

TODAY SUNWAY, TOMORROW THE WORLD



ANNUAL REPORT
2017

SUNWAY BERHAD
(921551-D)

TODAY SUNWAY, TOMORROW THE WORLD



Today Sunway, Tomorrow The World was inspired by the scale of foresight in the creation of Malaysia's first ever green township – Sunway City. Established on the foundations of sustainable development, Sunway will continue to do its part for the future generations.

Kirigami is a type of paper art, which uses intricate cuts that are folded and sculptured to create unique works of art. Each *Kirigami* centrepiece throughout the annual report was designed to represent Sunway's diverse business divisions. Most importantly, they serve as the inception of an idea, that were the first steps in the creation of a visionary iconic city.

Sunway Berhad embarks on its Integrated Reporting journey in this annual report.

NAVIGATION GUIDE



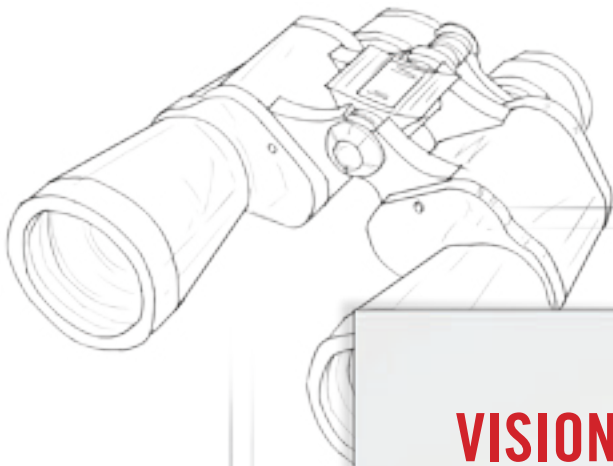
Connect to more information within this
ANNUAL REPORT 2017



Connect to more information online at
www.sunway.com.my



Connect to more information in the
SUSTAINABILITY REPORT 2017

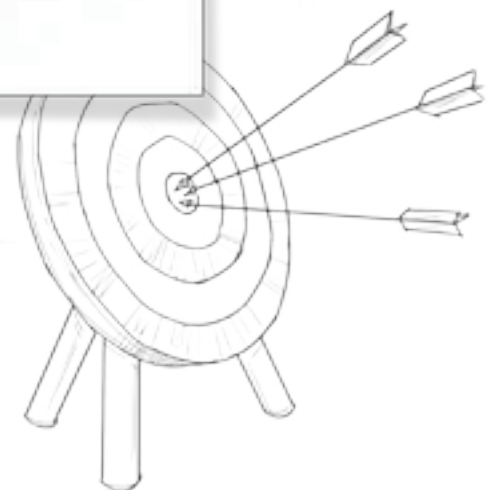


VISION

To be Asia's model corporation in sustainable development, innovating to enrich lives for a better tomorrow

MISSION

- **Empowering** our people to deliver **enhanced value** to all stakeholders
- **Embracing sustainability** in our business processes and decisions
- Attracting and nurturing a talented and **progressive workforce** for the **digital era**



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman,

Non-Independent Executive Director

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO

Non-Executive Co-Chairman,

Independent Non-Executive Director

Dato' Sri Idris Jala

(Appointed with effect from 11 August 2017)

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

Tan Sri Datuk Dr Rebecca Fatima Sta Maria

(Appointed with effect from 1 March 2018)

AUDIT COMMITTEE

Wong Chin Mun (Chairman)

Lim Swe Guan

Datuk Seri Yam Kong Choy

Tan Sri Dato' Dr. Lin See Yan

Tan Sri Datuk Dr Rebecca Fatima Sta Maria

(Appointed with effect from 1 March 2018)

NOMINATION COMMITTEE

Lim Swe Guan (Chairman)

Wong Chin Mun

Datuk Seri Yam Kong Choy

Tan Sri Dato' Dr. Lin See Yan

Dato' Sri Idris Jala

(Appointed with effect from 11 August 2017)

Tan Sri Datuk Dr Rebecca Fatima Sta Maria

(Appointed with effect from 1 March 2018)

REMUNERATION COMMITTEE

Datuk Seri Yam Kong Choy (Chairman)

