widening works of the PLUS highway.

The new quarry in Sungai Ara commenced operations in October 2015, with a rated production capacity of 350 tons per hour. The new asphalt plant in Sungai Bakap, meanwhile, set up operations in the beginning of March 2015 at a rated production capacity of 160 tons per hour.

The division's new quarry in Penang is the latest addition to the Group's growing number of quarries located in Kajang, Rawang, Paka, Cheras, Kuala Kangsar and Melaka, consistent with the division's confidence in the developments taking place in the industry. Now strategically positioned with a production facility in each growth corridor, the division will be ready to supply to upcoming infrastructure and construction projects in each region, where close proximity to customers will ensure enhanced response time and lower transportation costs.

FUTURE PLANS

The implementation of massive public infrastructure projects and a continued exuberance in the construction sector will remain key drivers for the performance of Sunway's Quarry division. The division plans to capture some of the opportunities arising from infrastructure projects in the pipeline such as the MRT Line 2, LRT Line 3, BRT KL - Klang, and various highway projects set to come on stream during the year. To support the anticipated uptake in demand for aggregates and asphalt in 2016, the division will actively explore opportunities to acquire new quarry operations in Johor, and install new asphalt batching plants in Perak, Kedah and Johor.

The new sites in Johor will be valuable additions to the division's portfolio, catering to the needs of a rising number of developments in Iskandar Malaysia. The addition will also indirectly benefit the Group's developments in its third and largest integrated township, Sunway Iskandar, by ensuring a continuous stream of supply within a shorter transportation time span, thus lowering logistical costs. The asphalt batching plants located in the northern region are also intended to be strategically situated along the North-South Highway to serve development projects in the vicinity, and are steered towards being environmentally friendly whilst maintaining flexibility in manufacturing. The division hopes to begin operations at the new plant in Kedah in the second half of 2016, with further plans to explore another plant in Perak, in line with Sunway's road map to be one of the top asphalt manufacturing facilities in the country.

As part of the division's re-strategising initiative, the division is looking at installing an additional crushing line at its existing Rawang site, and will be phasing out aged crushing plants through a staggered replacement programme. Quarry operations at Semenyih will also likely begin during the year. Moving forward, the division has plans to collaborate with Sunway's in-house Property Development division to explore opportunities for quarry operations at its development land in Kajang. At the same time, it will also continue to source externally for potential acquisitions of existing quarry operations.

BUILDING MATERIALS

FLEXIPAVE



NUMBER OF MANUFACTURING FACILITIES

6

INTRODUCTION

The Group's Building Materials division comprises three well established businesses specialising in Pavers, Vitrified Clay Pipes ("VCP") and Spun Piles.

PAVERS

Sunway has more than 30 years of experience in the Pavers business, with a growing market dominance in the manufacturing and sale of interlocking concrete pavers in Malaysia. The division owns and operates four plants strategically located at each corner of Peninsular Malaysia, namely Batang Kali in Selangor, Nibong Tebal in Penang, Senai in Johor, and Marang in Terengganu. With a capacity to produce over 2.7 million m² of pavers to cater to a diversified customer base, the division has developed itself as an industry leader in the market through product innovation and enhancement.

VCP

Sunway is one of the largest VCP manufacturers in Malaysia, claiming over 20 years of experience in the industry. The division's main products are fully glazed VCPs and jacking pipes, which are predominantly used to cater to the country's sewerage needs. VCPs are extremely durable pipes and are not prone to cracking or flaking even when subjected to extreme climates and conditions. Sunway's VCP business is ISO14001:2004 certified on Environmental Management Systems, the first in the industry to obtain the certification in 2014, recognising its efforts in responsible business practices in waste management and in the consumption of energy and materials.

SPUN PILE

The Group's Spun Pile business in Zhuhai, China operates at a production capacity of 200,000 meters of spun piles per annum. The division is capable of producing large diameter pre-stressed high strength concrete (PHC) spun piles of up to 1.2 meters with lengths of up to 56 meters, suitable for major infrastructure and construction projects such as wharfs and bridges. The capability and capacity of the plant has made it one of the largest and most advanced in the region.

KEY MILESTONES

MARKET EXPANSION

The vibrancy of the local construction sector spurred further growth in Sunway's Pavers business. The Pavers division now commands a market share of more than 70%, owing to more specification works on projects from the government, local council and local housing developers. Wider market acceptance towards paving products has also contributed to a higher conversion rate from premix roads to interlocking concrete pavers. For the coming year, the division has already secured close to 950,000 m² in orders from major developers for delivery in 2016.

To support geographic diversification and to cater to the requirements in the East Coast Economic Region, the Pavers division began commercial production at its new plant in Marang, Terengganu, during the year. The division aims to leverage on opportunities arising from government investments in the East Coast Economic Region, and benefit from its close proximity to the Kuantan Port, a strategic gateway to the ASEAN region and Asia Pacific markets.

The VCP business also marked a new milestone in 2015, overtaking its closest competitor by garnering close to 50% of the domestic market share. Overall performance improved due to increased production efficiency and increased sales in export markets such as Singapore, Brunei, Hong Kong and Sri Lanka.

Similarly, in South China, the Spun Pile business has grown to dominate close to 70% of the market share during the year despite stiff competition in the shrinking market. The business will focus internally on efficient resource management and cost containment as well as increase technical training of workers to further improve production efficiency.

DRIVING INNOVATION

Sunway's Building Materials division continuously undertakes various research and development ("R&D") initiatives in its vision to become a market leader in the building materials business.

Under the Pavers business, the division offers a wide range of unique proprietary products such as Cobblepave, Cobbletiles, Geopave, Neupave, Prime Pavers, the R Series and the Z Series Reflective Paver. Geopave remains a popular choice amongst customers due to its multiple interlocking spaces that provide good interlocking properties while the R series - Reflective Pavers cater to heavy duty paving with high colour quality for clear road markings and area delineation.

In 2015, Cobblepave, a rustic square shaped concrete with a granolithic finish to mimic Victorian-era cobble paths was introduced to the market. The 100mm by 100mm dimension pavers come in a selection of colours, allowing different combinations for interesting design aesthetics that are suitable for residential and commercial driveways, boulevards and garden landscapes. The Cobblepave is durable, needs minimal maintenance and can be laid in inaccessible areas with slopes or gradients as it can be paved without the use of heavy equipment.

SUNWAY'S VCP FACTORY IN KLANG



FUTURE PLANS

With several secured contracts in the pipeline, Sunway's Building Materials division remains confident on the prospects for 2016. The division will continue to focus on the conversion market, particularly on concrete imprints and bitumen pavements as well as open up new markets. Further, the successful commencement of the new plant in Marang, Terengganu will steer the division towards eco-friendly production of the Fibre Reinforced Eco-Friendly Interlocking Concrete Pavers, which are Green Label and ISO9001:2008 / ISO14001 accredited.

In continuing to distinguish itself from the market, Sunway's Building Materials division plans to introduce the new Wood Based Series Eurotiles in 2016. The new premium Eurotiles will mimic design aesthetics of real wood planks but will not rot, splinter or peel over time like typical wood products. With features like these, the Wood Based Series Eurotiles will be suitable for pool decks, boulevards, garden landscapes and patios. The division hopes to introduce the highly innovative product to the market by mid-2016.

Meanwhile, the VCP business has plans to set up a new shuttle kiln which will be successfully commissioned and operational by mid-2016 to meet the vacuum in demand from the closure of a major competitor's plant in 2015. With this new plant, the division hopes to ramp up future production and strategically position itself to capture significant market share and further drive revenue growth. The new plant will also serve to improve drying and firing yields through developments in the clay preparation, extrusion and setting processes.

Sunway's Spun Pile division will also embark on an exciting plan to expand into Malaysia with its first plant in Batang Kali. The new plant, located adjacent to the division's existing production plant for its pavers, will have a capacity of 800,000 meters per annum, producing piles of up to 600mm in diameter. The expansion will mark the division's foray into the local spun pile market.

HEALTHCARE

SUNWAY MEDICAL CENTRE IN SUNWAY RESORT CITY


**NUMBER OF SPECIALIST
CONSULTATION SUITES:**

130

NUMBER OF OPERATING THEATRES:

12

NUMBER OF BEDS:

365

INTRODUCTION

Sunway Medical Centre ("Sunway Medical") is the Group's flagship hospital for the Healthcare division. Located in Sunway Resort City, the hospital serves as one of the leading private tertiary hospitals in Malaysia. Underscoring this is the accreditation awarded by the Australian Council on Healthcare Standards ("ACHS") in March 2014, making Sunway Medical the first hospital in South East Asia to receive the international recognition. Sunway Medical is also the first medical institution in Malaysia to receive the Westgard Sigma Verification of Performance from the United States of America, a benchmark for quality driven laboratory methods.

Sunway Medical has grown considerably over the years to become a provider of specialised and high quality medical care with 365 hospital beds, 130 consultation suites, 12 operating theatres and a multi-storey car park with 750 parking bays. There are approximately 215 Consultant Specialists, more than 600 qualified nurses and 200 health professionals serving to raise overall healthcare standards and patient satisfaction in the hospital. All practicing doctors are of consultant specialist level and possess international recognised postgraduate qualifications as well as a stipulated number of years' experience in their chosen specialty or sub-specialty discipline.

At Sunway Medical, patients are offered a comprehensive range of medical services, which include facilities and medical technologies for outpatient and in-patient specialty care, health & wellness programme and 24-hour emergency services. 31 dedicated Intensive Care Unit (ICU), Critical Care Unit and Neonatal Care Unit (NICU) beds or cots serve to deliver critical care. In the Accident and Emergency unit, first response and primary care services are managed by a team of qualified medical doctors.

In striving to provide integrated and patient-centric care, multiple Centres of Excellence ("CoE") were introduced and developed. Sunway Medical's CoEs cover a diverse area of medical specialties with a total of 22 CoEs to date, and more in the pipeline as the needs of the growing population become increasingly sophisticated.

FERTILITY CENTRE, A NEW CENTRE OF EXCELLENCE



KEY MILESTONES

EXCEEDING EXPECTATIONS

Sunway Medical had grown and performed exceedingly well in 2015, building on its strong performance from the previous year. The strong performance was driven by higher patient volume and improved operational efficiency. The number of patients served increased to more than 418,000 during the year, indicating the increasing acceptance of Sunway Medical as a healthcare provider of choice.

To provide the best possible care to address a diverse range of patient needs, Sunway recruited over 30 new consultants from various disciplines in 2015, strengthening the scope of medical services offered at Sunway Medical. All the new consultants join with extensive experience from local and overseas tertiary healthcare institutions, some with sub-specialties in niche areas such as hand and microsurgery, paediatric, orthopaedic, paediatric gastroenterology, foot and ankle surgery, amongst others.

Across the borders, Sunway Medical has been expanding its international patient base to serve a wider market. As part of its strategy to build up regional presence, Sunway Medical, under the auspices of Malaysian Healthcare Travel Council (MHTC), worked together with Citibank Indonesia and Ikatan Dokter Malaysia to promote health tourism. In 2015, the hospital opened six new representative offices bringing the total to seven representative offices in Indonesia in the provinces of Bandung, Padang, Surabaya, Palembang, Semarang and Jakarta, with the most recent one in Balikpapan. Strong demand witnessed for healthcare services will spur further promotion in China and Japan, and penetration of new markets such as Myanmar, Vietnam, Bangladesh and Middle Eastern countries such as Iran and Saudi Arabia. At present, Sunway Medical serves patients from over 142 countries, recording a growth in revenue from international patients of 30% year on year.

NEW CENTRES OF EXCELLENCE

Sunway Medical's Fertility Centre opened its doors in March 2015, with the aim of assisting couples who are struggling to conceive. The new CoE brings together a team of experienced fertility experts; including consultant fertility specialists, embryologists and trained nurses to provide quality fertility care and medical treatment. Following assessments on fertility issues and conventional treatment modalities, advanced methods known as Assisted Reproductive Techniques are recommended. Several options such as Semen Analysis, Sperm Freezing/Banking, Surgical Sperm Retrieval, In Vitro Fertilization (IVF) and Intra Cytoplasmic Sperm Injection (ICSI) are available. The addition has already seen growth in number of patients both domestically and internationally, a promising start in the aspiration to be a regional hub for advanced fertility treatment.

In response to mental and psychosocial health becoming an issue of concern for individuals and communities alike, Sunway Medical established the Behavioural Health Centre. The Centre advocates a holistic approach to providing care and assistance for people dealing with mental distress and mental health issues. Services include mental health screenings and psychological assessments, counseling and psychotherapies, management of severe mental illness and behavioural and lifestyle interventions for chronic illness, all supported by a dedicated team of psychiatrists and clinical psychologists. With the addition, the Healthcare division now offers a comprehensive range of medical and surgical disciplines with 22 CoEs.

SUNWAY MEDICAL INVESTS IN NEW HOSPITAL INFORMATION SYSTEM (ARCUS) SOFTWARE



MEDICAL COLLABORATIONS

Sunway Medical stepped up its pledge towards promoting medical research and development during the year. As a current base for clinical attachment and training for undergraduate medical, pharmacy, nursing and allied health students, fifth year Bachelor of Medicine and Bachelor of Surgery (MBBS) students of the Jeffrey Cheah School of Medicine & Health Sciences are attached to Sunway Medical Centre as pre-interns with accredited consultants for six-week clinical rotations. The aforesaid medical consultants are accredited teaching staff of Monash University Malaysia and have access to the university's extensive research and learning facilities for their research. This collaboration is expected to bring a new dimension to clinical practice in Sunway Medical, bringing it a step closer towards recognition as a Teaching Hospital.

Following the prior success of its three General Practitioners (GP) Symposiums, Sunway Medical organised its fourth full day symposium themed 'Musculoskeletal Updates' in 2015. More than 300 GPs from all over the country attended the symposium to listen to the latest developments and to network with the best in the local medical fraternity. 17 speakers, consisting of experienced consultants from subspecialties in Arthroplasty, Hand & Microsurgery, Paediatric Orthopaedic, Foot & Ankle and Spine were on hand to speak on their respective orthopaedic subspecialties. Sunway Medical also played host to the 1st Malaysian Telemedicine Conference, themed Policy, Innovation and Research. The conference provided a platform to discuss and address key issues facing the implementation of telemedicine in Malaysia.

INVESTING IN INFORMATION TECHNOLOGY

With healthcare information technology expected to drive change in the healthcare industry, Sunway Medical embarked on a five-year digital transformation project to develop, implement and support a new Hospital Information System (Arcus) software. The project will see the hospital moving towards a seamless electronic health-record system, which integrate and update, amongst others, the hospital's Enterprise Resource Planning (ERP) system, Goods and Services Tax (GST) and Picture Archiving and Communication System (PACS) for efficient radiological film management. The programme follows on the heels of the hospital expansion plans with full digitisation and centralisation of its administration and records.

ARTIST'S IMPRESSION OF SUNWAY VELOCITY MEDICAL CENTRE



FUTURE PLANS

The hospital is committed to maintaining its certification from the ACHS, by advancing its patient centric approach of medical professionals and staff and in the policies, processes and systems, in preparation for the interim survey in 2016. Sunway Medical will continuously recruit more consultants from various disciplines to serve the needs of patients. In addition, the division is dedicated to optimising the expertise of its Consultant Specialists through the utilization of medical technology and equipment invested in its digital transformation programme.

Sunway Medical will continue its expansion plan in building a Centre for Advanced Medicine. Construction of the 10-storey building is underway, adjacent to Sunway Medical Centre and will provide comprehensive cancer diagnostic and treatment services and facilities. The building will house the new Cancer & Radiosurgery Centre, Nuclear Medicine Centre, as well as the expansion of the dialysis unit, the Digestive Health Centre, a floor dedicated for consultation suites and five levels of in-patient wards. The new car park block consisting of 900 car parking bays will be ready by the end of 2016 as the new block is scheduled to be open to the public in phases. With the addition of the new block, Sunway Medical will eventually have a total of 600 beds, 180 medical consultation suites and 1,600 parking bays.

The two other planned hospitals are in Sunway Velocity, KL South and Sunway Carnival Mall, Seberang Jaya. Both are on track and will have 240 beds and 180 beds respectively. Sunway Velocity is another major integrated development by the Sunway Group incorporating commercial, retail and residential components.

As Sunway Medical strives to serve its community, the Healthcare division intends to improve the quality of life of its healthcare staff and professionals. Sunway Medical will commence on the construction of three blocks of five-storey residential apartments for its healthcare staff and professionals, comprising 410 single rooms and suites with bathrooms, and 190 twin sharing beds with shared bathrooms, and have a total of 189 parking bays. Each residential unit will be fully furnished, wi-fi enabled and connected to the Sunway Bus Rapid Transit (BRT) via a pedestrian bridge across the Lebuhraya Damansara Puchong. Construction of the residential apartments is expected to be completed in 2017.

CORPORATE
RESPONSIBILITYINSPIRING
ALL
TO TAKE
FLIGHT

Braving the harsh environment to raise its young, the pelican selflessly nurtures its offspring with care and devotion. Much like the principles of the Group in providing a better future for communities, Sunway aspires to play an active role in cultivating communities through social contributions and corporate social responsibility initiatives.

111
ECONOMIC

111
ENVIRONMENTAL

112
SOCIAL



CORPORATE RESPONSIBILITY

** Full disclosure of Sunway's sustainability initiatives can be found in Sunway's Sustainability Report 2015*

Sunway's approach to sustainability is underscored by its core values and is supported by policies and procedures at a group and subsidiary level.

Sunway is committed to operating transparently and responsibly. In 2013, the Group devised a sustainability framework, which formalises its approach. Sunway continues to protect its surroundings for future generations and strives to continuously improve its future performance.

Being 'A Part of You', Sunway recognises that its impact is governed by the relationships it creates, nurtures and develops. Building understanding, trust and respect takes time, honesty, transparency and perseverance.

SUNWAY'S SUSTAINABILITY FRAMEWORK

Sunway's Vision

To be the leading regional property-construction group.



Sunway's Sustainability Mission

To deliver sustainable value creation for our stakeholders and to the communities around us.



Our Approach

Build resilient businesses that lead in their respective markets through focus on our customers, innovation and operational excellence.

Commitment to responsible business practices, especially in employee welfare and development.

Being environmentally sensitive and proactively manage our footprint.

Partnership with the communities around us and making positive impacts.



Governance & Oversight
- Policies & processes
- Governance structures
- Monitoring & reporting
- Tracking of benefits



Sunway's Sustainability Core Focus Areas

Responsible Business Practices

- Business ethics & code of conduct
- Sustainable supply chains
- Health & Safety
- Employee engagement & development

Product & Service Innovation

- Product and service improvement
- Green products
- Innovative business solutions

Process & Resource Efficiency

- Process improvement
- Materials & resource management

Green Initiatives

- Energy and water conservation
- Recycling and waste/effluent management
- Environmental protection & climate change

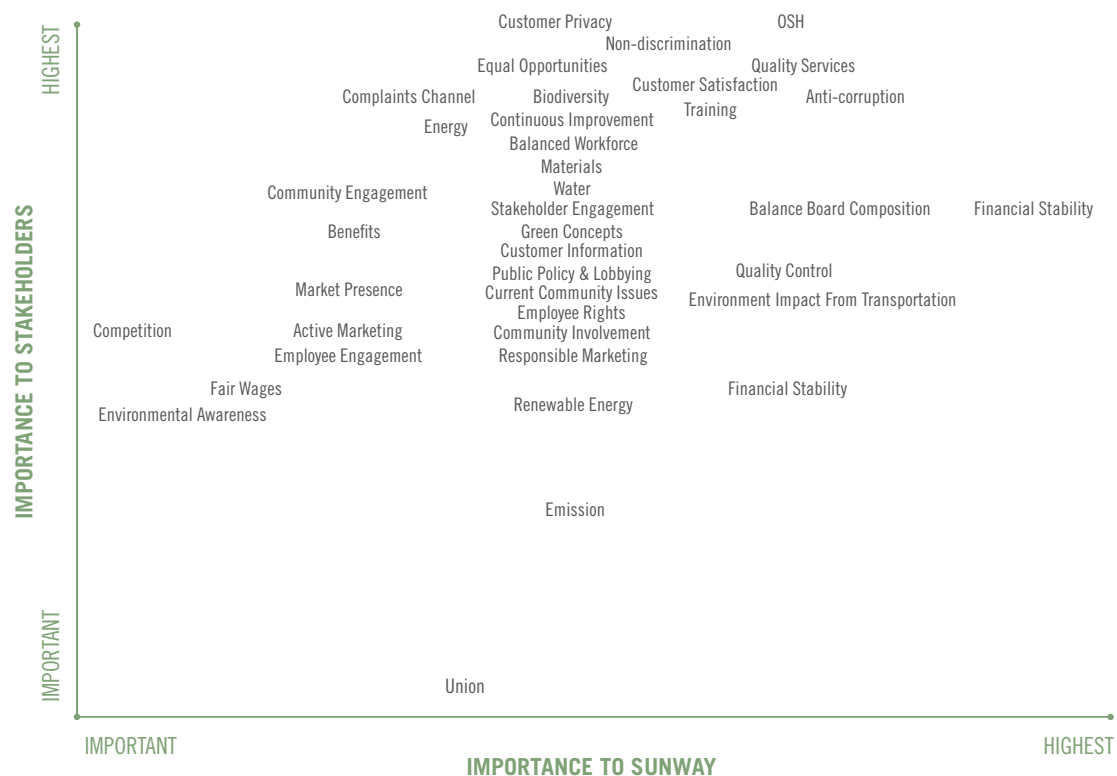
Giving Back To Communities

- Education
- Medical services
- Community development
- Philanthropic initiatives

MATERIALITY MATTERS

In 2015, Sunway conducted a comprehensive materiality assessment. This stakeholder engagement exercise examined the relative importance of specific economic, environmental and social issues. The findings were very useful for prioritising the most relevant topics for sustainability reporting and communication. During this process, feedback was sought from representatives of all major stakeholder groups.

Stakeholder representatives were asked to rate the importance they placed on 39 areas of sustainability. The results of this assessment are presented in the following materiality matrix.



ECONOMIC

Sunway's economic reporting concentrates on how it affects the economic conditions of stakeholders. Although its own economic performance is very important, the Group is also concerned with its contribution to the sustainability of the local, national and regional economies.

NATION BUILDING THROUGH HUMAN CAPITAL DEVELOPMENT

It is the Group's social duty to prioritise local employees whenever possible. Sunway's local employment strategy has been introduced to prioritise local employment. In 2015, the Group continued to participate in various career fairs including Malaysia's 100 Leading Graduate Employers and Sunway University career fairs. The Group also took part in several other career fairs organised by local universities and colleges. It actively takes part in career talks organised by local and international institutions. Internship applications are considered from students returning for their summer holidays.

Sunway signed a Memorandum of Understanding (MoU) with the Ministry of Youth and Sports. This MoU supports the nation's agenda to accelerate human capital development. This socio-economic public-private partnership is also in line with the Institut Kemahiran Belia Negara (IKBN) Transformation programme to increase the employability of students. The Group anticipates a minimum of 90 IKBN students joining Sunway from 2016. Candidates will be chosen on merit to undergo internships in Sunway Group. During the three-month internship, students will learn engineering, electrical skills and hospitality. They will also acquire soft skills to prepare themselves for real world challenges.

ENVIRONMENTAL

Sunway's business management considers long-term environmental sustainability. This culture of environmental stewardship includes operating facilities and equipment in compliance with governmental standards while protecting employees and the surrounding local communities.

GREEN BUILDINGS FOR BETTER LIFESTYLES

The Pinnacle Sunway is the first Sunway Resort City (SRC) building to be certified by Multimedia Super Corridor (MSC). The Grade A office building features state-of-the-art facilities. It has also been accredited with Green Building Index (GBI) and Singapore's Building & Construction Authority (BCA) Green Mark Gold certifications to meet the needs of multinational companies and large corporations.

Designed to be energy and water efficient, it is equipped with modern features such as high-performance glazing, an improved chiller plant system design, LED lights and rainwater harvesting for irrigation and sanitary purposes. The building also uses low VOC paint, adhesives and sealants. Preferred parking spaces are allocated for hybrid cars and car poolers.

Building materials are sourced locally. Trees on the site were transplanted to nearby developments before construction began.

MALAYSIA'S FIRST GREEN TOWNSHIP TO BE AWARDED GBI

SRC is a certified sustainable township. As defined by GBI, sustainable townships are liveable places that meet the diverse current and future needs of the community. These townships are well-planned and designed. They are safe, secure and enhance the surrounding environment. On 29 June 2012, upon being awarded the prestigious Silver Rating by Malaysia GBI, SRC became Malaysia's First Green Township.

CORPORATE RESPONSIBILITY

GBI EVALUATION CRITERIA FOR SRC



RECYCLING

In 2003, Sunway introduced a staff recycling programme. Since then, the Group has established recycling collection centres and materials are recycled each month. In Menara Sunway, approximately 300,000kg of waste is recycled annually.

Recycling bins can be found throughout Sunway malls, Sunway Medical Centre and Sunway educational institutions. The recycling bins come in sets of three for paper, plastic and aluminium. Sunway Pyramid Shopping Mall tenants produce between 800 and 1,000kg each day. All collected waste materials are sent to recycling centres.

Tuesdays and Saturdays are 'no plastic bag' days under Sunway Pyramid's Bring Your Own Bag (BYOG) programme. This initiative encourages shoppers to go green.

STYROFOAM-FREE INITIATIVE

Sunway launched a styrofoam-free initiative in Sunway-owned cafeterias within SRC in 2014. This initiative encourages people to bring their own containers for takeaway meals. Styrofoam is harmful to the environment as it is non-biodegradable and non-recyclable.

Sunway Medical Centre, Sunway University and Monash University Malaysia have been styrofoam-free since 2009 to minimise related negative health and environmental impacts.

In 2014, cafeterias at Menara Sunway, Sunway Lagoon Club and Sunway Lagoon joined this initiative to educate staff, tenants and visitors on the impact of using styrofoam food containers.

SOCIAL: LABOUR PRACTICES AND DECENT WORK

Diversity and inclusion are important aspects of Sunway's responsible workplace practices. A diverse workforce is better equipped to understand, relate and respond to the customers and communities at Sunway's multiple locations and regions.

- i) **Talent** - Building a diverse talent pool in an inclusive workplace environment.
- ii) **Workplace** - Nurturing an inclusive workplace environment and culture to retain and develop the Group's talent and maximise employees' potential.
- iii) **Community** - Building communities and enriching lives through corporate responsibility focusing on education, healthcare and C.A.R.E. projects - an acronym for Community Aid, Reach-out and Enrichment.

EMPLOYEE ENGAGEMENT

Employee engagement is defined as a heightened emotional connection with Sunway resulting in employees' willingness to extend 'discretionary effort' in their work. It is an extremely important measure, which drives positive organisational outcomes such as higher productivity, lower attrition and lower absenteeism.

In March 2015, Sunway partnered with Aon Hewitt in an initiative to gather feedback from employees. The study was designed to capture employees' opinions and reactions. Overall, 6,401 employees responded to the survey.

KELAB SOSIAL SUNWAY (KSS)

Sports and social activities help forge closer relationships and togetherness with all employees. KSS supports the Group's Corporate Social Responsibility (CSR) agenda and independent activities. KSS is joined by Sunway employees from across Peninsular Malaysia including the Central Region, Ipoh, Penang and Johor Bahru.

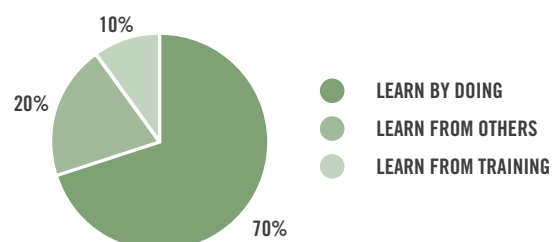
KSS OBJECTIVES

- i) Support the Group's CSR activities
- ii) Strengthen relations of Sunway business units
- iii) Foster family ties and create a sense of camaraderie in Sunway employees

KSS also provides avenues for employees to pursue other interests by organising many sporting and social programmes. These informal social gatherings create a sense of family-like togetherness throughout the Group.

TRAINING AND DEVELOPMENT

Employees are the Group's greatest resource and their commitment has driven it to become what it is today. Career development at Sunway begins with ensuring that employees feel connected to the Group's shared purpose and values. They must understand the role they play in helping Sunway to succeed. Sunway adopts a three-pronged approach to employees' training and development based on the following learning principles:



Some of the signature programmes designed to nurture the Group's talents are summarised in the table below.

SUNWAY SIGNATURE PROGRAMMES DESIGNED TO NURTURE EMPLOYEES' TALENTS	
Sunway Corporate Orientation Programme for Employees (SCOPE)	This half-day programme acquaints new employees with Sunway and helps them understand what they should expect from the organisation. The programme provides insight into the organisation's past, present and future direction. The EXCO members and senior management from various industries are introduced along with the Group's Vision and Mission and Core Values.
Managing for Excellence (MFE)	This programme familiarises employees with Sunway's performance management system and the key stages of its cycle. Participants learn how to set their own key result areas and key performance indicators. They are also introduced to the Sunway Leadership Criteria and its relevance to MFE. Participants practise practical performance planning and reviews to make learning more effective.
Coaching for Excellence (CFE)	This two-day programme introduces Sunway's coaching process including the necessary skills required. Participants learn the different coachee personalities that help facilitate the coaching sessions. All participants engage in role play to put learning into practice.
BUILD 1 Programme	This four-day three-night residential leadership programme was held in January 2014. BUILD 1 introduces the role of a Sunway manager. It covers how to drive performance of others as well as planning and executing in line with the organisation's objectives. New managers learn how to motivate others through effective communication for better workforce engagement. The programme improves employee development and performance through leadership-related modules, case studies and team activities.

CELEBRATING WOMEN IN THE WORKFORCE

Sunway promotes women empowerment and appreciates its female employees by providing a wide range of privileges to help them balance their work-life responsibilities. Benefits extended to female employees are summarised below.

BENEFITS PROVIDED TO FEMALE EMPLOYEES	
Flexible Working Arrangements	<ul style="list-style-type: none"> • Flexible working arrangements have been introduced to all working mothers • Option to clock in at set times between 8am and 10am • Still able to complete their core working hours while juggling family commitments • Working from home and part time on a case-by-case basis
Designated Car Parking Bays for Pregnant Women	<ul style="list-style-type: none"> • Designated car parking bays were introduced in Menara Sunway in 2013
Extended Maternity Leave	<ul style="list-style-type: none"> • 90 days: Additional 30 working days to the statutory 60 days • Sunway is the first private, local conglomerate in Malaysia to offer this benefit
Mother's Room	<ul style="list-style-type: none"> • Mother's room established in Menara Sunway in 2013 • Fully equipped with comfortable chairs, a refrigerator, sinks, electrical outlets and cleaning supplies • Replicated in Sunway Pyramid, Sunway Resort Hotel & Spa, Sunway University and Sunway Medical Centre in 2013
Childcare Centre and Subsidy	<ul style="list-style-type: none"> • R.E.A.L Kids preschool centre was established to help working mothers • Resulted from alliance forged between R.E.A.L and Sunway Century Sdn Bhd • Conveniently located in SRC, the centre is accessible for working mums • Sunway has offered academic fee discounts to employees since the academic programme commenced in January 2014 • Partial subsidisation of tuition fees at R.E.A.L Kids Sunway from July 2015
Networking Events	<ul style="list-style-type: none"> • Four-day Mother's Day Charity Sale, in collaboration with Generating Opportunities for the Learning Disabled (GOLD) Centre, raised over RM8,000 for the children of the GOLD Centre • First Networking Event for Women held in 2013 • Senior Women Leaders Network Event held in 2014 • Both events included a knowledge sharing session and round table discussion, focusing on how Sunway can support career progression for women more effectively

CORPORATE RESPONSIBILITY

COMPETITIVE BENEFITS

Sunway offers a total reward package that helps it attract, retain and motivate the very best people in the industry. It offers a highly motivating environment in which to work and develop. Employee performance is rewarded, particularly if they demonstrate a commitment to servicing clients effectively.

The Group offers a competitive base salary, with performance-based rewards that are driven by the scope of each role, responsibilities and individual performance.

Specific benefits vary according to business units. However, all receive a comprehensive benefits package that is competitive and relevant to their particular markets.

A DIVERSE SUNWAY

Sunway's corporate diversity strategy builds an inclusive culture that empowers every employee to succeed. The strategy's initial focus is improving gender diversity. The Group is committed to developing all employees' talents and increasing the number of women in leadership positions. The percentage of women in management and top management has only fluctuated slightly over the past three years.

WOMEN IN MANAGEMENT	2013	2014	2015
% Women in management*	35%	34%	36%
% Women in top management**	24%	22%	20%

* The number of female managers over the total number of managers.

** The number of female top managers over the total number of managers.

Sunway's diversity and inclusion policy aims to create a culture that respects and values one another's differences.

WORKFORCE BREAKDOWN BY GENDER

	2013	2014	2015
MALE	5,385	5,242	5,097
FEMALE	3,068	3,236	3,191

WORKFORCE BREAKDOWN BY AGE GROUP

	2013	2014	2015
<30	3,576	3,520	3,152
30-50	4,078	4,118	4,201
>50	799	840	935

RECOGNISING ACHIEVEMENTS

Sunway is proud of its accomplishments and recognises that they are due to the hard work and dedication of its employees. Recognising employee excellence is an essential part of Sunway's culture.

Sunway's long service awards recognise the value of loyal and dedicated long-serving employees. Awards are given to employees reaching 10, 20 or 30 years of service.

Recipients of Long Service Awards in 2015

YEARS OF CONTINUOUS SERVICE	NO. OF RECIPIENTS	AWARD VALUE (RM)
10	53	1,000
20	80	10,000
30	1	20,000

OCCUPATIONAL SAFETY AND HEALTH (OSH)

Sunway is a leading property and construction group in Malaysia. Inevitably, the nature of business operations creates risks and hazards for workers and the public. Air and water pollution, noise, hazardous materials and solid wastes are common by-products of the construction process. Sunway protects the safety and health aspects of all parties. It is also subject to relevant laws and regulations in Malaysia on occupational safety, health and environmental protection.

As a responsible company, Sunway protects public safety by implementing prudent safety measures. The Group places great emphasis on continuous system improvement through a structured safety, health and environmental management system. Sunway subsidiaries have been certified by SIRIM QAS International Sdn Bhd and IQ Net for OHSAS 18001 and ISO 14001.

SUNWAY SAFETY MERIT SYSTEM



SOCIAL: SOCIETY

For over four decades, CSR continues to augment Sunway Group's business model, operating strategies and corporate culture. Sunway aligns its CSR efforts with its business interests and embeds the core values of integrity, humility and excellence into its daily working life. Through this approach, the Group aims to create a positive and far-reaching impact on the nation and mankind.

Sunway's CSR is categorised into three main pillars of Education, Healthcare and C.A.R.E Projects.

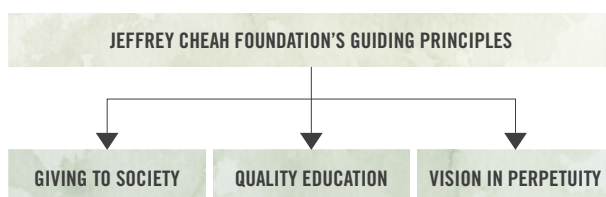
EDUCATION

THE BIRTH OF THE JEFFREY CHEAH FOUNDATION

In March 2010, the Sunway Education Trust Fund was converted to the Jeffrey Cheah Foundation (JCF). The ownership and equity rights of Sunway Education Group's 12 learning institutions were transferred to JCF, making it the largest education-focused social enterprise in Malaysia. Valued at more than RM720 million (now in excess of RM1 billion), JCF crystallises Tan Sri Dr. Jeffrey Cheah's vision and aspirations into a timeless commitment to benefit future generations.

JCF is founded on the fundamental premise of giving to society, a philosophy that has governed the Sunway Education Trust Fund since its inception in 1997. Through the Foundation, operating surpluses are ploughed back into the institutions or disbursed as scholarships and research grants and expansion of facilities and faculty towards ensuring that sustainability, quality and education is prioritised.

As of 2015, JCF has disbursed in excess of RM210.0 million in scholarships to thousands of deserving students in various fields of study. The JCF Community Scholarship is also awarded to deserving youths. Established in 2002, this scholarship supports them in taking the pivotal step to transform their lives for the better.



HEARTS OF GOLD PROJECT

Sunway and JCF collaborated with GOLD (Generating Opportunities for the Learning Disabled) with a pledge of RM100,000. This donation funded the development of an ongoing social enterprise business model for the learning disabled. Sunway University's Sunway Institute for Social Entrepreneurship (SISE) has been assisting the Hearts of GOLD project on behalf of the JCF. SISE has developed programmes and business plans that will equip special needs youths with skills that will sustain them through life.

SUNWAY-OXBRIDGE ESSAY COMPETITION

As part of Sunway's English Language Development Programme, Sunway spearheaded the second annual Sunway-Oxbridge Essay Competition. This competition aims to raise education standards in Malaysian schools, particularly in English proficiency. It is endorsed by the Ministry of Education to improve students' English.

Deputy Education Minister Dato' P. Kamalanathan presented total cash prizes worth RM28,000 and RM190,000 in Sunway bursaries to 26 winners of the Essay Competition 2015 at Sunway University.

The competition received more than 2,000 entries from secondary school students across East and West Malaysia.

HEALTHCARE

Healthcare is Sunway's second CSR pillar. The Group believes strongly in the importance of raising healthcare standards in Malaysia. It also encourages healthy living by educating the community through various campaigns, publicity, education and action programmes.

HIGHLIGHTS

Committed to driving SRC to become Malaysia's first 100% smoke-free township by 2018.

Gave more than RM2.5 million to the National Kidney Foundation of Malaysia (NKF) to purchase two customised NKF LifeCheck Mobile Health Screening units and to promote public education initiatives.

Raised more than RM1.0 million to support the Malaysia Liver Foundation's mission to raise awareness of liver-related diseases.

Provided discounts of almost RM2.0 million to patients with financial difficulties.

Provided more than 5,000 people with free public health screening annually via the Sunway Medical Centre health road shows.

Initiated "Let's Take 5", an annual campaign to raise awareness, educate and empower people to take control of diabetes.

CORPORATE RESPONSIBILITY

MALAYSIAN LIVER FOUNDATION CHARITY DINNER

The Malaysian Liver Foundation (MLF) Charity Dinner 2015, themed 'A Tribute to Our Patron', was held at Sunway Resort Hotel & Spa. It raised over RM600,000 for public education, awareness programmes, training of doctors and research into hepatobiliary diseases.

The charity dinner was also attended by more than 1,000 guests including Sunway Group Founder and Chairman Tan Sri Dr. Jeffrey Cheah, AO, who is a Founding Trustee of MLF, and MLF President Tan Sri Dato' Seri Dr. Hj Mohd Ismail Merican.

Funds raised from the charity dinner will help MLF establish international links with similar organisations worldwide. The money will provide patients with the necessary support to cope with diseases of the liver, gallbladder, bile ducts and pancreas.

PUBLIC FORUMS AND SYMPOSIA

Sunway Medical Centre organises regular public forums and symposia by medical specialists and consultants. These forums educate members of the public on various medical-related issues including diagnoses, symptoms, prevention and the cure of illnesses.

Sunway Medical Centre also conducts regular medical symposia. These sessions cover different topics that keep general practitioners (GP) abreast of current medical practices.

In 2015, Sunway Medical Centre held a GP Symposium on 9 August 2015 on 'Musculoskeletal Updates'. This was the largest symposium for GPs in Sunway Medical Centre's history, with over 300 GPs in attendance. Experienced consultants specialising in Arthroplasty, Hand & Microsurgery, Paediatric Orthopaedic, Foot & Ankle surgery and Spine surgery shared their experiences and knowledge in the field of orthopaedic.

HEALTH SCREENING ROADSHOWS

Sunway Medical Centre recognises the importance of medical screening within the community. Doctors and nurses reach out to a host of communities through roadshows at shopping malls and supermarkets. These medical professionals check individuals' body mass index, blood pressure, blood glucose and cholesterol. They also screen for diabetes and other prevalent diseases.

In 2014, the scope of these roadshows was expanded with the collaboration between Nestle Omega Plus and Sunway Medical Centre.

FREE PUBLIC HEALTH SCREENING



C.A.R.E PROJECTS

Sunway places the community at the forefront of its CSR. The Group works to foster a safer, healthier, happier and more caring society for community members and other stakeholders.

Sunway considers the nation's communities when carrying out a broad range of projects under the C.A.R.E. (Community Aid, Reach-out and Enrichment) umbrella. The Group believes every little thing it does will lead to a far-reaching impact and legacy for the nation.

COMMUNITY AID

Sunway makes a conscientious effort to support many of the nation's charitable bodies. It targets those seeking to improve the lives of the underprivileged in particular.

The Group also makes cash or in-kind contributions to various non-profit community-driven bodies. Recent examples include the Peninsular Malaysia Fire and Rescue Services Workers Union, the National Union of Journalists, The Malaysian Association Help for the Poor Terminally Ill and Malaysian Nature Society.

Partnering with NGOs, Sunway intensifies its efforts to achieve social equality. The Group provides cash and in-kind contributions to various NGOs including:

- Cruyff Court Iskandar
- Alzheimer's Disease Foundation
- Pusat Kreatif Kanak-Kanak Tuanku Bainun
- Peninsular Malaysia Fire and Services Workers Union
- The National Union of Journalists
- The Malaysian Association Help for the Poor Terminally Ill
- Sisters of the Infant Jesus Convent
- Malaysian Nature Society

REACH-OUT

Sunway's staff club, Kelab Sosial Sunway (KSS), takes the lead in driving many of the company's socio-economic projects. These programmes include providing flood relief and other humanitarian efforts across Malaysia. The club enriches the lives of the underprivileged and impoverished communities under the Reach-out programme.

Sunway also holds numerous activities and celebrations with other destitute communities throughout the nation.

Sunway Combats Drugs

Sunway has partnered with various bodies to combat illicit drug use including:

- Malaysia Crime Prevention Foundation Selangor Chapter (MCPF)
- The Royal Malaysian Police's Narcotic Crime Investigations Department (NCID),
- The National Anti-Drug Agency (NADA) and
- Pengasih Malaysia.

Various programmes and anti-drug campaigns have been conducted. These initiatives present the dangers of using illicit drugs to young people and students of higher learning institutions. Sunway and its partners have hopefully started a process that will eradicate drug use. The MCPF initiated an anti-drug campaign themed "It is easier to stay off than to get off". This campaign raises awareness of illegal drugs and prevents its use by students and staff in Sunway University and Monash University Malaysia.

Flood Relief Efforts

Extreme weather brought devastation and despair at the end of 2014. Severe monsoon floods hit the five northern states of Kelantan, Terengganu, Perak, Pahang and Perlis. People lost their personal belongings and suffered damage to their properties. Sunwayians showed solidarity by providing immediate aid to these flood victims. The relief efforts were held from 27 December 2014 to 16 January 2015.

Sunway donated more than RM280,000 and 40 tonnes of water. Food, medicine, supplies, daily necessities and school bags were also distributed. 300 Sunway volunteers from nine business divisions across Peninsular Malaysia took part in this flood relief effort. Volunteers devoted 4,500 man hours to this humanitarian cause.

KSS' charity drive also gave money and in-kind donations worth RM12,624. Water, biscuits, canned food and other goods were packed into boxes and passed to the Subang Royal Malaysian Air Force (RMAF). The RMAF distributed these essentials to the people of Kota Bharu and Gong Kedak in Kelantan; and Temerloh in Pahang.

Sunway also collaborated with SJ Echo and Subang Jaya Bomba Emergency Assistance Community's 'Back to School Post-flood Aid' initiative. Staff donations amounting to RM8,800 were used to purchase 400 school bags. Children from SRK Sanggang Seberang, SRK Kuala Krau, SJK (C) Kuala Krau, SJK (C) Kerdau and SJK (T) Ladang Bee Yong in Pahang benefited from these donations.

Sunway Education Group also donated RM50,000 to the Ministry of Education to help hundreds of thousands of victims displaced by floods. Four homes each received groceries worth RM 1,000.

Light of Hope Programme

Sunway's 'Light of Hope' programme improves the lives of the less fortunate. Sunway hosted several activities and celebrated with individuals from Malaysia's underprivileged homes, schools and orphanages. This programme is run through KSS, which takes the lead in driving many worthy causes.

Employees are actively involved in Light of Hope during major festive occasions. These are times when the less fortunate and poorer communities are often forgotten. Many employees generously gave clothing, food items and other daily necessities to orphans and the elderly.

Sunway has hosted 80,000 underprivileged children, single parents and elderly individuals to date. These individuals have enjoyed memorable times at Sunway Lagoon and Sunway Lost World of Tambun theme parks, Sunway hotels and Sunway shopping malls. They also received practical gifts and goods.

"Hope is being able to see that there is light despite all of the darkness."

**Desmond Mpilo Tutu,
South African social rights activist**

STOP HUNGER NOW



Stop Hunger Now

Sunway responded to a request for help from the Stop Hunger Now organisation based in the United States. This programme coincided with the Group's 'Light of Hope' initiative. It is one of Sunway's greatest volunteer endeavours to help the underprivileged communities.

Sunway employees helped pack and distribute meal packages to the underprivileged communities to combat hunger. Volunteers reached out to these communities by providing highly nutritious dehydrated meal packs. Each meal contained rice, soy, vegetables, flavouring and 21 essential vitamins and minerals. Each package could reasonably serve six, each of which costs approximately RM1.00 to produce.

The reach-out sessions were held across the Central and Northern regions between 20 and 27 August 2015. This year, 450 Sunway volunteers and students packed a total of 120,000 meals in Ipoh, Penang and Kuala Lumpur.

Sunway has helped more than 1,000 individuals who are predominantly children from poor families. This is one of Sunway's largest volunteer efforts which encourages employees to reach out to the community.

"This initiative this year is in line with Sunway Group's core values of Integrity, Humility and Excellence, and it is one of our biggest volunteer efforts involving almost 450 employees from the central, southern and northern regions."

*~ Tan Sri Datuk Seri Razman M. Hashim,
Deputy Executive Chairman, Sunway Berhad*

CORPORATE RESPONSIBILITY

ENRICHMENT

Special care is extended to ensure the comfort and security of the local community. In addition to pioneering the Safe City Initiative in 2001, Sunway has also invested more than RM300.0 million to improve SRC's connectivity and accessibility. Sunway built Malaysia's first dedicated and elevated Bus Rapid Transit system (BRT) - Sunway Line, widened the roads and upgraded infrastructure in Bandar Sunway, Subang Jaya and USJ. Care is also taken to build an environmentally-friendly and sustainable green environment for these communities.

Safe City Initiative

The safety of residents and visitors to Sunway's premises has always been of the utmost importance. Sunway is proud of its role in eradicating crime through partnerships with various organisations. Sunway has donated RM100,000 to the Malaysia Crime Prevention Foundation (MCPF), Selangor Chapter. SRC has since been awarded 'safe' city status, the first in Selangor.

Initially, several key investments were made. RM1.0 million was invested in building Sunway Pondok Polis to improve local safety and security. This police station was upgraded to Class C station level with 100 police personnel being deployed.

Sunway Group also sponsored two police vans at a cost of RM280,000. These mobile police stations complement existing security efforts in the town. Sunway will invest an additional RM3.0 million to construct a new police station in the future. This will improve working conditions for the police force.

Sunway has also constructed the first Tourist Police Service Centre in Sunway Pyramid. The centre will provide tourists with quick safety advice and solutions. Sunway Pyramid was also the first shopping mall in Malaysia to install panic buttons to combat crime.

Sunway conducts 24-hour joint patrols with Royal Malaysian Police personnel in SRC, which has some 3,000 CCTV cameras in its surveillance systems.

Currently, the Sunway security force boasts 1,000 personnel: 500 of whom are auxiliary police who have completed intensive training at the Malaysian Police Training Centre. Sunway has one of the largest contingents of auxiliary police in the country.