Wong Chin Mun

Lim Swe Guan

Tan Sri Dato' Dr. Lin See Yan

Dato' Sri Idris Jala

(Appointed with effect from 11 August 2017)

Tan Sri Datuk Dr Rebecca Fatima Sta Maria

(Appointed with effect from 1 March 2018)

RISK MANAGEMENT COMMITTEE

Tan Sri Dato' Dr. Lin See Yan (Chairman)

Wong Chin Mun

Datuk Seri Yam Kong Choy

Lim Swe Guan

Tan Sri Datuk Dr Rebecca Fatima Sta Maria

(Appointed with effect from 1 March 2018)

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

Public 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

29 MAY 2017

Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2017

27 NOVEMBER 2017

Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2017

29 AUGUST 2017

Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2017

28 FEBRUARY 2018

Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2017

DIVIDEND

- First interim single tier dividend of 3 sen per ordinary share for the financial year ended 31 December 2017

Announcement of the notice of entitlement and payment: 11 September 2017

Date of entitlement : 17 October 2017

Date of payment : 26 October 2017

- Second interim single tier dividend of 3 sen per ordinary share for the financial year ended 31 December 2017

Announcement of the notice of entitlement and payment: 6 March 2018

Date of entitlement : 3 April 2018

Date of payment : 26 April 2018

ANNUAL REPORT & ANNUAL GENERAL MEETING

30 APRIL 2018

Date of notice of 8th Annual General Meeting and date of issuance of Annual Report 2017

21 JUNE 2018

Date of 8th Annual General Meeting



8 CORPORATE SUNWAY

- 10 Corporate Profile
- 12 Sunway's Value Creation
- 14 Group Corporate Structure
- 18 Sunway in the News
- 20 Calendar of Significant Events
- 28 Awards and Accolades

36 PERFORMANCE REVIEW

- 38 Chairman's Statement
- 44 Management Discussion and Analysis

76 FINANCIAL REVIEW

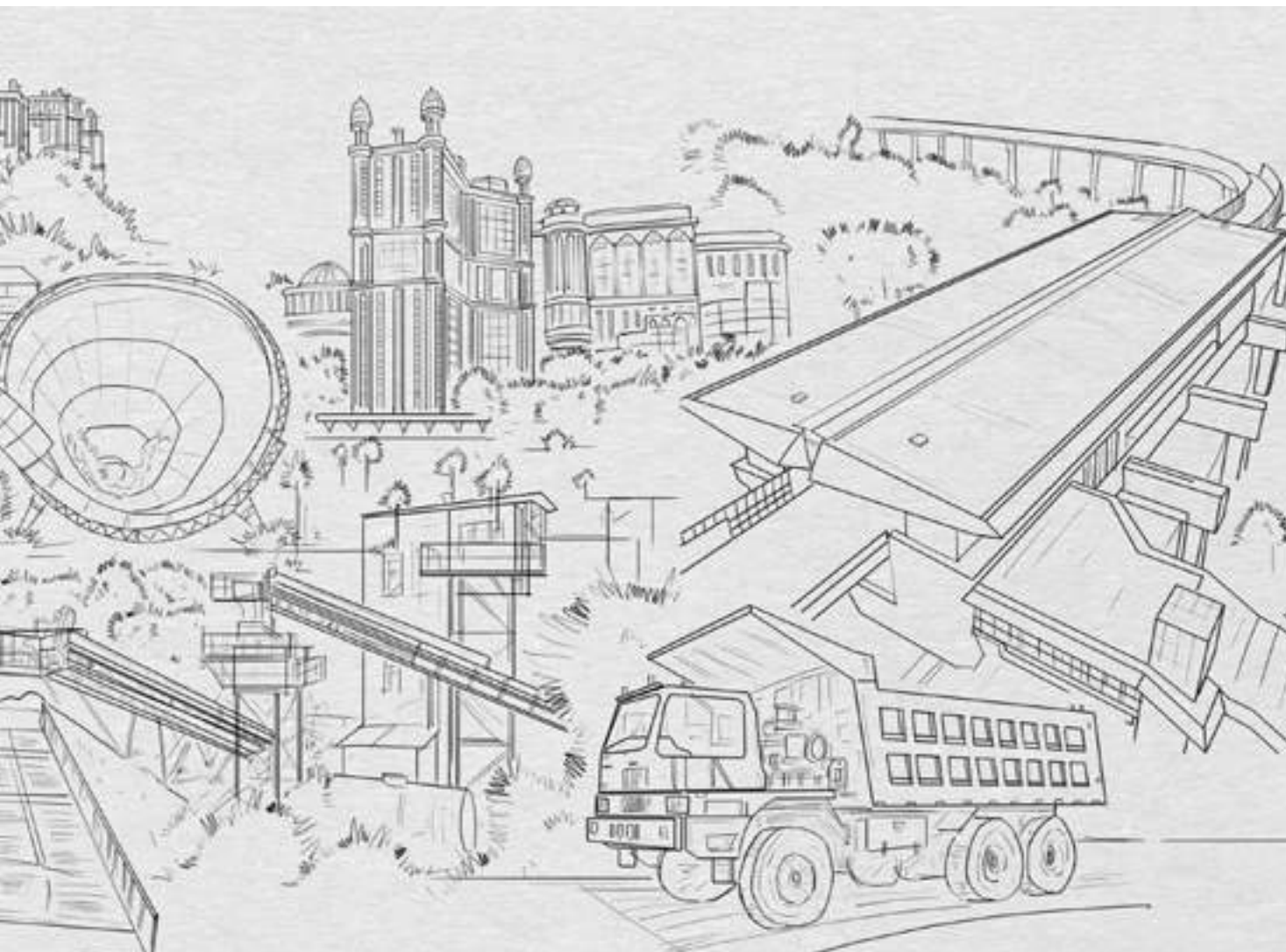
- 78 Segmental Performance
- 79 Financial Highlights
- 80 Value Added Statement
- 81 Share Performance

82 EXEMPLARY LEADERSHIP

- 84 Profile of Board of Directors
- 96 Profile of Senior Management

102 SUSTAINABILITY

- 104 Sustainability at Sunway



110 GOVERNANCE WITH INTEGRITY

- 112 Corporate Governance Overview Statement
- 123 Audit Committee Report
- 128 Statement of Risk Management and Internal Control
- 132 Additional Compliance Information
- 134 Investor Relations
- 137 Directors' Responsibility Statement for the Audited Financial Statements

138 FINANCIALS

- 140 Financial Statements
- 324 List of Material Properties

326 SHAREHOLDINGS' INFORMATION

- 328 Directors' Interests in Shares and Warrants based on the Register of Directors' Shareholdings
- 330 Analysis of Shareholdings
- 332 Analysis of Warranholdings

334 ANNUAL GENERAL MEETING

- 336 Notice of 8th Annual General Meeting
- Proxy Form

SUSTAINABLE COMMUNITIES

As a Master Community Developer, Sunway's Property Development division has delivered over 28,000 properties in key locations locally and overseas. Under its portfolio are the award winning integrated cities of Sunway City, Sunway Velocity, Sunway City Ipoh, Sunway Penang, and the 1,800-acre Sunway Iskandar, Sunway's largest integrated township development yet.

CORPORATE SUNWAY

- | | |
|------------------------------|-----------------------------------|
| 10 Corporate Profile | 18 Sunway in the News |
| 12 Sunway's Value Creation | 20 Calendar of Significant Events |
| 14 Group Corporate Structure | 28 Awards and Accolades |





CORPORATE PROFILE



SUNWAY'S HEADQUARTERS IN SUNWAY CITY

FORMATIVE PHASE

Sunway Berhad (“Sunway” or “Group”) traces its modest beginnings to 26 January 1978 with the establishment of Sungei Way Holdings Sdn Bhd, marking its foray into the tin mining industry. It was the company’s very first of many business explorations. Compelled by his transformative vision, Founder and Chairman, Tan Sri Dato’ Seri Dr Jeffrey Cheah continued to push boundaries and thrust the company forward to embrace diversification. The breadth of business interests was expanded to include construction, trading and manufacturing, quarrying, property development and building materials.