LAUNCH OF BRT - SUNWAY LINE



Malaysia's First Dedicated and Elevated BRT-Sunway Line

The BRT-Sunway Line is Malaysia's first dedicated and elevated electric BRT system. It is also the first public-private partnership (PPP) between Prasarana Malaysia Berhad (Prasarana) and Sunway. This public transport project improves connectivity, accessibility and mobility for the communities in Bandar Sunway, Subang Jaya and USJ. Sunway contributed RM123.0 million of the total RM634.0 million invested in the BRT-Sunway Line project.

The BRT-Sunway Line was first launched on 9 June 2012 by the Prime Minister of Malaysia. It was completed three weeks ahead of schedule and opened to the public on 2 June 2015. The BRT-Sunway Line uses eco and disabled-friendly electric buses, which run on a dedicated and elevated 5.4km track. The electric buses link seven stations around SRC with the Malaysian National Railway at Setia Jaya KTM Station and the Kelana Jaya LRT Line Extension Station in USJ 6. Commuters can now travel to the city centre and Kuala Lumpur International Airport with ease. The BRT-Sunway Line now serves more than 500,000 commuters.

Elevated Covered Canopy Walk

Since 2010, Sunway has invested RM20.0 million in constructing a 2.3km elevated covered canopy walk. The canopy walk improves connectivity and promotes walking to SRC communities. It is patrolled by Sunway's security personnel and is fitted with 59 CCTV cameras.

Following the completion of the BRT-Sunway Line in June 2015, a 427m elevated walkway was built to connect Sunway Lagoon Station with Sunway Pyramid. As part of the PPP with Prasarana, another 800m elevated walkway was also built connecting Taylor's University with SunMed Station to benefit communities in PJS7 and Bandar Sunway.

SOCIAL: PRODUCT RESPONSIBILITY

Sunway's products and services directly affect customers. Sunway exercises due care in each stage of its products' designs and considers all aspects of quality and customer satisfaction.

ENSURING QUALITY

Meeting Sunway's quality strategic priorities is a central mission of all employees. Customer satisfaction and environmental performance are such priorities. Improving quality is a daily activity and Sunway has worked tirelessly to improve quality over the past decade.

Sunway benchmarks its quality against international standards. Several of Sunway's subsidiaries have been certified with ISO 9001 and ISO 14001.

ENHANCING CUSTOMERS EXPERIENCE

Sunway Pals Loyalty Programme

Sunway continues to embrace a holistic approach to customer excellence. The Group introduced Sunway Pals Loyalty Programme as it grows and co-invest in its communities. This unique loyalty programme offers rebates and savings for money spent at selected Sunway establishments. Currently, the Group has more than 550 participating retailers in Sunway Pyramid and Sunway Putra Mall.

SUNWAY'S PROMISES ON STAKEHOLDERS' HEALTH AND SAFETY

Sunway considers the safety and health of its customers and other stakeholders in all areas of its business.

The Group has introduced several initiatives to protect its residents and visitors in Bandar Sunway. Periodically, faded road markings are repainted to prevent accidents. Contractors replace signs and remove stickers from them. There have been instances when manhole covers have been stolen which presents a danger to the public. These covers were replaced and welded in place to prevent the problem from reoccurring.

Speed bumps were installed to calm traffic at accident hotspots. Signs at traffic junctions were displayed clearly to protect pedestrians. Sunway is also proactive in informing the authorities when traffic lights are dysfunctional. Group Security deploys auxiliary police to direct traffic to prevent accidents and congestion in the interim.

The Group liaises with the council should there be street lighting issues but this may take several weeks before problems are resolved. The Group repairs where possible if the problems are caused by damaged cables.

Approval was obtained from the local authorities to convert a two-way street into a one-way system to ease traffic congestion. The cost of road widening around Sunway Metro, Jalan Lagoon Timur, at the Kewajipan roundabout, the NPE and Jalan Kewajipan was borne by Sunway.

SUNWAY'S SMOKE-FREE JOURNEY

The Founder and Chairman of Sunway, Tan Sri Dr. Jeffrey Cheah, AO, is a strong advocate of smoke-free workplaces. He has delineated a plan to make Sunway-owned buildings within the 800-acre SRC smoke-free by 2018. He is a firm believer in creating a healthy and smoke-free environment for all stakeholders.

The implementation of the smoke-free township will free an estimated 200,000 residents, including 30,000 students, from the harmful effects of cigarette smoke. The efforts are being implemented in stages.

Sunway was the only corporate citizen invited by the Ministry of Health (MOH) Malaysia to be included as a member of the Asia Pacific Child and Family Health Alliance for Tobacco Control. Sunway was used as a role model for smoke-free initiatives by MOH officials during their study tour at Sunway Medical Centre and Monash University Malaysia.

Examples of ongoing smoke-free initiatives are summarised below.

SMOKE-FREE INITIATIVES	
Sunway Hotels	<ul style="list-style-type: none"> Over 1,000 guestrooms and suites, enclosed public areas and function venues within Sunway Resort Hotel & Spa and Sunway Pyramid Hotel East, have been converted into smoke-free zones. Designated smoking areas are available at selected locations outside the hotel. Sunway's Lost World Hotel in Tambun, Ipoh, part of the Lost World of Tambun theme park in Sunway City Ipoh, was the first hotel in Perak to be smoke-free.
Sunway Pyramid Shopping Mall	<ul style="list-style-type: none"> In 2013, the Malaysian Health Promotion Board (MySihat) recognised and accredited Sunway Pyramid Shopping Mall as Malaysia's first Health Promoting Mall (HPM). HPM is part of MySihat's initiative to position shopping malls as recreational areas that protect the well-being of stakeholders. It encourages them to lead healthier and more active lifestyles through physical activities, healthy food choices and a smoke-free environment. Messages and reminders supported with medical facts are displayed at key locations throughout the mall. They are also posted at staircases and the covered elevated canopy walk which connects Sunway Pyramid Shopping Mall, Sunway University and Monash University Malaysia.
Sunway Medical Centre	<ul style="list-style-type: none"> Sunway Medical Centre conducts regular public health talks for many of its employees. The talks present the dangers of tobacco smoke. In 2014, Sunway Medical Centre introduced a Smoking Cessation Programme supported by Quit Smoking Clinics. Sunway Medical Centre has launched a telephone helpline for smokers wanting to break the habit. Four Sunway Medical Centre pharmacists completed a smoking cessation training with the Ministry of Health.
Partnership with Ministry of Health (MOH) and Malaysian Health Promotion Board (MySihat)	<ul style="list-style-type: none"> Sunway supports the Blue Ribbon Campaign by the World Health Organization. This international campaign was launched in 2013 to raise awareness of the danger of secondhand smoke. Sunway raises awareness of the danger of secondhand smoke and enforces smoke-free policies. Sunway helped develop Malaysia's first user guide for smoke-free workplaces.

GOVERNANCE WITH
INTEGRITY

THE SEAL OF APPROVAL

The true strength of the seal lies in its intelligence and natural instincts, akin to Sunway's belief in using its prowess and instincts to embody good business practices.

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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.

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 vision, 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. He briefs the Board 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 the interests of the 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 58 to 67 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 110 to 119 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.

WHISTLEBLOWING POLICY AND PROCEDURES

The Board is committed in ensuring the businesses and operation of the Group are conducted in an ethical manner. The Whistleblowing Policy and Procedures of the Group encourages all employees and stakeholders of the Group to report any suspected inappropriate behavior or misconduct relating to fraud, corrupt practices and/or abuses involving the Group's resources.

The Policy lists out the mechanism in relation to the reporting of concerns on any suspected wrongdoing, inappropriate behavior or misconduct pertaining to fraud, corrupt practices and/or abuse for management action.

The contact persons for whistleblowing are the Chairman of Audit Committee or Head of Internal Audit Department.

BOARD MEETINGS AND SUPPLY OF INFORMATION

Unless there are urgent matters, the Board normally meets quarterly to review financial, operational and business performances. In addition, the Board meets for 2 days at the beginning of the year to chart the future strategic directions of the Group. 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 secured 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 review and deliberate 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.

CORPORATE GOVERNANCE STATEMENT

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 8 times during the financial year ended 31 December 2015 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	7/8	88
Tan Sri Datuk Seri Razman M Hashim	8/8	100
Dato' Chew Chee Kin	8/8	100
Sarena Cheah Yean Tih, S.M.S.	8/8	100
Wong Chin Mun	8/8	100
Lim Swe Guan	8/8	100
Datuk Seri Yam Kong Choy	8/8	100
Tan Sri Dato' Dr. Lin See Yan	6/6*	100

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

BOARD APPOINTMENT PROCESS

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

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

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, Mr Lim Swe Guan will retire by rotation at the coming Annual General Meeting of the Company. Mr Lim Swe Guan has agreed to be re-elected as Director of the Company.

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, Dato' Chew Chee Kin, Mr Wong Chin Mun and Tan Sri Dato' Dr. Lin See Yan 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 has 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. All the Board Committees are chaired by an independent Director. 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 Mr Wong Chin Mun as Chairman, Mr 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 134 to 137 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 3 wholly Independent Non-Executive Directors. The Chairman of this Committee is Mr Lim Swe Guan. The other members of the Committee are Mr Wong Chin Mun and Datuk Seri Yam Kong Choy.

The main role of the Nomination Committee is to ensure that the Board comprises Directors with appropriate skills, knowledge, expertise and experience, as well as to ensure a proper balance of Executive Directors and Independent Non-Executive Directors. In discharging its responsibilities, the Nomination Committee has developed criteria used for recruitment and annual Board assessment. In evaluating the suitability of the Board members, the Nomination Committee considers, inter alia, the competency, experience, commitment, contribution and integrity of the candidates. In case of candidates proposed for appointment as Independent Non-Executive Directors, the Nomination Committee would also assess the candidate's independence in accordance with 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, 5 meetings were held to deliberate on the following matters:-

- Reviewed its terms of reference which include amongst others, selection and nomination of Directors, Directors' trainings, Board's succession planning, etc.
- Reviewed the size, structure and composition of the Board and Board Committee.
- Reviewed the competencies, independence and time commitment of Directors. The Independent Directors confirmed their continued independence in accordance with Paragraph 1.01 and Practice Note 13 of the Main Market Listing Requirements of Bursa Securities.
- Discussed the training needs of the Directors and training programmes available to Directors.
- Assessed the performances of the retiring Directors and to consider their eligibility for re-election. The Nomination Committee subsequently endorsed the re-appointment of Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, Tan Sri Datuk Seri Razman M Hashim and Mr Wong Chin Mun who are over the age of 70 years, as Directors 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 Dato' Seri Dr Jeffrey Cheah Fook Ling, Tan Sri Datuk Seri Razman M Hashim and Mr Wong Chin Mun for the financial year 2014 were discussed. Mr Wong Chin Mun abstained from all deliberation on his proposed re-appointment. Mr Wong Chin Mun's performance as Senior Independent Director was assessed based on peer review.

- Assessed the performance of Dato' Chew Chee Kin, the retiring Director and endorsed his re-election at the Company's 2015 Annual General Meeting, subject to the approval of shareholders. The key performance indicators of Dato' Chew Chee Kin were tabled at the Meeting and discussed with the Chief Human Resources Officer.
- Discussed the findings as contained in the Corporate Governance Disclosures in Annual Reports 2012-2013 issued by Bursa Securities. The analysis and report were subsequently tabled to the Board for information and further action.
- Endorsed and recommended the appointment of Tan Sri Dato' Dr. Lin See Yan as an Independent Non-Executive Director and Audit Committee member of the Company to the Board for approval. The Nomination Committee had reviewed Tan Sri Dato' Dr. Lin See Yan's profile and confirmation of his independence before the endorsement and recommendation were made.
- Discussed and endorsed the policy for Board members to seek prior approval of the Chairman of the Board before accepting any new Directorship outside the Group and thereafter, recommended to the Board for approval.
- Endorsed the proposed policy stating that an Independent Director who reaches 9 years of tenure be re-designated as a Non-Independent Director unless he/she seeks shareholders' approval to be retained as an Independent Director of the Company.
- Discussed and adopted the results of the Board effectiveness assessment, assessment of Independent Non-Executive Directors, Director's peers review, Audit Committee Evaluation, Board Committee assessment and Audit Committee members' self and peer assessment for 2014. Areas which required improvements were highlighted to the Board and management for action.
- Discussed and reviewed Management succession planning whereby the Chief Human Resources Officer presented the potential successors to key management positions in the Organization for the Nomination Committee's deliberation.
- Approval of the Nomination Committee report as part of the Corporate Governance Statement in the Company's Annual Report 2014.
- Approval of 2015 methodology for evaluation of Board Effectiveness, assessment of the Independent Non-Executive Directors and Directors' Peers Review. The Audit Committee Evaluation format, Independent Directors' Self-Assessment Checklist and Board Committee assessment were also discussed and approved.
- Approval of the schedule of Nomination Committee Meetings for 2016.

CORPORATE GOVERNANCE STATEMENT

MEETINGS AND ATTENDANCE

The Nomination 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
Lim Swe Guan	5/5
Wong Chin Mun	5/5
Datuk Seri Yam Kong Choy	5/5

3. REMUNERATION COMMITTEE

The Remuneration Committee comprises mainly Non-Executive Directors namely Datuk Seri Yam Kong Choy as Chairman, Mr Wong Chin Mun and Mr Lim Swe Guan. The other member of the Committee is Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling. Datuk Seri Yam Kong Choy was appointed as Chairman of the Remuneration Committee on 27 February 2015.

The Remuneration Committee with the assistance of the Chief Human Resources Officer, 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:-

- Year end evaluation of the performances of the Executive Directors and to endorse their annual increments, bonuses and allowances. The Chief Human Resources Officer also presented the surveys on remuneration package for similar industry for discussion and comparison.
- Discussion of the mid year performance appraisal of the Executive Directors.
- Discussion and approval of the terms of employment contracts for the Deputy Executive Chairman and President.

The Chief Human Resources Officer 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 Mr Wong Chin Mun as Chairman, Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, Dato' Chew Chee Kin, Ms Sarena Cheah Yean Tih and Ms 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, 2 meetings were held to consider the following matters:-

- 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 authority to the management to fix the option price.
- Approval of the proposed vesting of the third tranche of the options granted to the existing eligible employees of Sunway Berhad Group pursuant to the Company's ESOS 2013/2019.
- Approval of the adjustment calculation for the adjustment to the exercise price of the options pursuant to the Company's ESOS 2013/2019 and recommendation of the said adjustment to the Board for approval.

DIRECTORS' REMUNERATION

The Group recognizes that in order to attract and retain Directors, it has to have a fair and comprehensive remuneration package that commensurates 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, levels of responsibilities and industry benchmark.

The Board as a whole recommends on the proposed fees for the Non-Executive Directors with individual Directors abstaining from decisions in respect of their individual remuneration. The fees payable to the Non-Executive Directors are subject to the approval of shareholders 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	100,000	455,014	555,014
Other Emoluments	3,500	95,375	98,875
Salaries and other Remuneration	13,613,821	-	13,613,821
Bonus	12,959,388	-	12,959,388
Benefits-in-kind	130,494	-	130,494
Total:	26,807,203	550,389	27,357,592

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

RANGE OF REMUNERATION	EXECUTIVE DIRECTORS	NON-EXECUTIVE DIRECTORS	TOTAL
Below RM200,000	-	4	4
RM450,000 to RM500,000	1	-	1
RM1,400,000 to RM1,450,000	1	-	1
RM5,350,000 to RM5,400,000	1	-	1
RM19,500,000 to RM19,550,000	1	-	1
Total:	4	4	8

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 fulfilling 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 110 to 119 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.

CORPORATE GOVERNANCE STATEMENT

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 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 hold 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.

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, finance, 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	<ul style="list-style-type: none"> 4th Southeast Asian Studies Symposium 2015 - "The Year of ASEAN: Integrating Southeast Asia" (Jeffrey Cheah Institute on Southeast Asia & Sunway University) 	20 March 2015
	<ul style="list-style-type: none"> Sunway Managers Conference 2015 (Sunway Group) 	6 November 2015
Tan Sri Datuk Seri Razman M Hashim	<ul style="list-style-type: none"> Sunway Managers Conference 2015 (Sunway Group) 	6 November 2015
Dato' Chew Chee Kin	<ul style="list-style-type: none"> Sunway Managers Conference 2015 (Sunway Group) 	6 November 2015
Sarena Cheah Yean Tih, S.M.S.	<ul style="list-style-type: none"> Leadership Capital Index: Realizing the Market Value of Leadership (Harvard Club of Malaysia) 	5 August 2015
	<ul style="list-style-type: none"> Khazanah Megatrends Forum 2015 - Harnessing Creative Disruption (Unlocking the Power of Inclusive Innovation) (Khazanah Nasional Berhad) 	5 October 2015 to 6 October 2015
	<ul style="list-style-type: none"> Global Transformation Forum (Big Fast Results Institute) 	21 October 2015 to 22 October 2015
	<ul style="list-style-type: none"> Sunway Managers Conference 2015 (Sunway Group) 	6 November 2015
Wong Chin Mun	<ul style="list-style-type: none"> Family Business Survey 2014 - Professionalising the Business and the Family (PWC Taxation Services Malaysia) 	26 January 2015
	<ul style="list-style-type: none"> Value add through Private Equity Involvement (Vistage Malaysia Sdn Bhd) 	13 February 2015
	<ul style="list-style-type: none"> Facilitator's Training - Mastering Change for Organisational Excellence (Vistage Malaysia Sdn Bhd) 	23 February 2015
	<ul style="list-style-type: none"> Mastering Change for Organisational Excellence * (Vistage Malaysia Sdn Bhd) 	24 March 2015 to 25 March 2015 and 27 March 2015
	<ul style="list-style-type: none"> The Business of Innovation 2015 (The London Speaker Bureau) 	21 April 2015
	<ul style="list-style-type: none"> Dolphin Wave Innovation (Vistage Malaysia Sdn Bhd) 	24 April 2015
	<ul style="list-style-type: none"> Key-6 Group Meeting - "The Best Communicator is the One Who can Listen Without Judging, Critizing and Accepts the Others for Who They Are." (Vistage Malaysia Sdn Bhd) 	24 July 2015
	<ul style="list-style-type: none"> TEC Australia Member Conference - Unlocking 2020 (TEC Australia) 	28 July 2015 to 29 July 2015
	<ul style="list-style-type: none"> Sunway Managers Conference 2015 (Sunway Group) 	6 November 2015

*Attended as speaker

CORPORATE GOVERNANCE STATEMENT

NAME OF DIRECTORS	COURSE TITLE / ORGANISER	DATE
Lim Swe Guan	<ul style="list-style-type: none"> Sunway Managers Conference 2015 (Sunway Group) 	6 November 2015
	<ul style="list-style-type: none"> AsiaPac Property Leaders Summit 2015 (Asia Pacific Real Estate Association Limited (APREA)) 	24 November 2015 to 25 November 2015
Datuk Seri Yam Kong Choy	<ul style="list-style-type: none"> Economic Wrap-Up 2014 (Performance Management and Delivery Unit (PEMANDU)) 	26 February 2015
	<ul style="list-style-type: none"> Regional Corporate Outlook 2015 - Gearing up for a challenging economic environment (REHDA Institute & Malaysia Property Inc) 	3 March 2015
	<ul style="list-style-type: none"> 4th Southeast Asian Studies Symposium 2015 - "The Year of ASEAN: Integrating Southeast Asia" (Jeffrey Cheah Institute on Southeast Asia & Sunway University) 	20 March 2015
	<ul style="list-style-type: none"> Briefing on GST for Directors (Malaysia Airport Holdings Berhad) 	24 April 2015
	<ul style="list-style-type: none"> 12th ASEAN Leadership Forum (Asian Strategy & Leadership Institute) 	26 April 2015
	<ul style="list-style-type: none"> Analysis of Corporate Governance Disclosures in Annual Reports 2012-2013 - Focus Group session on strengthening Corporate Governance Disclosure amongst the Listed Issuers (Bursa Malaysia Berhad) 	6 May 2015
	<ul style="list-style-type: none"> FIDE Forum: 4th Distinguished Board Leadership Series - Board Leading Change: Organisational Transformation Strategy as key to Sustainable Growth in Challenging Times (FIDE Forum) 	18 August 2015
	<ul style="list-style-type: none"> The 18th National Housing & Property Summit 2015 - "Housing & Property Development in a Challenging Market" — CEO Roundtable: "The Changing Property Landscape: Is it all Doom & Gloom? How to Overcome the Tough Times"* (Asian Strategy & Leadership Institute) 	21 August 2015
	<ul style="list-style-type: none"> 2015 CPA Congress - Leadership. Strategy. Business — Property Watch - Buy, Sell or Hold?* 	22 September 2015
	<ul style="list-style-type: none"> Does Greater Prosperity Come with Less Housing Affordability?* 	23 September 2015
	<ul style="list-style-type: none"> 7th International Conference on World Class Sustainable Cities 2015 - Urban Regeneration through Smart Partnerships (Sime Darby Property Berhad) 	29 September 2015
	<ul style="list-style-type: none"> Khazanah Megatrends Forum 2015 - Harnessing Creative Disruption — Unlocking the Power of Inclusive Innovation (Khazanah Nasional Berhad) 	5 October 2015
	<ul style="list-style-type: none"> Forbes Global CEO Conference - Towards a Winning Vision (Forbes Global) 	12 October 2015 to 14 October 2015

*Attended as speaker

NAME OF DIRECTORS	COURSE TITLE / ORGANISER	DATE
Tan Sri Dato' Dr. Lin See Yan	<ul style="list-style-type: none"> Asian Shadow Financial Regulatory Committee Meeting (ASFRC) <i>(Jeffrey Cheah Institute)</i> 	11 January 2015 to 13 January 2015
	<ul style="list-style-type: none"> Special luncheon address on "Selangor's Economic Outlook and Prospects" <i>(Asian Strategy & Leadership Institute)</i> 	27 January 2015
	<ul style="list-style-type: none"> FIDE Forum: Financial Services in Turbulent Times <i>(Bank Negara Malaysia)</i> 	5 February 2015
	<ul style="list-style-type: none"> Luncheon discussion on "Interest Rate Scenarios and Investment Implications" and "REIT Investing In a Rising Interest Rate Environment" <i>(Tecity Group Singapore)</i> 	22 April 2015
	<ul style="list-style-type: none"> Closed-Door Dialogue on "Will Malaysia survive the Next Global Financial Crisis" <i>(Perdana Leadership Foundation)</i> 	27 April 2015
	<ul style="list-style-type: none"> Malaysian Gas Association Annual General Meeting and Talk - Global Economic Development and Strategic Challenges for Malaysia * <i>(Malaysian Gas Association)</i> 	12 May 2015
	<ul style="list-style-type: none"> Wangdao Business Leadership and Transformation Forum* <i>(Asian Institute of Management)</i> 	26 June 2015
	<ul style="list-style-type: none"> Closed-Door Dialogue on "Global Currency Warfare, Its Impact on Malaysia" <i>(The Twenty First Century Studies)</i> 	24 July 2015
	<ul style="list-style-type: none"> Intellectual Discourse <ul style="list-style-type: none"> "Sustainable Economy through High Impact Technology and Innovation" <ul style="list-style-type: none"> "Transformation of Malaysia's Economy through Innovation and Technology" * <i>(MARDI-BSN)</i> 	19 August 2015
	<ul style="list-style-type: none"> Khazanah Megatrends Forum 2015 <ul style="list-style-type: none"> Harnessing Creative Disruption <ul style="list-style-type: none"> Macro and Markets-"From Mountain High to River Deep: Will Emerging Markets Become 'Submerging' Markets?"* <i>(Khazanah Nasional Berhad)</i> 	5 October 2015
	<ul style="list-style-type: none"> ASOCIO PIKOM ICT Leadership Summit 2015 <ul style="list-style-type: none"> Reinventing Leadership in the Digital Age <ul style="list-style-type: none"> The New Digital Economy* <i>[The Asian Oceanian Computing Industry Organisation (ASOCIO)]</i> 	7 October 2015
	<ul style="list-style-type: none"> Meet-The-Author Tan Sri Dr. Lin See Yan <ul style="list-style-type: none"> The Global Economy in Turbulent Times * <i>(Kinokuniya KLCC)</i> 	10 October 2015
	<ul style="list-style-type: none"> Conference on Southeast Asia explores Sustainable Development: Coping with Socio-Economic Difficulties, Big Power Rivalry and Climate Change* <i>(Harvard University Asia Center and the Jeffrey Cheah Institute on Southeast Asia)</i> 	27 October 2015
	<ul style="list-style-type: none"> The Banking & Digital Summit * <i>(Silverlake Axis)</i> 	6 November 2015

*Attended as speaker

CORPORATE GOVERNANCE STATEMENT

UPHOLDING INTEGRITY IN FINANCIAL REPORTING

FINANCIAL REPORTING

In presenting the Annual Financial Statements, Annual Report and Quarterly Reports to shareholders, the Board aims to provide a balanced and understandable assessment of the Group's financial position, performance and prospects. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting. It also ensures that the Group's financial statements comply with all applicable accounting policies, standards and regulatory requirements.

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

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

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

RELATIONSHIP WITH EXTERNAL AUDITORS

The Board maintains, via the Audit Committee, an active, transparent and professional relationship with the External Auditors. The Audit Committee meets the External Auditors at least twice a year to discuss their audit plan, audit findings and the Group's financial statements. The Audit Committee also meets with the External Auditors 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 138 and 139 of the Annual Report provides an overview of the state of risk management and internal controls within the Group.

ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

CORPORATE DISCLOSURE POLICY

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

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

LEVERAGE ON INFORMATION TECHNOLOGY FOR EFFECTIVE DISSEMINATION OF INFORMATION

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

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

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

The Board also recognizes the importance of shareholders' participation in general meetings and encourages such participation. The Annual General Meeting of the Company provides the principal forum for dialogue and interaction between the Board and the shareholders. The participation of shareholders, both individuals and institutional at general meetings on clarifications of pertinent and relevant information is encouraged. The Chairman will inform all shareholders of their right to demand a poll vote at the commencement of meeting. Nevertheless, all related party transactions and significant corporate acquisitions or corporate exercises are voted by way of poll and poll results are independently verified by external scrutineers.

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 47 meetings with investors and research analysts. The Company had also participated in domestic and overseas roadshows, and investor conferences in Singapore, Thailand, Hong Kong, 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 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. Ms Mandy Lim
Assistant Manager – Corporate Finance
Tel No: (603) 5639 8674
Fax No: (603) 5639 9566
Email: mandylml@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 21 March 2016.



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 2015 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)
4. Tan Sri Dato' Dr. Lin See Yan
(Independent Non-Executive Director)
(Appointed with effect from 18 March 2015)

ATTENDANCE OF MEETINGS

The Audit Committee held 6 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	6/6
Lim Swe Guan	6/6
Datuk Seri Yam Kong Choy	6/6
Tan Sri Dato' Dr. Lin See Yan	5/5*

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

The President, Chief Financial Officer and Internal Auditors were invited to attend the meetings. Messrs Ernst & Young, the previous External Auditors were present at 3 of the total meetings held while Messrs BDO, the present External Auditors were present at 2 of the total meetings held.

TERMS OF REFERENCE

1. MEMBERSHIP

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

AUDIT COMMITTEE REPORT

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.

- (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 2014.
- (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.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The activities of the Audit Committee for the financial year ended 31 December 2015 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.
- (n) Reviewed with management and the External Auditors, the audited financial statements of the Company for the financial year ended 31 December 2014.
- (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 2014.
- (r) Reviewed and recommended to the Board of Directors on the shortlisted External Auditors for the statutory audit of the Company for the financial year ended 31 December 2015.
- (s) 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.
- (t) Discussed the implications of any latest changes and pronouncements on the Company and the Group, issued by the statutory and regulatory bodies.
- (u) Reviewed the impact of any changes to the accounting standards and adoption of new accounting standards on the Company's financial statements.
- (v) 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.
- (w) Reviewed and discussed the results of the Audit Committee Evaluation Questionnaires, Audit Committee Members' Self and Peer Evaluation Form, External Auditors Evaluation Survey and Internal Audit Function Evaluation Checklist.
- (x) Reviewed the results of the External Quality Assessment on the Internal Audit Department by an external professional consultant, Protiviti Pte. Ltd.
- (d) Reviewed the investigation reports tabled during the year and ensured appropriate remedial actions/measures were taken.
- (e) 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.
- (f) Followed up on management corrective actions on audit issues raised by the External Auditors.
- (g) Reported to the Committee on review of the adequacy, appropriateness and compliance with the procedures established to monitor recurrent related party transactions.
- (h) Reviewed the staffing requirements of the Internal Audit Department as well as the skills and core competencies of the internal auditors.
- (i) Performed independent evaluation on the operation of risk management framework focusing primarily on the adequacy and effectiveness of the said framework.

The costs incurred for the internal audit function in respect of the financial year ended 31 December 2015 including staff payroll costs and overheads amounted to RM3.45 million.

AUDIT COMMITTEE'S TRAINING

The details of training programmes and seminars attended by each Committee Member during the financial year ended 31 December 2015 are set out in the Corporate Governance Statement under "Directors' Training".

INTERNAL AUDIT FUNCTION AND SUMMARY OF ACTIVITIES

The internal audit function is performed in-house and undertaken by the Group's Internal Audit Department. 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 2015, 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.

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 the Group's assets, pursuant to Principle 6 of the Malaysian Code on Corporate Governance 2012 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 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 opinion 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.

This Statement on Risk Management and Internal Control does not cover associates and joint ventures where the internal control systems of these companies are managed by the respective management teams.

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.

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 International Organization for Standardization (ISO), Occupational Health and Safety Advisory Services (OHSAS) and Australian Council on Healthcare Standards (ACHS).
- 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, GIAD provides the AC with periodic reports highlighting observations, recommendations and management action plans to improve the internal control systems. In addition, the AC 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 certifications such as ISO, OHSAS and ACHS are audited as scheduled by auditors of the relevant certification bodies. Results of these audits are reported to management.

The AC Report is set out on pages 134 to 137 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. Continuous focus on measures to protect and enhance shareholder value and business sustainability will remain a core practice for the Group.

THIS STATEMENT ON INTERNAL CONTROL WAS APPROVED BY THE BOARD OF DIRECTORS ON 21 MARCH 2016.

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 interests are 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.

The Group has four (4) core response strategies for risk management. These include:

Risk Termination

In this instance, management chooses to terminate risks by eliminating the business or by significantly altering it. The Group may choose this route for risks that could have major or catastrophic impact on its businesses.

Risk Reduction

Risks may be reduced by taking specific actions aimed at reducing the likelihood of occurrence, thus reducing the impact of these risks on the Group's businesses.

Risk Acceptance

Management may choose not to act and to consciously accept certain risks which are significantly low in likelihood of occurrence and/or impact. Factors to consider for risks of such nature would be:

- Adequacy of current controls;
- Quality and quantity of information on the controls;
- Likelihood and consequences of the risk occurring; and
- The cost of additional controls

Risk Transfer

Management may choose to transfer all or part of a certain risk to other parties via:

- Transferring an entire business process to another party e.g. sub-contracting and outsourcing arrangements;
- Sharing the business process with another party e.g. partnerships and joint venture arrangements; and
- Retaining the process and transferring the legal and financial risks e.g. insurance arrangements and the use of certain treasury/financial products.

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 programme 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 quarterly risk templates. 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:

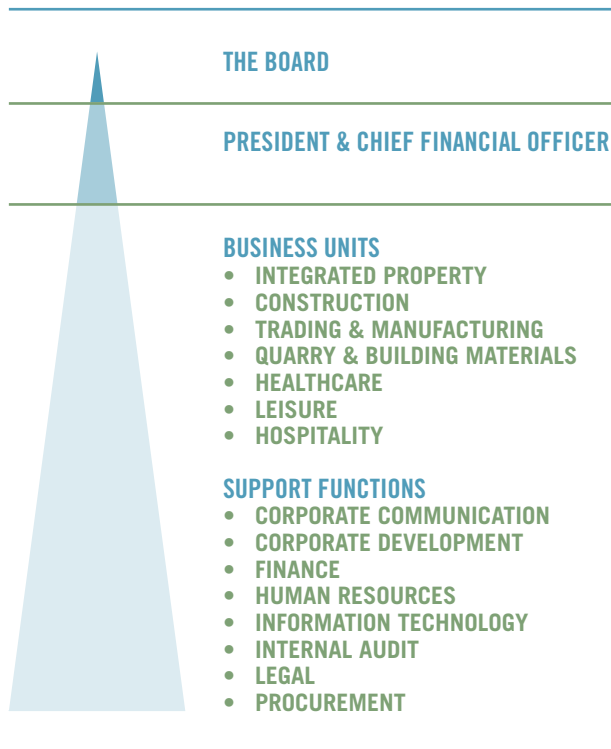
- Provide assurance to the Board that a firm and sound risk management and internal control systems are in place and in accordance with the requirements of regulatory bodies;
- Provide guiding risk management principles to Heads of Business Units to govern the actions of their personnel pertaining to 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 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.

The Group's risk assessment is conducted holistically covering categories such as external, regulatory, legal, corporate governance, financial, customers, suppliers, products and services, human capital and operations.

BOARD OF DIRECTORS

The Board will meet and deliberate on the top risks identified at least twice a year while ad-hoc or 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. The Group positions its business units towards a profitable objective while incorporating risk management principles into our functions and processes.



GROUP RISK MANAGEMENT DEPARTMENT (“GRMD”)

GRMD is accountable for 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 Corporate Communication, Corporate Development, Finance, Human Resources, Information Technology, Internal Audit, Legal and Procurement.

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 in solving operational and compliance issues for the Group.

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 and existing external regulations. Within the Group, GRMD is involved in development, analysis and communication of policies, guidelines and operation standards that form the Group's Standard Operation Principles.

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 programme. 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, Cambodia, 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 ("Bursa Securities"):-

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 Programme") in nominal value via SC's letter dated 25 October 2013.

During the financial year ended 31 December 2015, Sunway had 74 issuance of CPs and 1 MTN totaling RM7.40 billion and RM100 million respectively under the CP/MTN Programme at various interest rates and had repaid RM7.06 billion of CPs. As at 31 December 2015, the total outstanding CPs and MTNs amounted to RM910 million and RM250 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.

During the financial year ended 31 December 2015, Sunway had 42 issuance of ICPs and 4 IMTNs totaling RM5.6 billion and RM70 million respectively under the Sukuk Programme at various interest rates and had repaid RM4.43 billion of ICPs. As at 31 December 2015, the total outstanding ICPs and IMTNs amounted to RM1.18 billion and RM70 million respectively.

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

- (c) On 19 September 2014, Sunway had announced that it proposed to list its construction division which is held under its subsidiary, Sunway Construction Sdn Bhd ("SunCon") on the Main Market of Bursa Securities. Sunway Construction Group Berhad ("SCG"), was incorporated by Sunway Holdings Sdn Bhd ("SunHoldings"), a wholly-owned subsidiary of Sunway, as the listing vehicle to acquire the entire shareholdings in SunCon including its subsidiaries, jointly controlled entities, unincorporated joint ventures and unincorporated consortium. The exercise was approved by the shareholders of Sunway at an extraordinary general meeting held on 20 April 2015.

In conjunction with the listing of SCG, Sunway had, inter alia, undertaken an offer for sale of up to 458,511,100 ordinary shares of RM0.20 each in the capital of SCG ("OFS Shares") held by SunHoldings, to the retail and institutional investors, subject to the over-allotment option and clawback and relocation provision.

The gross proceeds raised from the offer for sales of OFS Shares of RM497,229,000 were utilized as capital repayment via distribution of special cash dividend of RM0.26 per ordinary share to its entitled shareholders on 16 October 2015 and to defray the expenses incurred in relation to the offer for sales.

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

- (a) Employees' Share Option Scheme

- (i) During the financial year ended 31 December 2015, a total of 38,489,641 options over the ordinary shares were exercised pursuant to the Company's Employees' Share Option Scheme 2013/2019 ("ESOS"). A total of 10,840,000 and 35,431,200 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 2015 are set out in the table below:-

DESCRIPTION	NUMBER OF OPTIONS AS AT 31 DECEMBER 2015	
	TOTAL	DIRECTORS
(a) Granted	138,269,400	23,800,000
(b) Exercised	42,268,472	6,075,000
(c) Vested	81,395,800	17,850,000
(d) Outstanding vested	39,127,328	11,775,000

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

DIRECTORS AND SENIOR MANAGEMENT	DURING THE FINANCIAL YEAR 2015	SINCE COMMENCEMENT UP TO 31 DECEMBER 2015
(a) Aggregate maximum allocation	8.30	25.01
(b) Actual granted	8.30	25.01
(c) Actual vested	9.39	30.22

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 2015, a total of 30,685,825 warrants 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 2015.

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 2015.

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 2015.

5. NON-AUDIT FEES

The non-audit fees paid/payable to the External Auditors of Sunway and its subsidiaries for the financial year ended 31 December 2015 amounted to RM1,244,000.

6. VARIATION IN RESULTS

There was no variance of 10% or more between the audited results for the financial year ended 31 December 2015 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 2015.

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 2015.

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 2015, has complied with the criteria set out in the ESOS By-Laws.

10. SHARE BUY-BACK

During the financial year ended 31 December 2015, a total of 11,232,600 ordinary shares of RM1.00 each were purchased by Sunway and retained as treasury shares. Out of which, the total consideration for 632,500 ordinary shares brought back on 31 December 2015 amounting to RM1,933,883.45 was paid after the financial year. None of the treasury shares held were resold or cancelled during the financial year.

MONTH BUY-BACK 2015	NO. OF ORDINARY SHARES OF RM1.00 EACH BROUGHT BACK	PURCHASE PRICE PER SHARE		AVERAGE PRICE PER SHARE (RM)	TOTAL CONSIDERATION PAID* (RM)
		LOWEST (RM)	HIGHEST (RM)		
January	150,000	3.18	3.20	3.19	478,826.42
May	100,000	3.37	3.38	3.38	338,165.08
June	863,300	3.37	3.39	3.39	2,925,470.86
July	126,300	3.39	3.39	3.40	429,037.01
August	3,094,600	3.32	3.39	3.36	10,410,107.74
September	2,316,300	3.37	3.41	3.40	7,870,307.17
October	871,500	3.03	3.10	3.05	2,662,066.94
November	717,200	3.02	3.03	3.03	2,174,433.77
December	2,993,400	2.95	3.08	3.02	9,028,389.31
TOTAL:	11,232,600				36,316,804.30

* inclusive of transaction costs and goods & services tax

11. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

The details of the recurrent related party transactions are disclosed in Note 54 of the Notes to the Financial Statements.

INVESTOR RELATIONS

In 2015, Sunway's Investor Relations ("IR") team played an important role in establishing transparency and inspiring confidence amongst the local and foreign investors, which was crucial given the uncertainties in the macroeconomic environment. The team was actively engaged in various forms of communication to share information on the Group's performance, strategies and future plans. This kept both existing and potential investors abreast with the company's latest information, allowing them to make informed and timely investment decisions.

BROAD COVERAGE

Since the Group's listing in 2011, it has been widely followed by analysts from both local and foreign financial institutions. The analyst coverage has steadily increased over the years to a total of 14, of which 8 of them have a "Buy" call on the company as at 1 March 2016. The average target price of the Sunway Berhad share on even date stood at RM3.54.

The research institutions covering Sunway include:

- 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

KEY INITIATIVES AND ACTIVITIES

The IR initiatives and activities of the Group for the year are as detailed.

IN-HOUSE MEETINGS

The Group conducted a total of 47 one-on-one and small group meetings with analysts, fund managers and investors in 2015 (2014: 46). These meetings provided the avenue for meaningful two-way dialogues between senior management and the investing community on the Group's performance, business strategies and prospects. With the opportunity to ask detailed questions and understand the Group better, investors are better-equipped with the necessary information to make informed decisions. At the same time, Sunway is able to gain insights on the views and concerns of the investing community, which further improves the relationship and narrows the communication gap.

LARGE GROUP MEETINGS AND CONFERENCES

With a diversified portfolio and a strong track record, Sunway was a favourite at investor conferences during the year. The Group participated in 11 major conferences in Singapore, Thailand, Hong Kong, Japan and Malaysia (2014: 9), which presented excellent opportunities for senior management to present Sunway's investment case and share operational updates with investors regionally.

Dedicated non-deal roadshows and corporate luncheons were also organised by local investment banks, in which Sunway was invited to share its latest developments and elaborate on its strategies and future prospects. These meetings were targeted at groups of local investors who were more familiar with the Group, and were following its latest news closely.

SITE VISITS

A total of 8 site visits were organised by the IR team throughout 2015 (2014: 13). The investing community's interest in Sunway Iskandar persisted in 2015, with 4 site visits organised during the year to showcase the Group's vast landbank and ongoing development in the region. Investors were keen to see the progress of the Group's developments at the site and to gain a visual perspective of Sunway Iskandar's location, accessibility, and natural terrain and surroundings.

The other 4 site visits were centred in Sunway Resort City, the Group's main township development. Specifically, interest was strong to witness the Bus Rapid Transit ("BRT") – Sunway Line, which was completed in June 2015. The IR team took 3 groups of investors on the eco-friendly buses to gain first-hand experience of the seamless connectivity from the Light Rail Transit (LRT) station at USJ 7, Subang Jaya, to the KTM Komuter station at Setia Jaya. At the same time, investors were able to appreciate the connectivity via the stops within Sunway Resort City and the newly completed canopy walkways from the BRT stations to various properties within the township, such as the Sunway Pyramid Shopping Mall, Sunway Resort Hotel, Sunway Medical Centre, Sunway South Quay, Sunway University and Monash University.

DATE	ORGANISER	EVENT	VENUE
04 February 2015	Daiwa / AffinHwang	Daiwa Mini-ASEAN Corporate Day	Singapore
31 March - 01 April 2015	Maybank	Invest ASEAN 2015	Singapore
31 March 2015	UOB Kay Hian	Corporate Luncheon	Kuala Lumpur
16 April 2015	Hong Leong	Corporate Luncheon	Kuala Lumpur
20 - 22 April 2015	RHB	1st RHB Signature Infrastructure Conference	Phuket
23 - 24 April 2015	Bursa Malaysia & CIMB	Invest Malaysia 2015	Kuala Lumpur
04 June 2015	Citibank Singapore	Citi ASEAN Investor Conference 2015	Singapore
17 June 2015	Bursa Malaysia	In The Spotlight	Kuala Lumpur
05 August 2015	AffinHwang	AffinHwang Luncheon Presentation with Sunway Group of Companies	Kuala Lumpur
01 September 2015	Deutsche Bank	Deutsche Bank Access Singapore Corporate Day	Singapore
10 November 2015	Daiwa / AffinHwang	Daiwa Investment Conference Hong Kong 2015	Hong Kong
19 - 20 November 2015	JP Morgan	JP Morgan Asia Rising Dragons 1x1 Forum	Tokyo
23 November 2015	JP Morgan	JP Morgan Asia Rising Dragons 1x1 Forum	Kuala Lumpur
26 - 27 November 2015	JP Morgan	JP Morgan Asia Rising Dragons 1x1 Forum	Hong Kong

BRT - SUNWAY LINE SITE VISIT



INVESTOR RELATIONS

OTHER CHANNELS OF COMMUNICATION

ANALYST BRIEFING PACKS AND FLASHNOTES

Major developments impacting the Group, such as the acquisition of landbanks, new construction contracts, results release, corporate exercises and acquisition of new companies, are often announced on Bursa Malaysia. However, these announcements and reports can be very detailed and more difficult to understand. Hence, to assist analysts and investors in grasping the key facts and figures, Sunway's IR team issues briefing packs which are more concise and catered to the specific needs of the analysts.

Flashnotes, which were first introduced by the Group in 2013, are condensed, one page documents issued to communicate short but key messages about the Group. In 2015, the Flashnote was used to disseminate brief pieces of information on news such as internal reorganisations in the Property Development and Construction divisions, revised sales and launch targets, as well as the new targets for the upcoming year.

In essence, the briefing packs and flashnotes are aimed at sharing key information about the Group's latest development, in the most concise and accurate manner, which will ultimately stimulate sound investment decisions.

QUARTERLY FINANCIALS AND ANNUAL REPORT

As opposed to the briefing packs and flashnotes which provide information on the latest developments and events of the Group, the quarterly financial reports and annual report are focused on providing more detailed narratives of the financial and operational performance of the company. While the reports have minimum statutory content, Sunway has often provided voluntary additional disclosures which lead to better insights on the Group.

The commitment to transparency and comprehensive disclosures in the annual report was once again recognised at the National Annual Corporate Report Awards (NACRA) 2015, where the Group received the Industry Excellence Award for the ninth consecutive year since 2006. Such recognition has been, and will continue to be, the driving force behind the Group's disclosure initiatives.

IR PORTAL AND E-MAIL

Sunway's IR web portal is accessible via the Group's website at www.sunway.com.my. The page provides updated information such as reports, financial information, annual reports, financial calendar and an interactive stock chart, on a timely basis. The IR team strives to ensure that reports are uploaded onto the portal within 48 hours after a major announcement is made, which makes it a crucial source of information for those with limited access to newsfeeds.

Further, for investors and stakeholders who do not have direct access to the Group's management or IR team, they may easily get in touch with the company's executives by sending emails to irsunwayberhad@sunway.com.my.

AWARD WINNING INVESTOR RELATIONS FUNCTION

The team's commitment towards its shareholders and the broader investing community over the years was recognised at the 5th Malaysian Investor Relations Association ("MIRA") Awards, in which the team bagged seven key awards under the mid-cap category. This included some of the top awards of the event, including Best Chief Executive Officer for Investor Relations and the Best Company for Investor Relations. The annual event recognises best practices in investor relations by IR professionals and public companies listed on Bursa Malaysia, and the wins are a testament of the Group's continuous efforts to bridge the gap between management and the investing community.

STRIVING FOR GREATER EXCELLENCE

Sunway's IR division intends to persist with existing initiatives while pursuing new avenues to connect with its stakeholders, through timely disclosures, detailed analyses and sufficient narratives on future strategies and prospects. The team aims to excel further in the future, as it seeks to fully understand investors' sentiments and appreciate the needs of the broad investing community. The key to a successful IR division is gaining and maintaining the trust of its investing community, and this is a gradual process which requires a commitment to continuous communication.

J.P.Morgan

Asia Pacific Equity Research

26 February 2015

Sunway Bhd (SWB MK)

FY14 produces solid beat; remains our top pick

Overweight

Price: MYR3.32

26 Feb 2016

Price Target: MYR 10

PT End Date: 30 Jun 2016

FY14 core net income up 23%/Y/Y to a solid beat, coming in 26% above our full-year forecast and 18% above

TA SECURITIES

A MEMBER OF THE TA GROUP

MENARA TA ONE, 22 JALAN P. RAHLEE, 50250 KUALA LUMPUR, MALAYSIA TEL: +603-20721277 / FAX: +603-20220948

COMPANY UPDATE

Wednesday, 15 April 2015

FBM/KLCI: 1,819.61

Sector: Property

Sunway Berhad

Share Price Buoyed By Upcoming SCG's Listing

TP: RM4.24 (+13.0%)

Last Traded: RM3.75

Buy

THIS REPORT IS STRICTLY FOR INTERNAL CIRCULATION ONLY

Thiam Chiew Wen

Tel: +601-2147 9415

cethiam@ta.com.my

www.taonline.com.my

Sunway's share price has appreciated 14% YTD, outperforming the benchmark FBMKLCI and KLPFP index by 10ppt and 11ppt respectively. We believe the outperformance was largely driven by investors accumulating

Share information

Bloomberg Code

Stock Name

SWB MK

Sunway



27 November

20:52:11 / 12/01/15

Buy

Price

RM3.32

Target price

RM4.24

Bloomberg code

SWB MK

Sunway

Diversity pays

Sunway's FY15 normalized earnings improved 8% and constituted 76% of our estimates, which is commendable. Overall, the property development and trading & manufacturing arm's performance was lower, but this was buffered by



Results Review, 26 February 2015

Event Initiation Preview Results Strategic Updates

Sunway (SWB MK)

Property - Real Estate

Market Cap: USD1,571m

Buy (Maintained)

Target Price: MYR3.90

Price: MYR3.32

Record Earnings Again In FY14

Macro

Risks

Growth

Value

HongLeong Investment Bank

HLIB Research

PP 9494122012 (031413)

Sunway (BUY↑; EPS ↔)

INDUSTRY: NEUTRAL

NEWSBREAK

12 May 2015

Price Target: RM3.75 (-)

Share price: RM3.40

Kelana Jaya Land Acquisition

- Sunway entered into a share sale and purchase agreement with Kelana Resort Sdn Bhd to acquire 100% of Cleaver Fortune Sdn Bhd, the beneficial owner of 731,634 sq of leasehold land for RM282.64m.
- The group also entered in a sale and purchase agreement with Viva Variasi Sdn Bhd for the acquisition of 8,708 sq of freehold land for RM3.36m.

Grace Chew

PChew@hlib.hongleong.com.my

(603) 2168 1165

KLD

Expected share price return

Expected dividend return

Expected total return

1,800.0

10.3%

3.2%

13.5%

UOB KayHian

Malaysia Daily

Thursday, 26 February 2015

COMPANY RESULTS

Sunway Bhd (SWB MK)

2014: Solid Wrap For The Year

Sunway's 4Q14 core net profit came in at RM206.1m, bringing its 2014 earnings to RM891.7m and exceeding our expectations of RM844m by 15%. Outstanding construction orderbook stands at RM1.9b while the property division will ensure steady

BUY

(Maintained)

Share Price

Target Price

RM3.32

RM3.63

10 December 2015

Securities



Out think. Out perform.

Upbeat despite revised sales target

While Sunway has recently revised its property sales target to RM1.6bn amidst the current challenging property market, its construction segment however, shines, capturing a high outstanding orderbook of RM4.3bn. While we revised our FY15-17E EPS to reflect the sales target, we remain upbeat on Sunway given its diverse source of revenue. Maintain BUY with unchanged RNAV based target

Company Update

Sunway

SWB MK

Sector: Property

RM3.06 @ 9 December 2015

Construction | Malaysia

May 26, 2015



Sunway Bhd

SWB MK / SWAY KL

Market Cap

US\$1,705m

Avg Daily Turnover

US\$2.03m

Free Float

33.1%

Current

Target

Prev. Target

Up/Downside

RM3.32

RM4.23

RM4.04

20.2%

1QFY15 RESULTS NOTE

STOCK RATING

ADD

HOLD

REDUCE

CIMB Analyst(s)

Year of the rising Sun

Sunway's annualised 1Q15 core net profit made up 84% of our full-year

Malaysia Company Flash Note
Sunway

Bloomberg: SWB MK | Reuters: SWAY KL

Refer to important disclosures at the end of this report

DBS Group Research - Equity

10 Apr 2015

BUY RM3.76 KLCI: 1,849.39

Price Target: 12 Month RM 3.80

Beefing up trading arm

NOMURA

Sunway Bhd SWAY KL SWB MK

EQUITY: PROPERTY

Outperformance to continue

Defensive exposure to Malaysia property; special dividend to be announced soon

Global Markets Research

10 July 2015

Rating

Recommend

Buy

Research
by kenanga

26 February 2015

Results Note

Sunway Berhad

FY14 Performance Beats the Street!

By Adrian Ng | adrian.ng@kenanga.com.my, Sarah Lim | sarahlim@kenanga.com.my

Period: 4Q14FY14

Actual vs. Expectations

- FY14 core net earnings of RM520m came in strong, beating out and consensus expectations by 10% and 18% respectively. This was primarily due to lower-than-expected interest costs.

OUTPERFORM ↔

Price: RM3.32

Target Price: RM3.65 ↔

Share Price Performance

1.00

1.20

HongLeong Investment Bank

HLIB Research

PP 9494122012 (031413)

Sunway (BUY↑; EPS ↔)

INDUSTRY: NEUTRAL

NEWSBREAK

12 May 2015

Price Target: RM3.75 (-)

Share price: RM3.40

Kelana Jaya Land Acquisition

- Sunway entered into a share sale and purchase agreement with Kelana Resort Sdn Bhd to acquire 100% of Cleaver Fortune Sdn Bhd, the beneficial owner of 731,634 sq of leasehold land for RM282.64m.
- The group also entered in a sale and purchase agreement with Viva Variasi Sdn Bhd for the acquisition of 8,708 sq of freehold land for RM3.36m.

Grace Chew

PChew@hlib.hongleong.com.my

(603) 2168 1165

KLD

Expected share price return

Expected dividend return

Expected total return

1,800.0

10.3%

3.2%

13.5%



Maybank IB Research

August 19, 2015

Sunway (SWB MK)

Share Price: MYR3.38

Target Price: MYR3.48 (+3%)

ADTV (USD): 2M

Malaysia

Real Estate

HOLD (Unchanged)

Rewarding with a special dividend?

- Upcoming 2Q15 results likely to be weaker than expected, but a special dividend should be forthcoming.

Key Data

52w high/low (MYR)

3.88/3.00

3m avg turnover (USDm)

1.6

midf RESEARCH

06 May 2015 | Corporate Update

Sunway Berhad

Shares Going Ex For Dividend-In-Specie

Maintain TRADING BUY

Adjusted Target Price: RM3.86

(from RM3.97)

INVESTMENT HIGHLIGHTS

Taken to the market for the 1st time, a dividend to provide share



SUNWAY

(SWB MK EQUITY, SWAY KL)

CONGLOMERATE

12 Jun 2015

Teams up with Japan's Daiwa for prefab homes

Thomas Soon
soon-guan-chuan@amtanigroup.com
03-2036 2300

Rationale for report: Company update

BUY

(Maintained)

FINANCIALS

SPRINTING TO HIGHER GROUNDS

The highly social gazelle forms small, but incredibly versatile herds that have established efficient ways to communicate in numbers. Sunway ensures effective communication through its annual financial statements which keeps everything in check and balance.

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FINANCIAL STATEMENTS

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LIST OF MATERIAL PROPERTIES



DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

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 55 to the financial statements.

RESULTS

	GROUP RM'000	COMPANY RM'000
Profit for the financial year	799,423	694,680
Profit attributable to:		
Owners of the parent	732,449	694,680
Non-controlling interests	66,974	-
	799,423	694,680

DIVIDENDS

The dividends paid, declared or proposed by the Company since the end of the previous financial year were as follows:

	RM'000
In respect of financial year ended 31 December 2014:	
Second interim single-tier dividend of 6% per ordinary share of RM1 each, paid on 30 April 2015	103,847
In respect of financial year ended 31 December 2015:	
Distribution of ordinary shares of RM0.20 each in Sunway Construction Group Berhad ("Distribution Shares") held by the Company to its entitled shareholders by way of dividend-in-specie on a basis of 1 Distribution Share for every 10 existing ordinary shares of RM1 each held in the Company on 5 June 2015	35,002
Special cash dividend of RM0.26 per ordinary share of RM1 each, paid on 16 October 2015	463,715
First interim single-tier dividend of 5% per ordinary share of RM1 each, paid on 30 October 2015	89,169
	691,733

On 26 February 2016, the Board of Directors declared second interim single-tier dividend of 6% for each ordinary share of RM1 each of the Company for the financial year ended 31 December 2015. The total estimated dividend payable amounts to approximately RM106,947,525. The dividend will be accounted for in the equity as an appropriation of retained earnings in the financial year ending 31 December 2016.

The Board of Directors do not propose any final dividend for the financial year ended 31 December 2015.

DIRECTORS' REPORT (CONTD.)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

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
Tan Sri Dato' Dr. Lin See Yan
Datuk Seri Yam Kong Choy
Dato' Chew Chee Kin
Wong Chin Mun
Lim Swe Guan
Sarena Cheah Yean Tih

In accordance with Article 107(1) of the Articles of Association of the Company, Lim Swe Guan retires by rotation 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, Tan Sri Dato' Dr. Lin See Yan, Dato' Chew Chee Kin and 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 as disclosed in Note 44 to the financial statements.

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 54 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, non-cumulative redeemable preference 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 1.1.2015/ *date of appointment	Acquired	Sold	As at 31.12.2015
The Company				
Direct interests:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	77,238,939	4,425,000	-	81,663,939
Tan Sri Datuk Seri Razman M Hashim	1,068,642	250,000	-	1,318,642
Tan Sri Dato' Dr. Lin See Yan*	100,000	-	-	100,000
Datuk Seri Yam Kong Choy	55,000	-	-	55,000
Dato' Chew Chee Kin	3,343,558	1,197,000	-	4,540,558
Sarena Cheah Yean Tih	577,274	400,000	-	977,274
Deemed interests:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	893,110,802 ^a	61,225,001	(30,824,172)	923,511,631 ^b
Dato' Chew Chee Kin ^c	346,956	-	-	346,956
Sarena Cheah Yean Tih	969,639,099 ^d	64,850,001	(30,824,172)	1,003,664,928 ^e

	Number of non-cumulative redeemable preference shares of RM0.01 each			
	As at 1.1.2015	Acquired	Sold	As at 31.12.2015
Immediate holding company				
Sungei Way Corporation Sdn. Bhd.				
Direct interest:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	261,100,000	-	-	261,100,000
Deemed interest:				
Sarena Cheah Yean Tih ^f	261,100,000	-	-	261,100,000

DIRECTORS' REPORT (CONTD.)

DIRECTORS' INTERESTS (CONTD.)

	Number of ordinary shares of RM1 each			
	As at 1.1.2015	Acquired	Sold	As at 31.12.2015
Immediate holding company				
Sungei Way Corporation Sdn. Bhd.				
Deemed interests:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO ^g	10,000,000	-	-	10,000,000
Sarena Cheah Yean Tih ^h	10,000,000	-	-	10,000,000
Ultimate holding company				
Active Equity Sdn. Bhd.				
Direct interests:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	102,000	-	-	102,000
Sarena Cheah Yean Tih	12,750	-	-	12,750
Deemed interests:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO ⁱ	25,500	-	-	25,500
Sarena Cheah Yean Tih ^f	102,000	-	-	102,000
	Number of ordinary shares of RM0.20 each			
	As at 1.1.2015/ *date of appointment	Allotment/ Acquired/DIS [^]	Sold	As at 31.12.2015
Related company				
Sunway Contrucon Group Berhad ("SCG")				
Direct interests:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	-	7,723,892	-	7,723,892
Tan Sri Datuk Seri Razman M Hashim	-	106,864	-	106,864
Tan Sri Dato' Dr. Lin See Yan [*]	-	10,000	-	10,000
Datuk Seri Yam Kong Choy	-	5,500	-	5,500
Dato' Chew Chee Kin	-	334,355	-	334,355
Sarena Cheah Yean Tih	-	57,727	-	57,727
Deemed interests:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO ⁱ	10	1,252,877,678	(458,511,100)	794,366,588
Dato' Chew Chee Kin ^c	-	34,695	-	34,695
Sarena Cheah Yean Tih ^k	10	1,260,530,506	(458,511,100)	802,019,416

[^] Receipt of ordinary shares of RM0.20 each in SCG ("SCG Shares") by way of dividend-in-specie on 5 June 2015 pursuant to the proceeds from the disposal of Sunway Construction Sdn. Bhd. and its subsidiaries by Sunway Holdings Sdn. Bhd. (a subsidiary of Sunway Berhad) to SCG.

DIRECTORS' REPORT (CONTD.)

DIRECTORS' INTERESTS (CONTD.)

	Number of ordinary shares of HKD1 each			
	As at 1.1.2015	Acquired	Sold	As at 31.12.2015
Related company				
Sunway Global Limited				
Direct interest:				
Dato' Chew Chee Kin	869,684	-	-	869,684

	Number of warrants 2011/2016			
	As at 1.1.2015	Acquired	Sold	As at 31.12.2015
The Company				
Direct interests:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	11,142,367	-	-	11,142,367
Tan Sri Datuk Seri Razman M Hashim	134,961	-	-	134,961
Dato' Chew Chee Kin	869,171	-	-	869,171
Sarena Cheah Yean Tih	97,058	-	-	97,058
Deemed interests:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	146,162,491 ^a	5,161,604	(8,933,433)	142,390,662 ^b
Dato' Chew Chee Kin ^c	303,976	-	-	303,976
Sarena Cheah Yean Tih	157,185,376 ^d	5,161,604	(8,933,433)	153,413,547 ^e

First grant of options over ordinary shares (Vested at RM2.48* per share)							
Number of options over ordinary shares of RM1 each							
Granted on 3.9.2013	As at 1.1.2015 (Options granted)	As at 1.1.2015 (Vested options)	Movements during the financial year		As at 31.12.2015 (Vested options)	As at 31.12.2015 (Options granted)	
			Vested on 2.9.2015	Exercised			
The Company							
Direct interests:							
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	17,200,000	17,200,000	8,600,000	4,300,000	(4,300,000)	8,600,000	12,900,000
Tan Sri Datuk Seri Razman M Hashim	500,000	500,000	250,000	125,000	(250,000)	125,000	250,000
Dato' Chew Chee Kin	4,500,000	4,500,000	2,250,000	1,125,000	(1,125,000)	2,250,000	3,375,000
Sarena Cheah Yean Tih	1,600,000	1,600,000	800,000	400,000	(400,000)	800,000	1,200,000

* Exercise price of the first grant of the options has been adjusted to RM2.48 pursuant to the distribution of SCG Shares as dividend-in-specie to the shareholders of the Company on 5 June 2015 and a special cash dividend of RM0.26 each to the shareholders of the Company on 16 October 2015.

DIRECTORS' REPORT (CONTD.)

DIRECTORS' INTERESTS (CONTD.)

- ^a Deemed interests 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.
- ^b Deemed interests by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn. Bhd., Sungei Way Corporation Sdn. Bhd. and children.
- ^c Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through spouse.
- ^d Deemed interests by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn. Bhd., Sungei Way Corporation Sdn. Bhd., spouse and parents.
- ^e Deemed interests by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn. Bhd., Sungei Way Corporation Sdn. Bhd., spouse and parent.
- ^f Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through parent.
- ^g Deemed interests by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn. Bhd. and children.
- ^h Deemed interests by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn. Bhd. and parent.
- ⁱ Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through children.
- ^j Deemed interests by virtue of Section 6A of the Companies Act, 1965 held through Jef-San Enterprise Sdn. Bhd., Active Equity Sdn. Bhd., Sungei Way Corporation Sdn. Bhd., Sunway Berhad, Sunway Holdings Sdn. Bhd. and children.
- ^k Deemed interests by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn. Bhd., Sungei Way Corporation Sdn. Bhd., Sunway Berhad, Sunway Holdings Sdn. Bhd., spouse and parents.

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

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 Directors in office at the end of the financial year did not have any interests in ordinary shares, non-cumulative redeemable preference 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 RM1,730,579,384 to RM1,799,754,850 by way of issuance of:

- (i) 13,007,336 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) 17,577,339 ordinary shares of RM1 each pursuant to the exercise of Warrants 2011/2016 at an exercise price of RM2.43 per ordinary share for cash;
- (iii) 101,150 ordinary shares of RM1 each pursuant to the exercise of Warrants 2011/2016 at an exercise price of RM2.25 per ordinary share for cash;
- (iv) 15,416,931 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;
- (v) 21,779,680 new ordinary shares of RM1 each pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM2.68 per ordinary share for cash;
- (vi) 557,000 new ordinary shares of RM1 each pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM2.48 per ordinary share for cash;
- (vii) 431,430 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;
- (viii) 297,400 new ordinary shares of RM1 each pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM3.10 per ordinary share for cash; and

DIRECTORS' REPORT (CONTD.)

ISSUE OF SHARES AND SHARES BUY-BACK (CONTD.)

- (ix) 7,200 new ordinary shares of RM1 each pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM2.87 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. There were no other issues of shares during the financial year.

During the financial year, the Company repurchased 10,600,100 of its issued ordinary shares from the open market at prices ranging from RM2.95 to RM3.41 per share. The total consideration paid for the repurchases including transaction costs was RM34,380,307 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 2015, the Company held a total of 19,519,500 ordinary shares as treasury shares out of its total issued and paid up share capital of 1,799,754,850 ordinary shares. Such treasury shares are recorded at a carrying amount of RM63,603,407. The total consideration paid for the purchase of treasury shares was RM63,699,864 including the related transaction costs amounted to RM96,457.

EMPLOYEES' SHARE OPTION SCHEME

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

The main features of the Scheme are:

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

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.

On 9 May 2015, the exercise prices of options granted under the Scheme had been adjusted pursuant to the distribution of Distribution Shares held by the Company to its entitled shareholders by way of dividend-in-specie on a basis of 1 Distribution Share for every 10 existing ordinary shares of RM1 each held in Sunway Berhad on 5 June 2015.

Subsequently on 5 October 2015, the exercise prices of options granted under the Scheme had been adjusted again following the distribution of a special cash dividend of RM0.26 each to the entitled shareholders of the Company on 16 October 2015. The details of the adjusted exercise prices were shown in the table below:

Grant no.	Grant date	Original exercise price RM	First adjusted exercise price RM	Second adjusted exercise price RM
First	3.9.2013	2.76	2.68	2.48
Second	2.9.2014	3.19	3.10	2.87
Third	2.9.2015	3.52	-	3.25

DIRECTORS' REPORT (CONTD.)

EMPLOYEES' SHARE OPTION SCHEME (CONTD.)

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

(a) Options granted

Grant no	Grant date	Number of share options '000	Balance as at 1.1.2015/ grant date '000	Movements during the financial year			Balance as at 31.12.2015 '000	Exercise price RM/Option	Exercise period
				Exercised '000	Forfeited '000	Rejected '000			
First	3.9.2013	133,564	117,851	(37,753)	(20,385)	-	59,713	2.48	3.9.2013 - 2.9.2019
Second	2.9.2014	15,735	14,686	(736)	(1,185)	-	12,765	2.87	2.9.2014 - 2.9.2019
Third	2.9.2015	10,840	10,840	-	(300)	(365)	10,175	3.25	2.9.2015 - 2.9.2019

(b) Options vested

(i) First grant of options over ordinary shares

Vesting date	Vested '000	Exercisable as at 1.1.2015/ grant date '000	Movements during the financial year			Exercisable as at 31.12.2015 '000	Exercise price RM/Option	Exercise period
			Exercised '000	Forfeited '000	Rejected '000			
3.9.2013	29,993	24,840	(20,696)	(3,713)	-	431	2.48	3.9.2013 - 2.9.2016
2.9.2014	27,853	26,493	(11,928)	(5,422)	-	9,143	2.48	2.9.2014 - 2.9.2017
2.9.2015	26,744	26,744	(5,129)	(6,536)	-	15,079	2.48	2.9.2015 - 2.9.2018

(ii) Second grant of options over ordinary shares

Vesting date	Vested '000	Exercisable as at 1.1.2015/ grant date '000	Movements during the financial year			Exercisable as at 31.12.2015 '000	Exercise price RM/Option	Exercise period
			Exercised '000	Forfeited '000	Rejected '000			
2.9.2014	4,526	4,209	(603)	(379)	-	3,227	2.87	2.9.2014 - 2.9.2017
2.9.2015	3,894	3,894	(133)	(192)	-	3,569	2.87	2.9.2015 - 2.9.2018

(iii) Third grant of options over ordinary shares

Vesting date	Vested '000	Exercisable as at 1.1.2015/ grant date '000	Movements during the financial year			Exercisable as at 31.12.2015 '000	Exercise price RM/Option	Exercise period
			Exercised '000	Forfeited '000	Rejected '000			
2.9.2015	4,792	4,792	-	(166)	(307)	4,319	3.25	2.9.2015 - 2.9.2018

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 800,000 options and above, which are as follows:

	First grant of options over ordinary shares (Vested at RM2.48* per share)						
	Number of options over ordinary shares of RM1 each						
	Granted on 3.9.2013	As at 1.1.2015		Movements during the financial year		As at 31.12.2015	
		Options granted	Vested options	Vested on 2.9.2015	Exercised	Vested options	Options granted
Tan Sri Dato' Seri Dr. Jeffrey							
Cheah Fook Ling, AO	17,200,000	17,200,000	8,600,000	4,300,000	(4,300,000)	8,600,000	12,900,000
Dato' Chew Chee Kin	4,500,000	4,500,000	2,250,000	1,125,000	(1,125,000)	2,250,000	3,375,000
Evan Cheah Yean Shin	1,600,000	1,600,000	800,000	400,000	(400,000)	800,000	1,200,000
Sarena Cheah Yean Tih	1,600,000	1,600,000	800,000	400,000	(400,000)	800,000	1,200,000
Wong Fook Chai	1,600,000	1,600,000	800,000	400,000	(400,000)	800,000	1,200,000
Dato' Ng Tiong Lip	1,200,000	1,200,000	540,000	300,000	-	840,000	1,200,000
Kwan Foh Kwai	1,600,000	1,500,000	700,000	400,000	(380,000)	720,000	1,120,000
Lee Weng Keng (Dr.)	1,600,000	1,600,000	800,000	400,000	(600,000)	600,000	1,000,000
Teh Quen Chang	1,200,000	1,200,000	600,000	300,000	(300,000)	600,000	900,000
Dato' Ngeow Voon Yean	1,600,000	1,600,000	800,000	400,000	(800,000)	400,000	800,000
Ng Boon Liang	1,200,000	1,000,000	400,000	300,000	(100,000)	600,000	900,000
Lau Beng Long	900,000	900,000	450,000	225,000	(225,000)	450,000	675,000
Lee Soong Hwa	900,000	900,000	450,000	180,000	(225,000)	405,000	675,000
Dato' Tan Kia Loke	2,000,000	2,000,000	1,000,000	500,000	(1,500,000)	-	500,000
Ong Pang Yen	1,600,000	1,400,000	520,000	400,000	(920,000)	-	480,000
Mok Sew Wah	900,000	900,000	405,000	225,000	(435,000)	195,000	465,000
Tan Poh Chan	900,000	900,000	450,000	225,000	(450,000)	225,000	450,000
Tan Wee Bee	900,000	900,000	450,000	225,000	(150,000)	525,000	750,000

* Exercise price of the first grant of the options has been adjusted to RM2.48 pursuant to the distribution of SCG Shares as dividend-in-specie to the shareholders of the Company on 5 June 2015 and a special cash dividend of RM0.26 each to the entitled shareholders of the Company on 16 October 2015.

WARRANTS

On 9 May 2015, the exercise price of the warrants had been adjusted to RM2.43 pursuant to the distribution of ordinary shares of RM0.20 each in Sunway Construction Group Berhad ("Distribution Shares") held by Sunway Berhad to its entitled shareholders by way of dividend-in-specie on a basis of 1 Distribution Share for every 10 existing ordinary shares of RM1 each held in Sunway Berhad on 5 June 2015.

Subsequently on 3 October 2015, the exercise price of the warrants had been adjusted again to RM2.25 following the distribution of a special cash dividend of RM0.26 each to the entitled shareholders of Sunway Berhad on 16 October 2015.

During the financial year, 30,685,825 new ordinary shares of RM1 each were issued pursuant to the exercise of warrants for the equivalent numbers by the registered holders.

OTHER STATUTORY INFORMATION

(I) As at the end of the financial year

- (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 had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

DIRECTORS' REPORT (CONTD.)

OTHER STATUTORY INFORMATION (CONTD.)

- (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) From the end of the financial year to the date of this report

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amounts 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 material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) 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) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

(III) As at the date of this report

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 60(a) to the financial statements.

SUBSEQUENT EVENTS

Details of subsequent events are disclosed in Note 60(b) to the financial statements.

AUDITORS

The auditors, BDO, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 21 March 2016.



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



Dato' Chew Chee Kin

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling and Dato' Chew Chee Kin, being two of the Directors of Sunway Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 163 to 350 are drawn up in accordance with Financial Reporting Standards and the requirements of 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 2015 and of their financial performance and cash flows for the year then ended.

The information set out in Note 61 on page 351 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 Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 21 March 2016.

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 163 to 351 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.

Chong Chang Choong

Subscribed and solemnly declared by
the abovenamed Chong Chang Choong
at Petaling Jaya in the State of Selangor
Darul Ehsan on 21 March 2016

Before me,



No. 69A, Jalan SS21/37
Damansara Utama (Up Town)
47400 Petaling Jaya, Selangor D.E.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNWAY BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Sunway Berhad, which comprise statements of financial position as at 31 December 2015 of the Group and of the Company, 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 financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 163 to 350.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to 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 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 of 31 December 2015 and of their financial performance and cash flows for the financial 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 accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 55 to the financial statements.
- (c) We are satisfied that the accounts 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 financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment 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 to the financial statements 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

The financial statements of the Group and of the Company for the financial year ended 31 December 2014 were audited by another firm of chartered accountants whose report dated 27 April 2015 expressed an unqualified opinion on those statements.

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.



BDO
AF: 0206
Chartered Accountants
Kuala Lumpur
21 March 2016



Tang Seng Choon
No. 2011/12/17(J)
Chartered Accountant

INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	4	4,448,390	4,558,141	724,966	217,634
Cost of sales	5	(3,000,477)	(3,108,037)	(44,654)	(64,109)
Gross profit		1,447,913	1,450,104	680,312	153,525
Other income	6	259,793	338,106	4,455	54
Administrative expenses		(509,314)	(580,740)	(25,972)	(19,076)
Selling and marketing expenses		(168,985)	(183,620)	-	-
Other expenses		(342,366)	(266,539)	(1,257)	(789)
Operating profit		687,041	757,311	657,538	133,714
Finance and other distribution income	7	97,857	48,440	97,140	82,893
Finance costs	7	(124,479)	(78,859)	(56,656)	(45,113)
Share of results of associates		201,832	147,194	-	-
Share of results of joint ventures		68,111	86,156	-	-
Profit before tax	8	930,362	960,242	698,022	171,494
Income tax expense	11	(130,939)	(148,593)	(3,342)	(4,547)
Profit for the financial year		799,423	811,649	694,680	166,947
Attributable to:					
Owners of the parent		732,449	734,011	694,680	166,947
Non-controlling interests		66,974	77,638	-	-
		799,423	811,649	694,680	166,947
Earnings per share attributable to owners of the parent (sen per share):					
Basic	12	41.77	42.55		
Diluted	12	39.16	40.72		

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 2015

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit for the financial year	799,423	811,649	694,680	166,947
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Foreign currency translations	104,444	51,709	-	-
(Loss)/Gain on fair value changes	-	-	(2,317)	7,102
Exchange differences realised on disposal of a subsidiary	-	(4,788)	-	-
Cash flow hedge reserve - fair value gains/(losses)				
- Fair value gains of derivatives	404,141	107,081	43,156	35,224
- Amounts recycled to profit or loss	(409,217)	(113,284)	(41,925)	(33,503)
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	99,368	40,718	(1,086)	8,823
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Share of revaluation surplus on land from an associate	-	91	-	-
Other comprehensive income/(loss) for the financial year, net of tax	99,368	40,809	(1,086)	8,823
Total comprehensive income for the financial year	898,791	852,458	693,594	175,770
Total comprehensive income attributable to:				
Owners of the parent	835,155	761,415	693,594	175,770
Non-controlling interests	63,636	91,043	-	-
	898,791	852,458	693,594	175,770

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Assets					
Non-current assets					
Property, plant and equipment	14	1,333,563	977,084	2,445	2,759
Intangible assets	15	38,407	8,096	-	-
Biological assets	16	457	1,233	-	-
Investment properties	17	2,722,348	2,370,420	-	-
Rock reserves	18	6,657	6,920	-	-
Land held for property development	19	1,194,112	535,462	-	-
Investments in subsidiaries	20	-	-	4,039,593	3,899,592
Investments in associates	22	1,704,118	1,532,485	-	-
Investments in joint ventures	23	1,477,055	988,928	800	800
Goodwill	24	320,060	319,444	-	-
Deferred tax assets	39	83,714	42,670	-	-
Trade receivables	28	10,521	6,723	-	-
Other receivables	29	17,850	17,214	-	-
Derivatives	43	351,271	66,329	-	-
Other investments	25	1,164	1,846	52,108	44,408
		9,261,297	6,874,854	4,094,946	3,947,559
Current assets					
Property development costs	26	977,999	1,518,317	-	-
Inventories	27	693,133	579,963	-	-
Trade receivables	28	1,541,097	1,184,739	-	-
Other receivables	29	282,205	183,287	7,082	3,697
Amounts due from subsidiaries	21	-	-	1,518,421	1,483,278
Amounts due from associates	30	6,511	9,992		
Amounts due from joint ventures	31	496,487	286,223	1,134	1,779
Tax recoverable		55,947	69,870	585	185
Derivatives	43	55,230	73,671	-	43,970
Placement in funds	32	1,147,991	330,672	153,200	41,090
Cash and bank balances	32	1,482,960	1,647,528	163,078	336,036
		6,739,560	5,884,262	1,843,500	1,910,035
Assets of disposal group classified as held for sale					
	33	-	98,029	-	-
Total assets		16,000,857	12,857,145	5,938,446	5,857,594

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015 (CONTD.)

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Equity and liabilities					
Current liabilities					
Trade payables	40	1,287,044	1,275,804	-	-
Other payables	41	971,438	838,884	19,000	30,645
Amounts due to subsidiaries	37	-	-	176	232
Amounts due to associates	30	4,408	3,134	-	-
Amounts due to joint ventures	31	41,301	201	-	-
Borrowings	34	3,068,648	2,130,183	990,000	1,169,850
Advances by non-controlling interests of subsidiaries	36	146,702	-	-	-
Hire purchase and finance lease liabilities	38	2,266	2,708	-	-
Derivatives	43	9,874	29	-	-
Tax payable		32,470	24,874	-	-
		5,564,151	4,275,817	1,009,176	1,200,727
Non-current liabilities					
Borrowings	34	2,815,211	1,649,748	250,000	150,000
Other payables	41	293,172	361,156	-	-
Long term liabilities	35	13,476	15,744	-	-
Advances by non-controlling interests of subsidiaries	36	-	142,506	-	-
Hire purchase and finance lease liabilities	38	2,978	1,791	-	-
Deferred tax liabilities	39	90,886	82,860	-	-
Derivatives	43	7,709	3,682	-	-
		3,223,432	2,257,487	250,000	150,000
Total liabilities		8,787,583	6,533,304	1,259,176	1,350,727

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015 (CONTD.)

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Equity and liabilities (contd.)					
Equity attributable to owners of the parent					
Share capital	44	1,799,755	1,730,579	1,799,755	1,730,579
Treasury shares	44	(63,604)	(29,275)	(63,604)	(29,275)
Share premium	45	2,771,822	2,642,213	2,771,822	2,642,213
Equity contribution	46	51,654	51,654	-	-
Merger reserve	47	(1,192,040)	(1,192,040)	-	-
Reserves	48	3,195,129	2,733,237	171,297	163,350
		6,562,716	5,936,368	4,679,270	4,506,867
Non-controlling interests		650,558	387,473	-	-
Total equity		7,213,274	6,323,841	4,679,270	4,506,867
Total equity and liabilities		16,000,857	12,857,145	5,938,446	5,857,594

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 2015

Attributable to owners of the parent

Non-distributable

	Share capital (Note 44) RM'000	Treasury shares (Note 44) RM'000	Share premium (Note 45) RM'000	Equity contribution from non-controlling interests (Note 46) RM'000	Merger reserve (Note 47) RM'000	Capital reserve (Note 48) RM'000	Capital redemption reserve (Note 48) RM'000	Revaluation reserve (Note 48) RM'000	Share option reserve (Note 48) RM'000	Equity contribution reserve (Note 48) RM'000	Cash flow hedge reserve (Note 48) RM'000	Furniture, fittings and equipment reserve (Note 48) RM'000	Foreign currency translation reserve (Note 48) RM'000	Other reserves, total (Note 48) RM'000	Distributable retained earnings (Note 48) RM'000	Equity attributable to owners of the parent, controlling interests total RM'000	Equity total RM'000
2015 Group																	
At 1 January 2015	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	283,137	2,450,100	5,936,368	6,323,841
Profit for the financial year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	732,449	732,449	799,423
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	-	-	(5,076)	-	107,782	102,706	-	102,706	99,368
Transfer to furniture, fittings and equipment reserve	-	-	-	-	-	-	-	-	-	-	-	845	-	845	(845)	-	-
Total comprehensive income	-	-	-	-	-	-	-	-	-	-	(5,076)	845	107,782	103,551	731,604	835,155	898,791
Transactions with owners																	
Issuance of ordinary shares pursuant:																	
- to exercise of ESOS	38,490	-	84,836	-	-	-	-	-	-	(18,701)	-	-	-	(18,701)	-	104,625	-
- to exercise of warrants	30,686	-	44,773	-	-	-	-	-	-	-	-	-	-	-	-	75,459	-
Share options granted under ESOS	-	-	-	-	-	-	-	-	24,787	-	-	-	-	24,787	-	24,787	-
Purchase of treasury shares	-	(34,329)	-	-	-	-	-	-	-	-	-	-	-	-	-	(34,329)	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(16,509)
Dividends paid by the Company*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(691,733)	(691,733)	-
Shares acquired by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	312,419	312,419	214,014
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44,930
Acquisition of equity interest from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	69,176	(34,329)	129,609	-	-	-	-	-	-	6,086	-	-	-	6,086	(379,349)	(208,807)	199,449
At 31 December 2015	1,799,755	(63,604)	2,771,822	51,654	(1,192,040)	34,137	99,062	879	25,972	75,166	21,712	(9,972)	4,573	392,774	2,802,355	6,562,716	7,213,274

* Dividends paid by the Company included distribution of Distribution Shares held by the Company to its entitled shareholders by way of dividend-in-specie amounting to RM35,002,000 as disclosed in Note 13 to the financial statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

Attributable to owners of the parent

Non-distributable

	Share capital (Note 44) RM'000	Treasury shares (Note 44) RM'000	Share premium (Note 45) RM'000	Equity contribution from non-controlling interests RM'000	Merger reserve (Note 47) RM'000	Capital reserve (Note 48) RM'000	Statutory reserve (Note 48) RM'000	Revaluation reserve (Note 48) RM'000	Share option reserve (Note 48) RM'000	Equity contribution reserve (Note 48) RM'000	Cash flow hedge reserve (Note 48) RM'000	Furniture and fittings reserve (Note 48) RM'000	Foreign currency translation reserve (Note 48) RM'000	Other reserves, total (Note 48) RM'000	Distributable retained earnings (Note 48) RM'000	Reserve of disposal group classified as held for sale RM'000	Equity attributable to owners of the parent, controlling interests RM'000	Equity, total RM'000		
2014 Group																				
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 financial 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
Transfer to furniture, fittings and equipment reserve	-	-	-	-	-	-	-	-	-	-	-	-	(1,560)	-	1,560	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-	91	-	-	(6,203)	(1,560)	56,004	48,332	735,571	(22,488)	761,415	91,043	852,458
Transactions with owners																				
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	-
Share options granted under ESOS	-	-	-	-	-	-	-	-	-	28,426	-	-	-	28,426	-	-	28,426	-	28,426	-
Purchase of treasury shares	-	(29,275)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(29,275)	-	(29,275)	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(40,564)	-	(40,564)
Dividends paid by the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(172,322)	-	(172,322)	-	(172,322)	-
Dilution of equity interest in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1	83	84	-
Issuance of redeemable preference shares to non-controlling interests by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,200	21,200	-
Acquisition of equity interest from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	7,055	(29,275)	13,809	-	-	-	-	-	-	26,197	-	-	-	26,197	(171,132)	-	1,189	(1,189)	(1,189)	-
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 2015 (CONTD.)

	Non-distributable							
	Share capital (Note 44) RM'000	Treasury shares (Note 44) RM'000	Share premium (Note 45) RM'000	Share options reserve (Note 48) RM'000	Cash flow hedge reserve (Note 48) RM'000	Fair value reserve (Note 48) RM'000	Distributable retained earnings (Note 48) RM'000	Equity, total RM'000
Company								
As 1 January 2014	1,723,524	-	2,628,404	39,713	(2,952)	(1,869)	98,813	4,485,633
Profit for the financial year	-	-	-	-	-	-	166,947	166,947
Other comprehensive income	-	-	-	-	1,721	7,102	-	8,823
Total comprehensive income	-	-	-	-	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
- to exercise of warrants	3,311	-	4,966	-	-	-	-	8,277
Purchase of treasury shares	-	(29,275)	-	-	-	-	-	(29,275)
Share options granted under ESOS	-	-	-	28,426	-	-	-	28,426
Dividends paid	-	-	-	-	-	-	(172,322)	(172,322)
At 31 December 2014	1,730,579	(29,275)	2,642,213	65,910	(1,231)	5,233	93,438	4,506,867
Profit for the financial year	-	-	-	-	-	-	694,680	694,680
Other comprehensive income	-	-	-	-	1,231	(2,317)	-	(1,086)
Total comprehensive income	-	-	-	-	1,231	(2,317)	694,680	693,594
Issuance of ordinary shares pursuant:								
- to exercise of ESOS	38,490	-	84,836	(18,701)	-	-	-	104,625
- to exercise of warrants	30,686	-	44,773	-	-	-	-	75,459
Purchase of treasury shares	-	(34,329)	-	-	-	-	-	(34,329)
Share options granted under ESOS	-	-	-	24,787	-	-	-	24,787
Dividends paid*	-	-	-	-	-	-	(691,733)	(691,733)
At 31 December 2015	1,799,755	(63,604)	2,771,822	71,996	-	2,916	96,385	4,679,270

* Dividends paid included distribution of Distribution Shares held by the Company to its entitled shareholders by way of dividend-in-specie amounting to RM35,002,000 as disclosed in Note 13 to the financial statements.

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 2015

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash flows from operating activities				
Profit before tax	930,362	960,242	698,022	171,494
Adjustments for:				
Finance and other distribution income	(97,857)	(48,440)	(97,140)	(82,893)
Finance costs	124,479	78,859	56,656	45,113
Dividend income	-	-	(676,869)	(148,160)
Distribution of income from real estate investment trust	-	-	(2,734)	(2,123)
Allowance for impairment of trade receivables and other receivables	3,256	12,496	-	-
Depreciation and amortisation	117,347	117,761	1,012	773
Fair value gain on:				
- derivatives	(8)	(910)	-	-
- investment properties	(63,143)	(144,795)	-	-
- investment properties under construction	(24,218)	(56,076)	-	-
Fair value loss on:				
- derivatives	1,290	3,631	-	-
- investment properties	22,364	2,079	-	-
Gain on hedged instruments	-	(142)	-	-
(Gain)/Loss on disposal of:				
- disposal group classified as held for sale	(22,947)	(13,810)	-	-
- property, plant and equipment	(1,238)	(1,861)	(4)	-
- a subsidiary	-	1,124	-	-
Loss/(Gain) on liquidation of:				
- an associate	-	335	-	-
- subsidiaries	-	(869)	-	-
Impairment losses on:				
- property, plant and equipment	-	30	-	-
- investments in joint ventures	-	5,463	-	-
Cash flow hedge recycled to profit or loss	(409,217)	(113,284)	(41,925)	(33,503)
Net unrealised foreign exchange losses/(gains):				
- hedged items	409,217	113,284	41,925	33,503
- others	(3,280)	(1,730)	(6)	(1)
Net cash generated from/(used in) operating activities carried forward	986,407	913,387	(21,063)	(15,797)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Net cash generated from/(used in)				
operating activities brought forward	986,407	913,387	(21,063)	(15,797)
Reversal of allowance for impairment of trade receivables and other receivables	(12,539)	(1,535)	-	-
Share of results of:				
- associates	(201,832)	(147,194)	-	-
- joint ventures	(68,111)	(86,156)	-	-
Share options granted under ESOS	24,787	28,426	8,470	6,960
Net movements in unrealised (profit)/loss arising from construction project	(5,408)	6,525	-	-
Write down of inventories to net realisable value	623	1,340	-	-
Write up of inventories to net realisable value	(10,478)	(4,395)	-	-
Write off of:				
- bad debts	4,120	1,017	-	-
- biological assets	88	38	-	-
- inventories	523	225	-	-
- property, plant and equipment	2,971	973	-	-
Operating profit/(loss) before working capital	721,151	712,651	(12,593)	(8,837)
Changes in working capital:				
Property development costs	109,110	(125,010)	-	-
Land held for property development	(27,339)	(102,033)	-	-
Inventories	132,303	42,946	-	-
Trade receivables	(175,183)	(85,129)	-	-
Other receivables	(53,458)	(251,746)	(4,554)	(1,946)
Trade payables	156,010	189,989	-	-
Other payables	79,430	187,671	(7,106)	676
Long term payables	(67,984)	64,637	-	-
Cash generated from/(used in) operations	874,040	633,976	(24,253)	(10,107)
Interest received	97,609	46,622	98,309	81,724
Dividends received from:				
- joint ventures and associates	111,571	183,391	12,017	10,559
- subsidiaries	-	-	629,850	137,601
Distribution of income from real estate investment trust (Note 53)	-	-	2,734	2,123
Tax refunded	29,637	16,211	-	-
Tax paid	(173,307)	(172,181)	(3,742)	(4,890)
Net cash from operating activities	939,550	708,019	714,915	217,010

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash flows from investing activities				
Proceeds from disposal of:				
- asset held for sale	133,934	-	-	-
- biological assets	7	17	-	-
- equity interest in subsidiaries	491,431	83	-	-
- intangible assets	35	-	-	-
- other investments	688	4	-	-
- property, plant and equipment	18,683	16,827	45	-
Acquisition of:				
- biological assets	(21)	(723)	-	-
- equity interest from non-controlling interests	(43,021)	-	-	-
- intangible assets	(16,943)	(3,175)	-	-
- investment properties and investment under construction	(563,306)	(254,758)	-	-
- land held for property development	(306,411)	(263,602)	-	-
- other investments	-	(11)	(10,017)	(10,559)
- property, plant and equipment	(412,887)	(205,329)	(739)	(716)
- subsidiaries for cash, net of cash acquired	(44,837)	-	(140,001)	(253,000)
Additional interest acquired:				
- joint ventures	(122,301)	(63,799)	-	-
- associates	(75,127)	(82,698)	-	-
Net cash flows from:				
- disposal of subsidiaries	-	2,713	-	-
- disposal of group classified as held for sale	-	12,243	-	-
- liquidation of subsidiaries	-	5,850	-	-
Advances (to)/from:				
- subsidiaries	-	-	(18,876)	(47,930)
- associates and joint ventures	(454,776)	(14,234)	645	(82)
Net cash flows from fund placements	(692,739)	(35,415)	(24,950)	165,357
Net cash used in investing activities	(2,087,591)	(886,007)	(193,893)	(146,930)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash flows from financing activities				
Drawdown of:				
- term loans	1,319,770	2,246,360	-	671,329
- revolving credits	113,000	560,491	-	80,000
- commercial papers	2,035,000	-	345,000	-
- medium term notes	174,686	150,000	100,000	150,000
- other bank borrowings	274,248	338,417	-	-
Repayments of:				
- hire purchase and finance lease liabilities	(4,970)	(15,898)	-	-
- term loans	(1,129,542)	(1,654,989)	(479,649)	(675,882)
- revolving credits	(301,482)	(435,885)	-	-
- commercial papers	(515,000)	(35,000)	-	(35,000)
- medium term notes	(5,293)	-	-	-
- other bank borrowings	(196,643)	(286,122)	-	-
Interest paid	(124,479)	(69,671)	(61,195)	(40,574)
Proceeds from issuance of non-cumulative redeemable preference share to non-controlling interests by a subsidiary	-	21,200	-	-
Proceeds from issuance of ordinary shares pursuant:				
- to exercise of warrants	75,459	8,277	75,459	8,277
- to exercise of ESOS	104,625	10,358	104,625	10,358
Advances from non-controlling interests of subsidiaries	4,196	6,052	-	-
Dividends paid	(656,731)	(172,322)	(656,731)	(172,322)
Dividends paid to non-controlling interests in subsidiaries	(16,509)	(40,564)	-	-
Shares buyback	(34,329)	(29,275)	(34,329)	(29,275)
Net cash from/(used in) financing activities	1,116,006	601,429	(606,820)	(33,089)
Net cash from operating activities	939,550	708,019	714,915	217,010
Net cash used in investing activities	(2,087,591)	(886,007)	(193,893)	(146,930)
Net cash from/(used in) financing activities	1,116,006	601,429	(606,820)	(33,089)
Net (decrease)/increase in cash and cash equivalents	(32,035)	423,441	(85,798)	36,991
Effects of exchange rate changes on cash and cash equivalents	(12,981)	(2,197)	-	-
Cash and cash equivalents at beginning of financial year	1,292,910	871,666	248,856	211,865
Cash and cash equivalents at end of financial year (Note 32)	1,247,894	1,292,910	163,058	248,856

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 2015

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 55 to the financial statements.

The immediate and ultimate holding companies of the Company are Sungei Way Corporation Sdn. Bhd. and Active Equity Sdn. Bhd. respectively, both of which are incorporated in Malaysia.

The financial statements for the financial year ended 31 December 2015 were authorised for issue in accordance with a resolution by the Board of Directors on 21 March 2016.

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. However, Note 61 to the financial statements set out in page 351 has been 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 ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad.

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 2015 as described in Note 2.2 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand ("RM'000"), unless otherwise stated.

2.2 New FRSs adopted during the financial year

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2015, the Group and the Company adopted the following Standards that are mandatory for annual financial periods beginning on or after 1 January 2015.

Description	Effective for annual periods beginning on or after
Amendments to FRS 119 Defined Benefit Plans: Employee Contributions	1 July 2014
Amendments to FRSs Annual Improvements 2010 - 2012 Cycle	1 July 2014
Amendments to FRSs Annual Improvements 2011 - 2013 Cycle	1 July 2014

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 New FRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2016

The Standards that are issued but not yet effective up to the date of issuance of financial statements of the Group and of the Company are disclosed below. The Group and the Company intend to adopt these Standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
FRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 116 and FRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 11 Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 127 Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRSs Annual Improvements to FRSs 2012 - 2014 Cycle	1 January 2016
Amendments to FRS 101 Disclosure Initiative	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128 Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 9 Financial Instruments (IFRS as issued by IASB in July 2014)	1 January 2018
Amendments to FRS 10 and FRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Group is in the process of assessing the impact of implementing these Standards, since the effects would only be observable for the future financial years.

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. Consequently, adoption of the MFRS Framework by Transitioning Entities would be mandatory for annual periods beginning on or after 1 January 2018.

The Group and the Company fall within the scope definition of Transitioning Entities and accordingly, would be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2018. In presenting its first MFRS financial statements, the Group and the Company would 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 would 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 2018.

2.4 Fair value measurement

The Group measures non-financial assets such as investment properties, at fair value at the reporting date.

Fair value of an assets or a liability, except for share-based payment and lease transactions is determined as the 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Fair value measurement (contd.)

The principal or the most advantageous market must be accessible to by the Group.

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

- (a) The condition and location of the asset; and
- (b) Restrictions, if any, on the sale or use of the asset.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

- (a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and
- (b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

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

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.

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 reporting date.

The Group 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. Selection criteria of external valuers include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the external valuers of the Group, which valuation techniques and inputs to use for each case.

At the reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the accounting policies of the Group. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the external valuers of the Group, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.5 Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current or 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 12 months after the reporting date; or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is current when it is:

- (i) Expected to be settled in normal operating cycle;
- (ii) Held primarily for the purpose of trading;
- (iii) Due to be settled within 12 months after the reporting date; or
- (iv) There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified 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 period as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has all the following:

- (i) Power over 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 voting rights of the Group in an investee are sufficient to give it power over the investee, including:

- (i) The contractual arrangement with the other vote holders of the investee;
- (ii) Rights arising from other contractual arrangements; and
- (iii) The voting rights and potential voting rights of the Group.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the interest of the Group in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.6 Basis of consolidation (contd.)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the income statements and statements of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

When the Group loses control of a subsidiary, the profit or loss on disposal is 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 (including goodwill), and liabilities of the subsidiary and any non-controlling interest.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 Financial Instruments: Recognition and Measurement or, where applicable, the cost on initial recognition of an investment in associate or joint venture.

2.7 Business combinations

Business combinations are accounted for by applying the acquisition method of accounting. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

- (a) Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 112 Income Taxes and FRS 119 Employee Benefits respectively;
- (b) Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment transactions are measured in accordance with FRS 2 Share-based Payment at the acquisition date; and
- (c) Assets (or disposal groups) that are classified as held for sale in accordance with FRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

- (a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.
- (b) Subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of FRS 139 are recognised either in profit or loss or in other comprehensive income in accordance with FRS 139. All other subsequent changes are recognised in profit or loss.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by FRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the previously held equity interest of the Group in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 2.11(a) to the financial statements. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.8 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. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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.