Inevitably, there were episodes of setbacks as the company grew, but it was agile in overcoming these challenges. Over the years, the business thrived from strength to strength, and was successfully 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 assuming the name of Sunway Holdings Berhad in 2007.

Sunway City Berhad, or initially known as Sri Jasa Sdn Bhd, was formed on 13 July 1982 to penetrate the burgeoning local property development scene. A sister company of Sunway Holdings Berhad, the company spearheaded the concept of integrated township through Sunway City, resurrecting what was once a barren tin mine into one of the region's most popular tourism destinations today. Aspired to elevate the company to conglomerate status, the business capacity was further broadened to integrate property development, property investment, hospitality, healthcare and leisure. On 8 July 1996, Sunway City Berhad was successfully listed on the Main Board of Bursa Malaysia.

In 2010, both Sunway Holdings Berhad and Sunway City Berhad were consolidated to cement a new stature as a property-construction behemoth, by the name of Sunway Berhad. The reinforced financial strength allowed the Group to take on more vast-scaled, notable projects. On 23 August 2011, Sunway Berhad was successfully listed on the Main Board of Bursa Malaysia.

On 19 September 2014, Sunway Group announced intentions to dispose Sunway Construction Sdn Bhd held by Sunway Holdings Sdn Bhd to Sunway Construction Group Berhad ("SunCon") for a separate listing under the construction sector on the Main Board of Bursa Malaysia. The listing exercise was completed on 28 July 2015, registering a market capitalisation of RM1.6 billion and emerging as the second largest Initial Public Offering of the year on Bursa Malaysia. The sterling debut amid a time of feeble domestic sentiment was strong testimony of the confidence investors have in Sunway. As a standalone entity, SunCon is now more flexible to explore opportunities within the construction industry. Sunway Berhad maintains a controlling stake of 54.4% in SunCon, and will therefore continue to benefit from the synergies created.

Sunway Berhad underwent a sector reclassification exercise to change its listing from the Properties sector to the Trading/Services sector on the Main Board of Bursa Malaysia with effect from 16 June 2017. It was a strategic move to accentuate the Group's strength as a conglomerate with diverse yet complementary businesses that are market leaders in their respective industries.

DYNAMIC CONGLOMERATE

Property and construction have often been regarded as Sunway's principal interests. However, equally imperative is the Group's long term strategic ambition to grow its non-property related segments such as healthcare, trading and manufacturing, leisure, hospitality, quarry and building materials to their full potential. With diversification, the Group benefits from the steady income streams to deliver consistent annual financial performance, especially during times of sector-specific down cycles. Further, in the interest of continuous improvement, Sunway constantly seeks to achieve higher operational efficiency, procurement savings and treasury management, striving to distribute greater returns to stakeholders.

Sunway practises active management of the entire property value chain, adhering to its distinguished "Build, Own, Operate" business model. A project cycle typically begins with landbanking and master-planning, followed by design and construction, marketing and sales, property management and lastly capital recycling via Sunway Real Estate Investment Trust ("REIT") upon maturity of the properties. Sunway's dynamic yet hands-on approach enables direct integration of design efficiencies and innovations into the end products, further adding value for property purchasers and enriching the lives of the communities it has built.

Sunway City, the Group's flagship integrated township, is a fitting reflection of Sunway's identity as a master community developer. Housed within this 800-acre township are eight fundamental components, namely residential, commercial, education, hospitality, retail, leisure, healthcare and industrial. This Green Building Index ("GBI") certified sustainable township attracts more than 42 million visitors annually and now it is even more accessible with the operation of the nation's first elevated Bus Rapid Transit ("BRT"), as well as the Light Rail Transit ("LRT") Kelana Jaya Line Extension. Also in its growing list of accolades is the Low Carbon City Award, where Sunway City emerged as the first township in Malaysia to win the award at the ninth Malaysian Institute of Planners (MIP) Awards for Planning Excellence in 2016.

Encouraged by the success of Sunway City, Sunway is confident and committed to replicating its business model in Sunway City Ipoh, Sunway Velocity in Kuala Lumpur, Sunway Penang and Sunway Iskandar in Johor. As the largest asset owner in its townships, the Group will continue to co-invest, build communities, and deliver sustainable value to its stakeholders into the future.