2.9 Foreign currencies

(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 functional currency of the Company.

(b) Foreign currency transactions and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the reporting date are translated into functional currency at rates of exchange ruling at that date.

All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise.

Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

(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. All resulting exchange differences arising on the translation are taken as a separate component of equity.

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.

Exchange differences arising on a monetary item that forms part of the net investment of the Company in a foreign operation shall be recognised in profit or loss in the separate financial statements of the Company or the foreign operation, as appropriate. In the consolidated financial statements, such exchange differences shall be recognised initially as a separate component of equity and recognised in profit or loss upon disposal of the net investment.

In the consolidated financial statements, exchange differences arising from the translation of net investment in foreign operations are taken to equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.10 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. 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 would flow to the Group and the cost of the item can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	45 - 94 years
Buildings	2%
Renovations	10%
Plant and machinery	5% - 20%
Motor vehicles	10% - 20%
Equipment, furniture and fittings	5% - 33%

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

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.

At the reporting date, 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. A write down is made if the carrying amount exceeds the recoverable amount (see Note 2.17 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the reporting date 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 property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.11 Intangible assets

(a) Goodwill

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the interest of the Group in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount could be impaired. Objective events that would trigger a more frequent impairment review include adverse industry or economic trends, significant restructuring actions, significantly lowered projections of profitability, or a sustained decline in the acquiree's market capitalisation. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill acquired in a business combination is from the acquisition date, allocated to each of the CGU or groups of CGU of the Group that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Goodwill arising on acquisition of an associate is the excess of cost of investment over the share of the net fair value of net assets of the associates' identifiable assets and liabilities by the Group at the date of acquisition.

Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised. The excess of the share of the net fair value of the associate's identifiable assets and liabilities by the Group over the cost of investment is included as income in the determination of the share of the associate's profit or loss by the Group in the period in which the investment is acquired.

(b) Other intangible assets

Other intangible assets are recognised only when the identifiability, control and future economic benefit probability criteria are met.

The Group recognises at the acquisition date separately from goodwill, an intangible asset of the acquiree, irrespective of whether the asset had been recognised by the acquiree before the business combination. In-process research and development projects acquired in such combinations are recognised as an asset even if subsequent expenditure is written off because the criteria specified in the policy for research and development is not met.

Intangible assets are initially measured at cost. The cost of intangible assets recognised in a business combination is their fair values as at the date of acquisition.

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight line basis over the estimated economic useful lives and are assessed for any indication that the asset could be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least after the reporting date. The amortisation expense on intangible assets with finite lives is recognised in profit or loss and is included within the other operating expenses line item.

Expenditure on an intangible item that is initially recognised as an expense is not recognised as part of the cost of an intangible asset at a later date.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from the derecognition, which is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset is recognised in profit or loss when the asset is derecognised.

Software

Software that does not form an integral part of the related hardware is treated as intangible asset with finite life and is amortised over its estimated useful life of 3 to 5 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.11 Intangible assets (contd.)

(b) Other intangible assets (contd.)

Operating right

Operating right has finite useful life and is shown at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight line method to allocate the cost of the right over its estimated useful life of 30 years (see Note 15 to the financial statements).

2.12 Biological assets

All items of biological assets are initially recorded at cost. Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, where appropriate, only when it is probable that future economic benefits associated with the item would flow to the Group and the cost of the item can be measured reliably. All upkeep and maintenance are charged to the profit or loss during the financial year in which they are incurred.

Subsequent to recognition, biological assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of biological assets is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated biological life, at an annual rate of 20%.

The residual values, biological life and depreciation method are reviewed at the reporting date 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.

2.13 Investment properties

Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties also include properties that are being constructed or developed for future use as 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. 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.

If the Group determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably determinable when construction is complete, the Group shall measure that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). Once the Group is able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, the Group shall measure that property at its fair value.

The fair value of investment properties reflect among other things, rental income from current leases and other assumptions that market participants would use when pricing investment properties under current market conditions.

Fair values of investment properties are based on valuations by registered independent valuers with appropriate recognised professional qualification and has recent experience in the location and category of the investment properties being valued.

Fair value gain would be adjusted after taking into consideration of the difference in recognising the rental income on a straight-line basis over the lease term as disclosed in Note 2.32(c) to the financial statements and rental income billed to the tenant in the current financial year.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of the 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 2.10 up to the date of change in use.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.14 Construction contracts

Contract costs comprise costs related directly to the specific contract and those that are attributable to the contract activity in general and can be allocated to the contract and such other costs that are specifically chargeable to the customer under the terms of the contract.

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date bear to the estimated total contract costs or by reference to the physical completion of the contract.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on construction contracts plus, recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

2.15 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.

2.16 Non-current assets (or disposal groups) held for sale

(a) *Non-current assets (or disposal groups) held for sale*

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts would be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the assets (or disposal groups) shall be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable. The probability of shareholders' approval (if required in the jurisdiction) is considered as part of the assessment of whether the sale is highly probable.

The sale is expected to qualify for recognition as a completed sale within 1 year from the date of classification. However, an extension of the period required to complete the sale does not preclude the assets (or disposal groups) from being classified as held for sale if the delay is caused by events or circumstances beyond the control of the Group and there is sufficient evidence that the Group remains committed to its plan to sell the assets (or disposal groups).

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale or otherwise.

Immediately before the initial classification as held for sale, the carrying amounts of the assets (or all the assets and liabilities in a disposal group) are measured in accordance with applicable FRSs. On initial classification as held for sale, non-current assets or disposal groups (other than investment properties, deferred tax assets, employee benefits assets, and financial assets carried at fair value) are measured at the lower of its carrying amount before the initial classification as held for sale and fair value less costs to sell. The differences, if any, are recognised in profit or loss as impairment loss.

The Group measures a non-current asset (or disposal groups) classified as held for distribution to owners at the lower of its carrying amount and fair value less costs to distribute.

Non-current assets (or disposal groups) held for sale are classified as current assets (and current liabilities, in the case of non-current liabilities included within disposal groups) in the statement of financial position and are stated at the lower of carrying amount immediately before initial classification and fair value less costs to sell and are not depreciated. Any cumulative income or expense recognised directly in equity relating to the non-current asset (or disposal groups) classified as held for sale is presented separately.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.16 Non-current assets (or disposal groups) held for sale (contd.)

(a) Non-current assets (or disposal groups) held for sale (contd.)

If the Group has classified an asset (or disposal groups) as held for sale but subsequently, the criteria for classification is no longer met, the Group ceases to classify the asset (or disposal groups) as held for sale. The Group measures a non-current asset that ceases to be classified as held for sale (or ceases to be included in a disposal group classified as held for sale) at the lower of:

- (i) Its carrying amount before the asset (or disposal groups) was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal groups) not been classified as held for sale; and
- (ii) Its recoverable amount at the date of the subsequent decision not to sell.

(b) Discontinued operations

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. When an operation is classified as discontinued operation, the comparative statement of profit or loss and other comprehensive income are re-presented as if the operation had been discontinued from the beginning of the comparative period.

2.17 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries, associates and a joint venture), inventories, deferred tax assets, investment properties measured at fair value and non-current assets (or disposal groups) held for sale, are reviewed at the reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Goodwill and intangible assets that have an indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill or intangible asset might be impaired.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the CGU or groups of CGU of the Group that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Goodwill acquired in a business combination shall be tested for impairment as part of the impairment testing of CGU to which it relates. The CGU to which goodwill is allocated shall represent the lowest level within the Group at which the goodwill is monitored for internal management purposes and not larger than an operating segment determined in accordance with FRS 8 Operating Segments.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal 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 for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the goodwill or intangible asset, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately.

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.18 Subsidiaries

A subsidiary is an entity in which the Group and the Company are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost. Put options written over non-controlling interests on the acquisition of subsidiary shall be included as part of the cost of investment in the separate financial statements of the Company. Subsequent changes in the fair value of the written put options over non-controlling interests shall be recognised in profit or loss. Investments accounted for at cost shall be accounted for in accordance with FRS 5 Non-current Assets Held for Sale and Discontinued Operations when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with FRS 5.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

2.19 Associates

An associate is an entity over which the Group and the Company have significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is neither control nor joint control over those policies.

In the separate financial statements of the Company, an investment in associate is stated at cost less impairment losses.

An investment in associate is accounted for in the consolidated financial statements using the equity method of accounting. The investment in associate in the consolidated statement of financial position is initially recognised at cost and adjusted thereafter for the post acquisition change in the share of net assets of the investments of the Group.

The interest in an associate is the carrying amount of the investment in the associate under the equity method together with any long term interest that, in substance, form part of the net investment in the associate of the Group.

The share of the profit or loss of the associate by the Group during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount could also be necessary for changes in the proportionate interest of the Group in the associate arising from changes in the associate's equity that have not been recognised in the associate's profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The share of those changes by the Group is recognised directly in equity of the Group.

Unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the interest of the Group in the associate to the extent that there is no impairment.

When the share of losses of the Group in the associate equals to or exceeds its interest in the associate, the carrying amount of that interest is reduced to nil and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

The most recent available financial statements of the associate are used by the Group in applying the equity method. When the end of the reporting date of the financial statements are not coterminous, the share of results is arrived at using the latest audited financial statements for which the difference in end of the reporting date is no more than 3 months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening periods.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the interest of the Group in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.20 Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. The parties are bound by a contractual arrangement which gives two or more parties joint control of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is either a joint operation or a joint venture. The Group has determined that all its joint operations are joint ventures.

(a) *Joint venture*

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. These parties are known as joint venturers.

In the separate financial statements of the Company, an investment in a joint venture is stated at cost.

Any premium paid for an investment in a joint venture above the fair value of the share of the identifiable assets, liabilities and contingent liabilities acquired of the Group is capitalised and included in the carrying amount of the investment in joint venture. Where there is an objective evidence that the investment in a joint venture has been impaired, the carrying amount of the investment is tested for impairment in accordance with FRS 136 Impairment of Assets as a single asset, by comparing its recoverable amount with its carrying amount.

The Group recognises its interest in a joint venture as an investment and accounts for that investment using the equity method in accordance with FRS 128 Investments in Associates and Joint Ventures.

The Group determines the type of joint arrangement in which it is involved, based on the rights and obligations of the parties to the arrangement. In assessing the classification of interests in joint arrangements, the Group considers:

- (a) The structure of the joint arrangement;
- (b) The legal form of joint arrangements structured through a separate vehicle;
- (c) The contractual terms of the joint arrangement agreement; and
- (d) Any other facts and circumstances.

When there are changes in the facts and circumstances change, the Group reassesses whether the type of joint arrangement in which it is involved has changed.

2.21 Financial assets

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

(a) *Financial assets at fair value through profit or loss*

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.21 Financial assets (contd.)

(a) Financial assets at fair value through profit or loss (contd.)

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 right of the Group and of the Company to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably determined are measured at cost less impairment losses.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.22 Impairment of financial assets

The Group and the Company assess at the 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 carrying amount of the asset and the present value of estimated future cash flows discounted at the original effective interest rate of the financial asset. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) *Unquoted equity securities carried at cost*

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) *Available-for-sale financial assets*

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2.23 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.24 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.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

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.

They comprise the cost of land under development, construction costs and other related development costs common to the whole project including professional fees, stamp duties, commissions, conversion fees and other relevant levies as well as borrowing costs.

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.

2.25 Inventories

Inventories are stated at the lower of cost and net realisable value.

Properties held for sale consist of cost associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable to developing the properties to completion.

The cost of trading inventories, food and beverages and consumables comprises costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition. Costs are determined on a weighted average basis.

The cost of work-in-progress and finished goods includes the cost of raw materials, direct labour, other direct cost and a proportion of production overheads based on normal operating capacity of the production facilities. The cost of raw material, work-in progress and finished goods is determined on a weighted average and first in, first out basis.

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.

2.26 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 would be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources would 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.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Provision for warranties is recognised based on the estimated liabilities to repair or replace products when the underlying products or services are sold. The estimated liability is based on historical warranty data and a weighting of all possible outcome against their associated probabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.27 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 financial liabilities classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(b) *Other financial liabilities*

The other financial liabilities of the Group and of the Company include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in FRS 4 Insurance Contracts. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

At the reporting date, the Group assesses whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities are only removed from the statement of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.28 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 would create some volatility in equity reserve balances.

Where a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gains or losses existing in equity at that time remain in equity and are recognised when the forecast transaction is ultimately recognised in the profit or loss. Where a forecast transaction is no longer expected to occur, the cumulative gains or losses that were reported in equity are immediately transferred to the profit or loss.

2.29 Borrowing costs

Borrowing costs that are directly attributable to the acquisition or production of a qualified asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing cost is recognised in profit or loss in the period in which they are incurred.

2.30 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.30 Employee benefits (contd.)

(b) *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 and foreign subsidiaries make contributions to their respective countries' statutory pension schemes. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(c) *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 the reporting date until the vesting date reflects the extent to which the vesting period has expired and the best estimate of the Group of the number of options that would 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 reporting date.

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.

2.31 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 would 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.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. 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 2.32(c) to the financial statements.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.32 Revenue

Revenue is measured at the fair value of the consideration received or receivables, net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction would flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the activities of the Group as follows:

(a) Sale of properties under development, land and properties held for sale

Property development revenue is recognised in respect of all development units that have been sold. Revenue recognition commences when the sale of the development unit is effected, upon the commencement of development and construction activities and when the financial outcome can be reliably estimated. The attributable portion of property development cost is recognised as an expense in the period in which the related revenue is recognised. The amount of such revenue and expenses recognised is determined by reference to the stage of completion of development activity at the reporting date. The stage of completion is measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated total property development cost.

When the financial outcome of a development activity cannot be reliably estimated, the property development revenue is recognised only to the extent of property development costs incurred that is probable to be recoverable and the property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project is recognised as an expense immediately, including costs to be incurred over the defects liability period.

(b) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.14 to the financial statements.

(c) Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease.

(d) Investment income

Dividend income is recognised when the right of the Group to receive payment is established.

Interest income from short term deposits and advances is recognised on the accrual basis, using the effective interest method, unless recoverability is in doubt, in which case, it is recognised on receipt basis.

(e) Sale of goods, services and rights of enjoyment

Revenue from sale of goods is recognised when significant risk and rewards of ownership of the goods has been transferred to the customer and where the Group does not have continuing managerial involvement over the goods, which coincides with the delivery of goods and acceptance by customers.

Revenue in respect of the rendering of services is recognised when the 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.32 Revenue (contd.)

(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.

2.33 Income taxes

Taxes in the statement of profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) *Current tax*

Current tax expenses are determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits (including withholding taxes payable by foreign subsidiaries, associates or joint ventures on distribution of retained earnings to companies in the Group) and real property gains taxes payable on disposal of properties, if any.

(b) *Deferred tax*

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (i) 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
- (ii) 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 would 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 would be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- (i) 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
- (ii) 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 would reverse in the foreseeable future and taxable profit would be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit would be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the reporting date and are recognised to the extent that it has become probable that future taxable profit would 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 by the Government in the annual budgets which have the substantive effect of actual enactment by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.33 Income taxes (contd.)

(b) Deferred tax (contd.)

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 when the deferred income taxes relate to the same taxation authority on either:

- (i) The same taxable entity; or
- (ii) Different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.34 Operating segments

Operating segments are defined as components of the Group that:

- (a) Engages in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);
- (b) Whose operating results are regularly reviewed by the chief operating decision maker of the Group in making decisions about resources to be allocated to the segment and assessing its performance; and
- (c) For which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

- (a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten percent (10%) or more of the combined revenue, internal and external, of all operating segments.
- (b) The absolute amount of its reported profit or loss is ten percent (10%) or more of the greater, in absolute amount of:
 - (i) The combined reported profit of all operating segments that did not report a loss; and
 - (ii) The combined reported loss of all operating segments that reported a loss.
- (c) Its assets are ten percent (10%) or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy-five percent (75%) of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

2.35 Equity

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 classified as equity instruments.

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.35 Equity (contd.)

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at the reporting date and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

2.36 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.

2.37 Treasury shares

When the Group repurchases its own shares, the shares repurchased would be accounted for using the treasury stock method.

Where the treasury stock method is applied, the shares repurchased and held as treasury shares shall be measured and carried at the cost of repurchase on initial recognition and subsequently. It shall not be revalued for subsequent changes in the fair value or market price of the shares.

The carrying amount of the treasury shares shall be offset against equity in the statement of financial position. To the extent that the carrying amount of the treasury shares exceeds the share premium account, it shall be considered as a reduction of any other reserves as may be permitted by the Companies Act, 1965 in Malaysia.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the own equity instruments of the Company. If such shares are issued by resale, any difference between the sales consideration and the carrying amount is shown as a movement in equity.

2.38 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but disclose its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date.

2.39 Earnings per share

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of 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 44(c) and 44(b) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements of the Group 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 Changes in estimates

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors are of the opinion that there are no significant changes in estimates at the reporting date.

3.2 Judgements made in applying accounting policies

In the process of applying the accounting policies of the Group, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) *Operating lease commitments - as lessor*

The Group has entered into commercial property leases on its investment properties. The commercial properties combined leases of land and buildings. At the inception of the lease, it was not possible to obtain a reliable estimate of the split of the fair values of the lease interest between the land and the buildings. Therefore, the Group evaluated based on terms and conditions of the arrangement, whether the land and the buildings were clearly operating leases or finance leases.

The Group assessed the following:

- (i) The land titles do not pass to the lessee; and
- (ii) The rentals paid to the Group for the commercial properties are increased to the market rent at regular intervals, and the lessee does not participate in the residual value of the building.

Management also judged that the Group retains all the significant risks and rewards of ownership of these properties, thus accounted for the contracts as operating leases.

(b) *Classification between investment properties and property, plant and equipment*

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(c) *Classification of leasehold land*

The Group has assessed and classified land use rights of the Group as finance leases based on the extent to which risks and rewards incidental to ownership of the land resides with the Group arising from the lease term. Consequently, the Group has classified the unamortised upfront payment for land use rights as finance leases in accordance with FRS 117 Leases.

(d) *Contingent liabilities*

The determination of treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies for matters in the ordinary course of the business.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTD.)

3.2 Judgements made in applying accounting policies (contd.)

(e) *Classification of non-current bank borrowings*

Term loan agreements entered into by the Group include repayment on demand clauses at the discretion of financial institutions. The Group believes that in the absence of a default being committed by the Group, these financial institutions are not entitled to exercise its right to demand for repayment. Accordingly, the carrying amount of the term loans have been classified between current and non-current liabilities based on their repayment period.

(f) *Contingent liabilities on corporate guarantees*

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote.

(g) *Classification of joint arrangements*

For all joint arrangements structured in separate vehicles, the Group assesses the substance of the joint arrangement in determining whether it is classified as a joint venture or joint operation. This assessment requires the Group to consider whether there are any factors that give the Group rights to the net assets of the joint arrangements (in which case it is classified as a joint venture), or rights to specific assets, liabilities, expenses, and revenues (in which case it is classified as a joint operation). These factors include:

- (i) Structure;
- (ii) Legal form;
- (iii) Contractual agreement; and
- (iv) Other facts and circumstances

Upon consideration of these factors, the Group has determined that all of its joint arrangements structured through separate vehicles provide rights to the net assets and are therefore, classified as joint ventures.

3.3 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 2015 was RM320,060,000 (2014: RM319,444,000). Further details are disclosed in Note 24 to the financial statements.

(b) *Depreciation of property, plant and equipment*

The cost of hotel properties is depreciated on a straight-line basis over its remaining useful lives. Management estimates the useful lives of these hotel properties to be a maximum of 50 years based on common life expectancies applied in the hotel industry. The remaining useful lives of the hotel properties of the Group are between 21 years to 45 years.

The useful lives and residual values of other components of property, plant and equipment are also estimated based on common life expectancies and commercial factors applied in the various respective industries.

Changes in expected level of usage, occupancy rates and economic development could impact the economic useful lives and the residual values of these assets, and hence future depreciation charges on such assets could be revised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTD.)

3.3 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 would 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 2015, the total carrying amount of recognised tax losses, capital allowances of the Group was RM182,067,000 (2014: RM82,108,000) and the unrecognised tax losses, capital allowances, investment tax allowances and other temporary differences of the Group is RM584,735,000 (2014: 669,307,000). Further details are provided for in Note 39 to the financial statements.

(e) *Impairment of loans and receivables*

The Group assesses at the 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 loans and receivables of the Group at the reporting date is disclosed in Note 28 to the financial statements.

(f) *Investment properties and investment properties under construction ("IPUC")*

Investment properties includes: (i) completed investment properties 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 the reporting date, the carrying amount of IPUC of the Group was RM892,353,000 (2014: RM848,057,000). Further details are disclosed in Note 17 to the financial statements.

(g) *Construction contracts*

The Group recognises construction contract revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the stage of completion, the extent of the construction costs incurred, the estimated total construction revenue and costs, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on experience and by relying on the work of specialists. The details of construction contracts are disclosed in Note 42 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTD.)

3.3 Key sources of estimation uncertainty (contd.)

(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. The carrying amounts of investments in associates and joint ventures as at 31 December 2015 were RM1,704,118,000 (2014: RM1,532,485,000) and RM1,477,055,000 (2014: RM988,928,000) respectively. Further details are disclosed in Note 22 and Note 23 to the financial statements 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 44 to the financial statements.

(j) *Income taxes*

Significant judgement is required in determining the capital allowances, deductibility of certain expenses and taxability of certain income during the estimation of the provision for income taxes. There are transactions during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises tax liabilities based on estimates of whether additional taxes would be due. Where the final tax outcome is different from the amounts that were initially recorded, such differences would impact the income tax and deferred tax provisions in the period in which such determination is made.

(k) *Write down for obsolete or slow moving inventories*

The Group writes down its obsolete or slow moving inventories based on assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts could not be recovered. Management specifically analyses sales trend and current economic trends when making this judgement to evaluate the adequacy of the write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences would impact the carrying amount of inventories.

(l) *Significant influence*

Significant influence is presumed to not exist when an entity hold less than 20% of the voting rights of another entity, unless it can be clearly demonstrated otherwise.

The Group holds a nineteen point three three percent (19.33%) interest in Gopeng Berhad ("Gopeng") for which the Group has determined that it holds significant influence over as the Group has two representatives on the Board of Directors of Gopeng, who are able to participate in policy-making processes, including participation in decisions about dividends or other distributions.

Based on this, the Group considers that it has the power to exercise significant influence and has treated its interest in Gopeng as an associate.

(m) *Fair values of borrowings*

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. Sensitivity analysis of the effects of interest rate risk has been disclosed in Note 56 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

4. REVENUE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Property development:				
- sale of properties under development	1,081,976	1,130,961	-	-
- sale of completed properties	107,436	63,173	-	-
Construction contracts	1,222,119	1,481,482	-	-
Sale of goods and services	1,907,459	1,770,257	-	-
Rental income	112,126	98,067	-	-
Management fees from real estate investment trust fund	7,766	7,359	-	-
Lease and hire purchase	3,748	909	-	-
Time sharing fees	3,203	3,378	-	-
Dividend income from:				
- Subsidiaries (Note 53)*	-	-	664,852	137,601
- A joint venture (Note 53)	-	-	12,017	10,559
Distribution of income from real estate investment trust (Note 53)	-	-	2,734	2,123
Management fees from:				
- Subsidiaries (Note 53)	-	-	42,806	64,796
- A joint venture (Note 53)	2,557	2,555	2,557	2,555
	4,448,390	4,558,141	724,966	217,634

* Dividend income from subsidiaries included dividend-in-specie received from Sunway Holdings Sdn. Bhd., a wholly-owned subsidiary of the Company, amounting to RM35,002,000 (2014: Nil).

5. COST OF SALES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Property development costs:				
- current year (Note 26)	(696,371)	(652,713)	-	-
- under recognised in prior years	(864)	(1,383)	-	-
Cost of completed properties sold	(85,499)	(36,180)	-	-
Construction contract costs	(968,236)	(1,202,334)	-	-
Cost of goods sold and services rendered	(1,246,287)	(1,212,904)	(44,654)	(64,109)
Lease and hire purchase	(1,050)	(130)	-	-
Cost of time sharing business operations	(2,170)	(2,393)	-	-
	(3,000,477)	(3,108,037)	(44,654)	(64,109)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

6. OTHER INCOME

Included in other income are the following:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Fair value gain on:				
- investment properties* (Note 17)	63,143	144,795	-	-
- investment properties under construction (Note 17)	24,218	56,076	-	-
- derivatives	8	910	-	-
Forfeiture income	918	1,396	-	-
Gain on disposal of:				
- assets held for sale	22,947	13,810	-	-
- property, plant and equipment	1,568	2,035	4	-
Gain on:				
- liquidation of subsidiaries	-	869	-	-
- hedged instruments	-	142	-	-
Rental income				
- equipment	16,164	14,234	-	-
- land and buildings	5,603	10,804	-	-
- others	13,167	11,950	-	-
Bad debts recovered	1,072	-	-	-
Reversal of allowance for impairment				
- trade receivables (Note 28)	12,470	1,535	-	-
- other receivables (Note 29)	69	-	-	-
Write up of inventories to net realisable value (Note 27)	10,478	4,395	-	-
Legal compensation	-	4,309	-	-
Foreign exchange gain				
- realised	10,954	8,930	4,272	2
- unrealised	8,874	5,052	17	12

* Fair value gain on investment properties is derived from gross fair value gain amounting to RM78,417,000 (2014: RM144,795,000) and an adjustment of RM15,274,000 (2014: Nil), pursuant to Note 2.13 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

7. FINANCE AND OTHER DISTRIBUTION INCOME AND FINANCE COSTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Finance and other distribution income				
Finance and other distribution income from:				
- Advances to subsidiaries (Note 53)	-	-	81,301	66,001
- Advances to joint ventures	4,028	-	-	-
- Accretion of interest	248	1,818	-	-
- Deposits with licensed banks	8,065	6,385	151	158
- Placement in funds	82,298	30,606	15,688	16,734
- Others	3,218	9,631	-	-
	97,857	48,440	97,140	82,893
Finance costs				
Interest expense in relation to:				
- Hire purchase and finance lease liabilities	(274)	(608)	-	-
- Bank overdrafts	(137)	(1,033)	-	-
- Revolving credits	(14,365)	(5,945)	(3,379)	(315)
- Commercial papers and medium term notes	(59,642)	(25,877)	(40,647)	(25,877)
- Term loans	(30,612)	(28,168)	(12,630)	(18,921)
- Bankers' acceptances	(6,967)	(5,502)	-	-
- Bill discounting	(1,157)	-	-	-
Unwinding of discount	(8,134)	(9,188)	-	-
Others	(3,191)	(2,538)	-	-
	(124,479)	(78,859)	(56,656)	(45,113)

8. PROFIT BEFORE TAX

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Employee benefits expense (Note 9)	667,217	669,933	53,360	69,323
Non-Executive Directors' remuneration (Note 10)	550	428	550	428
Auditors' remuneration:				
- statutory audits	3,128	3,601	222	312
- other services	1,244	-	-	-
Hire of plant and machinery	1,061	442	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

8. PROFIT BEFORE TAX (CONTD.)

The following amounts have been included in arriving at profit before tax: (contd.)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Depreciation and amortisation:				
- property, plant and equipment (Note 14)	110,064	113,783	1,012	773
- intangible assets (Note 15)	6,318	3,299	-	-
- biological assets (Note 16)	702	416	-	-
- rock reserves (Note 18)	263	263	-	-
Foreign exchange loss:				
- realised	7,358	8,965	7	7
- unrealised	5,594	3,322	11	11
- unrealised (hedged items)	409,217	113,284	41,925	33,503
Cash flow hedge reserve recycled to profit or loss	(409,217)	(113,284)	(41,925)	(33,503)
Fair value loss on:				
- derivative financial instruments	1,290	3,631	-	-
- investment properties (Note 17)	22,364	2,079	-	-
Fair value gain on: (Note 6)				
- investment properties (Note 17)	(63,143)	(144,795)	-	-
Impairment losses on:				
- property, plant and equipment (Note 14)	-	30	-	-
- investments in joint ventures	-	5,463	-	-
Write down of inventories to net realisable value (Note 27)	623	1,340	-	-
Loss on disposal of:				
- a subsidiary	-	1,124	-	-
- property, plant and equipment	330	174	-	-
Write off of:				
- bad debts	4,120	1,017	-	-
- property, plant and equipment	2,971	973	-	-
- biological assets	88	38	-	-
- inventories	523	225	-	-
Loss on liquidation of an associate	-	335	-	-
Allowance for impairment:				
- trade receivables (Note 28)	2,525	12,327	-	-
- other receivables (Note 29)	731	169	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

8. PROFIT BEFORE TAX (CONTD.)

The following amounts have been included in arriving at profit before tax: (contd.)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Rental expense:				
- land and buildings	74,912	76,658	-	-
- lease rental	735	375	-	-
- plant and equipment	748	1,579	-	-
- others	187	258	-	-
Direct operating expenses arising from investment properties that generated rental income	17,488	14,281	-	-

9. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Wages, salaries and bonuses	531,983	534,022	38,247	52,221
Social security contributions	4,763	4,458	97	126
Contributions to defined contribution plan	56,196	52,642	5,465	8,113
Share options granted under ESOS	24,787	28,426	8,470	6,960
Other benefits	49,488	50,385	1,081	1,903
	667,217	669,933	53,360	69,323

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM32,008,000 (2014: RM26,374,000) and RM15,195,000 (2014: RM26,374,000) as further disclosed in Note 10 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

10. DIRECTORS' REMUNERATION

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Executive Directors' remuneration:				
Fees	100	-	-	-
Emoluments	26,577	21,924	9,864	21,924
Share options granted under ESOS	5,331	4,450	5,331	4,450
Total Executive Directors' remuneration (excluding benefits-in-kind) (Note 9)	32,008	26,374	15,195	26,374
Estimated money value of benefits-in-kind	130	229	130	229
Total Executive Directors' remuneration including benefits-in-kind (Note 54)	32,138	26,603	15,325	26,603
Non-Executive Directors' remuneration (Note 8):				
Fees	455	360	455	360
Other emoluments	95	68	95	68
Total Non-Executive Directors' remuneration	550	428	550	428
Total Directors' remuneration including benefits-in-kind	32,688	27,031	15,875	27,031

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	
	2015	2014
Executive Directors:		
RM200,000 - RM500,000	1	1
RM1,350,000 - RM1,450,000	1	1
RM4,250,000 - RM5,400,000	1	1
RM16,000,000 - RM19,550,000	1	1
Non-Executive Directors:		
Below RM200,000	4	3

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

11. INCOME TAX EXPENSE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current income tax:				
Malaysian income tax	139,969	129,904	3,684	4,615
Foreign tax	11,187	17,562	-	-
	151,156	147,466	3,684	4,615
Under/(Over) provision in prior years:				
Malaysian income tax	11,992	(2,221)	(342)	(68)
Foreign tax	1,875	(508)	-	-
	13,867	(2,729)	(342)	(68)
	165,023	144,737	3,342	4,547
Deferred tax (Note 39):				
Relating to origination and reversal of temporary differences	(25,185)	14,949	-	-
Overprovision in prior years	(8,899)	(11,093)	-	-
	(34,084)	3,856	-	-
Total income tax expense	130,939	148,593	3,342	4,547

Domestic current income tax is calculated at the Malaysian statutory tax rate of 25% (2014: 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

11. INCOME TAX EXPENSE (CONTD.)

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	
	2015 RM'000	2014 RM'000
Profit before tax	930,362	960,242
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	232,591	240,061
Different tax rates in other countries	(1,286)	(5,909)
Deferred tax recognised at different tax rates	(13,707)	(30,561)
Income not subject to tax	(24,489)	(8,142)
Expenses not deductible for tax purposes	21,491	37,125
Utilisation of previously unrecognised tax losses, unabsorbed capital allowances and other deductible temporary differences	(21,563)	(7,183)
Deferred tax assets not recognised in respect of current year's tax losses, unabsorbed capital allowances and other deductible temporary differences	421	2,556
Deferred tax assets recognised on previously unrecognised tax losses, unabsorbed capital allowances and other deductible temporary differences	(1)	(1,745)
Effect of share of profit of associates	(50,458)	(36,798)
Effect of share of profit of joint ventures	(17,028)	(21,540)
Reversal of previously recognised revaluation of investment properties	-	(5,449)
Under/(Over) provision of income tax in prior years	13,867	(2,729)
Overprovision of deferred tax in prior years	(8,899)	(11,093)
Income tax expense for the year	130,939	148,593

	Company	
	2015 RM'000	2014 RM'000
Profit before tax	698,022	171,494
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	174,506	42,874
Income not subject to tax	(174,215)	(41,319)
Expenses not deductible for tax purposes	3,376	3,034
Deferred tax assets not recognised in respect of current year's tax losses, unabsorbed capital allowances and other deductible temporary differences	17	26
Over provision of income tax in prior years	(342)	(68)
Income tax expense for the year	3,342	4,547

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

11. INCOME TAX EXPENSE (CONTD.)

Tax savings during the financial year arising from:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Utilisation of current year tax losses	6,922	654	-	-
Utilisation of previously unrecognised tax losses	3,318	6,813	-	-
	10,240	7,467	-	-

12. EARNINGS PER SHARE

(a) Basic

	Group	
	2015	2014
Profit attributable to owners of the parent (RM'000)	732,449	734,011
Weighted average number of ordinary shares in issue ('000)	1,753,632	1,724,906
Basic earnings per share (sen)	41.77	42.55

(b) Diluted

	Group	
	2015	2014
Profit attributable to owners of the parent (RM'000)	732,449	734,011
Weighted average number of ordinary shares in issue ('000)	1,753,632	1,724,906
Effect of dilution of share options and warrants ('000)	116,632	77,766
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,870,264	1,802,672
Diluted earnings per share (sen)	39.16	40.72

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

13. DIVIDENDS PAID AND PROPOSED

	Group	
	2015 RM'000	2014 RM'000
Dividends on ordinary shares declared and paid:		
Second interim single tier dividend for 2014: 6% per share (2013: 5%)	103,847	86,176
Distribution of ordinary shares of RM0.20 each in Sunway Construction Group Berhad ("Distribution Shares") held by the Company to by way of dividend-in-specie on a basis of 1 Distribution Share for every 10 existing ordinary shares of RM1 each held in the Company	35,002	-
Special cash dividend for 2015: 26% per share	463,715	-
First interim dividend for 2015: 5% per share (2014: 5%)	89,169	86,146
	691,733	172,322

Dividends declared on ordinary shares but not recognised at end of the financial year:

Second interim dividend for 2015: 6% per share (2014: 6%)	106,876	103,847
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Dividends on ordinary shares were declared on 26 February 2016 (2014: 25 February 2015) are to be paid on 28 April 2016 (2014: 30 April 2015) and accordingly, the amounts have not been recognised as a liability as at the end of each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (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
Group										
At 31 December 2015										
Cost										
At beginning of financial year	31,624	511,294	22,143	8,227	1,044,618	66,934	163,253	35,960	188,071	2,072,124
Additions	-	10,201	8,280	6,143	78,459	7,738	17,130	11,836	273,639	413,426
Disposals/write-offs	-	(56,757)	-	(110)	(66,755)	(13,246)	(2,305)	(6,978)	(11,036)	(157,187)
Reclassifications	-	3,081	14,158	851	(1,163)	(54)	530	-	(17,403)	-
Transfer from property development cost (Note 26)	-	22,683	-	-	-	-	-	-	-	22,683
Transfer to inventories	-	-	-	-	(38,311)	-	-	-	-	(38,311)
Transfer to intangible assets (Note 15)	-	-	-	-	-	-	(4,077)	-	-	(4,077)
Acquisition of subsidiaries	10,895	42,987	-	-	3,286	11,434	8,445	-	-	77,047
Exchange differences	-	21,361	2,203	236	28,034	1,728	8,983	-	-	62,545
At end of financial year	42,519	554,850	46,784	15,347	1,048,168	74,534	191,959	40,818	433,271	2,448,250
Accumulated depreciation										
At beginning of financial year	-	124,046	4,472	2,694	644,516	48,419	114,098	9,114	651	948,010
Depreciation charge for the year (Note 8)	-	4,707	1,079	1,365	67,968	8,413	17,903	8,629	-	110,064
Disposals/write-offs	-	(14,180)	-	(75)	(48,573)	(14,782)	(1,444)	(6,974)	(651)	(86,679)
Reclassifications	-	(38)	-	-	46	-	(8)	-	-	-
Transfer to inventories	-	-	-	-	(6,791)	-	-	-	-	(6,791)
Transfer to intangible assets (Note 15)	-	-	-	-	-	-	(2,333)	-	-	(2,333)
Acquisition of subsidiaries	-	2,304	-	-	2,379	7,508	6,847	-	-	19,038
Exchange differences	-	6,406	490	195	13,730	1,291	8,092	-	-	30,204
At end of financial year	-	123,245	6,041	4,179	673,275	50,849	143,155	10,769	-	1,011,513
Accumulated impairment losses										
At beginning of financial year	-	66,246	-	18	74,639	115	257	-	5,755	147,030
Disposals/write-offs	-	(39,803)	-	-	(4,524)	-	(10)	-	(5,755)	(50,092)
Exchange differences	-	-	-	-	6,210	20	6	-	-	6,236
At end of financial year	-	26,443	-	18	76,325	135	253	-	-	103,174
Net carrying amount	42,519	405,162	40,743	11,150	298,568	23,550	48,551	30,049	433,271	1,333,563

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (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
Group (contd.)										
At 31 December 2014										
Cost										
At beginning of financial year	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 to investment properties under construction (Note 17)	-	-	-	-	-	-	-	-	97,290	97,290
Attributable to disposal group classified as held for sale (Note 33)	(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
At end of financial year	31,624	511,294	22,143	8,227	1,044,618	66,934	163,253	35,960	188,071	2,072,124
Accumulated depreciation										
At beginning of financial year	-	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 33)	-	(4,837)	-	(4,203)	-	(90)	(14,414)	-	-	(23,544)
Exchange differences	-	863	73	44	1,376	67	438	-	-	2,861
At end of financial year	-	124,046	4,472	2,694	644,516	48,419	114,098	9,114	651	948,010
Accumulated impairment loss										
At beginning of financial year	-	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
At end of financial year	-	66,246	-	18	74,639	115	257	-	5,755	147,030
Net carrying amount	31,624	321,002	17,671	5,515	325,463	18,400	48,898	26,846	181,665	977,084

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

14. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Equipment, furniture and fittings RM'000	Motor vehicles RM'000	Capital work-in- progress RM'000	Total RM'000
Company				
At 31 December 2015				
Cost				
At beginning of financial year	980	2,848	693	4,521
Additions	739	-	-	739
Disposals	-	(118)	-	(118)
At end of financial year	1,719	2,730	693	5,142
Accumulated depreciation				
At beginning of financial year	333	1,429	-	1,762
Depreciation charge for the year (Note 8)	443	569	-	1,012
Disposals	-	(77)	-	(77)
At end of financial year	776	1,921	-	2,697
Net carrying amount	943	809	693	2,445
At 31 December 2014				
Cost				
At beginning of financial year	330	2,782	693	3,805
Additions	650	66	-	716
At end of financial year	980	2,848	693	4,521
Accumulated depreciation				
At beginning of financial year	133	856	-	989
Depreciation charge for the year (Note 8)	200	573	-	773
At end of financial year	333	1,429	-	1,762
Net carrying amount	647	1,419	693	2,759

(a) The net carrying amount of property, plant and equipment held under hire purchase and finance lease liabilities is as follows:

	Group	
	2015 RM'000	2014 RM'000
Motor vehicles	4,435	1,054
Equipment, furniture and fittings	109	128
Plant and machinery	467	24,862
	5,011	26,044

Details of the terms and conditions of the hire purchase and finance lease agreements are disclosed in Note 38 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

14. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(b) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Additions of property, plant and equipment	413,426	210,920	739	716
Additions via hire purchase and finance lease liabilities	(539)	(5,591)	-	-
Cash outflow for acquisition of property, plant and equipment	412,887	205,329	739	716

(c) As at the reporting date, property, plant and equipment of the Group with carrying amount of RM251,856,000 (2014: RM190,314,000) are pledged as securities for borrowings as disclosed in Note 34 to the financial statements.

15. INTANGIBLE ASSETS

Group At 31 December 2015	Software RM'000	Trademark RM'000	Operating right RM'000	Total RM'000
Cost				
At beginning of financial year	27,557	-	-	27,557
Additions	6,500	2	10,441	16,943
Transfer from property, plant and equipments (Note 14)	4,074	3	-	4,077
Transfer from inventories	-	-	17,822	17,822
Disposals	(68)	-	-	(68)
Acquisition of subsidiaries	-	130	-	130
Exchange differences	49	-	-	49
At end of financial year	38,112	135	28,263	66,510
Accumulated amortisation				
At beginning of financial year	19,461	-	-	19,461
Amortisation charge for the year (Note 8)	5,765	3	550	6,318
Transfer from property, plant and equipments (Note 14)	2,333	-	-	2,333
Disposals	(33)	-	-	(33)
Acquisition of subsidiaries	-	101	-	101
Exchange differences	(77)	-	-	(77)
At end of financial year	27,449	104	550	28,103
Net carrying amount	10,663	31	27,713	38,407

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

15. INTANGIBLE ASSETS (CONTD.)

Group At 31 December 2014	Software RM'000	Trademark RM'000	Operating right RM'000	Total RM'000
Cost				
At beginning of financial year	24,385	-	-	24,385
Additions	3,175	-	-	3,175
Exchange differences	(3)	-	-	(3)
At end of financial year	27,557	-	-	27,557
Accumulated amortisation				
At beginning of financial year	16,163	-	-	16,163
Amortisation charge for the year (Note 8)	3,299	-	-	3,299
Exchange differences	(1)	-	-	(1)
At end of financial year	19,461	-	-	19,461
Net carrying amount	8,096	-	-	8,096

Operating right relates to the exclusive right granted by a third party to operate and manage the park and ride facilities in Sunway.

16. BIOLOGICAL ASSETS

	Group	
	2015 RM'000	2014 RM'000
Cost		
At beginning of financial year	1,896	1,269
Additions	21	723
Disposals	(7)	(46)
Write-offs	(131)	(50)
At end of financial year	1,779	1,896
Accumulated depreciation		
At beginning of financial year	663	288
Depreciation charge for the year (Note 8)	702	416
Disposals	-	(29)
Write-offs	(43)	(12)
At end of financial year	1,322	663
Net carrying amount	457	1,233

Biological assets consist of animals in petting zoos operated by subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

17. INVESTMENT PROPERTIES

	Group	
	2015 RM'000	2014 RM'000
Investment properties	1,829,995	1,522,363
Investment properties under construction	892,353	848,057
	2,722,348	2,370,420

Investment properties

	Group	
	2015 RM'000	2014 RM'000
At valuation		
At beginning of financial year	1,522,363	1,052,262
Additions from acquisition	-	2,793
Additions from subsequent expenditure	2,140	-
Transfers from/(to):		
- property development costs (Note 26)	17,165	-
- investment properties under construction	268,986	384,193
- non-current asset classified as held for sale (Note 33)	-	(59,257)
Fair value adjustments:		
- gains (Note 6)	63,143	144,795
- losses (Note 8)	(22,364)	(2,079)
Exchange differences	229	1
Reversal of overprovision of development costs in prior years	(21,667)	(345)
At end of financial year	1,829,995	1,522,363

The investment properties consist of the following:

	Group	
	2015 RM'000	2014 RM'000
Long term leasehold land	502,800	363,897
Freehold land	118,924	90,170
Buildings	1,208,271	1,068,296
	1,829,995	1,522,363

Investment properties comprise a number of commercial properties leased to third and related parties.

Investment properties of the Group with an aggregate carrying amount of RM842,139,000 (2014: RM602,642,000) are pledged as securities for borrowings as disclosed in Note 34 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

17. INVESTMENT PROPERTIES (CONTD.)

The carrying amounts of the properties as at 31 December 2015 and 31 December 2014 were based on valuation carried out by C H Williams Talhar & Wong Sdn. Bhd.. Fair value is determined primarily based on income, investment and comparison approaches. The fair value measurements of the investment properties are based on the highest and best use, which does not differ from their actual use.

Investment properties under construction

	At cost RM'000	At valuation RM'000	Total RM'000
Group			
At 31 December 2015			
At beginning of financial year	20,586	827,471	848,057
Additions from subsequent expenditure	2,665	282,505	285,170
Transfers from/(to):			
- property development cost (Note 26)	3,894	-	3,894
- investment properties	-	(268,986)	(268,986)
Fair value gain (Note 6)	-	24,218	24,218
At end of financial year	27,145	865,208	892,353

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	13,102	761,361	774,463
	27,145	865,208	892,353

	At cost RM'000	At valuation RM'000	Total RM'000
At 31 December 2014			
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 26)	-	240,459	240,459
- investment properties	-	(384,193)	(384,193)
Fair value gain (Note 6)	-	56,076	56,076
Reversal of overprovision of accruals	(84)	-	(84)
At end of financial year	20,586	827,471	848,057

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

17. INVESTMENT PROPERTIES (CONTD.)

The investment properties under construction consist of the following:

	At cost RM'000	At valuation RM'000	Total RM'000
At 31 December 2014			
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

Investment properties under construction of the Group with an aggregate carrying amount of RM866,954,000 (2014: RM 623,824,000) are pledged as securities for borrowings as disclosed in Note 34 to the financial statements.

18. ROCK RESERVES

	Group	
	2015 RM'000	2014 RM'000
At beginning of financial year	6,920	7,183
Amortisation during the financial year (Note 8)	(263)	(263)
At end of financial year	6,657	6,920

19. LAND HELD FOR PROPERTY DEVELOPMENT

	Freehold land RM'000	Long term leasehold land RM'000	Development costs RM'000	Total RM'000
Group				
At 31 December 2015				
Cost				
At 1 January 2015	364,973	42,906	130,550	538,429
Additions	306,411	219	27,120	333,750
Transfers from property development costs (Note 26)	289,877	2,221	32,802	324,900
Reclassifications	(345)	17	328	-
At 31 December 2015	960,916	45,363	190,800	1,197,079
Accumulated impairment losses				
At 1 January/31 December 2015	(599)	-	(2,368)	(2,967)
Carrying amount	960,317	45,363	188,432	1,194,112

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

19. LAND HELD FOR PROPERTY DEVELOPMENT (CONTD.)

	Freehold land RM'000	Long term leasehold land RM'000	Development costs RM'000	Total RM'000
Group				
At 31 December 2014				
Cost				
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 26)	(293,053)	(60,788)	(18,192)	(372,033)
Reclassifications	(12,919)	71,371	(58,452)	-
At 31 December 2014	364,973	42,906	130,550	538,429
Accumulated impairment losses				
At 1 January/31 December 2014	(599)	-	(2,368)	(2,967)
Carrying amount	364,374	42,906	128,182	535,462

In prior year, leasehold land and related development costs of the Group with carrying amount of RM58,344,000 were pledged to financial institutions as securities for borrowings as disclosed in Note 34 to the financial statements.

20. INVESTMENTS IN SUBSIDIARIES

	Company	
	2015 RM'000	2014 RM'000
At cost		
Unquoted ordinary shares	365,782	365,782
Unquoted preference shares	3,673,811	3,533,810
	4,039,593	3,899,592

During the financial year, the Group completed the following acquisition of shares and incorporation of companies:

- On 27 January 2015, Sunway Real Estate (China) Limited, a wholly-owned subsidiary of the Company, had incorporated a new subsidiary known as Zhuhai Sunway Consultancy Co., Ltd in China;
- On 4 March 2015, Sunway City Sdn. Bhd. ("SunCity"), a wholly-owned subsidiary of the Company, had acquired 100% equity interest in Sunway Velocity Hotel Sdn. Bhd. (formerly known as Alpha Emerald Sdn. Bhd.) for cash consideration of RM2;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

20. INVESTMENTS IN SUBSIDIARIES (CONTD.)

- (c) On 26 June 2015, Sunway City (S'pore) Pte. Ltd., a wholly-owned subsidiary of SunCity, had incorporated a new subsidiary known as Sunway Investment Holding (China) Pte Ltd in the Republic of Singapore;
- (d) On 31 July 2015, Sunway Construction Sdn. Bhd., a wholly-owned subsidiary of Sunway Construction Group Berhad ("SCG"), which in turn is a subsidiary of the Company, had incorporated a new subsidiary known as Sunway Facade Network Sdn. Bhd.;
- (e) On 18 September 2015, Sunway Holdings Sdn. Bhd. ("SHSB"), a wholly-owned subsidiary of the Company, had acquired 80% equity interest in Winstar Trading Sdn. Bhd. ('WTSB') for approximately RM100,762,000; and
- (f) On 9 November 2015, Sunway Dimension Stones Sdn. Bhd., a wholly-owned subsidiary of SHSB, had acquired 100% equity interest in Cleaver Fortune Sdn. Bhd. ('Cleaver Fortune') for cash consideration of RM282,636,030.

During the financial year, the Company completed the following transactions involving non-convertible non-cumulative redeemable preference shares ("NCNCRPS"):

- (a) Subscription of 7,700 NCNCRPS in SHSB 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 RM77,000,000 on 30 September 2015; and
- (b) Subscription of 6,300 NCNCRPS in SunCity at an issue price of RM10,000 comprising par value of RM0.01 and premium of RM9,999.99 each for a total cash consideration of RM63,000,000 on 15 December 2015.

During the financial year, the following subsidiaries of the Group had been wound up and struck off pursuant to Section 308 of the Companies Act, 1965:

- (a) On 20 January 2015, Sejati Pesona Sdn. Bhd., a wholly-owned subsidiary of SunCity, was struck off; and
- (b) On 25 August 2015, Sunway International Trading (Tianjin) Pte. Ltd., an indirect subsidiary of SHSB was wound up.

On 23 July 2015, SHSB had offered for sale of a total of 458,511,100 ordinary shares of RM0.20 each in SCG ("SCG Shares"), subject to over-allotment options, representing 35.46% of the total issued and paid-up capital of SCG in the open market for a total cash consideration of RM491,431,000 (net of transaction costs) at an average price of RM1.19 per SCG shares. The Company had on 5 June 2015, distributed 175,009,901 SCG Shares to its entitled shareholders by way of dividend-in-specie as disclosed in Note 13 to the financial statements. Currently, SHSB holds a total of 703,532,609 SCG Shares, representing 54.42% equity interest in SCG.

Information of the listing of SCG is disclosed in Note 60(a)(iii) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

20. INVESTMENTS IN SUBSIDIARIES (CONTD.)

Acquisition of Winstar Trading Sdn. Bhd. and its subsidiaries ('WTSB Group')

On 18 September 2015, SHSB, a wholly-owned subsidiary of the Company, acquired 80% equity interest in WTSB at an total estimated purchase consideration of approximately RM100,762,000. The first tranche of the acquisition was completed on the same date for a cash consideration of RM76,465,130 and consequently WTSB Group became subsidiaries of the Group.

The acquisition of WTSB Group is a unique opportunity for Trading and Manufacturing division of the Group to acquire profitable market leader with over 30 years of experience in the wholesaling of hardware market. It also provides an additional revenue stream, which will further diversify the risks of the Group. The Group anticipates synergies from cross-selling across the customer base of the Group and WTSB Group, and potential cost savings from warehousing facilities due to economy of scale. There is also potential for WTSB Group to supply to the property and construction projects of the Group in the future.

The fair values and the carrying amounts of the identifiable assets and liabilities of WTSB Group as at the date of acquisition were as follows:

	Fair value recognised on acquisition RM'000	Carrying amount RM'000
Property, plant and equipment	58,009	41,896
Other investment	6	6
Intangible assets	29	29
Inventories	107,643	119,098
Receivables	172,410	180,176
Cash and bank balances	32,226	32,226
	370,323	373,431
Payables	161,084	161,084
Borrowings	63,020	63,020
Tax payables	166	166
Deferred tax liabilities	977	171
	225,247	224,441
Total identifiable net assets	145,076	
Less: Non-controlling interest	(44,930)	
Share of net assets of the Group	100,146	
Goodwill on acquisition	616	
Total cost of acquisition	100,762	

The fair value of the receivable is RM172,410,000. It is derived from the gross contractual amount of receivables of RM180,176,000, of which RM7,766,000 is not expected to be collected.

The Group has not ascribed any fair value to the profit guarantee granted by the WTSB vendors as the Group views that WTSB Group will achieve its guaranteed profit.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

20. INVESTMENTS IN SUBSIDIARIES (CONTD.)

Acquisition of Winstar Trading Sdn. Bhd. and its subsidiaries ('WTSB Group') (contd.)

The considerations transferred for the acquisition of WTSB Group are as follows:

	RM'000
Cash paid (first tranche)	76,465
Contingent considerations recognised as at acquisition date (second and third tranches)	23,540
Call option	757
Total considerations transferred	100,762

Contingent considerations have been agreed upon as part of the share sale agreement with the previous owners of WTSB Group as follows:

- On the completion date of the second tranche, 10% of 5 times the average earnings before interest, taxation, depreciation and amortisation ('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; and
- On the completion date of the third tranche, 10% 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 fair values of the contingent considerations were estimated at RM23,540,000 at the acquisition date.

A written call option on the remaining 20% shareholding of the non-controlling interest is in place and the option would be exercised by the Group under certain events for a period of 3 years and 1 month after the completion date of the third tranche.

The effects of the acquisition on cash flows of the Group are as follows:

	RM'000
Total consideration for equity interest acquired	76,465
Less: Cash and cash equivalents of subsidiary acquired (net of bank overdrafts)	(31,628)
Net cash outflow of the Group on acquisition	44,837

WTSB Group contributed RM63,498,000 of revenue and RM4,733,000 to the profit of the Group for the financial year from the acquisition date. Had the business combination taken place at the beginning of the financial year, revenue of the Group would have increased by RM250,132,000 and profit for the financial year would have increased by RM14,867,000.

Information of the acquisition of WTSB Group is disclosed in Note 60(a)(v) to the financial statements.

Acquisition of Cleaver Fortune Sdn. Bhd.

The acquisition of Cleaver Fortune Sdn. Bhd. did not constitute a business as it had no business activity. It mainly had a leasehold land amounting to RM292,653,600 at the date of acquisition. Hence, it was accounted for as asset acquisition of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

20. INVESTMENTS IN SUBSIDIARIES (CONTD.)

Summarised information of companies with non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination. The non-controlling interests of the other companies are not material to the Group.

(i) Summarised statements of financial position

At 31 December 2015

	Sunway South Quay Sdn. Bhd. Group RM'000	Sunway PKNS Sdn. Bhd. Group RM'000	Sunway Semenyih Sdn. Bhd. RM'000	Sunway Construction Group Berhad Group RM'000	Eastern Glory Group RM'000	Sunway Velocity Mall Sdn. Bhd. RM'000	Total RM'000
Non-current assets	455,759	161,579	121,336	196,231	15,855	865,206	1,815,966
Current assets	514,980	214,579	13,767	1,265,584	66,908	29,420	2,105,238
Total assets	970,739	376,158	135,103	1,461,815	82,763	894,626	3,921,204
Non-current liabilities	24,983	3,274	-	4,095	-	4,393	36,745
Current liabilities	662,323	93,373	113	1,005,187	39,753	802,764	2,603,513
Total liabilities	687,306	96,647	113	1,009,282	39,753	807,157	2,640,258
Net assets	283,433	279,511	134,990	452,533	43,010	87,469	1,280,946
Equity attributable to owners of the parent	175,877	170,190	95,936	214,868	13,320	51,607	721,798
Non-controlling interests	107,556	109,321	39,054	237,665	29,690	35,862	559,148
Total equity	283,433	279,511	134,990	452,533	43,010	87,469	1,280,946

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

* Financial information of Sunway Guanghao Real Estate (Jiangyin) is not presented in financial year ended 31 December 2015 as it became a wholly-owned subsidiary of the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

20. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(ii) Summarised statements of comprehensive income

At 31 December 2015

	Sunway South Quay Sdn. Bhd. Group RM'000	Sunway PKNS Sdn. Bhd. Group RM'000	Sunway Semenyih Sdn. Bhd. RM'000	Sunway Construction Group Berhad Group RM'000	Eastern Glory Group RM'000	Sunway Velocity Mall Sdn. Bhd. RM'000	Total RM'000
Revenue	321,276	26,912	-	1,916,859	-	-	2,265,047
Profit/(loss) for the year	63,236	6,210	242	129,264	11,039	(179)	209,812
Other comprehensive income	-	-	-	13,728	(11,503)	-	2,225
Total comprehensive income/(loss)	63,236	6,210	242	142,992	(464)	(179)	212,037
Profit/(loss) attributable to:							
- owners of the parent	34,978	3,726	169	100,342	4,968	(106)	144,077
- non-controlling interests	28,258	2,484	73	28,922	6,071	(73)	65,735
Total comprehensive income/(loss) attributable to:							
- owners of the parent	34,978	3,726	169	114,070	(209)	(106)	152,628
- non-controlling interests	28,258	2,484	73	28,922	(255)	(73)	59,409

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

* Financial information of Sunway Guanghao Real Estate (Jiangyin) is not presented in financial year ended 31 December 2015 as it became a wholly-owned subsidiary of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

20. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(iii) Summarised statements of cash flows

At 31 December 2015

	Sunway South Quay Sdn. Bhd. Group RM'000	Sunway PKNS Sdn. Bhd. Group RM'000	Sunway Semenyih Sdn. Bhd. RM'000	Sunway Construction Group Berhad Group 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	(45,024)	89,356	256	211,452	(2,437)	(1,355)	252,248
- investing activities	(31)	(141,807)	(12,447)	(274,276)	37,072	1,805	(389,684)
- financing activities	(17,970)	10,767	-	(68,360)	-	-	(75,563)
Net increase/(decrease) in cash and cash equivalents	(63,025)	(41,684)	(12,191)	(131,184)	34,635	450	(212,999)
Effects of foreign exchange rates changes	-	-	-	8,799	4,917	-	13,716
Cash and cash equivalents at beginning of the year	85,880	62,464	13,163	278,262	26,960	1,101	467,830
Cash and cash equivalents at end of the year	22,855	20,780	972	155,877	66,512	1,551	268,547

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

* Financial information of Sunway Guanghao Real Estate (Jiangyin) is not presented in financial year ended 31 December 2015 as it became a wholly-owned subsidiary of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

21. AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2015 RM'000	2014 RM'000
Interest bearing amounts	1,435,257	1,425,360
Non-interest bearing amounts	83,164	57,918
Total amounts due from subsidiaries	1,518,421	1,483,278

The amounts due from subsidiaries are unsecured, repayable on demand and non-interest bearing except for amounts of RM1,435,257,000 (2014: RM1,425,360,000), which bear interest at rates ranging from 3.35% to 8.00% (2014: 2.95% to 7.50%) per annum.

22. INVESTMENTS IN ASSOCIATES

	Group	
	2015 RM'000	2014 RM'000
Unquoted shares at cost	35,677	35,677
Quoted shares at cost	1,664,659	1,589,532
Share of post-acquisition distributable reserves	142,788	33,324
Share of non-distributable reserves	25,648	25,648
Unrealised profit arising from sale of assets to associate	(12,958)	-
	1,855,814	1,684,181
Less: Accumulated impairment losses	(151,696)	(151,696)
	1,704,118	1,532,485
Market value of quoted shares	1,645,034	1,617,622

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 has a financial year end of 30 June. Management accounts of these associates for the financial year ended 31 December 2015 have been used for the purpose of applying the equity method of accounting.

As at the reporting date, 798,800,000 units (2014: 911,728,000 units) in Sunway REIT are pledged as securities for borrowings as disclosed in Note 34 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

22. INVESTMENTS IN ASSOCIATES (CONTD.)

The share of revenue, profit, assets and liabilities of associates of the Group are as follows:

	2015 RM'000	2014 RM'000
Assets and liabilities		
Current assets	92,711	74,417
Non-current assets	2,401,461	2,082,691
Total assets	2,494,172	2,157,108
Current liabilities	(390,356)	(241,505)
Non-current liabilities	(399,698)	(383,118)
Total liabilities	(790,054)	(624,623)
Results		
Revenue	182,304	161,036
Profit for the year	201,832	147,194
Dividends received	91,588	90,085

Details of the associates are as follows:

Name of companies	Country of incorporation	Principal activities	Effective interest in equity	
			2015 %	2014 %
(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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

22. INVESTMENTS IN ASSOCIATES (CONTD.)

Details of the associates are as follows (contd.):

			Effective interest in equity	
Name of companies	Country of incorporation	Principal activities	2015 %	2014 %
(d) Associate of Fortuna Gembira Enterpris Sdn. Bhd.				
Gopeng Berhad #	Malaysia	Cultivation of oil palm, investment holding and property development	19.33	19.33
(e) Associate of Sunway Marketing Sdn. Bhd.				
Buildtrend B.S.G. (M) Sdn. Bhd. #	Malaysia	Distribution of architectural building products and sanitary wares	30	30
(f) Associate of Sunway Builders Sdn. Bhd.				
ISZL Consortium #	Unincorporated	Construction	25	25
(g) Associate of Sunway REIT Holdings Sdn. Bhd.				
Sunway Real Estate Investment Trust ("Sunway REIT")	Malaysia	Investment in real estate	37.28 *	35.71 ^
(h) Associate of Sunway Global Limited				
MGLory Pte. Ltd. #	Singapore	Property development	39.32	39.32

Audited by firms of auditors other than BDO in Malaysia and BDO Member Firms

* Inclusive of 1.21% held by Sunway Berhad

^ Inclusive of 1% held by Sunway Berhad

During the financial year, Sunway REIT Holdings Sdn. Bhd., a wholly-owned subsidiary of the Company, had acquired 42,760,000 units (2014: 31,500,000 units) in Sunway REIT from the open market for the a total consideration of RM65,110,000 (2014: RM47,565,000).

During the financial year, the Company had received dividends payment in lieu of 6,474,240 units (2014: 7,464,000 units) in Sunway REIT amounting to RM10,016,748 (2014: RM10,559,163) from Sunway REIT Management Sdn. Bhd., a joint venture of the Company.

All the above associates are accounted for using the equity method in the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

22. INVESTMENTS IN ASSOCIATES (CONTD.)

Summarised financial information in respect of each of the material associates of the Group is set out below. The summarised financial information represents the amounts in the financial statements of the associates and not share of the Group of those amounts.

(i) Summarised statements of financial position

	Gopeng		Sunway REIT		Total	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-current assets	192,166	197,026	6,340,980	5,655,847	6,533,146	5,852,873
Current assets	114,035	106,200	176,863	138,131	290,898	244,331
Total assets	306,201	303,226	6,517,843	5,793,978	6,824,044	6,097,204
Non-current liabilities	10,231	11,110	1,492,058	1,066,846	1,502,289	1,077,956
Current liabilities	2,723	2,111	1,022,049	1,033,786	1,024,772	1,035,897
Total liabilities	12,954	13,221	2,514,107	2,100,632	2,527,061	2,113,853
Net assets	293,247	290,005	4,003,736	3,693,346	4,296,983	3,983,351

(ii) Summarised statements of comprehensive income

	Gopeng		Sunway REIT		Total	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	9,237	9,491	478,729	445,107	487,966	454,598
Profit before tax from continuing operations	8,569	773	556,654	420,409	565,223	421,182
Profit for the year from continuing operations	8,561	925	550,758	417,521	559,319	418,446
Comprehensive income from continuing operations	8,561	925	549,536	417,521	558,097	418,446

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

22. INVESTMENTS IN ASSOCIATES (CONTD.)

- (iii) Reconciliation of the summarised financial information presented above to the carrying amount of the interest in associates of the Group

	Gopeng		Sunway REIT		Total	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Net assets at 1 January	290,005	294,397	3,693,346	3,515,556	3,983,351	3,809,953
Capital injection	-	-	12,521	13,199	12,521	13,199
Comprehensive income for the year	8,561	925	549,536	417,521	558,097	418,446
Dividend paid during the year	(5,380)	(5,380)	(251,667)	(252,930)	(257,047)	(258,310)
Depreciation transfer on land, net of tax	61	63	-	-	61	63
Net assets at 31 December	293,247	290,005	4,003,736	3,693,346	4,296,983	3,983,351
Remeasurement gain*	-	-	352,960	352,960	352,960	352,960
Net assets after remeasurement gain at 31 December	293,247	290,005	4,356,696	4,046,306	4,649,943	4,336,311
Interest in associates as at year end	19.33%	19.33%	37.28%	35.71%	-	-
	56,685	56,058	1,624,176	1,444,936	1,680,861	1,500,994
Elimination of gain on disposal of assets to an associate	-	-	(12,958)	-	(12,958)	-
Goodwill	-	-	2,952	-	2,952	-
Effect arising from change of shareholding	-	-	7,091	5,262	7,091	5,262
Carrying value of Group's interest in associates	56,685	56,058	1,621,261	1,450,198	1,677,946	1,506,256

- * Effects of remeasurement gain on the retained interest of the Group 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 2015 (CONTD.)

22. INVESTMENTS IN ASSOCIATES (CONTD.)

Aggregate information of associates that are not individually material are as follows:

	2015 RM'000	2014 RM'000
The Group's share of profit/(loss) before tax	(52)	949
The Group's share of profit/(loss) after tax, representing total comprehensive income/(loss)	(52)	949
Carrying amount of the Group's interest	26,172	26,229

23. INVESTMENTS IN JOINT VENTURES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unquoted shares at cost	757,751	635,450	800	800
Premium on acquisition	10,748	10,748	-	-
Equity contribution				
- in respect of land held for property development	5,898	5,898	-	-
Quasi-equity loan (interest-free)	570,943	-	-	-
Share of post-acquisition reserves	157,825	368,350	-	-
Unrealised profit arising from construction project to a joint venture	(1,117)	(6,525)	-	-
	1,502,048	1,013,921	800	800
Less: Accumulated impairment losses	(24,993)	(24,993)	-	-
	1,477,055	988,928	800	800
Dividend received	19,983	93,515	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

23. INVESTMENTS IN JOINT VENTURES (CONTD.)

Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	Principal activities	Effective interest in equity	
			2015 %	2014 %
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	60
Sunway Iskandar Sdn. Bhd.^	Malaysia	Property development	56.11	51.37
Sunway Iskandar Development Sdn. Bhd. ^	Malaysia	Property development	60	60

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

23. INVESTMENTS IN JOINT VENTURES (CONTD.)

Details of the joint ventures are as follows (contd.):

Name of joint ventures	Country of incorporation	Principal activities	Effective interest in equity	
			2015 %	2014 %
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
Sunway Daechang Forging Investment Limited #	Hong Kong	Investment holding	50	50
Silver Coast-Sunway Innopave J.V. # ^	Unincorporated	Construction works	60	60
Hoi Hup Sunway Miltonia Pte. Ltd. #@	Singapore	Real estate developer	30	30
Hoi Hup Sunway Pasir Ris Pte. Ltd. #@	Singapore	Real estate developer	30	30
Hoi Hup Sunway Tampines Pte. Ltd. #@	Singapore	Real estate developer	30	30
Hoi Hup Sunway Yuan Ching Pte. Ltd. #@	Singapore	Real estate developer	30	30

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

23. INVESTMENTS IN JOINT VENTURES (CONTD.)

Details of the joint ventures are as follows (contd.):

Name of joint ventures	Country of incorporation	Principal activities	Effective interest in equity	
			2015 %	2014 %
Joint ventures with Sunway Holdings Sdn. Bhd. Group (contd.)				
Hoi Hup Sunway Novena Pte. Ltd. # @	Singapore	Real estate developer	30	30
SunGeo - Awangsa J.V. # ^	Unincorporated	Piling and substructure works	-	50.8
Fableplus Sdn. Bhd. - Sunway Engineering Joint Venture #	Unincorporated	Provision of mechanical and engineering works	-	30
Hoi Hup Sunway Mount Sophia Pte. Ltd. # @	Singapore	Real estate developer	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
IJM Sunway Sdn. Bhd. #	Malaysia	Dormant	50	-
Subsidiaries of Sunway Iskandar Sdn. Bhd.				
Sunway Nursery and Landscape Sdn. Bhd.	Malaysia	Nursery and landscaping	28.10	25.69
Arena Suriamas Sdn. Bhd.	Malaysia	Property development	56.11	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

23. INVESTMENTS IN JOINT VENTURES (CONTD.)

Details of the joint ventures are as follows (contd.):

Name of joint ventures	Country of incorporation	Principal activities	Effective interest in equity	
			2015 %	2014 %
Subsidiaries of Sunway Iskandar Sdn. Bhd. (contd.)				
Fajar Megasuria Sdn. Bhd.	Malaysia	Property development	56.11	-
Sempurna Binamas Sdn. Bhd.	Malaysia	Property development	56.11	-
Associate of Sunway Iskandar Sdn. Bhd.				
Daiwa Sunway Development Sdn. Bhd. #	Malaysia	Property development	16.83	-

Audited by firms of auditors other than BDO in Malaysia and BDO Member Firms

@ These group of entities are collectively known as Hoi Hup Group

^ These entities are considered joint ventures as the Group and the venturers have joint control and have rights to the net assets of the arrangements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

23. 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 share of the Group 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
At 31 December 2015						
Non-current assets	521,565	867,505	840	468,509	492	1,858,911
Cash and cash equivalents	622,960	32,808	127,444	206	68	783,486
Other current assets	2,899,095	148,587	421,764	13,243	9,711	3,492,400
Current assets	3,522,055	181,395	549,208	13,449	9,779	4,275,886
Total assets	4,043,620	1,048,900	550,048	481,958	10,271	6,134,797
Current liabilities (excluding trade and other payables and provisions)	64,561	496,617	-	-	1,742	562,920
Trade and other payables and provisions	1,456,204	25,836	105,580	5,376	2,716	1,595,712
Total current liabilities	1,520,765	522,453	105,580	5,376	4,458	2,158,632
Non-current liabilities	1,932,314	-	63,023	285,491	46	2,280,874
Total liabilities	3,453,079	522,453	168,603	290,867	4,504	4,439,506
Non-controlling interests	-	2,417	-	-	-	2,417
Net assets	590,541	524,030	381,445	191,091	5,767	1,692,874

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

23. 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
At 31 December 2014						
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 2015 (CONTD.)

23. 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
At 31 December 2015						
Revenue	472,781	92,483	194,819	-	31,054	791,137
Depreciation and amortisation	(31)	(187)	(302)	-	(218)	(738)
Interest income	3,913	210	179	102	168	4,572
Interest expense	(399)	(373)	(17)	-	-	(789)
Profit/(loss) before tax	134,468	16,906	(8,768)	(901)	22,927	164,632
Income tax (expense)/benefit	(20,551)	859	-	-	(5,828)	(25,520)
Profit/(loss) after tax	113,917	17,765	(8,768)	(901)	17,099	139,112
Other comprehensive income	136,592	-	57,731	-	-	194,323
Total comprehensive income/(loss)	250,509	17,765	48,963	(901)	17,099	333,435
Dividend received from joint venture during the year	-	-	-	-	12,017	12,017
Profit/(loss) after tax attributable to:						
Joint venturers	113,917	17,860	(8,768)	(901)	17,099	139,207
Non-controlling interests	-	(95)	-	-	-	(95)
	113,917	17,765	(8,768)	(901)	17,099	139,112
Total comprehensive income/(loss) attributable to:						
Joint venturers	250,509	17,860	48,963	(901)	17,099	333,530
Non-controlling interests	-	(95)	-	-	-	(95)
	250,509	17,765	48,963	(901)	17,099	333,435
At 31 December 2014						
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	490,244	(6,923)	(7,258)	(343)	13,655	489,375
Other comprehensive income	21,450	-	12,560	-	-	34,010
Total comprehensive income/(loss) ¹	511,694	(6,923)	5,302	(343)	13,655	523,385
Dividend received from joint venture during the year	67,251	-	-	-	10,559	77,810

¹ Total comprehensive income/(loss) for the year ended 31 December 2014 were attributable to joint venturers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

23. INVESTMENTS IN JOINT VENTURES (CONTD.)

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of interest in joint ventures of the Group

	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
At 31 December 2015						
Net assets at 1 January	1,216,597	450,037	332,482	81,712	3,689	2,084,517
Capital injection	-	56,133	-	110,280	-	166,413
Total comprehensive income/(loss)						
attributable to joint venturers	128,589	17,860	48,963	(901)	17,099	211,610
Dividend paid during the year	(876,565)	-	-	-	(15,021)	(891,586)
Net assets at 31 December	468,621	524,030	381,445	191,091	5,767	1,570,954
Alignment to Group accounting policies	(87,552)	-	-	-	-	(87,552)
	381,069	524,030	381,445	191,091	5,767	1,483,402
Interest in joint ventures as at year end	30%	56.11%	60%	60%	80%	
	114,321	294,033	228,867	114,655	4,614	756,490
Effect arising from change of shareholding during the year	-	1,609	-	-	-	1,609
Unrealised profit arising from construction project to a joint venture	-	(1,117)	-	-	-	(1,117)
Goodwill	-	5,386	-	-	-	5,386
Remeasurement gain	-	-	-	-	108,370	108,370
Quasi-equity loan	570,943	-	-	-	-	570,943
Impairment loss	-	-	(3,867)	-	-	(3,867)
Carrying value of Group's interest in joint ventures	685,264	299,911	225,000	114,655	112,984	1,437,814

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

23. INVESTMENTS IN JOINT VENTURES (CONTD.)

- (iii) Reconciliation of the summarised financial information presented above to the carrying amount of interest in joint ventures of the Group (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
At 31 December 2014						
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
Total comprehensive income/(loss)						
attributable to joint venturers	511,694	(6,923)	5,302	(343)	13,655	523,385
Dividend paid during the year	(224,169)	-	-	-	(13,199)	(237,368)
Net assets at 31 December	1,216,597	450,037	332,482	81,712	3,689	2,084,517
Alignment to Group accounting policies	(40,346)	-	-	-	-	(40,346)
	1,176,251	450,037	332,482	81,712	3,689	2,044,171
Interest in joint ventures as at year end	30%	51.37%	60%	60%	80%	
	352,875	231,184	199,489	49,027	2,951	835,526
Effect arising from change of shareholding during the year	-	654	-	-	-	654
Unrealised profit arising from construction project to joint venture	-	(6,525)	-	-	-	(6,525)
Goodwill	-	2,775	-	-	-	2,775
Remeasurement gain	-	-	-	-	108,370	108,370
Impairment loss	-	-	(3,867)	-	-	(3,867)
Carrying value of Group's interest in joint ventures	352,875	228,088	195,622	49,027	111,321	936,933

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

23. INVESTMENTS IN JOINT VENTURES (CONTD.)

Aggregate information of joint ventures that are not individually material are as follows:

	2015 RM'000	2014 RM'000
The Group's share of profit before tax	2,911	11,546
The Group's share of profit after tax, representing total comprehensive income	1,728	12,551
Carrying amount of the Group's interest	39,241	51,995

The details of goodwill included within the Group's carrying amount of investments in joint ventures are as follows:

	2015 RM'000	2014 RM'000
Cost		
Arising from investment in a joint venture and as at 31 December	10,748	10,748

During the financial year, the Group subscribed additional shares in the following companies:

- (a) On 13 May 2015, Sunway Engineering Sdn. Bhd., a wholly-owned subsidiary of Sunway Construction Sdn. Bhd., which in turn is wholly-owned by Sunway Construction Group Berhad (a subsidiary of the Company), subscribed 1 ordinary share of RM1, representing 50% equity interest in IJM Sunway Sdn. Bhd. for cash consideration of RM1;
- (b) On 3 June 2015, SunCity subscribed additional 495,000 ordinary shares of RM1 each at an issue price of RM14.40 each and 49,005,000 Non-Convertible Non-Cumulative Redeemable Preference Shares of RM0.01 each ("NCNCRPS") at an issue price of RM1 each in Sunway Iskandar Sdn. Bhd. ("SISB") totalling RM56,133,000, satisfied by cash;
- (c) On 25 June 2015, SISB, a joint venture of SunCity, subscribed 30 ordinary shares of RM1 each, representing 30% equity interest in Daiwa Sunway Development Sdn. Bhd. ("Daiwa Sunway") for cash consideration of RM30;
- (d) On 19 August 2015, SISB, a joint venture of SunCity, acquired 100% equity interest in Sempurna Binamas Sdn Bhd., Fajar Megasuria Sdn. Bhd. and Arena Suriamas Sdn. Bhd. for cash consideration of RM2 each;
- (e) On 10 December 2015, SISB subscribed 74,970 ordinary shares of RM1 each at an issue price of RM1 each in Daiwa Sunway for RM74,970 cash. SISB had on the same date subscribed 12,114,030 redeemable preference shares of RM0.01 each at an issue price of RM1 each in Daiwa Sunway, satisfied by way of setting off against the part payment of the disposal price and transfer of a lease amounting to RM9,771,930 as well as capitalising the advances granted by SISB to Daiwa Sunway amounting to RM2,342,100; and
- (f) On 15 December 2015, SunCity subscribed additional 661,680 ordinary shares of RM1 each at an issue price of RM1 each for RM661,680 cash and 65,506,320 NCNCRPS of RM0.01 each at an issue price of RM1 each in Sunway Iskandar Development Sdn. Bhd., satisfied by RM62,387,712 cash and capitalisation of advances granted by SunCity amounted to RM3,118,608.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

24. GOODWILL

	Group	
	2015 RM'000	2014 RM'000
Cost		
At beginning of financial year	339,728	339,728
Acquisition of subsidiaries (Note 20)	616	-
At end of financial year	340,344	339,728
Accumulated impairment losses		
At beginning/end of financial year	(20,284)	(20,284)
Net carrying amount	320,060	319,444

Allocation of goodwill

Goodwill has been allocated to the CGUs of the Group, according to business segments as follows:

	2015 RM'000	2014 RM'000
Property investment *	185,329	185,329
Construction	74,080	74,080
Quarry	40,647	40,647
Trading and manufacturing	9,289	8,673
Property development	247	247
Others	10,468	10,468
	320,060	319,444

* The property investment segment includes property investment, leisure and hospitality.

For the purpose of impairment testing, goodwill is allocated to the operating divisions of the Group, which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

24. GOODWILL (CONTD.)

Key assumptions used in value-in-use calculations

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five-year period. The key assumptions used for value-in-use calculations for the major business segments are:

	Quarry %	Construction %	Property investment %
At 31 December 2015			
Gross margin	14.4	8.4	37.3
Growth rate	13.4	6.1	15.6
Discount rate	10.0	10.0	10.0
At 31 December 2014			
Gross margin	13.6	7.5	39.7
Growth rate	8.0	4.4	17.7
Discount rate	12.0	14.0	10.0

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year adjusted for expected efficiency improvements or deficiency.

(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 pre-tax and reflect specific risks relating to the relevant segments.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of each of the major business segments, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying amount of the CGU to materially exceed their recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

25. OTHER INVESTMENTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-current				
At cost				
- Unquoted ordinary shares	1,797	2,504	-	-
Fair value				
Available-for-sale financial assets:				
- Quoted ordinary shares	6	-	52,108	44,408
- Corporate memberships	1,102	1,083	-	-
	2,905	3,587	52,108	44,408
Less: Accumulated impairment losses	(1,741)	(1,741)	-	-
	1,164	1,846	52,108	44,408

Information on the fair value hierarchy is disclosed in Note 57 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

26. PROPERTY DEVELOPMENT COSTS

Group	Freehold land RM'000	Long term leasehold land RM'000	Development costs RM'000	Cumulative costs recognised in profit or loss RM'000	Total RM'000
At 31 December 2015					
At beginning of financial year	834,602	342,618	2,204,728	(1,841,424)	1,540,524
Costs incurred during the year:	-	6,297	648,676	-	654,973
Recognised during the year (Note 5)	-	-	-	(696,371)	(696,371)
Reversal of over-accrued costs	-	-	(55,263)	-	(55,263)
Exchange differences	-	6,932	56,976	(54,604)	9,304
Reclassifications	(20)	(11)	31	-	-
Transfers to:					
Property, plant and equipment (Note 14)	-	-	(22,683)	-	(22,683)
Land held for property development (Note 19)	(289,877)	(2,221)	(32,802)	-	(324,900)
Inventories	-	(41,648)	(52,429)	-	(94,077)
Investment properties under construction (Note 17)	-	-	(3,894)	-	(3,894)
Investment properties (Note 17)	-	(2,425)	(14,740)	-	(17,165)
Reversal of completed projects	-	-	(3,992)	3,992	-
Over/Under provision in prior year	(3,541)	-	-	(8,908)	(12,449)
At end of financial year	541,164	309,542	2,724,608	(2,597,315)	977,999
Accumulated impairment loss					
At beginning of financial year	-	-	(22,207)	-	(22,207)
Transfer to inventories	-	-	22,207	-	22,207
At end of financial year	-	-	-	-	-
Property development costs at end of financial year	541,164	309,542	2,724,608	(2,597,315)	977,999

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

26. PROPERTY DEVELOPMENT COSTS (CONTD.)

Group	Freehold land RM'000	Long term leasehold land RM'000	Development costs RM'000	Cumulative costs recognised in profit or loss RM'000	Total RM'000
At 31 December 2014					
At beginning of financial year	538,093	210,106	1,800,500	(1,373,718)	1,174,981
Costs incurred during the year:	10,397	77,072	800,140	-	887,609
Recognised during the year (Note 5)	-	-	-	(652,713)	(652,713)
Exchange differences	-	2,123	12,667	(11,250)	3,540
Reclassifications	(2,167)	(662)	2,829	-	-
Transfers to:					
Land held for property development (Note 19)	293,053	60,788	18,192	-	372,033
Inventories	(145)	(315)	(3,797)	-	(4,257)
Investment properties under construction (Note 17)	-	-	(240,459)	-	(240,459)
Reversal of completed projects	(4,629)	(6,494)	(185,344)	196,467	-
Under provision in prior year	-	-	-	(210)	(210)
At end of financial year	834,602	342,618	2,204,728	(1,841,424)	1,540,524
Accumulated impairment loss					
Impairment losses for the year	-	-	(22,207)	-	(22,207)
Property development costs at end of financial year	834,602	342,618	2,182,521	(1,841,424)	1,518,317

Interest expense capitalised during the financial year under development costs of the Group amounted to RM474,000 (2014: RM5,348,000) at interest rates ranging from 4.65% to 4.73% (2014: 2.95% to 7.50%).

Freehold land and related development costs of the Group amounting to RM1,144,601,000 (2014: RM1,099,498,000) are pledged to financial institutions as securities for borrowings as disclosed in Note 34 to the financial statements.

Leasehold land and related development costs of the Group amounting to RM181,515,000 (2014: RM400,411,000) are pledged to financial institutions as securities for borrowings as disclosed in Note 34 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

27. INVENTORIES

	Group	
	2015 RM'000	2014 RM'000
At cost		
Properties held for sale	273,030	284,804
Trading inventories	309,397	168,499
Food and beverages	3,061	3,488
Consumables	14,311	10,894
Raw materials	12,528	12,827
Work in progress	3,506	3,028
Finished goods	53,983	67,682
	669,816	551,222
At net realisable value		
Properties held for sale	23,317	28,741
	693,133	579,963

A write down of inventories to net realisable value of RM623,000 (2014: RM1,340,000) was made during the year (Note 8).

The Group reversed RM10,478,000 (2014: RM4,395,000) in respect of inventories written down in the previous financial years that was subsequently not required as the Group was able to sell those inventories above their carrying amounts (Note 6).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

28. TRADE RECEIVABLES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-current				
Finance lease receivables	4,455	4,506	-	-
Hire purchase receivables	6,066	2,217	-	-
	10,521	6,723	-	-
Current				
Third parties	1,147,888	1,028,816	-	-
Retention sums	141,431	152,721	-	-
Finance lease receivables	2,303	2,339	-	-
Hire purchase receivables	3,602	853	-	-
Amounts due from customers on contracts (Note 42)	97,668	72,730	-	-
Accrued billings in respect of property development costs	212,459	-	-	-
	1,605,351	1,257,459	-	-
Less: Allowance for impairment	(64,254)	(72,720)	-	-
	1,541,097	1,184,739	-	-
Total trade receivables	1,551,618	1,191,462	-	-
Total trade receivables	1,551,618	1,191,462	-	-
Other receivables (Note 29)	300,055	200,501	7,082	3,697
Amounts due from subsidiaries (Note 21)	-	-	1,518,421	1,483,278
Amounts due from associates	6,511	9,992	-	-
Amounts due from joint ventures	496,487	286,223	1,134	1,779
Cash and bank balances (Note 32)	1,482,960	1,647,528	163,078	336,036
Less:				
Amounts due from customers on contracts (Note 42)	(97,668)	(72,730)	-	-
Prepayments (Note 29)	(55,724)	(47,801)	(2,194)	(3,338)
Accrued billings in respect of property development costs	(212,459)	-	-	-
Total loans and receivables	3,471,780	3,215,175	1,687,521	1,821,452

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

28. TRADE RECEIVABLES (CONTD.)

The repayment terms of finance lease and hire purchase receivables are as follows:

	Group	
	2015 RM'000	2014 RM'000
Finance lease receivables:		
Not later than 1 year	2,342	2,404
Later than 1 year and not later than 5 years	4,473	4,562
	6,815	6,966
Less: Unearned interest	(57)	(121)
	6,758	6,845
Representing finance lease receivables:		
Not later than 1 year	2,303	2,339
Later than 1 year and not later than 5 years	4,455	4,506
	6,758	6,845
Hire purchase receivables:		
Not later than 1 year	4,150	1,020
Later than 1 year and not later than 5 years	6,626	2,492
	10,776	3,512
Less: Unearned interest	(1,108)	(442)
	9,668	3,070
Representing hire purchase receivables:		
Not later than 1 year	3,602	853
Later than 1 year and not later than 5 years	6,066	2,217
	9,668	3,070

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

28. TRADE RECEIVABLES (CONTD.)

The currency exposure profile of total trade receivables are as follows:

	Group	
	2015 RM'000	2014 RM'000
Ringgit Malaysia ("RM")	1,381,601	988,623
Singapore Dollar ("SGD")	102,491	118,903
Renminbi ("RMB")	32,646	42,799
Trinidad and Tobago Dollar ("TTD")	-	514
Indian Rupee ("IR")	13,346	12,281
Australian Dollar ("AUD")	6,030	7,937
Indonesian Rupiah ("INR")	8,425	8,743
Thai Baht ("THB")	3,649	4,470
United Arab Emirates Dirham ("AED")	-	953
Vietnam Dong ("VND")	234	759
United States Dollar ("USD")	2,495	4,414
Macau Pataca ("MOP")	-	1,037
Others	701	29
	1,551,618	1,191,462

Included in trade receivables are the following amounts due from related parties:

	Group	
	2015 RM'000	2014 RM'000
Sunway Technology Sdn. Bhd. Group	11,584	1,414
Sunway REIT (RHB Trustees Bhd)	523	1

The amounts due from related parties are unsecured and non-interest bearing. The relationship with the related parties is as disclosed in Note 54 to the financial statements. 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 (2014: 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 2015 (CONTD.)

28. TRADE RECEIVABLES (CONTD.)

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2015 RM'000	2014 RM'000
Neither past due nor impaired	1,181,878	816,094
1 to 30 days past due not impaired	184,734	143,141
31 to 60 days past due not impaired	46,633	67,552
61 to 90 days past due not impaired	26,811	50,493
91 to 120 days past due not impaired	21,477	65,521
More than 120 days past due not impaired	90,085	48,661
	369,740	375,368
Past due and impaired	64,254	72,720
	1,615,872	1,264,182

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 2015 (CONTD.)

28. TRADE RECEIVABLES (CONTD.)

Receivables that are past due and impaired

The Group's trade receivables that are past due and impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group		
	Collectively impaired RM'000	Individually impaired RM'000	Total RM'000
As at 31 December 2015			
Trade receivables - nominal amounts	680	63,574	64,254
Less: Allowance for impairment	(680)	(63,574)	(64,254)
	-	-	-
As at 31 December 2014			
Trade receivables - nominal amounts	716	72,004	72,720
Less: Allowance for impairment	(716)	(72,004)	(72,720)
	-	-	-

The reconciliation of movements in allowance for impairment accounts is as follows:

	Group	
	2015 RM'000	2014 RM'000
At beginning of financial year	72,720	116,587
Charge for the year (Note 8)	2,525	12,327
Reversal of impairment losses (Note 6)	(12,470)	(1,535)
Written off	(8,290)	(51,244)
Exchange differences	465	(167)
Acquisition of subsidiaries	9,304	-
Effects of disposal of subsidiaries	-	(3,248)
At end of financial year	64,254	72,720

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 2015 (CONTD.)

29. OTHER RECEIVABLES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-current				
Receivable	17,850	17,214	-	-
Current				
Deposits	33,663	23,197	94	5
Prepayments (Note 28)	55,724	47,801	2,194	3,338
Receivables	194,858	125,015	4,794	354
	284,245	196,013	7,082	3,697
Less: Allowance for impairment	(2,040)	(12,726)	-	-
	282,205	183,287	7,082	3,697
Total other receivables (Note 28)	300,055	200,501	7,082	3,697

Included in other receivables are the following amounts due from related parties:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Sunway Technology Sdn. Bhd. Group	3,602	59	128	-
Sunway REIT (RHB Trustees Bhd)	4,009	659	3,839	-

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.

The reconciliation of movements in allowance for impairment accounts is as follows:

	Group	
	2015 RM'000	2014 RM'000
At beginning of financial year	12,726	12,565
Charge for the year (Note 8)	731	169
Reversal of impairment losses (Note 6)	(69)	-
Written off	(11,348)	(8)
At end of financial year	2,040	12,726

30. 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.

31. 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 except for an amount from a joint venture of RM476,993,000 (2014: Nil), which bears an interest rate of 4.88% (2014: Nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

32. CASH AND BANK BALANCES AND PLACEMENT IN FUNDS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash and bank balances				
Cash at banks and on hand	650,197	543,815	2,972	5,931
Deposits with:				
Licensed banks	84,887	66,845	20	4,731
Other financial institutions	747,876	1,036,868	160,086	325,374
Total cash and bank balances (Note 28)	1,482,960	1,647,528	163,078	336,036
Placement in funds	1,147,991	330,672	153,200	41,090

Included in cash at banks of the Group are amounts of RM262,339,000 (2014: RM210,128,000) 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 of the Group and of the Company are 2.73% (2014: 3.34%) and 3.15% (2014: 2.94%) per annum respectively. The average maturity days are 104 days (2014: 56 days) and 186 days (2014: 31 days) per annum respectively.

The weighted average effective interest rate of deposits with other financial institutions of the Group and of the Company are 4.15% (2014: 3.52%) and 4.02% (2014: 3.52%) per annum respectively. The average maturity days are 38 days (2014: 31 days) and 41 days (2014: 37 days) 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash and bank balances	1,482,960	1,647,528	163,078	336,036
Bank overdrafts (Note 34)	(97,466)	(92,438)	-	-
Deposits with licensed banks and other financial institutions with maturity of over 3 months	(137,600)	(262,180)	(20)	(87,180)
Total cash and cash equivalents	1,247,894	1,292,910	163,058	248,856

33. ASSETS OF 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 had classified the said properties as held for sale in accordance with the requirements of FRS 5.

	Group
	2014 RM'000
Property, plant and equipment (Note 14)	38,772
Investment properties (Note 17)	59,257
	98,029

The disposal of assets was completed during the financial year ended 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

34. BORROWINGS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Short term borrowings				
Secured:				
Bank overdrafts	97,466	91,713	-	-
Bankers' acceptances	53,819	952	-	-
Term loans	481,684	955,631	-	524,850
Revolving credits	61,151	287,654	-	-
Bills discounting	22,355	-	-	-
Bills payable	-	1,494	-	-
	716,475	1,337,444	-	524,850
Less: Unamortised transaction costs	(786)	-	-	-
	715,689	1,337,444	-	524,850
Unsecured:				
Bank overdrafts	-	725	-	-
Bankers' acceptances	12,198	9,071	-	-
Term loans	-	953	-	-
Revolving credits	168,189	130,168	80,000	80,000
Block discount creditors	-	492	-	-
Commercial papers	2,085,000	565,000	910,000	565,000
Bills discounting	86,652	83,839	-	-
Bills payable	920	2,491	-	-
	2,352,959	792,739	990,000	645,000
	3,068,648	2,130,183	990,000	1,169,850
Long term borrowings				
Secured:				
Term loans	2,491,045	1,494,748	-	-
Medium term notes	4,393	5,000	-	-
	2,495,438	1,499,748	-	-
Less: Unamortised transaction costs	(227)	-	-	-
	2,495,211	1,499,748	-	-
Unsecured:				
Medium term notes	320,000	150,000	250,000	150,000
	2,815,211	1,649,748	250,000	150,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

34. BORROWINGS (CONTD.)

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total borrowings					
Bank overdrafts	32	97,466	92,438	-	-
Term loans	(a)	2,972,729	2,451,332	-	524,850
Revolving credits	(b)	229,340	417,822	80,000	80,000
Medium term notes	(c)	324,393	155,000	250,000	150,000
Commercial papers		2,085,000	565,000	910,000	565,000
Bankers' acceptances		66,017	10,023	-	-
Block discount creditors	(d)	-	492	-	-
Bills discounting		109,007	83,839	-	-
Bills payable		920	3,985	-	-
		5,884,872	3,779,931	1,240,000	1,319,850
Less: Unamortised transaction costs		(1,013)	-	-	-
	40	5,883,859	3,779,931	1,240,000	1,319,850

Borrowings of the Group amounting to RM1,944,470,000 (2014: RM913,776,000) were Islamic financing facilities.

The weighted average interest rates per annum of borrowings that were effective as at reporting date were as follows:

	Group		Company	
	2015 %	2014 %	2015 %	2014 %
Bank overdrafts	5.87	5.85	-	-
Term loans	4.00	4.01	-	4.30
Revolving credits	4.47	4.02	4.20	4.20
Medium term notes	6.76	6.44	6.70	6.50
Commercial papers	4.03	3.75	4.11	3.75
Bankers' acceptances	4.05	3.75	-	-
Block discount creditors	-	4.84	-	-
Bills discounting	3.95	3.95	-	-
Bills payable	1.95	1.60	-	-

The Group has entered into interest rate swap contracts to hedge the floating rate interest payable on some of its 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 2015 (CONTD.)

34. 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 were entered into to minimise the interest cost.

The currency profile of borrowings are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Ringgit Malaysia ("RM")	3,172,511	1,727,786	1,240,000	795,000
US Dollar ("USD")	2,388,808	1,757,168	-	524,850
Singapore Dollar ("SGD")	274,248	238,510	-	-
Renminbi ("RMB")	45,290	52,999	-	-
Australian Dollar ("AUD")	2,222	3,468	-	-
Japanese Yen ("JPY")	780	-	-	-
	5,883,859	3,779,931	1,240,000	1,319,850

(a) The maturity of the term loans is as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Not later than 1 year	481,684	956,584	-	524,850
Later than 1 year and not later than 2 years	6,784	8,444	-	-
Later than 2 years and not later than 3 years	56,474	894,370	-	-
Later than 3 years and not later than 4 years	5,675	241,663	-	-
Later than 4 years and not later than 5 years	2,397,637	245,235	-	-
Later than 5 years	24,475	105,036	-	-
	2,972,729	2,451,332	-	524,850

(b) The maturity of the revolving credits is as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Not later than 1 year	229,340	417,822	80,000	80,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

34. BORROWINGS (CONTD.)

- (c) The maturity of the medium term notes is as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Later than 1 year and not later than 2 years	150,000	-	150,000	-
Later than 2 years and not later than 3 years	-	150,000	-	150,000
Later than 3 years and not later than 4 years	-	-	-	-
Later than 4 years and not later than 5 years	100,000	-	100,000	-
Later than 5 years	74,393	5,000	-	-
	324,393	155,000	250,000	150,000

- (d) The maturity of the block discount creditors was as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Not later than 1 year	-	492	-	-

- (e) The secured borrowings of the Group are secured by legal charges as follows:

	Note	2015 RM'000	2014 RM'000
Property, plant and equipment	14	251,856	190,314
Investment properties	17	842,139	602,642
Investment properties under construction	17	866,954	623,824
Land held for development	19	-	58,344
Property development costs	26	1,326,116	1,499,909
		3,287,065	2,975,033

	Number of units		At market value	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Units in Sunway REIT	798,800	911,728	1,166,248	1,367,592

- (f) The Company provides financial guarantees to financial institutions for borrowings amounting to RM3,129,535,000 (2014: RM2,521,984,000) obtained by its subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

35. LONG TERM LIABILITIES

	Group	
	2015 RM'000	2014 RM'000
Deferred income at end of financial year	16,483	17,458
To be recognised within 1 year (Note 41)	(3,007)	(1,714)
To be recognised after 1 year	13,476	15,744

Deferred income represents deferred timeshare membership fees, which are to be recognised over the membership period.