SUSTAINABLE WAY FORWARD

Heeding the Group's core values of Integrity, Humility and Excellence, Sunway is unwavering in its pursuit of excellence in the sectors it operates in, and dedicated in giving back to the society by taking on corporate social responsibilities.

Leveraging on a management team with sharp business acumen, Sunway Berhad has experienced considerable growth over the years. It is now among the top 100 largest stocks in Malaysia with a market capitalisation of RM8.0 billion as at 31 December 2017. Sunway Construction Group Berhad, its newly listed subsidiary, is the largest listed pure play construction company in Malaysia by revenue. Sunway REIT, a 39.3%-owned associate, is the second largest REIT in Malaysia by property value with a high quality portfolio of assets. Collectively, the three listed companies contributed to a total market capitalisation of RM16.9 billion as at 31 December 2017.

Built on the effective fusion of strong track records that stretch beyond four decades, proven business models, experienced management and a dedicated workforce of 15,000, Sunway Group is well positioned to embrace the challenges and pursue opportunities in the marketplace.

SUNWAY'S VALUE CREATION

Sunway's business model is at the core of all its practices. The delivery of sustainable distribution and growth is achieved through adding value to the inputs that Sunway depends on and creating value for multiple stakeholders through proactive capital management, prudent risk management, sustainable development goals, and in line with Sunway's core values, vision and mission.

CAPITAL INPUTS

MANUFACTURED CAPITAL

Sunway is a leading conglomerate with business interests in Property Development, Property Investment, REIT, Leisure, Hospitality, Construction, Trading and Manufacturing, Quarry, Building Materials and Healthcare.



Please refer to Corporate Profile and Management Discussion and Analysis for more information.

FINANCIAL CAPITAL

Sunway seeks to efficiently utilise funds generated from operations or investments and through optimal equity and debt financing structures.



Please refer to Financial Review and Capital Management in the Management Discussion and Analysis for more information.

INTELLECTUAL CAPITAL

Sunway's management's skills, multiple years of industry experience and expertise, coupled with the strong Sunway brand, form an important part of its intellectual capital.



Please refer to Profile of Board of Directors and Profile of Senior Management for more information.

HUMAN CAPITAL

Sunway continues to develop the talent of its most important asset – Sunwayians, and all employees work in cohesion to complete its human capital ecosystem.



Please refer to Sustainability Report 2017 for more information.

NATURAL CAPITAL

Sunway seeks to efficiently utilise land, water and energy in the operation of its businesses. Sunway is committed to sustainable development.



Please refer to Sustainability Report 2017 for more information.

SOCIAL AND RELATIONSHIP CAPITAL

Sunway engages and maintains strong relationships with key stakeholders, namely its Shareholders, Customers, Suppliers, Environment, Employees, Government and Industry Affiliations, and Communities.



Please refer to Chairman's Statement, Management Discussion and Analysis and Investor Relations for more information.



Please refer to Sustainability Report 2017 for more information.

ADDING VALUE

Sunway adds value by capitalising on its diversified businesses and unique business model, and harnessing group synergies across its value chain through close customer understanding and market monitoring.

TO SELL

Maximisation of land value through strategic landbanking, master planning and development to balance growth, cash flow and management of inventory.



FOR OTHERS

Proven contractor with strong technical expertise to drive efficiencies, timeliness, cost savings and high quality through highly specialised expertise in Design & Build and Virtual Design and Construction (VDC).



FOR SELF

Property and Construction collaboration from planning stage to reduce delays and design inefficiencies. In-house jobs provide bedrock orders.



TO OPERATE

Yield optimisation through creation of space and asset enhancement initiatives. Management of assets to drive operational yield for hospitality, leisure, retail, commercial, healthcare and industrial components, with potential for future REIT injection.



FOR YIELD

Acquisition or organic growth opportunities with management of capital and yield.



Robust risk management to mitigate risks in a dynamic business environment and adopting high standards of corporate governance.



Please refer to Corporate Governance Overview Statement and Statement of Risk Management and Internal Control for more information.

Guided by core values of
INTEGRITY, HUMILITY and EXCELLENCE

Driven by Sunway's
VISION:

To be Asia's model corporation in sustainable development, innovating to enrich lives for a better tomorrow.