36. ADVANCES BY NON-CONTROLLING INTERESTS OF SUBSIDIARIES

Included in advances by non-controlling interests of subsidiaries was contribution of RM146,702,000 (2014: RM142,462,000) by non-controlling interests 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% (2014: 5.50%) per annum shall be paid from the Distributable Profits of SSQSB to the extent practicable.

37. AMOUNTS DUE TO SUBSIDIARIES

	Company	
	2015 RM'000	2014 RM'000
Non-interest bearing amounts (Note 40)	176	232

The amounts due to subsidiaries are unsecured, interest free and repayable on demand.

38. HIRE PURCHASE AND FINANCE LEASE LIABILITIES

	Group	
	2015 RM'000	2014 RM'000
Future minimum lease payments:		
Not later than 1 year	2,480	2,875
Later than 1 year and not later than 2 years	1,922	979
Later than 2 years and not later than 3 years	899	730
Later than 3 years and not later than 4 years	261	172
Later than 4 years and not later than 5 years	46	-
Total future minimum lease payments	5,608	4,756
Less: Future finance charges	(364)	(257)
Present value of finance lease liabilities (Note 40)	5,244	4,499

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

38. HIRE PURCHASE AND FINANCE LEASE LIABILITIES (CONTD.)

	Group	
	2015 RM'000	2014 RM'000
Analysis of present value of finance lease liabilities:		
Not later than 1 year	2,266	2,708
Later than 1 year and not later than 2 years	1,815	914
Later than 2 years and not later than 3 years	864	706
Later than 3 years and not later than 4 years	253	171
Later than 4 years and not later than 5 years	46	-
	5,244	4,499
Less: Amount due within 12 months	(2,266)	(2,708)
Amount due after 12 months	2,978	1,791

The hire purchase and finance lease liabilities of the Group attract interest at rates ranging from 1.01% to 6.24% (2014: 1.76% to 6.44%) per annum.

39. DEFERRED TAX

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At beginning of financial year	40,190	36,253	-	-
Recognised in profit or loss (Note 11)	(34,084)	3,856	-	-
Acquisition of subsidiaries (Note 20)	977	-	-	-
Exchange differences	89	81	-	-
At end of financial year	7,172	40,190	-	-
Presented after appropriate offsetting as follows:				
Deferred tax assets, net*	(83,714)	(42,670)	-	(48)
Deferred tax liabilities, net*	90,886	82,860	-	48
	7,172	40,190	-	-

* The amount of set-off between deferred tax assets and deferred tax liabilities was RM43,457,000 (RM35,369,000) for the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

39. DEFERRED TAX (CONTD.)

The components and movements of deferred tax assets and liabilities during the financial year 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 2014	(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	(20,527)	(16,220)	(10,032)	(8,440)	(4,387)	(18,433)	(78,039)
Recognised in profit or loss	(23,169)	(1,548)	(8,999)	(6,976)	3,154	(11,344)	(48,882)
Exchange differences	-	-	-	-	-	(250)	(250)
At 31 December 2015	(43,696)	(17,768)	(19,031)	(15,416)	(1,233)	(30,027)	(127,171)

Deferred tax liabilities of the Group:

	Property, plant and equipment RM'000	Lease rental RM'000	Investment properties RM'000	Others RM'000	Total RM'000
At 1 January 2014	32,667	5,276	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	36,661	5,276	69,828	6,464	118,229
Recognised in profit or loss	(4,811)	-	17,931	1,678	14,798
Exchange differences	-	-	-	339	339
Acquisition of subsidiaries	171	-	-	806	977
At 31 December 2015	32,021	5,276	87,759	9,287	134,343

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

39. DEFERRED TAX (CONTD.)

Deferred tax asset of the Company:

	Unabsorbed capital allowances RM'000
At 1 January 2014	(17)
Recognised in profit or loss	(31)
At 31 December 2014	(48)
Recognised in profit or loss	48
At 31 December 2015	-

Deferred tax liability of the Company:

	Property, plant and equipment RM'000
At 1 January 2014	17
Recognised in profit or loss	31
At 31 December 2014	48
Recognised in profit or loss	(48)
At 31 December 2015	-

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unused tax losses	60,400	73,672	-	-
Unabsorbed capital allowances	2,275	15,234	804	476
Unused investment tax allowances	226,357	230,244	-	-
Other deductible temporary differences	295,703	350,157	267	527
	584,735	669,307	1,071	1,003

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

40. TRADE PAYABLES

	Group	
	2015 RM'000	2014 RM'000
Third parties	1,132,464	1,088,941
Amounts due to customers on contracts (Note 42)	59,973	72,894
Amounts due to contractors and consultants	94,607	113,969
Total trade payables	1,287,044	1,275,804

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total trade payables	1,287,044	1,275,804	-	-
Total other payables (Note 41)	1,264,610	1,200,040	19,000	30,645
Amounts due to subsidiaries (Note 37)	-	-	176	232
Amounts due to associates	4,408	3,134	-	-
Amounts due to joint ventures	41,301	201	-	-
Advances by non-controlling interests of subsidiaries	146,702	142,506	-	-
Hire purchase and finance lease liabilities (Note 38)	5,244	4,499	-	-
Total borrowings (Note 34)	5,883,859	3,779,931	1,240,000	1,319,850
Less:				
Amounts due to customers on contracts (Note 42)	(59,973)	(72,894)	-	-
Progress billings in respect of property development costs (Note 41)	(123,551)	(113,455)	-	-
Deferred income (Note 41)	(3,007)	(1,714)	-	-
Total financial liabilities carried at amortised cost	8,446,637	6,218,052	1,259,176	1,350,727

Included in trade payables is the following amount due to a related party:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Sunway Technology Sdn. Bhd. Group	1,249	905	-	-

The amount due to related party is unsecured and non-interest bearing. The relationship with the above related party is as disclosed in Note 54 to the financial statements.

The normal trade credit terms granted to the Group range from 1 day to 180 days (2014: 1 day to 180 days).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

41. OTHER PAYABLES

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-current					
Payables	(a)	293,172	361,156	-	-
Current					
Payables	(a)	420,496	321,783	3,471	400
Amounts due to contractors and consultants		3,220	29,181	-	-
Progress billing in respect of property development costs	40	123,551	113,455	-	-
Accruals		375,051	333,926	15,529	30,245
Refundable deposits		46,113	38,825	-	-
Deferred income	(b), 35, 40	3,007	1,714	-	-
		971,438	838,884	19,000	30,645
Total other payables (Note 40)		1,264,610	1,200,040	19,000	30,645

Included in other payables are the following amounts due to related parties:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Sunway REIT (RHB Trustees Bhd)	1,903	-	-	-
Sunway Technology Sdn. Bhd. Group	2,497	-	-	-

(a) Included in payables is an amount of RM233,096,000 (2014: RM272,929,000) due to Fawanis Sdn. Bhd., which is unsecured, non-interest bearing and term of repayment is in accordance to the progress billing of the launched project developments.

(b) Deferred income of the Group represents deferred timeshare membership fees.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

42. CONSTRUCTION CONTRACTS

	Group	
	2015 RM'000	2014 RM'000
Costs incurred to date	7,662,818	5,836,766
Accrued profits to date	1,205,961	952,210
Recognised losses to date	(4,177)	(6,336)
Total costs and accrued profits to date	8,864,602	6,782,640
Progress billings to date	(8,826,907)	(6,782,804)
	37,695	(164)
Amounts due from customers on contracts (Note 28)	(97,668)	(72,730)
Amounts due to customers on contracts (Note 40)	59,973	72,894
	-	-
Advances received on contracts (included in trade payables)	5,185	34,951
Retention sums	139,399	150,490

43. DERIVATIVES

	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000
Group			
As at 31 December 2015			
Non-current			
Interest rate swap	650,000	172	-
Forward currency contracts	29,790	-	(4,078)
Cross currency swap	1,631,685	351,099	(3,631)
	2,311,475	351,271	(7,709)
Current			
Forward currency contracts	85,691	-	(9,874)
Cross currency swap	810,510	55,230	-
	896,201	55,230	(9,874)
Total derivatives	3,207,676	406,501	(17,583)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

43. DERIVATIVES (CONTD.)

	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000
Group			
As at 31 December 2014			
Non-current			
Interest rate swap	650,000	847	-
Cross currency swap	1,288,315	65,482	(3,682)
	1,938,315	66,329	(3,682)
Current			
Interest rate swap	3,658	-	(3)
Forward currency contracts	1,894	-	(26)
Cross currency swap	868,720	73,671	-
	874,272	73,671	(29)
Total derivatives	2,812,587	140,000	(3,711)
Company			
As at 31 December 2014			
Current			
Cross currency swap	479,648	43,970	-

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 has 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 equals to Kuala Lumpur Interbank Offered Rate ("KLIBOR") per annum and pays fixed rate of interest of 3.82% (2014: 3.82%) per annum.

The fair values of the interest rate swap contracts are determined by using the mark to market values at the end of reporting date and changes in the fair value is recognised in the profit or loss.

The Group entered into foreign currency forward contracts to manage some of the transaction exposure. These contracts are entered into for periods consistent with currency transaction exposure and fair value changes exposure. The Group also uses foreign currency forward contracts as derivatives to hedge future changes in currency exposure of cash flows from foreign operations. The effective portions of the change in fair value of the derivatives are recognised in the foreign currency translation reserve. Any ineffective portions of net investment hedges are recognised immediately in the profit and loss.

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 RM1,282,000 (2014: net loss of RM2,721,000) arising from fair value changes of derivatives, as disclosed in Notes 6 and 8 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

44. SHARE CAPITAL

	Group / Company			
	Number of ordinary shares		Amount	
	2015 '000	2014 '000	2015 RM'000	2014 RM'000
Ordinary shares of RM1 each				
Authorised				
At beginning/end of financial year	10,000,000	10,000,000	10,000,000	10,000,000
Issued and fully paid				
At beginning of financial year	1,730,579	1,723,524	1,730,579	1,723,524
Issued during the financial year:				
- pursuant to exercise of warrants (a), (b)	30,686	3,311	30,686	3,311
- pursuant to ESOS (a), (c)	38,490	3,744	38,490	3,744
At end of financial year	1,799,755	1,730,579	1,799,755	1,730,579

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

44. SHARE CAPITAL (CONTD.)

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

- (a) During the financial year, the Company increased its issued and paid-up ordinary share capital from RM1,730,579,384 to RM1,799,754,850 by way of issuance of:
- (i) 13,007,336 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) 17,577,339 ordinary shares of RM1 each pursuant to the exercise of Warrants 2011/2016 at an exercise price of RM2.43 per ordinary share for cash;
 - (iii) 101,150 ordinary shares of RM1 each pursuant to the exercise of Warrants 2011/2016 at an exercise price of RM2.25 per ordinary share for cash;
 - (iv) 15,416,931 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;
 - (v) 21,779,680 new ordinary shares of RM1 each pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM2.68 per ordinary share for cash;
 - (vi) 557,000 new ordinary shares of RM1 each pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM2.48 per ordinary share for cash;
 - (vii) 431,430 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;
 - (viii) 297,400 new ordinary shares of RM1 each pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM3.10 per ordinary share for cash; and
 - (ix) 7,200 new ordinary shares of RM1 each pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM2.87 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. There were no other issues of shares during the financial year.

During the financial year, the Company repurchased 10,600,100 of its issued ordinary shares from the open market at prices ranging from RM2.95 to RM3.41 per share. The total consideration paid for the repurchases including transaction costs was RM34,380,307 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 2015, the Company held a total of 19,519,500 ordinary shares as treasury shares out of its total issued and paid up share capital of 1,799,754,850 ordinary shares. Such treasury shares are recorded at a carrying amount of RM63,603,407. The total consideration paid for the purchase of treasury shares was RM63,699,864 including the related transaction costs amounted to RM96,457.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

44. SHARE CAPITAL (CONTD.)

- (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.

On 9 May 2015, the exercise price of the warrants had been adjusted to RM2.43 pursuant to the distribution of ordinary shares of RM0.20 each in Sunway Construction Group Berhad ("Distribution Shares") held by Sunway Berhad to its entitled shareholders by way of dividend-in-specie on a basis of 1 Distribution Share for every 10 existing ordinary shares of RM1 each held in Sunway Berhad on 5 June 2015.

Subsequently on 3 October 2015, the exercise price of the warrants had been adjusted again to RM2.25 following the distribution of a special cash dividend of RM0.26 to the entitled shareholders of Sunway Berhad on 16 October 2015.

During the financial year, 30,685,825 new ordinary shares of RM1 each were issued pursuant to the exercise of warrants for the equivalent numbers by the registered holders.

- (c) The Company's ESOS ("the Scheme") came into effect 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 2015 (CONTD.)

44. 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, fulfilment 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 they shall have no right to exercise all or any of the options that have been granted but not vested to them.

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.

On 9 May 2015, the exercise price of the Scheme had been adjusted pursuant to the distribution Distribution Shares held by the Company to its entitled shareholders by way of dividend-in-specie on a basis of 1 Distribution Share for every 10 existing ordinary shares of RM1 each held in Sunway Berhad on 5 June 2015.

Subsequently on 5 October 2015, the exercise price of an option granted under the Scheme had been adjusted again following the distribution of a special cash dividend of RM0.26 each to the entitled shareholders of Sunway Berhad on 16 October 2015. The details of the adjusted exercise prices were shown in the table below:

Grant No.	Grant date	Original exercise price (RM)	First adjusted exercise price (RM)	Second adjusted exercise price (RM)
First	3.9.2013	2.76	2.68	2.48
Second	2.9.2014	3.19	3.10	2.87
Third	2.9.2015	3.52	-	3.25

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

44. SHARE CAPITAL (CONTD.)

(c) (contd.)

Details of 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 1.1.2015 '000	Movements during the year			Balance as at 31.12.2015 '000	Exercise price RM/Option	Exercise period
				Exercised '000	Forfeited '000	Rejected '000			
First	3.9.2013	133,564	117,851	(37,753)	(20,385)	-	59,713	2.48	3.9.2013 - 2.9.2019
Second	2.9.2014	15,735	14,686	(736)	(1,185)	-	12,765	2.87	2.9.2014 - 2.9.2019
Third	2.9.2015	10,840	10,840	-	(300)	(365)	10,175	3.25	2.9.2015 - 2.9.2019

Options vested

(i) First grant of options over ordinary shares

Vesting Date	Vested '000	Exercisable as at 1.1.2015/grant date '000	Movements during the year			Exercisable as at 31.12.2015 '000	Exercise price RM/Option	Exercise period
			Exercised '000	Forfeited '000	Rejected '000			
3.9.2013	29,993	24,840	(20,696)	(3,713)	-	431	2.48	3.9.2014 - 2.9.2016
2.9.2014	27,853	26,493	(11,928)	(5,422)	-	9,143	2.48	2.9.2015 - 2.9.2017
2.9.2015	26,744	26,744	(5,129)	(6,536)	-	15,079	2.48	2.9.2015 - 2.9.2018

(ii) Second grant of options over ordinary shares

Vesting Date	Vested '000	Exercisable as at 1.1.2015/grant date '000	Movements during the year			Exercisable as at 31.12.2015 '000	Exercise price RM/Option	Exercise period
			Exercised '000	Forfeited '000	Rejected '000			
2.9.2014	4,526	4,209	(603)	(379)	-	3,227	2.87	2.9.2014 - 2.9.2017
2.9.2015	3,894	3,894	(133)	(192)	-	3,569	2.87	2.9.2015 - 2.9.2018

(iii) Third grant of options over ordinary shares

Vesting Date	Vested '000	Exercisable as at 1.1.2015/grant date '000	Movements during the year			Exercisable as at 31.12.2015 '000	Exercise price RM/Option	Exercise period
			Exercised '000	Forfeited '000	Rejected '000			
2.9.2015	4,792	4,792	-	(166)	(307)	4,319	3.25	2.9.2015 - 2.9.2018

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

44. SHARE CAPITAL (CONTD.)

(c) (contd.)

Share options exercised during the financial year resulted in the issuance of:

- (i) 15,416,931 ordinary shares at an option price of RM2.76 each.
- (ii) 21,779,680 ordinary shares at an option price of RM2.68 each.
- (iii) 557,000 ordinary shares at an option price of RM2.48 each.
- (iv) 431,430 ordinary shares at an option price of RM3.19 each.
- (v) 297,400 ordinary shares at an option price of RM3.10 each.
- (vi) 7,200 ordinary shares at an option price of RM2.87 each.

The fair values of share options measured at the date of the second adjustment to the exercise prices and the assumptions used are as follows:

Group/Company	First Grant			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Exercise price of option offered (RM)	2.48	2.48	2.48	2.48
Weighted average share price (RM)	2.48	2.48	2.48	2.48
Expected life (years)	3	3	3	3
Expected volatility (%)	22.26	22.26	22.26	22.26
Expected dividend yield (%)	3.93	3.82	3.82	3.86
Risk free interest rate (%)	3.91	3.91	3.91	3.91

	Second Grant		
	Tranche 1	Tranche 2	Tranche 3
Exercise price of option offered (RM)	2.87	2.87	2.87
Weighted average share price (RM)	2.87	2.87	2.87
Expected life (years)	3	3	3
Expected volatility (%)	22.26	22.26	22.26
Expected dividend yield (%)	3.82	3.83	3.86
Risk free interest rate (%)	3.91	3.91	3.91

	Third Grant	
	Tranche 1	Tranche 2
Exercise price of option offered (RM)	3.25	3.25
Weighted average share price (RM)	3.25	3.25
Expected life (years)	3	3
Expected volatility (%)	22.89	22.89
Expected dividend yield (%)	3.16	3.22
Risk free interest rate (%)	3.91	3.91

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

44. SHARE CAPITAL (CONTD.)

(c) (contd.)

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.

45. SHARE PREMIUM

	Note	Group / Company	
		2015 RM'000	2014 RM'000
At beginning of financial year		2,642,213	2,628,404
Arising from issuance of new ordinary shares:			
- pursuant to exercise of warrants	44 (b)	44,773	4,966
- pursuant to ESOS	44 (c)	84,836	8,843
At end of financial year		2,771,822	2,642,213

46. EQUITY CONTRIBUTION FROM NON-CONTROLLING INTERESTS

The equity contribution represents the Group's share of advances from the non-controlling interest 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.

47. 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 49 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

48. RESERVES

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 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	25,972	-	-
Share option reserve	(e)	75,166	69,080	71,996	65,910
Equity contribution reserve	(f)	21,712	21,712	-	-
Cash flow hedge reserve	(g)	(9,972)	(4,896)	-	(1,231)
Furniture, fittings and equipment reserve	(h)	4,573	3,728	-	-
Foreign currency translation reserve	(i)	141,245	33,463	-	-
Fair value reserve	(j)	-	-	2,916	5,233
Total non-distributable reserves		392,774	283,137	74,912	69,912
Distributable reserve:					
Retained earnings		2,802,355	2,450,100	96,385	93,438
		3,195,129	2,733,237	171,297	163,350

The movements in each category of reserves are disclosed in the statements of changes in equity.

The natures of each category of reserves 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 financial 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

48. RESERVES (CONTD.)

The natures of each category of reserves are as follows: (contd.)

(d) Revaluation reserve

Revaluation reserve represents increase in the fair value of land of an associate.

(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 is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items, which form part of the net investment of the Group in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(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.

49. 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 44 to the financial statements. As the Merged Entities were under common control before and after the merger, the Group and the Company applied the merger method of accounting. Accordingly, the consolidated financial statements have been accounted for as if the merger had occurred from the date when these entities were under common control.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

50. OPERATING LEASE AGREEMENTS

(a) The Group as lessee

The Group has entered into a non-cancellable operating lease agreement with an associate, Sunway REIT. 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	
	2015 RM'000	2014 RM'000
Not later than 1 year	82,565	78,658
Later than 1 year and not later than 5 years	312,289	289,583
Later than 5 years	90,805	110,003
	485,659	478,244

(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	
	2015 RM'000	2014 RM'000
Not later than 1 year	56,539	56,406
Later than 1 year and not later than 5 years	258,592	196,737
Later than 5 years	306,646	285,542
	621,777	538,685

Rental income recognised in profit or loss during the financial year is disclosed in Note 4 and Note 6 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

51. CAPITAL COMMITMENTS

	Group	
	2015 RM'000	2014 RM'000
Capital expenditure:		
Approved and contracted for property, plant and equipment and investment properties	110,192	74,935
Approved but not contracted for property, plant and equipment and investment properties	214,021	365,816
	324,213	440,751

The Group's share of capital commitments in associates are as follows:

Capital expenditure:		
Approved and contracted for property, plant and equipment and investment properties	14,439	93,130
Approved but not contracted for property, plant and equipment and investment properties	10,693	22,076
	25,132	115,206

52. CONTINGENT LIABILITIES

(a) Guarantees

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unsecured:				
Guarantees given to third parties in respect of trade and contracts	569,532	2,315,922	110,014	874,840

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

52. CONTINGENT LIABILITIES (CONTD.)

(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 RM87.08 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 RM7.6 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 RM57.77 million). In response to Shristi's claim, SunCon filed its counterclaim amounting to INR78,13,94,629 (equivalent to approximately RM50.63 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 RM54.68 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.

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 RM23.75 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 was 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 High Court of Justice of Republic of Trinidad and Tobago had issued an Order dated 2 November 2015, recording the settlement of the case between the parties with no claims against each other. As such there is no financial impact to the Group from this settlement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

53. SIGNIFICANT RELATED COMPANIES TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in the financial statements, the Company had the following transactions with related companies during the financial year:

	Note	Company	
		2015 RM'000	2014 RM'000
Dividends receivable from:			
- subsidiaries	4	664,852	137,601
- a joint venture	4	12,017	10,559
Distribution of income from real estate investment trust	4	2,734	2,123
Interest receivable from subsidiaries	(i), 7	81,301	66,001
Management fees receivable from:			
- subsidiaries	4	42,806	64,796
- a joint venture	4	2,557	2,555
IT and related expenses payable to a subsidiary		(1,882)	(1,295)
Insurance expenses payable to a subsidiary		(590)	(708)
Secretarial fees and share registration fees payable to a subsidiary		(460)	(536)
Accounting services fees payable to a subsidiary		(244)	(272)
Hotel and related expenses payable to a subsidiary		(338)	(199)
Parking and related services payable to subsidiaries		(20)	(1)
Air ticket and related services payable to a subsidiary		(132)	(224)
Medical services expenses payable to a subsidiary		(39)	(34)
Subscription and related expenses payable to a subsidiary		(28)	(24)

- (i) The interest receivable arose from the amounts due from subsidiaries. Further details are disclosed in Note 21 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

54. SIGNIFICANT RELATED PARTY TRANSACTIONS

- (i) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the financial year:

Name of companies	Nature of transactions	Group	
		2015 RM'000	2014 RM'000
(a) Sunway Technology Sdn. Bhd. Group ("STSB Group")	Information systems products and consultancy fees	(7,594)	(879)
	Sales of financial and IT related services	1,141	621
	Rental of office equipment, motor vehicles and other related services	1,920	838
	Secretarial and management services	16	1,085
	Provision of ticketing and tour related services	291	109
	Insurance products	56	-
	Rendering of recreational club facilities, theme park, timesharing services and related services	2	-
	Provision of medical services	25	-
	Provision of hotel and related services	22	-
(b) Perbadanan Kemajuan Negeri Selangor ("PKNS") Group	Dividends paid	-	(38,000)
(c) Infra-Melia Sdn. Bhd.	Rendering of recreational club facilities, theme park, timesharing services and related services	-	15
	Provision of secretarial services & property management services	-	369

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

54. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

- (i) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the financial year: (contd.)

Name of companies	Nature of transactions	Group	
		2015 RM'000	2014 RM'000
(d) Sunway Real Estate Investment Trust ("Sunway REIT") (RHB Trustees Bhd)	Lease of Sunway Resort Hotel & Spa	(56,437)	(57,186)
	Lease of Sunway Hotel Seberang Jaya	(3,096)	(4,458)
	Lease of Sunway Putra Hotel	(6,685)	(4,900)
	Lease of Sunway Hotel Georgetown	(3,656)	-
	Lease of Sunway Pyramid's ice rink	(1,512)	-
	Leasing/rental of properties in respect of:		
	Sunway Medical Center building	(20,777)	(19,977)
	Menara Sunway and accommodation for security staff	(11,198)	(6,741)
	Rental and management of car parks and related services	(19,936)	(21,561)
	Provision of hotel and related services	2,968	-
	Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	103,342	137,679
	Management services	7,766	7,359
(e) Jef-San Enterprise Sdn. Bhd.	Provision of medical services	-	19
	Provision of ticketing and tour related services	55	-
	Provision of property management services	37	-
(f) Sunway Iskandar Sdn. Bhd.	Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	72,387	53,757

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

54. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

(ii) The above parties are deemed related to the Group as follows:

- (a) Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling and Evan Cheah Yean Shin are Directors of STSB Group. Evan Cheah Yean Shin is also a Director in several subsidiaries of STSB. Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling is a major shareholder of STSB Group. Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng has deemed interest in STSB Group via a corporation where she has more than 15% shareholdings and by virtue of her spouse's interest in STSB Group. Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng and Evan Cheah Yean Shin are the spouse and child of Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling respectively.

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling is a Director and major shareholder of the Company as well as Director in several subsidiaries of the Company. Evan Cheah Yean Shin is a Director in several subsidiaries of the Company and major shareholder of the Company. Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng is a major shareholder of the Company.

- (b) PKNS is a major shareholder with 40% direct interest in 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 associate of Sunway PKNS Sdn. Bhd..
- (c) Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng and Sarena Cheah Yean Tih are Directors and major shareholders of Infra-Melia Sdn. Bhd..
- (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..
- (e) Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, 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. Evan Cheah Yean Shin is a Director in several subsidiaries of the Company and major shareholder of the Company. Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng is a major shareholder of the Company.

- (f) Sunway Iskandar Sdn. Bhd. is a joint venture of Sunway City Sdn. Bhd., a wholly-owned subsidiary of the Company.

The related party transactions described above were carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties.

Information regarding outstanding balances arising from related party transactions as at 31 December 2015 and 2014 are disclosed in Notes 28, 29, 40 and 41 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

54. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

- (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. This includes any Director, whether executive or otherwise, of the Group and the Company.

The remuneration of the Directors and other members of key management during the financial year are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Short-term employee benefits	37,728	34,495	13,679	19,080
Post-employment benefits:				
- Defined contribution plan	6,734	6,251	2,534	3,501
Share options granted under ESOS	8,622	7,852	6,286	5,440
	53,084	48,598	22,499	28,021

- (iv) Included in the total key management personnel are:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Executive Directors' remuneration (Note 10)	32,138	26,603	15,325	26,603

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES

Details of the subsidiaries are as follows:

Name of companies			% of effective interest held by				
			Group		Non-controlling interest		
			2015 %	2014 %	2015 %	2014 %	
(a)	Subsidiaries of Sunway Berhad						
	Sunway Holdings Sdn. Bhd.	Malaysia	Investment holding and provision of management services	100	100	-	-
	Sunway City Sdn. Bhd.	Malaysia	Investment holding	100	100	-	-
	Sunway 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 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2015 %	2014 %	2015 %	2014 %
(b) Subsidiary of Sunway Treasury Sdn. Bhd.						
Sunway Treasury Sukuk Sdn. Bhd.	Malaysia	Provision of financial services to the Group	100	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) Subsidiaries of Sunway Real Estate (China) Limited						
Sunway Guanghao Real Estate (Jiangyin) Co. Ltd. #	China	Property development	100	65	-	35
Zhuhai Sunway Consultancy Co., Ltd #	China	Dormant	100	-	-	-
(e) Subsidiary of Sunway Construction Group Berhad						
Sunway Construction Sdn. Bhd.	Malaysia	Turnkey, construction related design and build, civil engineering and building works	54.42	-	45.58	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies			Country of incorporation			Principal activities			% of effective interest held by			
									Group		Non-controlling interest	
									2015 %	2014 %	2015 %	2014 %
(f)	Subsidiaries of Sunway Holdings Sdn. Bhd.											
Sunway Construction Group Berhad			Malaysia	Investment holding	54.42	100	45.58	-				
Sunway Construction Sdn. Bhd.			Malaysia	Turnkey, construction related design and build, civil engineering and building works	54.42	100	-	-				
Sunway Permai Sdn. Bhd.			Malaysia	Property development	80	80	20	20				
Sunway Transit System Sdn. Bhd.			Malaysia	Operation and maintenance of car park	100	100	-	-				
Sunway Dimension Stones Sdn. Bhd.			Malaysia	Investment properties	100	100	-	-				
Sunway Developments Pte. Ltd.			Singapore	Other investment holding companies and general contractors (building construction including major upgrading works)	100	100	-	-				
SunwayMas Sdn. Bhd.			Malaysia	Property and housing development, and investment holding	100	100	-	-				

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2015 %	2014 %	2015 %	2014 %
(f) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
Sunway VCP Sdn. Bhd.	Malaysia	Marketing, manufacturing and sale of glazed vitrified clay pipes and other similar related clay products	100	100	-	-
Sunway Marketing Sdn. Bhd.	Malaysia	Marketing, distribution and sale of construction related products and industrial products	100	100	-	-
Sunway Marketing (S) Pte. Ltd.	Singapore	Trading in hose and fittings and hose assembly	100	100	-	-
Sunway Leasing Sdn. Bhd.	Malaysia	Provision of finance through leasing, hire purchase, money lending and share financing	100	100	-	-
Sunway Risk Management Sdn. Bhd.	Malaysia	General and life insurance agency providing insurance underwriting and consultancy services	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies			% of effective interest held by				
			Group		Non-controlling interest		
			2015 %	2014 %	2015 %	2014 %	
(f)	Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
	Sunway Management Sdn. Bhd.	Malaysia	Share registration and secretarial services	100	100	-	-
	Sunway Land Sdn. Bhd. (Liquidated)	Malaysia	Dormant	-	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 HR Shared Services Sdn. Bhd. (formerly known as Sunway BPO Sdn. Bhd.)	Malaysia	Provision of human resources services	100	100	-	-
	Sunway Shared Services Sdn. Bhd.	Malaysia	Provision of information technology services and human resources services	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2015 %	2014 %	2015 %	2014 %
(f) 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	-	-
Sunway Quarry Industries Sdn. Bhd.	Malaysia	Manufacturing and supplying of premix, quarry operations and to carry out contract works for civil projects	100	100	-	-
Sunway Spun Pile (M) Sdn. Bhd.	Malaysia	To carry on business of manufacturing and marketing of pretensioned high strength concrete plus, pretensioned concrete poles and other precast concrete products	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies			% of effective interest held by			
			Group		Non-controlling interest	
			2015 %	2014 %	2015 %	2014 %
(f) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
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	-	-
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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2015 %	2014 %	2015 %	2014 %
(f) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
Sunway Cavity Wall Panel Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway Cavity Wall Panel (S) Pte. Ltd.	Singapore	Dormant	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. # (in the midst of striking off pursuant to Section 308 of the Companies Act, 1965)	Malaysia	Dormant	100	100	-	-
Sunway Quarry Industries (Caribbean) Limited #	Trinidad and Tobago	Dormant	100	100	-	-
Sunway Integrated Outsourcing Sdn. Bhd.	Malaysia	Provision of business process outsourcing, knowledge process outsourcing and information technology outsourcing services	100	100	-	-
Myanmar Sungei Way Holdings Limited # ^ (In Liquidation)	Myanmar	Dormant	99.90	99.90	0.10	0.10
PT Sunway Quarry Indonesia #	Indonesia	Dormant	95	95	5	5

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies			Country of incorporation	Principal activities	% of effective interest held by			
					Group		Non-controlling interest	
					2015 %	2014 %	2015 %	2014 %
(f)	Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)							
	Sunway Global Limited	Hong Kong	Investment holding and provision of management services	98.75	98.75	1.25	1.25	
	Winstar Trading Sdn. Bhd.	Malaysia	Trading in hardware and household products	80	-	20	-	
(g)	Subsidiary of Sunway Leasing Sdn. Bhd.							
	SWL Nominees (Tempatan) Sdn. Bhd.	Malaysia	Provision of shares nominee services	100	100	-	-	
(h)	Subsidiaries of Sunway Construction Sdn. Bhd.							
	Sunway Innopave Sdn. Bhd.	Malaysia	Construction of civil and building works and provision of project management	54.42	100	45.58	-	
	Sunway M&E Sdn. Bhd. # ^ ¥ (In liquidation)	Malaysia	Dormant	54.42	100	45.58	-	
	Sunway Machinery Sdn. Bhd.	Malaysia	Renting of machinery and site equipment and undertaking sub-contract work	54.42	100	45.58	-	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies			Country of incorporation	Principal activities	% of effective interest held by			
					2015 %	Group 2014 %	Non-controlling interest 2015 % 2014 %	
(h)	Subsidiaries of Sunway Construction Sdn. Bhd. (contd.)							
	Sunway Engineering Sdn. Bhd.	Malaysia	Provision of mechanical and engineering works	54.42	100	45.58	-	
	Sunway Builders Sdn. Bhd.	Malaysia	Construction of building and civil works	54.42	100	45.58	-	
	Sunway Geotechnics (M) Sdn. Bhd.	Malaysia	Providing geotechnical services and related products and hire of heavy machineries	54.42	100	45.58	-	
	Sunspan Sdn. Bhd. #	Malaysia	Dormant	54.42	100	45.58	-	
	Sunway Industrial Products Sdn. Bhd.	Malaysia	Investment holding	54.42	100	45.58	-	
	Sunway Machineries Services Sdn. Bhd.	Malaysia	Investment holding	54.42	100	45.58	-	
	Sunway Construction India Pte. Ltd. #	India	Construction of civil and building works	54.42	100	45.58	-	
	Sunway Creative Stones Sdn. Bhd.	Malaysia	Dormant	38.09	70	61.91	30	
	Sunway GD Piling Sdn. Bhd. #	Malaysia	Dormant	54.42	100	45.58	-	
	Sunway Construction Caribbean Limited #	Trinidad and Tobago	Dormant	54.42	100	45.58	-	
	Sunway IBS Sdn. Bhd.	Malaysia	Dormant	38.09	70	61.91	30	
	Sun-Block (Batang Kali) Sdn. Bhd.	Malaysia	Dormant	54.42	100	45.58	-	

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies			Country of incorporation	Principal activities	% of effective interest held by			
					Group		Non-controlling interest	
					2015 %	2014 %	2015 %	2014 %
(h) Subsidiaries of Sunway Construction Sdn. Bhd. (contd.)								
Sunway Precast Industries Sdn. Bhd.	Malaysia	Manufacturing precast concrete building components and undertaking of precast concrete building contracts	54.42	100	45.58	-		
Sunway Construction (S) Pte. Ltd.	Singapore	Dormant	54.42	100	45.58	-		
Sunway Facade Network Sdn. Bhd.	Malaysia	Construction and engineering of facade works	32.65	-	67.35	-		
(i) Subsidiary of Sunway Industrial Products Sdn. Bhd.								
Sunway Concrete Products (S) Pte. Ltd.	Singapore	Manufacturing and sale of precast concrete building components	54.42	100	45.58	-		
(j) Subsidiary of Sunway Developments Pte. Ltd.								
Sunway Land Pte. Ltd.	Singapore	Real estate developers and building contractor	100	100	-	-		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			2015 %	Group 2014 %	Non-controlling interest 2015 %	2014 %
(k) Subsidiary of Sunway Machineries Services Sdn. Bhd.						
Sunway SK Sdn. Bhd.	Malaysia	Construction of building and civil works	54.42	100	45.58	-
(l) Subsidiary of Sunway Engineering Sdn. Bhd.						
Sunway Smartek Sdn. Bhd. # ^ ¥ (In liquidation)	Malaysia	Dormant	54.42	100	45.58	-
(m) Subsidiary of Sunway Geotechnics (M) Sdn. Bhd.						
Sunway Geotechnics (S) Pte. Ltd.	Singapore	Dormant	54.42	100	45.58	-
(n) Subsidiaries of SunwayMas Sdn. Bhd.						
Sunway Bangi Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Mujurmas Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Pembangunan Risjaya Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway Rawang Heights Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway Kanching Heights Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Eaglefield Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway Rydgetway Sdn. Bhd.	Malaysia	Property and housing development	80	80	20	20

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies			% of effective interest held by				
			Group		Non-controlling interest		
			2015 %	2014 %	2015 %	2014 %	
(n)	Subsidiaries of SunwayMas Sdn. Bhd. (contd.)						
	Sunway Termuning Sdn. Bhd.	Malaysia	Property and housing development	80	80	20	20
	Virgo Rhythm Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
	Sunway Eastwood Sdn. Bhd.	Malaysia	Property and housing development	70	70	30	30
	Sunway PJ51A Sdn. Bhd. # (In member's voluntary winding up)	Malaysia	Dormant	100	100	-	-
	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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2015 %	2014 %	2015 %	2014 %
(p) Subsidiaries of Sunway Marketing Sdn. Bhd. (contd.)						
Sunway Pharma Sdn. Bhd. #	Malaysia	Dormant	100	100	-	-
Sunway Opus International Trading Private Limited #	India	Dormant	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 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies			% of effective interest held by				
			Group		Non-controlling interest		
			2015 %	2014 %	2015 %	2014 %	
Country of incorporation	Principal activities						
(q) Subsidiaries of Sunway Marketing (S) Pte. Ltd. (contd.)							
Sunway Marketing (Thailand) Ltd. #	Thailand	Trading in hose and fittings, hose assembly and heavy equipment parts	100	100	-	-	
Sunway 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	-	-	
(r) Subsidiary of Sunway Holdings (Vietnam) Sdn. Bhd.							
Realty Investments (HB) Inc. #	Panama	Investment holding	100	100	-	-	
(s) Subsidiary of Sunway Dimension Stones Sdn. Bhd.							
Cleaver Fortune Sdn. Bhd.	Malaysia	Development and management of recreational facilities and amenities	100	-	-	-	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2015 %	2014 %	2015 %	2014 %
(t) Subsidiaries of Sunway Global Limited						
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
Sunway Hydraulic Industries (Wuhu) Co. Ltd. (formerly known as 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	98.75	77	1.25	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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2015 %	2014 %	2015 %	2014 %
(t) Subsidiaries of Sunway Global Limited (contd.)						
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
(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 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2015 %	2014 %	2015 %	2014 %
(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
(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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies			Country of incorporation		Principal activities		% of effective interest held by			
							Group		Non-controlling interest	
							2015 %	2014 %	2015 %	2014 %
(x)	Subsidiary of Sunway Trading (Shanghai) Pte. Ltd.									
	Sunway International Trading (Tianjin) Pte. Ltd.	China	Dissolved pursuant to winding up	-	98.75	-	1.25			
(y)	Subsidiaries of Sunway TotalRubber Ltd. (formerly known as TotalRubber Ltd.)									
	Sunway TotalRubber 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 and property investment	100	100	-	-			
	Sunway Kinrara Sdn. Bhd.	Malaysia	Property development	100	100	-	-			
	Sunway Biz Hotel Sdn. Bhd.	Malaysia	Hotelier	100	100	-	-			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2015 %	2014 %	2015 %	2014 %
(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. # (In member's voluntary winding up)	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	-	-
Pembinaan Objektif (M) Sdn. Bhd.	Malaysia	Dormant	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies			% of effective interest held by				
			Group		Non-controlling interest		
			2015 %	2014 %	2015 %	2014 %	
(z)	Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
	Sunmed Velocity Sdn. Bhd (formerly known as 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	95.96	4.04	4.04
	Sunway PKNS Sdn. Bhd.	Malaysia	Property development and investment holding	60	60	40	40
	Sunway Leisure Sdn. Bhd.	Malaysia	Ice rink operator and car park management	100	100	-	-
	Sunway Semenyih Sdn. Bhd.	Malaysia	Property development	70	70	30	30
	Sunway Tunas Sdn. Bhd.	Malaysia	Property development	100	100	-	-
	Area Star Sdn. Bhd. #	Malaysia	Property investment and property dealing	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2015 %	2014 %	2015 %	2014 %
(z) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Sunway Ventures Sdn. Bhd. (formerly known as 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	-	-
Sunway Bukit Gambier Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway PFM Sdn. Bhd.	Malaysia	Building facilities management	100	100	-	-
Sunway Crest Sdn. Bhd. #	Malaysia	Dormant	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies			Country of incorporation			Principal activities			% of effective interest held by			
									Group		Non-controlling interest	
									2015 %	2014 %	2015 %	2014 %
(z) Subsidiaries of Sunway City Sdn. Bhd. (contd.)												
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	-	-				
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	-	-				

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2015 %	2014 %	2015 %	2014 %
(z) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Sunway REM Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway Ambience Sdn. Bhd. #	Malaysia	Property investment	100	100	-	-
Sunway Rahman Putra Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway 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	-	-
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.	Malaysia	Struck off pursuant to Section 308 of the Companies Act, 1965	-	100	-	-
Sunway Pyramid Development Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Sunway Supercar Resort Sdn. Bhd. #	Malaysia	Dormant	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies			Country of incorporation	Principal activities	% of effective interest held by			
					Group		Non-controlling interest	
					2015 %	2014 %	2015 %	2014 %
(z)	Subsidiaries of Sunway City Sdn. Bhd. (contd.)							
	Sunway Velocity Hotel Sdn. Bhd. (formerly known as Alpha Emerald Sdn. Bhd.)	Malaysia	Dormant	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	-	-	
	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.	Malaysia	Management company	100	100	-	-	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2015 %	2014 %	2015 %	2014 %
(aa) Subsidiaries of Sunway City (Penang) Sdn. Bhd.						
Fame Parade Sdn. Bhd.	Malaysia	Letting, management of departmental stores and property development	100	100	-	-
Era Primision Sdn. Bhd.	Malaysia	Letting, management of departmental stores and property development	100	100	-	-
Commercial Parade Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway Hotel (Seberang Jaya) Sdn. Bhd.	Malaysia	Hotelier	100	100	-	-
Sunway Carnival Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway Bintang Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Associated Circle Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Alliance Parade Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway Orient Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
(ab) Subsidiary of Konsep Objektif (M) Sdn. Bhd.						
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 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies			Country of incorporation		Principal activities		% of effective interest held by			
							Group		Non-controlling interest	
							2015 %	2014 %	2015 %	2014 %
(ac)	Subsidiaries of Sunway Lagoon Sdn. Bhd.									
	Eastern Glory Enterprises Limited * ('Eastern Glory')	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	Investment holding	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	40.2	59.8	59.8			
(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	-	-			
	Sunway International Hotels & Resorts Sdn. Bhd.	Malaysia	Hotel management	100	100	-	-			
	Allson International Hotels & Resorts Sdn. Bhd. #	Malaysia	Dormant	100	100	-	-			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			2015 %	Group 2014 %	Non-controlling 2015 %	interest 2014 %
(af) Subsidiary of SunCity Vietnam Sdn. Bhd.						
Hochimex Nominee Company Limited #	Hong Kong	Investment holding	100	100	-	-
(ag) Subsidiary of Hochimex Nominee Company Limited						
Sunway Hotel Hanoi Liability Limited Company with One Member @	Vietnam	Hotel business	100	100	-	-
(ah) Subsidiary of Sunway City (Cambodia) Sdn. Bhd.						
Sunway City Cambodia Limited #	Cambodia	Dormant	60.80	60.80	39.20	39.20
(ai) Subsidiaries of Sunway City (Ipoh) Sdn. Bhd.						
Kinta Sunway Resort Sdn. Bhd.	Malaysia	Property investment and hotel owner and operator	95.96	95.96	4.04	4.04
Objektif Ekuiti (M) Sdn. Bhd.	Malaysia	Dormant	95.96	95.96	4.04	4.04
Peluang Klasik (M) Sdn. Bhd.	Malaysia	Dormant	95.96	95.96	4.04	4.04
Sunway Lost World Water Park Sdn. Bhd.	Malaysia	Development and operation of a water theme park	95.96	95.96	4.04	4.04
Lagoon Fantasy Sdn. Bhd.	Malaysia	Dormant	95.96	95.96	4.04	4.04
Semangat Kancil (M) Sdn. Bhd.	Malaysia	Dormant	95.96	95.96	4.04	4.04
Ganda Antik Sdn. Bhd.	Malaysia	Dormant	95.96	95.96	4.04	4.04

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies			Country of incorporation			Principal activities			% of effective interest held by			
									Group		Non-controlling interest	
									2015 %	2014 %	2015 %	2014 %
(ai)	Subsidiaries of Sunway City (Ipoh) Sdn. Bhd. (contd.)											
	Sunway Hotel Services (Ipoh) Sdn. Bhd.	Malaysia	Dormant	95.96	95.96	4.04	4.04					
	Sunway Lost World Hotel Sdn. Bhd.	Malaysia	Operation of a hotel	95.96	95.96	4.04	4.04					
(aj)	Subsidiary of Deco Style Sdn. Bhd.											
	Sunway Design Sdn. Bhd. #	Malaysia	Interiors decorator and contractors	80	80	20	20					
(ak)	Subsidiaries of Sunway PKNS Sdn. Bhd.											
	Imbasan Intisari Sdn. Bhd.	Malaysia	Property development	60	60	40	40					
	Tidal Elegance Sdn. Bhd.	Malaysia	Property development	60	60	40	40					
	Park Symphony Sdn. Bhd.	Malaysia	Property development	60	60	40	40					
	Sunway Nexis Parking Sdn. Bhd.	Malaysia	Car park operator	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					

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies			Country of incorporation	Principal activities	% of effective interest held by			
					2015 %	Group 2014 %	Non-controlling interest 2015 % 2014 %	
(ak)	Subsidiaries of Sunway PKNS Sdn. Bhd. (contd.)							
	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	Property investment	60	60	40	40	
	Anggaran Salju Sdn. Bhd.	Malaysia	Dormant	60	60	40	40	
	Bisikan Seni Sdn. Bhd.	Malaysia	Property development	60	60	40	40	
	Emerald Freight Sdn. Bhd.	Malaysia	Property development	60	60	40	40	
	Sunway Monterez Sdn. Bhd.	Malaysia	Property development	60	60	40	40	
(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 #	Australia	Wound up pursuant to member's voluntary winding up	-	45	-	55	

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies			Country of incorporation	Principal activities	% of effective interest held by			
					Group		Non-controlling interest	
					2015 %	2014 %	2015 %	2014 %
(an)	Subsidiaries of Sunway City (S'pore) Pte. Ltd.							
	Sunway Investment Management Consultancy (Shanghai) Co. Ltd. #	China	Provision of management consultancy advisory services	100	100	-	-	
	Sunway Investment Holding (China) Pte. Ltd.	Singapore	Dormant	100	-	-	-	
(ao)	Subsidiaries of Winstar Trading Sdn. Bhd.							
	Winstar Enterprise Sdn. Bhd.	Malaysia	Trading in hardware and engineering products	76	-	24	-	
	Rising Star Marketing Sdn. Bhd.	Malaysia	Trading of plumbing, sanitary, household, and engineering products	53.6	-	46.4	-	
	Saf-T-Quip Sdn. Bhd.	Malaysia	Trading in industrial safety equipment and hardware products	80	-	20	-	
	United Star Engineering & Hardware Sdn. Bhd.	Malaysia	Trading of hardware and engineering products	66.4	-	33.6	-	
	Hsing Yeat Sdn. Bhd.	Malaysia	Trading in hardware and household products	64.93	-	35.07	-	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2015 %	2014 %	2015 %	2014 %
(ao) Subsidiaries of Winstar Trading Sdn. Bhd. (contd.)						
I Star Electrical Sdn. Bhd.	Malaysia	Dormant	80	-	20	-
(ap) Subsidiaries of Winstar Enterprise Sdn. Bhd.						
Multi Star Marketing Sdn. Bhd.	Malaysia	Trading in hardware and household products	49.40	-	50.60	-
Power Star Hardware Sdn. Bhd.	Malaysia	Trading in hardware and related products	68.87	-	31.13	-
(ap) Subsidiaries of Hsing Yeat Sdn. Bhd.						
Prestamin Sdn. Bhd.	Malaysia	Trading of hardware, engineering and industrial safety products	64.93	-	35.07	-
TactStar Sdn. Bhd.	Malaysia	Trading in hardware and household products	64.93	-	35.07	-
Star Bridge Hardware Sdn. Bhd.	Malaysia	Trading of machinery, tools lubricants, hardware, and other related products	48.69	-	51.31	-
Power Star Machinery Sdn. Bhd.	Malaysia	Trading in hardware and related products	50.01	-	49.99	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

55. SUBSIDIARIES (CONTD.)

Name of companies			% of effective interest held by			
			Group		Non-controlling interest	
			2015 %	2014 %	2015 %	2014 %
(ap) Subsidiaries of Hsing Yeat Sdn. Bhd. (contd.)						
Aimstar Marketing Sdn. Bhd.	Malaysia	Trading in hardware and engineering products	45.45	-	54.55	-
Weld Star Sdn. Bhd.	Malaysia	Dormant	64.93	-	35.07	-
North Star Marketing Sdn. Bhd.	Malaysia	Dormant	64.93	-	35.07	-
Aptstar Sdn. Bhd.	Malaysia	Dormant	64.93	-	35.07	-
The Venue International Sdn. Bhd.	Malaysia	Dormant	38.96	-	61.04	-
(aq) Subsidiary of Aptstar Sdn. Bhd.						
Mcstar Sdn. Bhd.	Malaysia	Dormant	64.93	-	35.07	-

Audited by firms of auditors other than BDO in Malaysia and BDO Member Firms

* Sunway Lagoon Sdn. Bhd. controls the composition of the Board of Directors of Eastern Glory and hence has the power to govern the relevant financial and operating activities of Eastern Glory.

^ Subsidiaries are consolidated based on management accounts for the financial year ended 31 December 2015. The financial statements of these subsidiaries are not required to be audited as they had been placed under members' voluntary winding up during the financial year.

¥ Dissolved on 4 February 2016 by way of member's voluntary winding-up.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

56. 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Fixed rate instruments				
Financial assets	832,763	1,103,713	160,106	330,105
Financial liabilities	(2,949,310)	(1,261,438)	(1,240,000)	(795,000)
	(2,116,547)	(157,725)	(1,079,894)	(464,895)
Variable rate instruments				
Financial assets	1,410,331	540,800	1,588,439	1,466,450
Financial liabilities	(3,086,495)	(2,665,498)	-	(524,850)
	(1,676,164)	(2,124,698)	1,588,439	941,600

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 would fluctuate because of changes in market interest rates.

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 49% (2014: 31%) of the Group's borrowings are at fixed rates of interest.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

56. 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 net of 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit net of tax				
Variable rate instruments				
25 basis points (0.25%) increase	(3,143)	(3,984)	2,978	1,766
25 basis points (0.25%) decrease	3,143	3,984	(2,978)	(1,766)

The assumed movement in basis points for interest rate sensitivity analysis is based on current observable market environment.

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Group is not significantly exposed to foreign currency risk as the majority of the Group's transactions, assets and liabilities are denominated in Ringgit Malaysia ("RM") except for foreign currency risk arising from countries in which certain foreign subsidiaries operate. The currencies giving rise to this risk are primarily Singapore Dollar ("SGD"), United States Dollar ("USD"), Australian Dollar ("AUD"), Trinidad & Tobago Dollar ("TTD"), Chinese Renminbi ("RMB"), Indian Rupees ("IR"), Arab Emirates Dirham ("AED") and Indonesian Rupiah ("INR"). Foreign currency exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

56. FINANCIAL INSTRUMENTS (CONTD.)

(c) Foreign currency risk (contd.)

Approximately 12% (2014: 12%) of the Group's sales are denominated in foreign currencies whilst almost 13% (2014: 12%) 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 bank balances denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances amount to RM189 million (2014: RM143 million).

Material foreign currency transactions exposures are hedged, mainly with derivative financial instruments such as forward foreign exchange contracts and cross currency swap contracts.

The Group and the Company 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. These cross currency swap contracts have expiry periods within 1 month to 40 months.

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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit net of tax				
SGD/RM				
- strengthen 2% (2014: 0.5%)	1,627	372	-	-
- weaken 2% (2014: 0.5%)	(1,627)	(372)	-	-
USD/RM				
- strengthen 2% (2014: 4%)	(1,174)	(49)	-	-
- weaken 2% (2014: 4%)	1,174	49	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

56. FINANCIAL INSTRUMENTS (CONTD.)

(c) Foreign currency risk (contd.)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit net of tax				
RMB/RM				
- strengthen 2% (2014: 4.7%)	(19)	(29)	-	-
- weaken 2% (2014: 4.7%)	19	29	-	-
IR/RM				
- strengthen 2% (2014: 4%)	125	375	-	-
- weaken 2% (2014: 4%)	(125)	(375)	-	-
TTD/RM				
- strengthen 22% (2014: 7%)	56	135	-	-
- weaken 22% (2014: 7%)	(56)	(135)	-	-
AUD/RM				
- strengthen 3% (2014: 5%)	1,207	871	-	-
- weaken 3% (2014: 5%)	(1,207)	(871)	-	-
AED/RM				
- strengthen 2% (2014: 6%)	(21)	11	-	-
- weaken 2% (2014: 6%)	21	(11)	-	-
INR/RM				
- strengthen 6% (2014: 9%)	280	832	-	-
- weaken 6% (2014: 9%)	(280)	(832)	-	-

(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 2015 (CONTD.)

56. 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
At 31 December 2015				
Financial liabilities:				
Group				
Trade payables (excluding amounts due to customers on contracts)	1,227,071	-	-	1,227,071
Amounts due to associates	4,408	-	-	4,408
Amounts due to joint ventures	41,301	-	-	41,301
Advances by non-controlling interests of subsidiaries	146,702	-	-	146,702
Other payables (excluding deferred income and progress billings in respect of property development costs)	844,880	293,172	-	1,138,052
Borrowings	3,189,549	2,876,440	92,399	6,158,388
Hire purchase and finance lease liabilities	2,480	3,128	-	5,608
Derivatives- settled net	9,874	7,709	-	17,583
Total undiscounted financial liabilities	5,466,265	3,180,449	92,399	8,739,113
Company				
Other payables	19,000	-	-	19,000
Borrowings	1,009,122	281,521	-	1,290,643
Total undiscounted financial liabilities	1,028,122	281,521	-	1,309,643

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

56. 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
At 31 December 2014				
Financial liabilities:				
Group				
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 non-controlling interests 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	2,219,622	1,808,843	239,652	4,268,117
Hire purchase and finance lease liabilities	2,875	1,881	-	4,756
Derivatives - settled net	29	3,682	-	3,711
Total undiscounted financial liabilities	4,152,486	2,225,962	336,030	6,714,478
Company				
Other payables (excluding deferred income and progress billings in respect of property development costs)	30,645	-	-	30,645
Borrowings	1,175,325	150,000	-	1,325,325
Total undiscounted financial liabilities	1,205,970	150,000	-	1,355,970

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

56. FINANCIAL INSTRUMENTS (CONTD.)

(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.

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 2015		Group 2014	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	1,380,610	88.98%	987,930	82.92%
Singapore	102,517	6.61%	119,215	10.01%
China	32,647	2.10%	42,799	3.59%
India	13,346	0.86%	12,281	1.03%
Indonesia	8,425	0.54%	8,927	0.75%
Australia	6,042	0.39%	7,988	0.67%
Thailand	3,649	0.24%	4,470	0.38%
United States of America	1,131	0.07%	3,548	0.30%
Vietnam	1,079	0.07%	764	0.06%
Trinidad and Tobago	-	0.00%	514	0.04%
United Arab Emirates	-	0.00%	953	0.08%
Others	2,172	0.14%	2,073	0.17%
	1,551,618	100.00%	1,191,462	100.00%
By segment:				
Property development	485,574	31.29%	216,346	18.16%
Property investment	36,172	2.33%	19,605	1.65%
Construction	630,677	40.65%	682,693	57.30%
Trading and marketing	214,290	13.81%	122,961	10.32%
Quarry	50,403	3.25%	61,701	5.18%
Others	134,502	8.67%	88,156	7.39%
	1,551,618	100.00%	1,191,462	100.00%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

56. FINANCIAL INSTRUMENTS (CONTD.)

(f) Fair values

The carrying amounts of financial assets and liabilities of the Group and the Company as at the reporting date approximated their fair values except for the following:

	Group	
	Carrying amount RM'000	Fair value RM'000
At 31 December 2015		
Financial assets		
Finance lease receivables (Non-current)	4,455	4,441
Hire purchase receivables (Non-current)	6,066	5,793
Financial liabilities		
Finance lease and hire purchase obligations (Non-current)	2,978	2,902
At 31 December 2014		
Financial assets		
Finance lease receivables (Non-current)	4,506	4,489
Hire purchase receivables (Non-current)	2,217	2,097
Financial liabilities		
Finance lease and hire purchase obligations (Non-current)	1,791	1,711

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)	28
Other receivables (current)	29
Amounts due from subsidiaries	21
Amounts due to subsidiaries	37
Amounts due from/(to) associates	30
Amounts due from/(to) joint ventures	31
Borrowings (current)	34
Borrowings (non current - variable rate)	34
Hire purchase and finance lease liabilities (current)	38
Hire purchase and finance lease liabilities (non-current)	38
Advances by non-controlling interests of subsidiaries	36
Trade payables (current)	40
Other payables (current)	41

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

56. 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.

Quoted shares

The fair value of quoted shares in Malaysia is determined by reference to the exchange quoted market bid prices at the close of the business on the reporting date.

Fair value of the financial guarantees

As at reporting date, the fair value of the financial guarantees disclosed in Note 34 to the financial statements 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.

In addition, the amount of non-current unquoted shares is immaterial to the Group.

57. FAIR VALUE MEASUREMENT

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1

Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2

Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3

Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

57. FAIR VALUE MEASUREMENT (CONTD.)

The following table provides the fair value measurement hierarchy of the Group's assets:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
At 31 December 2015				
Investment properties:				
Commercial properties	-	11,800	1,258,782	1,270,582
Education properties	-	79,992	707,387	787,379
Leisure properties	-	1,474	13,467	14,941
Residential properties	-	420,749	-	420,749
Other properties	-	201,552	-	201,552
	-	715,567	1,979,636	2,695,203

At 31 December 2014

Investment properties:				
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

Fair value reconciliation of investment properties measured at Level 3

	Leisure RM'000	Commercial RM'000	Education RM'000	Others RM'000	Total RM'000
At 31 December 2015					
At 1 January 2015	12,267	1,017,571	645,202	11,646	1,686,686
Re-measurement recognised in profit or loss	1,200	21,501	(20,696)	-	2,005
Additions from subsequent expenditure	-	241,382	99,976	-	341,358
Reversal of overprovision	-	(21,674)	(17,093)	(11,646)	(50,413)
At 31 December 2015	13,467	1,258,780	707,389	-	1,979,636

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

57. FAIR VALUE MEASUREMENT (CONTD.)

Fair value reconciliation of investment properties measured at Level 3 (contd.)

	Leisure RM'000	Commercial RM'000	Education RM'000	Others RM'000	Total RM'000
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At 31 December 2015

Group

Unrealised gains/(loss) for
the period included in
profit or loss

1,200	21,501	(20,696)	-	2,005
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	Leisure RM'000	Commercial RM'000	Education RM'000	Others RM'000	Total RM'000
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At 31 December 2014

At 1 January 2014	12,107	333,647	401,200	-	746,954
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Re-measurement

recognised in profit

or loss	160	6,271	42,012	-	48,443
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Additions from acquisition	-	-	9,622	11,646	21,268
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Additions from subsequent expenditure	-	177,697	109,763	-	287,460
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Revalued during the year	-	259,497	82,950	-	342,447
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Transfer from property

development costs (Note 26)	-	240,459	-	-	240,459
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Reversal of overprovision	-	-	(345)	-	(345)
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At 31 December 2014	12,267	1,017,571	645,202	11,646	1,686,686
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Group

Unrealised gains for the
period included in profit
or loss

160	6,271	42,012	-	48,443
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

57. 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 2015			
Commercial	Investment method	Estimated rental value per square feet per month	RM2.22 - RM153.12
		Estimated rental value per parking bay per month	RM93.92 - RM124.52
		Estimated outgoings per square feet per month	RM1.35 - RM6.83
		Estimated outgoings per parking bay per month	RM Nil - RM33.81
		Void allowance	5.00% - 10.00%
		Market yield rate	6.25% - 7.75%
		Discount rate	6.50% - 7.50%
	Market comparable approach	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-20.00% to 10.00%
	Depreciated replacement cost	Estimated replacement cost per square feet	RM85
		Depreciation rate	20.00%
Education	Market comparable approach	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-25.00% to 5.00%
	Depreciated replacement cost	Estimated replacement cost per square feet	RM90 to RM310
		Depreciation rate	Nil to 38.00%
	Cost method	Profit yield	7.0%
		Risk factor	5.0%
		Discount rate	8.5%
Leisure	Market comparable approach	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-15.00% to 10.00%
	Depreciated replacement cost	Estimated replacement cost per square feet	RM46.45 to RM160
		Depreciation rate	20.00% to 36.00%
	Cost method	Profit yield	7.0%
		Risk factor	5.0%
		Discount rate	8.5%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

57. 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%
Leisure	Market comparable approach	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-15.00% to 10.00%
	Depreciated replacement cost	Estimated replacement cost per square feet	RM46.45 to RM160
		Depreciation rate	15.00% to 34.00%
	Cost method	Profit yield	7.0%
		Risk factor	5.0%
		Discount rate	8.5%

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

57. FAIR VALUE MEASUREMENT (CONTD.)

Comparison 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.

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 would not pay more for the property than it would 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.

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 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.

All investment properties valued using the comparison method are categorised as Level 2 in the fair value hierarchy.

Investment method

A property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. As an accepted method within the income approach to valuation, the investment method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the real property.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

57. FAIR VALUE MEASUREMENT (CONTD.)

The following table provides the fair value hierarchy for financial instruments:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group - At 31 December 2015				
Financial assets				
Fair value through profit or loss				
- Placement in funds	1,147,991	-	-	1,147,991
- Derivatives	-	406,501	-	406,501
Available-for-sale				
- Quoted ordinary shares	6	-	-	6
- Corporate memberships	-	1,102	-	1,102
Finance lease receivables (Non-current)	-	4,441	-	4,441
Hire purchase receivables (Non-current)	-	5,793	-	5,793
	1,147,997	417,837	-	1,565,834
Financial liabilities				
Fair value through profit or loss				
- Derivatives	-	(17,583)	-	(17,583)
Finance lease and hire purchase obligations (Non-current)	-	(2,902)	-	(2,902)
	-	(20,485)	-	(20,485)
Group - At 31 December 2014				
Financial assets				
Fair value through profit or loss				
- Placement in funds	330,672	-	-	330,672
- Derivatives	-	140,000	-	140,000
Available-for-sale				
- Corporate memberships	-	1,083	-	1,083
Finance lease receivables (Non-current)	-	4,489	-	4,489
Hire purchase receivables (Non-current)	-	2,097	-	2,097
	330,672	147,669	-	478,341
Financial liabilities				
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)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

57. 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
Company - At 31 December 2015				
Financial assets				
Fair value through profit or loss				
Placement in funds	153,200	-	-	153,200
Available-for-sale				
Quoted ordinary shares	52,108	-	-	52,108
	205,308	-	-	205,308

Company - At 31 December 2014

Financial assets

Fair value through profit or loss

Derivatives	-	43,970	-	43,970
Placement in funds	41,090	-	-	41,090
Available-for-sale				
Quoted ordinary shares	44,408	-	-	44,408
	85,498	43,970	-	129,468

58. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is the maintenance of a strong credit rating and healthy capital ratio, in order to support the Group's businesses and maximising shareholders' value.

The Group and the Company manage its capital structure by ensuring that financial commitments are met as and when they fall due. In addition, divestment of the Group's non-core assets, which provides low returns are also made to optimise the capital structure of the Group.

The Group and the Company monitor capital utilisation using the gearing ratio. This ratio is used to assess the appropriateness of the Group's debt level, hence its capital structure. The ratio is calculated as net debt divided by total equity. Net debt includes total borrowings less cash and bank balances and placement in funds.

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Borrowings	34	5,883,859	3,779,931	1,240,000	1,319,850
<u>Less:</u>					
Cash and bank balances	32	(1,482,960)	(1,647,528)	(163,078)	(336,036)
Placement in funds	32	(1,147,991)	(330,672)	(153,200)	(41,090)
Net debt		3,252,908	1,801,731	923,722	942,724
Total equity		7,213,274	6,323,841	4,679,270	4,506,867
Total capital and net debt		10,466,182	8,125,572	5,602,992	5,449,591
Gearing ratio		45%	28%	20%	21%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

59. 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, euro tiles, 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 2015 (CONTD.)

59. 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	Note	Total RM'000
At 31 December 2015										
Revenue										
Sales to external customers	1,195,682	638,932	1,222,119	650,002	242,147	4,564	494,944	-		4,448,390
Inter-segment revenue	12	125,011	694,739	112,553	5,333	955,141	73,883	(1,966,672)	A	-
Total revenue	1,195,694	763,943	1,916,858	762,555	247,480	959,705	568,827	(1,966,672)		4,448,390
Results										
Operating profit/(loss) (excluding fair value loss on derivatives)	207,675	214,638	159,042	32,271	39,519	(13,661)	48,839	-		688,323
Fair value loss on derivatives	-	-	-	(273)	-	(1,009)	-	-		(1,282)
Finance and other distribution income	20,917	6,986	8,351	419	347	205,885	17,696	(162,744)		97,857
Finance costs	(21,546)	(120,054)	(3,578)	(8,282)	(623)	(128,645)	(4,495)	162,744		(124,479)
Share of results of associates	4	200,424	-	(1)	-	-	1,405	-		201,832
Share of results of joint ventures	55,597	13,651	(1,137)	-	-	-	-	-		68,111
Profit before tax	262,647	315,645	162,678	24,134	39,243	62,570	63,445	-		930,362
Income tax expense	(52,171)	(26,498)	(14,427)	(9,876)	(8,561)	(7,342)	(12,064)	-		(130,939)
Net profit for the year	210,476	289,147	148,251	14,258	30,682	55,228	51,381	-		799,423
Non-controlling interests	(34,954)	(6,442)	(25,253)	(1,031)	(253)	(368)	1,327	-		(66,974)
Attributable to owners of the parent	175,522	282,705	122,998	13,227	30,429	54,860	52,708	-		732,449

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

59. 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	Note	Total RM'000
At 31 December 2015 (contd.)										
Assets										
Segment assets	4,303,830	3,514,222	1,402,502	704,152	195,367	1,626,940	436,522	-		12,183,535
Investments in associates	6	1,622,738	-	107	-	-	81,267	-		1,704,118
Investments in joint ventures	1,364,100	112,955	-	-	-	-	-	-		1,477,055
Unallocated assets										636,149
Total assets										16,000,857
Liabilities										
Segment liabilities	1,516,279	26,845	945,271	178,220	52,062	5,729,581	174,667	-		8,622,925
Unallocated liabilities										164,658
Total liabilities										8,787,583
Other segment information										
Capital expenditure	17,960	506,496	39,752	21,690	25,009	1,843	134,528	-	B	747,278
Depreciation and amortisation	2,187	16,817	44,471	8,508	14,594	2,301	28,469	-		117,347

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

59. 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	Note	Total RM'000
At 31 December 2014										
Revenue										
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
Results										
Operating profit/(loss) (excluding fair value gain on derivatives)	285,833	260,111	125,364	38,691	35,932	(20,794)	34,753	-		759,890
Fair value gain on derivatives	-	-	141	-	-	(2,720)	-	-		(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	(11,656)	(95,398)	(2,173)	(4,503)	-	(22,419)	(3,179)	60,469		(78,859)
Share of results of associates	3	146,020	-	946	-	-	225	-		147,194
Share of results of joint ventures	72,545	10,924	2,687	-	-	-	-	-		86,156
Profit before tax	360,731	327,099	129,664	35,415	37,019	27,105	43,209	-		960,242
Income tax expense	(70,065)	(26,086)	(23,665)	(9,794)	(2,280)	(8,652)	(8,051)	-		(148,593)
Net profit for the year	290,666	301,013	105,999	25,621	34,739	18,453	35,158	-		811,649
Non-controlling interests	(61,347)	(16,926)	1,283	(349)	(224)	(1,782)	1,707	-		(77,638)
Attributable to owners of the parent	229,319	284,087	107,282	25,272	34,515	16,671	36,865	-		734,011

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

59. 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	Note	Total RM'000
At 31 December 2014 (contd.)										
Assets										
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
Total assets										12,857,145
Liabilities										
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
Total liabilities										6,533,304
Other segment information										
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 2015 (CONTD.)

59. 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
At 31 December 2015					
Malaysia	3,898,475	850,949	732,655	684,278	11,018,536
Singapore	353,282	99,241	89,745	78,486	527,689
China	74,348	(23,550)	(23,620)	(20,462)	321,948
India	55	(19,612)	(19,644)	(19,291)	21,095
Australia	41,480	4,709	6,093	20	103,040
Abu Dhabi	-	8,509	8,509	3,484	63,229
Other countries	80,750	10,116	5,685	5,934	127,998
	4,448,390	930,362	799,423	732,449	12,183,535
At 31 December 2014					
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
	4,558,141	960,242	811,649	734,011	9,936,969

Note Nature of eliminations to arrive at amounts reported in the consolidated financial statements

- A Inter-segment revenues are eliminated on consolidation.
- B Capital expenditures consist of:

	2015 RM'000	2014 RM'000
Property, plant and equipment	413,426	210,920
Intangible assets	16,943	3,175
Biological assets	21	723
Investment properties	287,310	254,758
	717,700	469,576

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

60. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS

(a) Significant events during the financial year

- (i) 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 had 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 had 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 include, 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 would 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 would deem the amount equivalent to 40% of the deposits as being paid. The shareholder advance and 40% of the deposit would 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 would 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.

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 was 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

60. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS (CONTD.)

(a) Significant events during the financial year (contd.)

- (i) Subscription and Shareholders' Agreement between Sunway City Sdn. Bhd. and Iskandar Assets Sdn. Bhd. in relation to the development of Pendas Land (contd.)

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 include, inter-alia, the following:

- (a) SID would 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 was subject to adjustments upon verification by IASB relating to the conditions of the Second Plot.

The proposed acquisition of the Land was completed as at the date of this report. However, full payment has not been made as at the date of this report.

- (ii) 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 would 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 Group, and it has no effect on the Group'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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

60. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS (CONTD.)

(a) Significant events during the financial year (contd.)

- (iii) Proposed listing of Sunway Construction Group Berhad ("SCG"), an indirect 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 was held under its indirect wholly-owned subsidiary, Sunway Construction Sdn. Bhd. ("SunCon") on the Main Market of Bursa Securities. A new company, SCG, had 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 would 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 had entered into a conditional share sale agreement setting out the terms and conditions of the Proposed Transfer of SunCon. SHSB would 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 would 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) had 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 had been computed based on the issued and paid-up share capital of the Company as at 30 September 2014 and took 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 was 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

60. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS (CONTD.)

(a) Significant events during the financial year (contd.)

- (iii) Proposed listing of Sunway Construction Group Berhad ("SCG"), an indirect subsidiary of the Company on the Main Market of Bursa Securities (contd.)

On 9 February 2015, SCG announced that SC had, vide its letter dated 5 February 2015 (which was received on 6 February 2015), approved the Proposed Listing pursuant to Subsection 214(1) of the Capital Markets and Services Act 2007, subject to the following conditions:

- (i) SCG to fully comply with the requirements of the SC's Equity Guidelines and Prospectus Guidelines pertaining to the implementation of the Proposed Listing;
- (ii) Prior to the registration of the prospectus, SCG to:
 - (a) confirm and demonstrate that it has positive net cash flow from operating activities for the financial year ended 31 December 2014;
 - (b) appoint additional independent director(s) so that the board composition comprises majority of independent directors;
 - (c) ensure that all trade debts exceeding normal credit period and all non-trade debts owing by the interested persons (except for amount owing by Sunway Treasury Sdn. Bhd.) are settled; and
 - (d) confirm and demonstrate that it is independent from the Company and other corporations within the Group in terms of its operations (including purchases and sales of goods, management, management policies and finance); and
- (iii) SCG to allocate shares equivalent to at least 12.5% of its enlarged issued and paid-up share capital at the point of listing to Bumiputra investors. This includes the shares offered under the balloted public offer portion, of which 50% are to be offered to Bumiputra investors.

The SC had also vide the abovementioned letter, approved the equity requirement for public companies application and granted its approval-in-principle for the registration of SCG's prospectus.

SCG had on 6 March 2015, submitted the initial listing application to Bursa Securities in relation to the admission of SCG to the Official List and the listing of and quotation for the entire enlarged issued and paid-up share capital of SCG on the Main Market of Bursa Securities.

Bursa Securities had, vide its letter dated 6 April 2015, approved the admission to the Official List and the listing of and quotation for the entire enlarged issued and paid-up share capital of SCG of 1,292,900,010 ordinary shares of RM0.20 each in SCG on the "Construction" sector of the Main Market of Bursa Securities.

SCG had on 26 February 2015, appointed Dato' Ir Goh Chye Koon, who is a Senior Independent Non-Executive Director of SCG as the new Chairman of SCG in place of Dato' Chew Chee Kin. Following the change of Chairman of the Board of SCG from a non-independent director to an independent director, RHB Investment Bank on behalf of SCG, sought approval from the SC on 20 March 2015 for a revision of one of the conditions imposed by the SC in its approval letter dated 5 February 2015 for the proposed listing of SCG. In the approval letter, SCG was required to appoint additional independent director(s) so that the board composition comprises majority of independent director prior to the registration of the prospectus for the Proposed Offering and the Proposed Listing.

SC had, vide its letter dated 6 April 2015, approved the revision to the abovementioned condition on the basis that Dato' Ir Goh Chye Koon, who is currently a Senior Independent Non-Executive Director of SCG, be appointed as the new Chairman of SCG in lieu of the appointment of additional independent directors.

The Company had on 20 April 2015, obtained its shareholders' approval on the following:-

- (i) proposed distribution of at least 155,966,700 ordinary shares of RM0.20 each in SCG ("Distribution Shares") to be held by the Company to its entitled shareholders by way of dividend-in-specie on the basis of 1 distribution share for every 10 existing ordinary shares of RM1 each held in the Company as at 5.00 p.m. on an entitlement date to be determined later ("Distribution");

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

60. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS (CONTD.)

(a) Significant events during the financial year (contd.)

- (iii) Proposed listing of Sunway Construction Group Berhad ("SCG"), an indirect subsidiary of the Company on the Main Market of Bursa Securities (contd.)
 - (ii) proposed offer for sale of up to 415,264,600 ordinary shares of RM0.20 each in SCG ("OFS Shares") held by SHSB, in the following manner:
 - (a) institutional offering of up to 344,155,100 OFS Shares to Malaysian and foreign institutional and selected investors, including Bumiputera investors approved by the Ministry of International Trade and Industry at the institutional price to be determined by way of book building; and
 - (b) retail offering of 71,109,500 OFS Shares to the eligible directors and employees of SCG and its subsidiaries and the Company and the Malaysian public; and
 - (iii) Proposed Listing of SCG on the main market of Bursa Securities.

The reference price of the Sunway Shares had been adjusted for the Distribution on 6 May 2015, being the ex-date of the Entitlement Date.

On 8 May 2015, SunCon SSA became unconditional and following thereto, the Proposed Transfer of SunCon was completed on 15 May 2015 in accordance with the terms of the SunCon SSA.

On 28 July 2015, the listing of SCG was completed following the listing of and quotation for the entire issued and paid-up share capital of SCG of 1,292,900,010 ordinary shares of RM0.20 each in SCG on the Main Market of Bursa Securities.

(iv) Dividend in specie

On 22 April 2015, the Company announced the distribution of ordinary shares of RM0.20 each in SCG ("Distribution Shares") to be held by the Company to the entitled shareholders of the Company by way of dividend-in-specie on a basis of 1 distribution share for every 10 existing ordinary shares of RM1.00 each held in the Company as at 5 pm on 8 May 2015.

The Distribution Shares would be distributed free from encumbrances. Any fractional entitlements would be disregarded and would be dealt with in such manner as the Board of Directors of the Company at its discretion deems expedient, in the best interest of the Company.

Barring unforeseen circumstances, the Company intended to credit the unlisted Distribution Shares into the central depository system accounts of the entitled shareholders of the Company ("Entitled Shareholders") pursuant to the Distribution on 5 June 2015, which is within 1 month from the entitlement date as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Entitled Shareholders would only be able to trade the Distribution Shares on Bursa Securities commencing from the completion of the proposed listing of and quotation for the entire issued and paid-up share capital of SCG on the Main Market of Bursa Securities.

The Distribution Shares were distributed on 5 June 2015.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

60. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS (CONTD.)

(a) Significant events during the financial year (contd.)

- (v) 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 had 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 non-controlling 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 was subject to adjustments and would be payable by SHSB in 3 tranches as follows:

- (1) 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.

- (2) 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.

- (3) 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 would become subsidiaries of SHSB.

Under the Winstar SSA, the Winstar Vendors have jointly and severally guaranteed that WTSB Group would 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 would 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

60. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS (CONTD.)

(a) Significant events during the financial year (contd.)

- (v) 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.)

On 15 September 2015, SHSB entered into a Second Supplemental Agreement in respect of the Winstar SSA with the Winstar Vendors for the purposes of inter alia:-

- (a) providing for a variation to the number of shares to be acquired by SHSB whereby SHSB shall acquire 80% of the issued and paid-up share capital of WTSB ("Sale Shares"), instead of the entire issued and paid-up share capital of WTSB and accordingly, to incorporate consequential amendments to the purchase consideration, the quantum of the Sale Shares to be acquired by SHSB and the manner of payment of the purchase consideration;
- (b) incorporating a call option to be granted by the Winstar Vendors to SHSB where SHSB may exercise the call option to acquire the remaining 20% of the issued and paid-up share capital of WTSB under certain events for a period of 3 years and 1 month following the completion of the third tranche of the Sale Shares in accordance with the terms and conditions of the Winstar SSA;
- (c) incorporating a put option to be granted by SHSB to the Winstar Vendors where the Winstar Vendors may require SHSB to acquire the remaining 20% of the issued and paid-up share capital of WTSB for a period of 1 month after the third anniversary of the completion of the third tranche of the Sale Shares; and
- (d) incorporating 6 dormant subsidiaries of WTSB, namely I Star Electrical Sdn. Bhd., The Venue International Sdn. Bhd., Weld Star Sdn. Bhd., Aptstar Sdn. Bhd., McStar Sdn. Bhd. and North Star Marketing Sdn. Bhd. as part of the subsidiaries of WTSB, which are to be acquired by SHSB as part of WTSB Group.

The estimated amended purchase consideration for the Sale Shares of RM104,762,635 was arrived at based on 80% of the aggregate NAV of WTSB Group as at 31 December 2013 of RM125,953,294 together with goodwill. The amount of the purchase consideration for each of the three tranches for completion are subject to adjustments that would be payable by SHSB for the Sale Shares.

The adjusted First Tranche Consideration had been determined to be RM76,465,130 based on the completion management accounts provided as at 30 June 2015. The shareholdings to be acquired by SHSB for the second tranche and third tranche were revised to 10% instead of 20%, the consideration of which shall be determined based on the future profitability of WTSB Group.

The first tranche of the Sale Shares comprising 60% of the total issued and paid-up share capital of WTSB was completed on 18 September 2015. Consequently, WTSB Group become subsidiary of SHSB.

- (vi) 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 had 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").

The estimated purchase consideration for the Proposed PND Acquisition was arrived at based on NAV of PND as at 31 December 2013 together with goodwill ("Pre-Adjustment Purchase Consideration"). The amount of the purchase consideration was subject to adjustments and would be payable by SHSB in 3 tranches as follows:

- (1) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

60. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS (CONTD.)

(a) Significant events during the financial year (contd.)

(vi) 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.)

- (2) 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.

- (3) 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 would become a subsidiary of SHSB.

Under the PND SSA, the PND Vendors have jointly and severally guaranteed that PND would 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 would 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.

SHSB had on 15 January 2016, entered into a Second Supplemental Agreement in respect of the PND SSA with the PND Vendors to, inter alia:-

- (i) Redefine the First Financial Period, the Second Financial Period and the Third Financial Period from 31 December 2015, 31 December 2016 and 31 December 2017 to 31 December 2016, 31 December 2017 and 31 December 2018 respectively for the primary purpose of the determination of the Profit Guarantee;
- (ii) Remove the requirement of a stakeholder to hold the securities of the minimum security value and such securities is to be deposited with Sunway Marketing (S) Pte Ltd; and
- (iii) Nominate the following wholly-owned subsidiaries of SHSB to receive and accept 60% of the total issued and paid-up share capital of PND ("First Tranche Sale Shares):-
 - (a) Sunway Marketing (S) Pte Ltd to receive and accept 299,500 ordinary shares of S\$1 each in PND from the PND Vendors; and
 - (b) Sunway Marketing Sdn. Bhd. to receive and accept 500 ordinary shares of S\$1 each in PND to be transferred by one of PND Vendors.

The NAV of PND based on the completion management accounts as at 30 November 2015 was the same as the NAV reported in 31 December 2013. Accordingly, the purchase consideration for the First Tranche Sale Shares remains the same.

The First Tranche Sale Shares was completed on 15 January 2016 and consequently, PND has become a subsidiary of SHSB.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

60. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS (CONTD.)

(a) Significant events during the financial year (contd.)

- (vii) Share Sale and Purchase Agreement between Sunway Dimension Stones Sdn. Bhd. (a subsidiary of the Company) and Kelana Resorts Sdn. Bhd. ("KRSB") and Sale and Purchase Agreement between Sunway Dimension Stones Sdn. Bhd. and Viva Variasi Sdn. Bhd. (a wholly-owned subsidiary of KRSB)

Sunway Dimension Stones Sdn. Bhd., ("SDSSB"), a wholly-owned subsidiary of SHSB which in turn is a wholly-owned subsidiary of the Company had on 11 May 2015, entered into the following agreements:

- (a) a Share Sale and Purchase Agreement ("SSPA") with Kelana Resorts Sdn. Bhd. ("KRSB") to acquire 293,653 ordinary shares of RM1 each, representing 100% of the issued and paid-up share capital of Cleaver Fortune Sdn. Bhd. ("CFSB") from KRSB at a purchase consideration of RM282,636,030 ("Proposed Share Acquisition") free from all encumbrances, charges and/or liens on the basis that CFSB is the beneficial owner of the following 4 plots of leasehold land measuring approximately 731,634 square feet:
- (i) PN 92838 Lot No. 72241 Seksyen 40 (approximately 722,689 square feet) ("Lot 72241");
 - (ii) H.S.(D) 238244 PT No. 194 (approximately 2,379 square feet) ("PT No. 194");
 - (iii) H.S.(D) 238243 PT No. 193 (approximately 797 square feet); and
 - (iv) H.S.(D) 240048 PT No. 215 (approximately 5,769 square feet),
- all in Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor ("Land 1")
- (b) a Sale and Purchase Agreement ("SPA") with Viva Variasi Sdn. Bhd. ("Viva"), a wholly-owned subsidiary of KRSB, for the acquisition of a freehold land held under H.S. (D) 63419, PT 252, Mukim Damansara, Daerah Petaling, Negeri Selangor measuring approximately 8,708 square feet ("Land 2") on an as is where is basis, free from all encumbrances, charges and/or liens for a total purchase consideration of RM3,363,970 ("Proposed Property Acquisition").

Lot 72241, PT No. 194 and Land 2 are adjacent to each other.

Salient terms of the SSPA include, inter-alia, the following:

- (a) Pursuant to the SSPA, SDSSB would acquire 293,653 ordinary shares of RM1 each, representing 100% equity interest in the share capital of CFSB from KRSB at a purchase consideration of RM282,636,030 free from all encumbrances, charges and/or liens on the basis that CFSB is the beneficial owner of Land 1.
- (b) The Proposed Share Acquisition was expected to be completed within 6 months from the date of the SSPA ("Completion Period") and shall be automatically extended by a further period of 1 month in the event the balance purchase price of 90% is not paid on or before the expiry of the Completion Period.
- (c) Upon the completion of the Proposed Share Acquisition, CFSB would become a wholly-owned subsidiary of SDSSB.

Salient terms of the SPA include, inter-alia, the following:

- (a) SDSSB had entered into the SPA with Viva to acquire Land 2 at a total purchase consideration of RM3,363,970.
- (b) The SPA shall become unconditional when the State Authority consent for transfer of Land 2 is obtained by Viva which is expected to be within 4 months from the date of the SPA ("Unconditional Date") while the completion of the SPA shall be within 6 months from the Unconditional Date ("Completion Period"). In the event the balance purchase price of 90% is not paid on or before the expiry of the Completion Period, the Completion Period shall be automatically extended by a further period of 1 month.

The Proposed Share Acquisition by SDSSB was completed on 9 November 2015. Consequently, CFSB has become a wholly-owned subsidiary of SDSSB.

The Proposed Property Acquisition by SDSSB was completed on 1 December 2015.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

60. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS (CONTD.)

(b) Subsequent events

(i) Sale and Purchase Agreement Between Sunway Dimension Stones Sdn. Bhd. and Tamura Electronics (M) Sdn. Bhd

On 19 February 2016, SDSSB, a wholly-owned subsidiary of SHSB, which in turn is a wholly-owned subsidiary of the Company, had entered into a Sale and Purchase Agreement ("SPA") with Tamura Electronics (M) Sdn. Bhd. ("Tamura") for the acquisition of a freehold land held under H.S.(D) 79345, PT No. 4974, Mukim Damansara, Daerah Petaling, Negeri Selangor measuring approximately 210,790 square feet together with the buildings erected thereon ("the Property") on an 'as is where is' basis free from all encumbrances and with vacant possession for a total purchase consideration of RM35,820,000 (excluding Goods and Services Tax) ("Proposed Property Acquisition").

The Purchase Price shall be satisfied by SDSSB in the following manner:

- (a) An earnest deposit of RM720,000 already paid to Tamura at the time of submission of the tender by SDSSB and balance deposit of RM2,862,000 paid to Tamura upon execution of the SPA; and
- (b) The balance Purchase Price of RM32,238,000 shall be paid within 3 months from the Unconditional Date (as defined below). If SDSSB fails to pay the balance Purchase Price or any remaining part thereof on or before the Completion Date, an extension period of 1 month shall be granted subject to SDSSB paying an interest of 8% per annum on the outstanding amount, calculated on a daily basis.

The SPA shall become unconditional upon receipt of the State Authority consent ("Unconditional Date").

The Proposed Property Acquisition has not been completed as at the date of this report.

(ii) Sales and Purchase Agreements between Ekuiti Meranti (M) Sdn. Bhd. with Sunway Dimension Stones Sdn. Bhd., View2pick Sdn. Bhd. and Chen Yew Plastics Sdn. Bhd. and Shareholders Agreement between Sunway City Sdn. Bhd. and View2pick Sdn. Bhd.

Ekuiti Meranti (M) Sdn. Bhd. ("JVCo"), a wholly-owned subsidiary of Sunway City Sdn. Bhd. ("SunCity"), which in turn is a wholly-owned subsidiary of the Company, had on 19 February 2016, entered into the following Sale and Purchase Agreements ("SPAs") for the acquisition of the undermentioned parcels of leasehold land (60 years tenure) free from encumbrances for a total purchase consideration of RM32,725,000 (excluding Goods and Services Tax) ("Proposed Property Acquisition"):

Vendors	Details of the lands	Purchase Consideration RM'000
SDSSB	Hakmilik H.S.(D) 182796, PT 7 in Pekan Subang, Daerah Petaling, Negeri Selangor measuring approximately 8,523 square metres ("PT 7")	12,500
View2pick Sdn. Bhd. ("V2P")	Hakmilik H.S.(D) 113417, PT 8 in Pekan Subang, Daerah Petaling, Negeri Selangor measuring approximately 0.9105 hectares ("PT 8")	9,000
Chen Yew Plastics Sdn.Bhd. ("CYP")	Hakmilik H.S.(M) 6476, PT 2049 in Mukim Sungai Buluh, Daerah Petaling, Negeri Selangor measuring approximately 2 acres together with buildings erected thereon ("PT 2049")	11,225
Total		32,725

PT 7, PT 8 and PT 2049 shall collectively be referred to as "the Lands".

SunCity had on even date, entered into a Shareholders Agreement ("SA") with V2P for the purpose of establishing a joint venture via the JVCo to develop industrial properties on the Lands ("Development") as well as to regulate the relationship between SunCity and V2P with respect to the joint venture ("Proposed Joint Venture").

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

60. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS (CONTD.)

(b) Subsequent events (contd.)

- (ii) Sales and Purchase Agreements between Ekuiti Meranti (M) Sdn. Bhd. with Sunway Dimension Stones Sdn. Bhd., View2pick Sdn. Bhd. and Chen Yew Plastics Sdn. Bhd. and Shareholders Agreement between Sunway City Sdn. Bhd. and View2pick Sdn. Bhd. (contd.)

Salient terms of the SPAs include, inter-alia, the following:

Pursuant to the SPAs, the JVCo would acquire the Lands from SDSSB, V2P and CYP free from encumbrances for a total purchase consideration of RM32,725,000 (excluding Goods and Services Tax).

The SPA for PT 2049 is conditional upon, amongst others, CYP having obtained the State Authority's approval whether unconditionally or subject to conditions acceptable to the JVCo and the discharge of the charge over PT 2049.

The SPAs for PT 7 and PT 8 shall become unconditional when the following conditions have been fulfilled:

- SDSSB and CYP having obtained the State Authority's approval, whether unconditionally or subject to conditions acceptable to the JVCo;
- the execution and fulfilment of the conditions precedent set out for PT 7 and PT 8;
- SDSSB and V2P having obtained the State Authority's approval in accordance with the relevant provisions of the National Land Code in respect of the application for (i) amalgamation or (ii) surrender and re-alienation of PT 7, PT 8 and PT 2049 into one single issue document of title with a leasehold period of 99 years commencing from the date of issuance of the relevant new issue document of title; and
- V2P having procured the registration of the discharge of the charge created over PT 8.

The completion of the acquisition of PT 7 and PT 8 are inter-conditional with one another while PT 2049 would be acquired independent of the acquisition of PT 7 and PT 8.

Salient terms of the SA include, inter-alia, the following:

- Under the Proposed Joint Venture, SunCity and V2P shall subscribe for the following ordinary shares of RM1 each for cash in the share capital of the JVCo:

Shareholders	Number of shares	Shareholding Ratio
SunCity	79,000	80% *
V2P	20,000	20%

* Included 1,000 ordinary shares of RM1 each currently held by SunCity in the JVCo.

- SunCity and V2P shall be entitled to nominate and appoint 3 directors and 1 director respectively in the JVCo.
- SunCity shall nominate the Chairman of the Board.
- The JVCo to enter into a management agreement with Sunway Integrated Properties Sdn. Bhd., a wholly-owned subsidiary of SunCity to undertake the tasks stipulated in the SA at a management fee equivalent to 1% of gross development value ("GDV") of the Development.

The SA shall become unconditional when the following conditions have been fulfilled:

- Execution of the SPAs and fulfilment of the conditions precedent of the SPAs in relation to PT 7, PT 8 and PT 2049; and
- Approval of the relevant authorities granted to the JVCo for the amalgamation or surrender and re-alienation of the Lands and the extension of the leasehold period of the Lands to 99 years.

The Proposed Property Acquisition and Proposed Joint Venture have not been completed as at the date of this report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTD.)

61. SUPPLEMENTARY INFORMATION

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2015 and 31 December 2014 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total retained earnings				
- realised	1,764,021	1,246,146	138,304	126,940
- unrealised	399,476	594,457	(41,919)	(33,502)
Total share of retained earnings from associates				
- realised	(146)	(928)	-	-
- unrealised	168,582	59,900	-	-
Total share of retained earnings from joint ventures				
- realised	178,702	394,471	-	-
- unrealised	(20,877)	(26,121)	-	-
	2,489,758	2,267,925	96,385	93,438
Less: Consolidation adjustments	312,597	182,175	-	-
Total retained earnings	2,802,355	2,450,100	96,385	93,438

LIST OF MATERIAL PROPERTIES

AS AT 31 DECEMBER 2015

Location / Address	Land area (acres) / Built up area (sq ft)	Description / Existing use	Age of Building (Years)	Tenure	Net Book Value as at 31.12.2015 (RM'000)	Date of Acquisition (A) / Revaluation (R)
Lot 20000 Seksyen 90 Mukim Bandar Kuala Lumpur Daerah Kuala Lumpur Wilayah Persekutuan	21.39	Sunway Velocity Shopping Mall (Investment property under construction)	-	Freehold	848,906	A: Dec-15
PT28 HS(D) 118332 PT1904 HS(D) 118325 PT1905 HS(D) 118326 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	16.83 / 1,775,959	Sunway University Campus (Existing and New Block)	22	Leasehold expiring 01.04.2097	480,000	R: Dec-15
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	369,314	A: Apr-04 Nov-05 Mar-06
Lot No. 61759 (Previously known as PT638) PN 17103 (Previously known as HS(D) 174431) Bandar Sunway Daerah Petaling Selangor Darul Ehsan	1.80 / 1,141,147	Sunway Pinnacle	2	Leasehold expiring 01.04.2097	345,427	R: Dec-15
PT894 HSD(T) 238253 PT907 HSD(T) 238960 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	11.96 / 1,056,191.00	Monash University Campus Existing and Extension Block 4 & 5A	9	Leasehold expiring 02.04.2106 & 15.05.2106	310,000	R: Dec-15
PT 252 HS(D) 63419 PN 92838 Lot 72241 PT 194 HS(D) 238244 PT 193 HS(D) 238243 PT 215 HS(D) 240048 Mukim Damansara Daerah Petaling Selangor Darul Ehsan	740,342	Kelana Jaya land (Land under development and held for development)	-	Freehold & Leasehold expiring 11.05.2106	287,163	A: May-15
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	268,620	A: Dec-15

Location / Address	Land area (acres) / Built up area (sq ft)	Description / Existing use	Age of Building (Years)	Tenure	Net Book Value as at 31.12.2015 (RM'000)	Date of Acquisition (A) / Revaluation (R)
GRN.81534 Lot 62644 PT 895 HS(D) 238254 PT 923 HS(D) 238976 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	7.86/ 623,010	Monash Residence Hostel	4.5	Leasehold expiring 15.03.2106 & 02.04.2106	257,161	R: Dec-15
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	251,511	A: Dec-10
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	81.62	Sunway Wellesley (Land under development and held for development)	-	Freehold	150,786	A: Jul-10 Aug-10 Dec-10 Jan-11 Feb-11 Mar-11 Apr-11 to May-13 Dec-13 Dec-14 Jun-15

SHAREHOLDINGS'
INFORMATIONPROMINENT
LEADERS
OF
THE LAND

The emperor penguins practise a unique social structure that enables them to work together during migrations, much like how Sunway serves to enable and foster inclusivity in building trust amongst its shareholders.