SUNWAY'S BUSINESS DIVISIONS INCLUDE:



PROPERTY DEVELOPMENT



PROPERTY INVESTMENT AND REIT



LEISURE



HOSPITALITY



CONSTRUCTION



TRADING AND MANUFACTURING



QUARRY



BUILDING MATERIALS



HEALTHCARE

SYNERGIES WITH OTHER DIVISIONS:

Trading & Manufacturing with regional presence of 6 countries and 13,000 customer base; Quarry with 6 quarries and 13 asphalt plants; and Building Materials with 7 manufacturing facilities.



Please refer to Management Discussion and Analysis for more information.

Incorporation of Environmental, Social and Governance (ESG) sustainability considerations into Sunway's daily operations through responsible business practices. Sunway is committed to achieving the United Nation's 17 Sustainability Development Goals (SDGs), setting up the largest commitment to-date through the Jeffrey Sachs Center on Sustainable Development.



Please refer to Sustainability Report 2017 for more information.

CREATING VALUE

Sunway creates value for its stakeholders and its businesses by carefully managing and adding value to capital inputs.

Revenue:

RM5.4 billion

Profit Before Tax:

RM882.2 million

Dividend per share:

6 sen

Direct employment:

15,000 employees

Total visitors to Sunway City:

42 million per annum

Cumulative property units delivered:

Over 28,000

Assets under management:

RM9.4 billion

Combined market capitalisation of the Group's three listed companies:

RM16.9 billion

Sunway City community:

200,000 people

Please refer to Corporate Profile and Management Discussion and Analysis for more information.



Please refer to Sustainability Report 2017 for more information.

SHARING VALUE

Sunway shares the value created with its stakeholders or retains it to ensure business sustainability.

SHAREHOLDERS

Sunway manages all inputs to create profits which benefit shareholders through capital appreciation and dividend payments.

CUSTOMERS

Sunway offers strong value proposition through quality products and services, timely delivery and safety, in turn, building value for its customers' businesses.

SUPPLIERS

Sunway supports businesses throughout its value chain with emphasis on long term relationships.

ENVIRONMENT

Sunway creates positive impact through its environmental conservation initiatives.

EMPLOYEES

Sunway develops and motivates employees through career development, training and job opportunities.

GOVERNMENT AND INDUSTRY AFFILIATIONS

Sunway upholds best practices for compliance and corporate governance in the operations of its businesses.

COMMUNITIES

Communities where Sunway operates benefit through job creation, continuous improvement to infrastructure and safety, and use of its products and services.



Please refer to Management Discussion and Analysis for more information.



Please refer to Sustainability Report 2017 for more information.

MISSION:

- Empowering our people to deliver enhanced value to all stakeholders
- Embracing sustainability in our business processes and decisions
- Attracting and nurturing a talented and progressive workforce for the digital era