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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



DIRECTORS' INTERESTS IN SHARES, OPTIONS OVER ORDINARY SHARES AND WARRANTS

AS AT 31 MARCH 2016

DIRECTORS' INTERESTS IN SUNWAY

	Ordinary Shares of RM1.00 each	
	No.	%
Direct interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	92,806,306	4.73
Tan Sri Datuk Seri Razman M Hashim	1,318,642	0.07
Dato' Chew Chee Kin	4,790,558	0.24
Sarena Cheah Yean Tih	1,074,332	0.05
Datuk Seri Yam Kong Choy	55,000	#
Tan Sri Dato' Dr. Lin See Yan	100,000	0.01
Deemed interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO ^a	1,145,277,356	58.37
Dato' Chew Chee Kin ^b	650,932	0.03
Sarena Cheah Yean Tih ^c	1,236,453,373	63.02
	Warrants 2011/2016	
	No.	%
Direct interest		
Tan Sri Datuk Seri Razman M Hashim	134,961	0.18
Dato' Chew Chee Kin	619,171	0.84
Deemed interest		
Sarena Cheah Yean Tih ^b	165	#
	Options over ordinary shares of RM1.00 each	
	No. Granted	No. Vested
Direct interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	12,900,000	8,600,000
Tan Sri Datuk Seri Razman M Hashim	250,000	125,000
Dato' Chew Chee Kin	3,375,000	2,250,000
Sarena Cheah Yean Tih	1,200,000	800,000

DIRECTORS' INTERESTS IN SHARES, OPTIONS OVER ORDINARY SHARES AND WARRANTS

AS AT 31 MARCH 2016 (CONTD.)

DIRECTORS' INTERESTS IN SUNWAY'S IMMEDIATE HOLDING COMPANY SUNGEI WAY CORPORATION SDN BHD

	Ordinary Shares of RM1.00 each	
	No.	%
Deemed interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO ^d	10,000,000	100.00
Sarena Cheah Yean Tih ^e	10,000,000	100.00
	Non-Cumulative Redeemable Preference Shares of RM0.01 each	
	No.	%
Direct interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	426,000,000	100.00
Deemed interest		
Sarena Cheah Yean Tih ^f	426,000,000	100.00

DIRECTORS' INTERESTS IN SUNWAY'S ULTIMATE HOLDING COMPANY ACTIVE EQUITY SDN BHD

	Ordinary Shares of RM1.00 each	
	No.	%
Direct interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	102,000	80.00
Sarena Cheah Yean Tih	12,750	10.00
Deemed interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO ^g	25,500	20.00
Sarena Cheah Yean Tih ^f	102,000	80.00

DIRECTORS' INTERESTS IN SUNWAY'S SUBSIDIARY SUNWAY GLOBAL LIMITED

	Ordinary Shares of HK\$1.00 each	
	No.	%
Direct interest		
Dato' Chew Chee Kin	869,684	0.31

DIRECTORS' INTERESTS IN SHARES, OPTIONS OVER ORDINARY SHARES AND WARRANTS AS AT 31 MARCH 2016 (CONTD.)

DIRECTORS' INTERESTS IN SUNWAY'S RELATED COMPANY SUNWAY CONSTRUCTION GROUP BERHAD

	Ordinary Shares of RM0.20 each	
	No.	%
Direct interest		
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	7,723,892	0.60
Tan Sri Datuk Seri Razman M Hashim	106,864	0.01
Tan Sri Dato' Dr. Lin See Yan	10,000	#
Dato' Chew Chee Kin	334,355	0.03
Sarena Cheah Yean Tih	57,727	#
Datuk Seri Yam Kong Choy	5,500	#
Deemed interest		
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO ^h	794,366,588	61.44
Dato' Chew Chee Kin ^b	34,695	#
Sarena Cheah Yean Tih ⁱ	802,019,416	62.03

NOTES:

- ^a Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd and children.
- ^b Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through spouse.
- ^c Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, spouse and parent.
- ^d Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn Bhd and children.
- ^e Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn Bhd and parent.
- ^f Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through parent.
- ^g Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through children.
- ^h Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Sunway Berhad, Sunway Holdings Sdn Bhd and children.
- ⁱ Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Sunway Berhad, Sunway Holdings Sdn Bhd, spouse and parent.
- # Negligible

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2016

Authorised Share Capital	- RM10,000,000,000
Issued and Paid-up Share Capital	- RM1,983,466,817
Class of Shares	- Ordinary Shares of RM1.00 each
Voting Rights	- i) On a show of hands - one vote for every shareholder ii) On a poll - one vote for every ordinary share held

DISTRIBUTION OF SHAREHOLDINGS AS PER RECORD OF DEPOSITORS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
Less than 100	1,924	12.62	50,596	#
100 - 1,000	3,575	23.46	2,589,747	0.13
1,001 - 10,000	7,823	51.33	27,863,843	1.42
10,001 - 100,000	1,589	10.43	41,709,892	2.13
100,001 - 98,100,394 (Less than 5% of issued shares)	325	2.13	646,643,961	32.96
98,100,395 (5%) and above	5	0.03	1,243,149,878	63.36
	15,241	100.00	1,962,007,917*	100.00

Note:

Less than 0.01%

* Exclude a total of 21,458,900 treasury shares retained by the Company as per Record of Depositors as at 31 March 2016.

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

(Excluding 21,458,900 treasury shares)

Name of Shareholders	No. of Shares	%
1 Sungei Way Corporation Sendirian Berhad	740,735,387	37.75
2 Sungei Way Corporation Sendirian Berhad	149,910,691	7.64
3 HSBC Nominees (Tempatan) Sdn Bhd - Sungei Way Corporation Sendirian Berhad	140,000,000	7.14
4 RHB Capital Nominees (Tempatan) Sdn Bhd - Sungei Way Corporation Sendirian Berhad	113,000,000	5.76
5 Amanahraya Trustees Berhad - Amanah Saham Bumiputera	99,503,800	5.07
6 Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	90,849,835	4.63
7 Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	83,568,432	4.26
8 Amanahraya Trustees Berhad - Amanah Saham Malaysia	51,639,100	2.63
9 Amanahraya Trustees Berhad - Amanah Saham Wawasan 2020	34,906,788	1.78
10 Citigroup Nominees (Tempatan) Sdn Bhd - Exempt AN for AIA Bhd	30,286,533	1.54
11 Cartaban Nominees (Tempatan) Sdn Bhd - Exempt AN for Eastspring Investments Berhad	23,059,241	1.18
12 HSBC Nominees (Asing) Sdn Bhd - Exempt AN for J. P. Morgan Bank Luxembourg S. A. (2)	16,058,736	0.82
13 Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	15,839,000	0.81
14 Citigroup Nominees (Asing) Sdn Bhd - CBNY for Dimensional Emerging Markets Value Fund	13,796,426	0.70
15 Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (NOMURA)	12,938,200	0.66
16 Amanahraya Trustees Berhad - Public Islamic Select Treasures Fund	10,410,680	0.53
17 CIMB Group Nominees (Tempatan) Sdn Bhd - Yayasan Hasanah (AUR - VCAM)	10,111,100	0.52
18 HSBC Nominees (Asing) Sdn Bhd - Exempt AN for JPMorgan Chase Bank, National Association (U.S.A.)	9,835,537	0.50
19 Amanahraya Trustees Berhad - Amanah Saham Bumiputera 2	9,424,800	0.48
20 Citigroup Nominees (Asing) Sdn Bhd - Exempt AN for Citibank New York (Norges Bank 14)	9,054,900	0.46
21 Amanahraya Trustees Berhad - Public Islamic Select Enterprises Fund	8,291,100	0.42
22 HSBC Nominees (Asing) Sdn Bhd - Exempt AN for The Bank Of New York Mellon (Mellon Acct)	8,158,754	0.42
23 Amanahraya Trustees Berhad - Amanah Saham Didik	8,000,000	0.41
24 Citigroup Nominees (Asing) Sdn Bhd - CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	6,700,993	0.34
25 Amanahraya Trustees Berhad - Amanah Saham Nasional	6,137,100	0.31

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2016 (CONTD.)

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS (CONTD.)

	Name of Shareholders	No. of Shares	%
26	Citigroup Nominees (Tempatan) Sdn Bhd - Kumpulan Wang Persaraan (Diperbadankan) (VCAM Equity Fd)	5,867,400	0.30
27	CIMB Islamic Nominees (Tempatan) Sdn Bhd - CIMB Islamic Trustee Bhd for BIMB I Dividend Fund	5,510,000	0.28
28	Amanahraya Trustees Berhad - Amanah Saham Nasional 2	4,833,500	0.25
29	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	4,600,000	0.23
30	Citigroup Nominees (Tempatan) Sdn Bhd - Kumpulan Wang Persaraan (Diperbadankan) (Kenanga)	4,380,100	0.22

SUBSTANTIAL SHAREHOLDERS

	Name of Shareholders	No. of Shares	%
1	Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO		
	• Direct interest	92,806,306	4.73
	• Deemed interest ^a	1,145,277,356	58.37
2	Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng		
	• Deemed interest ^b	1,238,083,662	63.10
3	Sarena Cheah Yean Tih		
	• Direct interest	1,074,332	0.05
	• Deemed interest ^c	1,236,453,373	63.02
4	Evan Cheah Yean Shin		
	• Direct interest	556,946	0.03
	• Deemed interest ^d	1,236,452,384	63.02
5	Sungei Way Corporation Sdn Bhd	1,143,646,078	58.29
6	Active Equity Sdn Bhd		
	• Deemed interest ^e	1,143,646,078	58.29
7	AmanahRaya Trustees Berhad - Amanah Saham Bumiputera	99,503,800	5.07

NOTES:

^a Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd and children.

^b Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through spouse and children.

^c 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 parent.

^d Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd and parent.

^e Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Sungei Way Corporation Sdn Bhd.

ANALYSIS OF WARRANTHOLDINGS

AS AT 31 MARCH 2016

DISTRIBUTION OF WARRANTHOLDINGS AS PER RECORD OF DEPOSITORS

Size of Warrantholdings	No. of Warrantholders	% of Warrantholders	No. of Warrants Held	% of Warrantholdings
Less than 100	1,808	18.87	58,231	0.08
100 - 1,000	6,065	63.32	2,257,533	3.05
1,001 - 10,000	1,399	14.60	4,072,584	5.50
10,001 - 100,000	251	2.62	6,907,254	9.33
100,001 - 3,701,584 (Less than 5% of warrants in issue)	55	0.57	21,067,565	28.46
3,701,585 (5%) and above	2	0.02	39,668,547	53.58
	9,580	100.00	74,031,714	100.00

THIRTY LARGEST WARRANTHOLDERS AS PER RECORD OF DEPOSITORS

Name of Warrantholders	No. of Warrants	%
1 Cartaban Nominees (Asing) Sdn Bhd - GIC Private Limited for Government of Singapore (C)	35,420,438	47.85
2 Ng Hok Long @ Ng Hock Leong	4,248,109	5.74
3 Cimsec Nominees (Tempatan) Sdn Bhd - Oon Hock Teck (The Curve - CL)	3,292,367	4.45
4 HSBC Nominees (Asing) Sdn Bhd - Exempt AN for J. P. Morgan Bank Luxembourg S. A. (2)	2,622,541	3.54
5 Goh Cheah Hong	1,615,878	2.18
6 Cimsec Nominees (Tempatan) Sdn Bhd - CIMB Bank for Chew Kim Hwa (MY1207)	1,299,600	1.76
7 Ng Siew Lee	1,128,600	1.52
8 Dato' Chew Chee Kin	619,171	0.84
9 Cimsec Nominees (Tempatan) Sdn Bhd - CIMB for Lee Chee Wai (PB)	565,700	0.76
10 Too Yoon Kwee	400,000	0.54
11 Chew Poh Choon	380,000	0.51
12 Goh Cheah Hong	365,553	0.49
13 Seah Li Mui	360,000	0.49
14 Seah Yong Kwong	354,400	0.48
15 AllianceGroup Nominees (Tempatan) Sdn Bhd - Lau Siew Bey (8026817)	350,850	0.47
16 Mercsec Nominees (Tempatan) Sdn Bhd - TNTT Realty Sdn Bhd	320,400	0.43
17 Lim Teik Hoe	290,000	0.39
18 Dato' Tan Kia Loke	284,338	0.38
19 Oon Hock Meng	281,000	0.38
20 Pang Choon Meng	280,380	0.38
21 Neo Hwa Lui	260,889	0.35
22 Tan May Yee	260,000	0.35
23 Koh Lay Peng	255,800	0.35
24 Tai Yoke Peng	237,266	0.32
25 Chew Poh Choon	230,000	0.31
26 Public Invest Nominees (Tempatan) Sdn Bhd - Exempt AN for Phillip Securities Pte Ltd (Clients)	227,806	0.31
27 Too Yoon Kwee	220,000	0.30
28 Public Nominees (Tempatan) Sdn Bhd - Law Hoe Yen (E-KLC)	216,447	0.29
29 See Hoon Yew	200,000	0.27
30 Tan Kiat Wei	200,000	0.27

ANNUAL GENERAL
MEETING

WINNING THE RACE

Like the famous Aesop's fable of a tortoise winning the race with a hare through persistence and diligence, Sunway draws inspiration from the value of steady and consistent performance throughout the years in achieving the organisation's success.

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NOTICE OF 6TH ANNUAL GENERAL
MEETING

—
PROXY FORM



NOTICE OF 6TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 6th Annual General Meeting of SUNWAY BERHAD (921551-D) will be held at Grand Bahamas, Level 12, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on Thursday, 16 June 2016 at 3.00 p.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Directors' and Auditors' Reports thereon.
(Please refer to Explanatory Note no. 1)
2. To approve the payment of Directors' fees amounting to RM455,013.70 for the financial year ended 31 December 2015. (Ordinary Resolution 1)
3. To re-elect Mr Lim Swe Guan 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 2)
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 3)
 - 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 4)
 - 4.3 "THAT pursuant to Section 129 of the Companies Act, 1965, Dato' Chew Chee Kin 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)
 - 4.4 "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 6)
 - 4.5 "THAT pursuant to Section 129 of the Companies Act, 1965, Tan Sri Dato' Dr. Lin See Yan 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 re-appoint Messrs BDO as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. (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 April 2016 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)

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

NOTICE OF 6TH ANNUAL GENERAL MEETING

- (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 Sunway Shares (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)

By Order of the Board

TAN KIM AUN (MAICSA 7002988)
CHIN LEE CHIN (MAICSA 7012347)
Company Secretaries

Bandar Sunway
29 April 2016

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 9 June 2016, shall be entitled to attend, speak and vote at the general meeting.

EXPLANATORY NOTES ON:**(i) Ordinary Business**

1. **To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Directors' and Auditors' Reports thereon.**

The Audited Financial Statements are for discussion only as they do not require shareholders' approval pursuant to the provisions of Section 169(1) and Section 169(3) of the Companies Act, 1965. As such, this agenda will not be put for voting.

(ii) Special Business

2. **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.

3. **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 April 2016.

4. **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 April 2016.

5. **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.

NOTICE OF 6TH ANNUAL GENERAL MEETING

PERSONAL DATA NOTICE

The Personal Data Protection Act 2010 (“Act”) which regulates the processing of personal data in commercial transactions, applies to Sunway Management Sdn Bhd, the share registrar of Sunway Berhad.

The personal data processed by Sunway Management Sdn Bhd may include your name, contact details, mailing address and any other personal data derived from any documentation.

Sunway Management Sdn Bhd may use or disclose your personal data to any person engaged for the purposes of issuing the above notice of meeting and convening the meeting.

Subject to the requirement under the Act, if you would like to make any enquiries on your personal data, please contact us at:

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

PROXY FORM

6th Annual General Meeting

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

Number of share(s) held	
CDS Account No.	

*I/We (Full Name) *NRIC No./Passport No./Company No.

Tel./Mobile No. of

being a member of SUNWAY BERHAD and entitled to vote hereby appoint:-

1ST PROXY 'A'

Full Name	Tel./Mobile No.	Proportion of shareholdings represented	
Address	NRIC No./Passport No.	No. of Shares	%

and/or failing *him/her,

2ND PROXY 'B'

Full Name	Tel./Mobile No.	Proportion of shareholdings represented	
Address	NRIC No./Passport No.	No. of Shares	%

100%

or failing *him/her, the Chairman of the Meeting as *my/our proxy to attend and vote for *me/us on *my/our behalf at the 6th Annual General Meeting of the Company to be held at Grand Bahamas, Level 12, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on Thursday, 16 June 2016 at 3.00 p.m. and at any adjournment thereof.

In the case of a vote taken by a show of hands, *1st Proxy 'A' / *2nd Proxy 'B' (one only) shall vote on *my/our behalf.

**Strike out whichever not applicable*

My/our proxy/proxies shall vote as follows:-

Please indicate with an "X" in the space below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting on the resolutions at his/their discretion.

NO.	ORDINARY RESOLUTIONS	1 ST PROXY 'A'		2 ND PROXY 'B'	
		FOR	AGAINST	FOR	AGAINST
1.	To approve the payment of Directors' fees				
2.	To re-elect Mr Lim Swe Guan as Director				
3.	To approve the re-appointment of Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling as Director				
4.	To approve the re-appointment of Tan Sri Datuk Seri Razman M Hashim as Director				
5.	To approve the re-appointment of Dato' Chew Chee Kin as Director				
6.	To approve the re-appointment of Mr Wong Chin Mun as Director				
7.	To approve the re-appointment of Tan Sri Dato' Dr. Lin See Yan as Director				
8.	To re-appoint Messrs BDO as Auditors and to 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				

Dated this day of 2016

Common Seal

Signature of Member

NOTES:

- A member of the Company who is entitled to attend and vote at a general meeting of the Company, or at a meeting of any class of members, may appoint not more than 2 proxies to attend and vote instead of the member at the meeting.
- A proxy need not be a member. There shall be no restriction as to the qualification of the proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- If a member has appointed a proxy to attend a meeting and subsequently he attends such meeting in person, the appointment of such proxy shall be null and void, and his proxy shall not be entitled to attend the said meeting.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- Where a member or the authorised nominee appoints 2 proxies, or where an exempt authorised nominee appoints 2 or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if such appointer is a corporation, either under its common seal or the hand of its officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof, either by hand, post, electronic mail or fax to (603) 5639 9507. In the case where the member is a corporation and the proxy form is delivered by fax or electronic mail, the original proxy form shall also be deposited at the Registered Office, either by hand or post not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- In respect of deposited securities, only members whose names appear in the Record of Depositors on 9 June 2016, shall be entitled to attend, speak and vote at the general meeting.
- Please refer to the Company's Personal Data Notice in page 368 of the Annual Report in relation to Personal Data Privacy.

PLEASE FOLD HERE

STAMP

THE COMPANY SECRETARY
SUNWAY BERHAD (921551-D)
LEVEL 16, MENARA SUNWAY
JALAN LAGOON TIMUR
BANDAR SUNWAY
47500 SUBANG JAYA
SELANGOR DARUL EHSAN
MALAYSIA

PLEASE FOLD HERE

CORPORATE DIRECTORY

HEAD OFFICE

MENARA SUNWAY

Jalan Lagoon Timur, Bandar Sunway
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia

INVESTMENT HOLDING

SUNWAY BERHAD* (921551-D)

SUNWAY CITY SDN BHD* (87564-X)

SUNWAY HOLDINGS SDN BHD* (37465-A)

Head Office:

Level 17, Menara Sunway

Tel: (603) 5639 8889 Fax: (603) 5639 9507

SUNWAY CONSTRUCTION GROUP BERHAD* (1108506-W)

Head Office:

Level 8, Menara Sunway

Tel: (603) 5639 9696 Fax: (603) 5639 9601

Website: sunwayconstruction.com.my

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)

SUNWAY DIMENSION STONES SDN BHD* (511429-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 PKNS 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)

SUMBER DORONGAN SDN BHD* (384876-P)

Level 1-3 & 5, Menara Sunway

Sales Office:

No. 2, Jalan PJU 5/1A, Dataran Sunway, Kota Damansara

47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia

Tel: (603) 6141 6888 Fax: (603) 6141 6262

Email: damansara@sunway.com.my

SUNWAY MONTEREZ SDN BHD* (531944-H)

Level 1-3 & 5, Menara Sunway

SUNWAY ALAM SURIA

Sales Office and Show House:

No. 3, Jalan Pulau Angsa U10/1H

Sunway Alam Suria, Seksyen U10, 40170 Shah Alam

Selangor Darul Ehsan, Malaysia

Tel: (603) 7845 5637 Fax: (603) 7845 4637

Email: kayangan@sunway.com.my, suria@sunway.com.my

SUNWAY MELAWATI SDN BHD* (606358-V)

Level 1-3 & 5, Menara Sunway

Sunway Montana Sales Gallery:

Jalan 6/4, Desa Melawati,

53200 Kuala Lumpur, Malaysia

Tel: (603) 4108 8822 Fax: (603) 4108 8829

Email: enquiry@sunway.com.my

SUNWAY SPK HOMES SDN BHD* (583958-P)

The Property Gallery, Lobby Level, Menara Sunway

Tel: (603) 5639 9000 Fax: (603) 5639 9955

Email: spkhomes@sunway.com.my

SUNWAY CITY (IPOH) SDN BHD (219749-M)

GANDA ANTIK SDN BHD (347795-M)

LAGOON FANTASY SDN BHD (207205-K)

SEMANGAT KANCIL (M) SDN BHD (355988-A)

SUNWAY HOTEL SERVICES (IPOH) SDN BHD (325648-P)

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: 1800-222-9888

SUNWAY RYDGEWAY SDN BHD* (771561-H)

Level 1-3 & 5, Menara Sunway

Sales Gallery:

Off Jalan K 5, Taman Melawati, 53100 Kuala Lumpur,

Malaysia

Hotline: 1800-222-9888

SUNWAY EASTWOOD SDN BHD* (795327-T)

Level 1-3 & 5, Menara Sunway

Sales Gallery:

Sunway Eastwood Clubhouse

Jalan Equine 3

43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia

Hotline: 1800-222-9888

SUNWAY CITY (JB) SDN BHD* (896512-M)

Level 1-3 & 5, Menara Sunway

Sales Office:

No. 65 & 65-01, Jalan Molek 1/29

Taman Molek, 81100 Johor Bahru, Johor

Tel: (607) 355 2535 Fax: (607) 356 2535

CHINA:

SUNWAY GUANGHAO REAL ESTATE (JIANGYIN) CO. LTD

No. 359, Xiangjiang Road, Xia Gang, Jiang Yin City

Jiang Su Province, 214442 China

Tel: (865) 10 8688 0862

TIANJIN ECO-CITY SUNWAY PROPERTY

DEVELOPMENT CO., LTD (56611336-2)

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 PRIVATE LIMITED

(U70102AP2007PTC055084)

Sunway Opus Grand, Survey Nos. 162p & 164

Ameenpur, Off Miyapur - Bachupally Road

Hyderabad-502 032, Andhra Pradesh, India

Tel: (+91) 40 2303 8888 Fax: (+91) 40 2303 8008

Sales & Marketing

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 PRIVATE LIMITED

(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

6-2, Sunway Putra Mall

No.100, Jalan Putra

50350 Kuala Lumpur, Malaysia

Tel: (603) 2786 9300 Fax: (603) 2786 9499

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

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
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia
Tel: (603) 7492 6307/8/9 Fax: (603) 7492 6310

SUNWAY INTERNATIONAL VACATION CLUB BERHAD*
(644585-X)

Level 1, Menara Sunway
Tel: (603) 5639 9221 Fax: (603) 5639 9555
Email: sive@sunway.com.my
Website: www.sunway.com.my/vacationclub

SUNWAY HEALTHY LIFESTYLE SDN BHD* (689476-X)

Level 1, Menara Sunway
Tel: (603) 5639 9993 Fax: (603) 5639 9555
Email: shl@sunway.com.my
Website: www.sunway.com.my/healthylifestyle

SUNWAY TRAVEL SDN BHD (158589-D) (KPL: 0210)

@ The Link, Sunway Resort Hotel & Spa
Persiaran Lagoon, Bandar Sunway
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia
Tel: (603) 5632 5622 Fax: (603) 5632 4781
Email: travel@sunway.com.my
Website: www.sunway.travel

SUNWAY LEISURE SERVICES SDN BHD

(543257-K) (KPL: 6172)
Mezzanine Floor, Sunway Tower
No. 86, Jalan Ampang, 50450 Kuala Lumpur, Malaysia
Tel: (603) 2032 5622 Fax: (603) 2032 4781
Email: travelkul@sunway.com.my
Website: www.sunway.travel

SUNWAY LEISURE SDN BHD (886286-M)

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

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.sihr.com

SUNWAY RESORT HOTEL SDN BHD (182198-M)**SUNWAY RESORT HOTEL & SPA****PYRAMID TOWER HOTEL**

Persiaran Lagoon, Bandar Sunway
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia
Tel: (603) 7492 8000 Fax: (603) 7492 8001
Email: 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: enquiryrsph@sunwayhotels.com
Website: www.putra.sunwayhotels.com

SUNWAY BIZ HOTEL 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, Lebuhr Tenggori 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 (239/96E)

1, Street 92, Sangkat Wat Phnom, P.O. Box 633
Phnom Penh 12202, Kingdom of Cambodia

Tel: (855) 23 430 333 Fax: (855) 23 430 339
Email: 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)**Head Office:**

Level 8, Menara Sunway
Tel: (603) 5639 9696 Fax: (603) 5639 9601
Website: sunwayconstruction.com.my

Johor Office:

Plot F43, Lot PTD 183276
Medini Zone F, Mukim Pulau,
81200 Johor,
Johor Darul Takzim
Tel: (607) 509 8800 Fax: (607) 509 7211

SUNWAY BUILDERS SDN BHD* (285205-T)**SUNWAY INNOPAVE SDN BHD*** (390417-A)

Level 8, Menara Sunway
Tel: (603) 5639 9696 Fax: (603) 5639 9601
Website: sunwayconstruction.com.my

SUNWAY BUILDERS SDN BHD – Abu Dhabi Branch

(1005599)
PO Box 127421, Abu Dhabi, UAE

SUNWAY INNOPAVE SDN BHD – Abu Dhabi Branch

(1005596)
PO Box 127806, Abu Dhabi, UAE

**FOUNDATION AND GEOTECHNICAL ENGINEERING
SERVICES****SUNWAY GEOTECHNICS (M) SDN BHD*** (414014-W)

Level 7, Menara Sunway
Tel: (603) 5639 9696 Fax: (603) 5639 9533

MECHANICAL, ELECTRICAL & PLUMBING SERVICES**SUNWAY ENGINEERING SDN BHD*** (341887-W)

Level 9, Menara Sunway
Tel: (603) 5639 9696 Fax: (603) 5639 9531

SUNWAY ENGINEERING SDN BHD – Abu Dhabi Branch

(1160600)
P.O Box 131139, Abu Dhabi, UAE

**MANUFACTURING AND SALE OF PRECAST CONCRETE
PRODUCTS****SUNWAY PRECAST INDUSTRIES SDN BHD** (389253-P)**SENAI, JOHOR:**

18, Jalan Idaman 1/1,
Taman Perindustrian Senai,
81400 Senai, Johor Darul Takzim.
Tel: 016-7683519

ISKANDAR, JOHOR:

Plot F5, Lot PTD 200685,
Medini Zone F,
Mukim Pulau, Daerah Johor Bahru,
81200 Johor Darul Takzim.

SINGAPORE:**SUNWAY CONCRETE PRODUCTS (S) PTE LTD** (199409213Z)

4, Tampines Industrial Street 62, Singapore 528817
Tel: (02) 6582 8089 Fax: (02) 6581 0482

MACHINERY & LOGISTICS**SUNWAY MACHINERY SDN BHD** (389253-P)

Lot 656, Jalan Subang 1, Off Persiaran Subang,
47600 Subang Jaya, Petaling Jaya, Selangor Darul Ehsan,
Malaysia
Tel: (603) 5633 6499 Fax: (603) 5631 2387

FACADE SOLUTION**SUNWAY FACADE NETWORK SDN BHD** (1153847-X)

1F09, Pusat Perdagangan IOI,
No.1, Persiaran Puchong Jaya Selatan,
Bandar Puchong Jaya,
47100 Puchong.
Tel: (603) 8062 9792 Fax: (603) 8062 9762

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 No. C37, Megah Industrial Park,
Jalan Ind Megah 2, Mile 4 ½, Jalan Tikau,
91000 Tawau, Sabah, Malaysia
Tel: (6089) 918 068 Fax: (6089) 918 086

Sandakan

Lot 2, Labuk Road Mile 9
90000 Sandakan, Sabah
Tel: (6089) 673070 / 673071 Fax: (6089) 673077

SUNWAY ENTERPRISE (1988) SDN BHD (62711-M)

Lot 753, Jalan Subang 3
Taman Perindustrian Subang, 47610 Subang Jaya
Selangor Darul Ehsan, Malaysia
Tel: (603) 5633 1909 / 5632 9349 (Service Hotline)
Fax: (603) 5633 1908
Website: www.sunwayenterprise1988.com

Branch:**Penang**

No. 35, Jalan Industri Beringin
Kawasan Perindustrian Beringin Juru
14100 Simpang Ampat, Penang, Malaysia
Tel: (604) 5073 830 Fax: (604) 5073 930

Kota Kinabalu

22km, Jalan Tuaran, Pekan Telipok
88450 Kota Kinabalu, Sabah
Tel: (088) 492 875 Fax: (088) 492 936

Kuantan

No. 51, Lorong 14/7 B.I.M Point
Bandar Indera Mahkota, 25200 Kuantan, Pahang
Tel: (609) 570 1313 Fax: (609) 570 1155

Kuching

Lot 496, SL 5, Jalan Muara Tuang,
94300 Kuching, Sarawak
Tel: (6082) 610 608 Fax: (6082) 612 508

Johor

No. 7, Jalan Kempas Utama 3/2
Taman Kempas Utama, 81200 Johor Bahru, Johor
Tel: (607) 559 0645 Fax: (607) 559 0667

Ipoh

34-A, Jalan Ghazali Jawi
31400 Ipoh, Perak, Malaysia
Tel: (605) 547 6597

Sandakan

Lot 2, Labuk Road Mile 9
90000 Sandakan, Sabah
Tel: (6089) 673 070 / 673 071 Fax: (6089) 673 077

WINSTAR TRADING SDN BHD (104106-W)**WINSTAR ENTERPRISE SDN BHD (337763-V)****MULTI STAR MARKETING SDN BHD (649905-U)****RISING STAR MARKETING SDN BHD (509329-T)****Head Office:**

Lot 13256 KM2 Persiaran Hamzah Alang
42200 Meru Klang
Selangor Darul Ehsan
Tel: +603 -3392 6006/3392 0691 Fax: +603- 3392 0572
Email: info@winstar.com.my
Website: www.winsirdiy.com

Kepong**HSING YEAT SDN BHD (154153-V)**

No: 19 & 21, Jalan 4/33B
Batu 6 1/2, Jalan Kepong
52000 Kuala Lumpur
Tel: (603) 6252 6288 Fax: (603) 6251 6746
Email: sales@hsingyeat.com.my

SAF-T-QUIP SDN BHD (196889-P)

No 9, Jalan 3/33B, Batu 6 1/2, Jalan Kepong
52000 Kuala Lumpur.
Tel: +603-6259 2006/6259 1654 Fax: +603-6251 8227
Email: stq.sales@winstar.com.my / stqkepong@gmail.com

UNITED STAR ENGINEERING & HARDWARE SDN BHD

(209723-P)
No 85 & 87, Jalan Metro Perdana Barat 12
Sri Edaran Light Industrial Park, Kepong
52100 Kuala Lumpur
Tel: (603) 6259 2366 Fax: (603) 6259 2066
Email: unitedstareng@gmail.com / useh.account@winstar.com.my

POWER STAR MACHINERY SDN BHD (887839-P)

No 28, Jalan Metro Perdana Timur 9
Kepong Entrepreneurs Park
52100 Kuala Lumpur
Tel: (603) 6257 9958 Fax: (603) 6257 8959
Email: powerstarmac@gmail.com

Melaka**HSING YEAT SDN BHD (154153-V)**

No: 64, Jalan Berkat 12
Taman Malim Jaya, 75250 Melaka
Tel: (606) 336 6299 Fax: (606) 336 6297
Email: hsingyeatmelaka@yahoo.com

Kuantan**HSING YEAT SDN BHD (154153-V)**

No: 5, Jalan 1M 3/15, Sektor 1
Bandar Indera Mahkota
25200 Kuantan, Pahang
Tel: (609) 573 9898 Fax: (609) 5739889
Email: hyktn.sales@hsingyeat.com.my

Penang**HSING YEAT SDN BHD (154153-V)**

No. 42 & 44, Lorong Mak Mandin 5/1
Kawasan Perindustrian Mak Mandin
13400 Butterworth, Penang
Tel: (604) 323 4288 / (604) 331 3288
Fax: (604) 323 1226
Email: hypg42@gmail.com

Kuching**STAR BRIDGE HARDWARE SDN BHD (643033-X)**

Lot 2180, Jalan Swasta, Bintawa Industrial Estate,
93450 Kuching, Sarawak, Malaysia
Tel: (6082) 341 766 / 342 766 Fax: (6082) 484 766
Email: starbge.sales@hsingyeat.com.my

Sabah**POWER STAR HARDWARE SDN BHD (611011-U)**

Hiong Tiong Industrial centre, Lorong Buah Salak 2
Lot 3 & 4, Block F, 11.2km, Jalan Tuaran, 88450 Inanam
Kota Kinabalu, Sabah.
Tel: (6088) 387 146 Fax: (6088) 389 148
Email: powerstar2@winsirdiy.com

OVERSEAS OFFICES & BRANCHES:**SINGAPORE:****SUNWAY MARKETING (S) PTE LTD (197501497R)**

19 Senoko South Road, Singapore 758078
Tel: (65) 6758 5454 Fax: (65) 6257 8759
Website: www.sunflex.com.sg/
Email: smsgen@sunflex.com.sg

PND HARDWARE & TRADING PTE LTD (200307141Z)

11 Gul Street 4, Singapore 629240
Tel: (65) 6565 6233 Fax: (65) 6565 6298
Website: http://www.pnd-hardware.com/
Email: enquiries@pnd-hardware.com

THAILAND:**SUNWAY MARKETING (THAILAND) LTD (0105533107052)**

199/1 Soi Prayasurane 35, Prayasurane Road,
Bangchan, Klongsamwa, Bangkok 10510, Thailand
Tel: (662) 907 3955 Fax: (662) 907 3933
Website: www.sunflex.com.sg/
Email: thanapong@sunway.com.my

SUNWAY MARKETING (THAILAND) LTD – Rayong Branch

19/9-10 Highway No. 36 Road, Mabkha
Nikomattana, Rayong 21180, Thailand
Tel: (663) 803 5346 Fax: (663) 803 5348
Website: www.sunflex.com.sg/
Email: thanapong@sunway.com.my

SUNWAY MARKETING (THAILAND) LTD – Chonburi Branch

399/69-70 Moo 11 Nongkham, Sriracha
Chonburi 20110, Thailand
Tel: (663) 848 0365 Fax: (663) 848 0141
Website: www.sunflex.com.sg/
Email: thanapong@sunway.com.my

SUNWAY MARKETING (THAILAND) LTD – Saraburi Branch

13/4-5 Mittraphap Road, Kaengkoi
Saraburi 18110, Thailand
Tel: (663) 624 1370 Fax: (663) 624 1371
Website: www.sunflex.com.sg/
Email: thanapong@sunway.com.my

SUNWAY MARKETING (THAILAND) LTD – Songkhla Branch

255/7 Moo 1 Sathingmor, Singhanakorn
Songkhla 902800, Thailand
Tel: (667) 449 6933 Fax: (667) 449 6932
Website: www.sunflex.com.sg/
Email: thanapong@sunway.com.my

INDONESIA:**PT SUNWAY TREK MASINDO**

Jl. Kosambi Timur No. 47
Kompleks Pergudangan Sentra Kosambi
Blok H1 No. A, Kosambi Timur, Dadap – Tangerang
Jakarta 15211, Indonesia
Tel: (62) 21 5595 5445 Fax: (62) 21 5595 5447
Website: www.sunway.co.id

PT SUNWAY TREK MASINDO – Balikpapan Branch

JL.AMD.Projakkal Km.5.5 RT.002.No 12
Kelurahan Graha Indah,Kec.Balikpapan Utara
Balikpapan 76125
Kalimantan Timur
Tel: (62) 542 758 8200 (Hunting) Fax: (62) 542 758 8202
Website: www.sunway.co.id

PT SUNWAY TREK MASINDO – Pekanbaru Branch

Komplek Pergudangan Avian 3 in 1
Blok D-06, Jl. Arengka II Pekanbaru
Riau 28292 Indonesia
Tel: (62) 761 863 834 / 761 863 832 Fax: (62) 761 863 836
Website: www.sunway.co.id

PT SUNWAY TREK MASINDO – Surabaya Branch

Jl. Sukomanunggal 244 RT 001, RW 002, Surabaya
Indonesia
Tel: (62) 31 749 5682 / 31 749 6954
Fax: (62) 31 749 5856
Website: www.sunway.co.id

PT SUNWAY TREK MASINDO – Banjarmasin Branch

Komplek Pergudangan Kalimantan Kencana
21 A.Yani KM 20.8 Arah Pelaihari
Landasan Ulin Selatan Liangganggang
Banjar Baru, Kalimantan Selatan, 70713 Indonesia
Tel: (62) 5113200033 Fax: (62) 5113200032
Website: www.sunway.co.id

PT SUNWAY TREK MASINDO – Jambi Branch

Jl. Residen Bahsam Siagian,
No. 98, Kel. Pasir Putih Kec. Jambi Selatan, Jambi, 36139
Indonesia
Tel: (62) 741 573 988 Fax: (62) 741 591 8921
Website: www.sunway.co.id

PT SUNWAY TREK MASINDO – Samarinda Branch

Jl. IR Sutami Pergudangan II, Blok U2, Samarinda
75126, Kalimantan Timur - Indonesia
Tel: (62) 0541 271 656 / 0541 270 585
Fax: (62) 0541 275 890
Website: www.sunway.co.id

PT SUNWAY TREK MASINDO – Palembang Branch

Komplek Pergudangan Sukarami
Jl. Tembusan Terminal KM 12, Blok E No 07
Alang-alang Lembang, Palembang, 30162 Indonesia
Tel: (62) 711 564 5458
Fax: (62) 711 564 5459
Website: www.sunway.co.id

PT SUNWAY INDOQUIP

Jl. Kosambi Timur No. 47
Kompleks Pergudangan Sentra Kosambi
Blok H1 No. A, Kosambi Timur, Dadap – Tangerang
Jakarta 15211, Indonesia
Tel: (62) 21 5595 5445 Fax: (62) 21 5595 5447

PT SUNWAY FLOWTECH

Complex Union Industrial Park, Block A, No.1 (Gate #3)
Batu Ampar, Batam - Kepulauan Riau - Indonesia
Tel: (62) 778 413 989 Fax: (62) 778 413 787
Email: sunflowtech@sunflex.com.sg
Website: www.sunflex.com.sg

PT SUNWAY PACIFIC FLOW

Complex Union Industrial Park, Block A, No.1 (Gate #3)
Batu Ampar, Batam - Kepulauan Riau - Indonesia
Tel: (62) 778 413 989 Fax: (62) 778 413 787
Email: sunflowtech@sunflex.com.sg
Website: www.sunflex.com.sg

INDIA:**SUNWAY OPUS INTERNATIONAL TRADING PRIVATE**

LIMITED* (U51909AP2010FTC069882)

Registered address:
1st Floor, Block "A" Palace View Estate
8-2-120, Road No. 2, Banjara Hills
Hyderabad, 500 034, Andhra Pradesh, India

Head Office:

Level 11, Menara Sunway
Tel: (603) 5639 9997 Fax: (603) 5639 9522

CHINA:**SUNWAY TRADING (SHANGHAI) PTE LTD**

No. 868, Kangqiao Road, Kangqiao Town
Pudong New Area, Shanghai
Zip: 201315, China
Tel: (8621) 6806 6669 / 6806 6662
Fax: (8621) 6806 6981
Website: www.sunflex.com.sg

SUNWAY TRADING (SHANGHAI) PTE LTD – Guang Zhou Branch

Room 418, Building B, TCL Cultural Industry Park
No. 69 Guangpuxi Road, Science City
Luogang District, Guangzhou
Tel: (8620) 8455 6420 Fax: (8620) 8232 521

SUNWAY MARKETING (SHANGHAI) PTE LTD

No. 868, Kangqiao Road, Kangqiao Town
Pudong New Area, Shanghai
Zip: 201315, China
Tel: (8621) 6806 6669 / 6806 6662
Fax: (8621) 6806 6981

SUNWAY HYDRAULIC INDUSTRIES (WUHU) CO. LTD

(Formerly known as Sunway Xin Long (ANHUI) Hydraulic Co. Ltd)
No. 1, Xu Zhen Industrial Area, Wuhu, Anhui, China
Zip: 241306
Tel: (0086) 553 627 7999 / 553 627 7066
Fax: (0086) 553 627 9666
Website: www.sunway.me

SUNWAY DAECHEANG FORGING (ANHUI) CO. LTD

No. 1, Xu Zhen Industrial Area, Wuhu, Anhui, China. Zip: 241306
Tel: (0086) 553 627 1155 Fax: (0086) 553 627 1052
Website: www.sunwaydcf.com

AUSTRALIA:**SUNWAY TOTALRUBBER LTD (ABN 11 103 212 353)**

Tel: 1300 720 655 Fax: 1300 720 677
Website: www.totalrubber.com.au

SUNWAY TOTALRUBBER VICTORIA – HEAD OFFICE

2 Jamieson Way, Dandenong South, Victoria 3175, Australia
Tel: (613) 9799 2388 Fax: (613) 9799 2188
Email: victoria@totalrubber.com.au

SUNWAY TOTALRUBBER SYDNEY BRANCH

2/208 Walters Road, Arndell Park, NSW 2148, Australia
Tel: (612) 9933 7500 Fax: (612) 9622 1733
Email: sydney@totalrubber.com.au

SUNWAY TOTALRUBBER WESTERN AUSTRALIA BRANCH

8 Aitken Way, Kewdale, WA 6105, Australia
Tel: (618) 9353 6999 Fax: (618) 9353 6555
Email: perth@totalrubber.com.au

SUNWAY TOTALRUBBER BRISBANE BRANCH

43 Dulacca St, Acacia Ridge
Queensland 4110, Australia
Tel: (617) 3711 3009 Fax: (617) 3711 3010
Email: brisbane@totalrubber.com.au

SUNWAY TOTALRUBBER SOUTH AUSTRALIA BRANCH

Unit 3, 40 Birralee Road, Regency Park
SA 5010, Australia
Tel: (618) 8268 5110 Fax: (618) 8268 5226
Email: adelaide@totalrubber.com.au

**SUNWAY TOTALRUBBER SERVICES FRANCHISING
PTY LTD (ABN 31 007 254 248)****SUNWAY TOTALRUBBER TASMANIA KINGSMEADOWS
FRANCHISEE**

3 Merino Street, Kingsmeadows
Tasmania 7249, Australia
Tel: (613) 6344 3322 Fax: (613) 6344 3233
Email: chris.gillam@totalrubber.com.au

**SUNWAY TOTALRUBBER TASMANIA MOONAH
FRANCHISEE**

80 Sunderland Street, Moonah
Tasmania 7009, Australia
Tel: (613) 6273 1155 Fax: (613) 6273 1188
Email: chris.gillam@totalrubber.com.au

TOTAL RUBBER TASMANIA BURNIE FRANCHISEE

14 Wellington Street, Burnie 7320, Australia
Tel: (613) 6431 6048 Fax: (613) 6431 6496
Email: chris.gillam@totalrubber.com.au

PACIFIC FLOW TECHNOLOGY PTY LTD

(ABN 33 099 928 480)
55 Rushdale St, Knoxfield, Vic 3180, Australia
Tel: (613) 9763 6474 Fax: (613) 9763 5197
Email: kerry@pacflotech.com.au
Website: www.pacflotech.com.au

BUILDING MATERIALS DIVISION**SUNWAY VCP SDN BHD (205881-A)**

Lot 6489 & 6490, Off 6th Mile, Jalan Kapar
42100 Klang, Selangor Darul Ehsan, Malaysia
Tel: (603) 3291 5288 Fax: (603) 3291 5388
Website: www.sunway.com.my/sunwayvcp/

SUNWAY PAVING SOLUTIONS SDN BHD* (77490-W)

#3.2, Level 3, Menara Sunway
Website: www.sunwaypavingsolutions.com

KL Sales Office

Tel: (603) 5639 8282 (General Line)
Fax: (603) 5639 9600 (Sales)

Penang Sales Office

Tel: (604) 593 8697/8 Fax: (604) 593 8695

Johor Sales Office

Tel: (607) 599 5553 Fax: (607) 599 3827

Terengganu Sales Office

Tel: (609) 617 3924 Fax: (609) 617 3923

Factory:**Batang Kali**

Lot No. 10071, Mukim Batang Kali
44300 Daerah Ulu Selangor
Selangor Darul Ehsan, Malaysia
Tel: (603) 6057 2407 Fax: (603) 6057 2423

Nibong Tebal

Lot 2788 & 2796, Lorong Industri 3
Kawasan Perindustrian Bukit Panchor
Mk 7, 14300 Nibong Tebal
Seberang Prai Selatan, Penang, Malaysia
Tel: (604) 593 8697/8 Fax: (604) 593 8695

Senai

PLO 6, Jalan Lapangan Terbang
Fasa 1, Kawasan Perindustrian Senai
81400 Senai, Johor Darul Takzim, Malaysia
Tel: (607) 599 6055 Fax: (607) 598 1373

Marang

Lot PT 16574, Kawasan Perindustrian Bukit Kor
21600 Mukim Rusila, Marang
Terengganu Darul Iman, Malaysia
Tel: (609) 617 3925 Fax: (609) 617 3923

SUNWAY SPUN PILE (M) SDN BHD * (411837-T)

#3.2, Level 3, Menara Sunway
Tel: (603) 5639 8282 (General Line)
Fax: (603) 5639 9600

SUNWAY SPUN PILE (ZHUHAI) CO. LTD

Xin Gang Zone, Bai Jiao Science Technology
Industrial Park, DouMen District, ZhuHai City
Guangdong Province, China. Zip: 519180
Tel: (86) 0756 523 2666
Fax: (86) 0756 523 2883 / 523 2028
Website: www.sunwayzh.com

QUARRYING DIVISION**SUNWAY QUARRY INDUSTRIES SDN BHD* (110401-A)****SUNWAY QUARRY (KUALA KANGSAR) SDN BHD* (221592-V)****SUNWAY QUARRY INDUSTRIES (MELAKA) SDN BHD***

(4271-D)

No. 6, Menara Sunway
Tel: (603) 5639 8887 Fax: (603) 5639 9839

Kajang

Lot 7990, Off Jalan Sg. Jelok
Mukim Semenyih, 43000 Kajang
Selangor Darul Ehsan, Malaysia
Tel: (6019) 217 8139

Rawang

PT 11894, 12139, 12054
Mukim Rawang, Daerah Gombak
Selangor Darul Ehsan, Malaysia
Tel: (6019) 239 5974

Cheras

Kompartmen 11
Hutan Simpan Sungai Lalang & Hutan Simpan Hulu Langat
Mukim Ulu Langat, District of Ulu Langat
Selangor Darul Ehsan, Malaysia
Tel: (603) 9520 9888 Fax: (603) 9520 9889

Bukit Mertajam

No. 769, Berapit Road
14000 Bukit Mertajam
Seberang Prai Tengah, Malaysia
Tel: (604) 530 0839 Fax: (604) 530 4388

Melaka

19th Mile, Lesong Batu
Alor Gajah, 78000 Melaka, Malaysia
P.O. Box 66, Alor Gajah
78000 Melaka, Malaysia
Tel: (606) 5568 255 Fax: (606) 5561 482

Kuala Kangsar

Lot 1979, Jalan Lenggong
33020 Kati, Kuala Kangsar
Perak Darul Ridzuan, Malaysia
Tel: (605) 7511 832 Fax: (605) 7512 833

Paka

Lot 2511, Mukim Kuala Paka
23100 Dungun
Terengganu Darul Iman, Malaysia
Tel: (609) 835 8888 Fax: (609) 835 8889

Ulu Choh

No. 263, T.JUP 12, Jalan Ulu Pulai
Bt. 22 2/4, Jalan Johor, Pekan Nanas
81150 Pontian, Johor, Malaysia
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