GROUP CORPORATE STRUCTURE



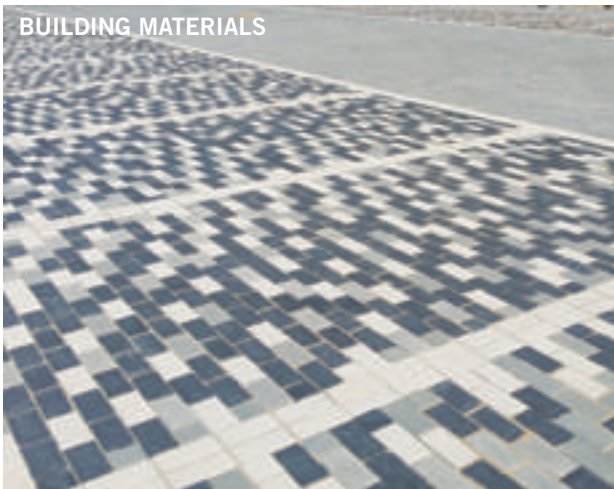
TRADING AND MANUFACTURING



QUARRY



BUILDING MATERIALS



INVESTMENT HOLDINGS AND OTHERS



HEALTHCARE



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
- Sunway Subang Sdn Bhd
- Sunway Serene Sdn Bhd
- Sunway Marketplace Sdn Bhd *
- Sunway Parkview Sdn Bhd *
- Sunway Seafront Sdn Bhd *
- Sunway Velocity Two Sdn Bhd *
(Formerly known as Austral Meridian Property Sdn Bhd)
- Sunway Kinrara 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 **
- Hoi Hup Sunway Sengkang Pte Ltd **
- Hoi Hup Sunway Clementi 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 **
- 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 Belfield Sdn Bhd
(Formerly known as Sunway Innopark Sdn Bhd)
- Sunglobal Resources Sdn Bhd
- Sunway Supply Chain Enterprise Sdn Bhd
- Daksina Harta Sdn Bhd
- Sunway Permai 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 Symphony Sdn Bhd
- Sunway Century Sdn Bhd
- Rich Worldclass Sdn Bhd
- Sunway Tower 1 Sdn Bhd
- Sunway Townhouse 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 Geo Parking Sdn Bhd
- Sunway REM Sdn Bhd
- Sunway Geo 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 Forum Hotel Sdn Bhd
- Sunway Resort Hotel Sdn Bhd
- Sunway Velocity 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
- Sunway Concrete Products (M) 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 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) #
- Sunway Trading (Shanghai) Pte Ltd #
- Sunway Daechang Forging (Anhui) Co Ltd #
- Sunway Winstar Sdn Bhd
(Formerly known as Winstar Trading Sdn Bhd)
- Sunway Saf-T Quip Sdn Bhd
(Formerly known as Saf-T-Quip Sdn Bhd)
- Sunway United Star Sdn Bhd
(Formerly known as United Star Engineering & Hardware Sdn Bhd)
- Sunway Hsing Yeat Sdn Bhd
(Formerly known as Hsing Yeat Sdn Bhd)
- Sunway Coating Solutions Sdn Bhd
(Formerly known as Aimstar Marketing Sdn Bhd)
- Jaya DIY Mart Sdn Bhd
(Formerly known as Weld Star Sdn Bhd)

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
- Sunway Leasing Sdn Bhd
- SWL Nominees (Tempatan) Sdn Bhd
- Sunway Elite Sdn Bhd
- Sunway Credit Sdn Bhd
- Sunway Risk Management Sdn Bhd
- Sunway Captive Insurance Ltd
- Gopeng Berhad *^
- SunCity Vietnam Sdn Bhd
- Hochimex Nominee Company Limited #
- Sunway City (S'pore) Pte Ltd #
- Sunway Money Sdn Bhd
- 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 #
- Sunway FSSC Sdn Bhd
- Sunway Labuan Investment Ltd
- 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
- Sunway Pharma Sdn Bhd
- Sunway PopBox Sdn Bhd
- Monumental Productions Sdn Bhd
- Sunway Ventures Sdn Bhd
- Sunway Leadership Centre Sdn Bhd
- Pasir Mas Holdings Sdn Bhd
- Fame Parade Sdn Bhd
- Emerald Tycoon Sdn Bhd
- Sunway Ordera Sdn Bhd
- Sunway (Tianjin) Management Consultancy Co. Ltd. #
- Frontier Acres Sdn Bhd
- Reptolink Sdn Bhd
- Galaxy Avenue Sdn Bhd

Notes:

This Group Corporate Structure excludes dormant companies.

Overseas company

^ Public listed company

* Associated company / Jointly-controlled entity

SUNWAY IN THE NEWS





Tan Sri Dato' Seri Dr Jeffrey Cheah AO conferred AEAN@50 Lifetime Achievement Award



Pelantikan Idris Jala Dorong Sunway Bhd Sasar Peluang Pertumbuhan Baharu



吉隆坡市長旅遊獎 雙威太子廣場獲金獎



Sunway Velocity Hotel a synergistic addition to integrated development



Managed right from its inception

Sunway Velocity Hotel, a 10-story, 100-room hotel, is a synergistic addition to the integrated development of Sunway Velocity, a 100-acre, multi-phase development in the heart of Kuala Lumpur.



The hotel is a synergistic addition to the integrated development of Sunway Velocity, a 100-acre, multi-phase development in the heart of Kuala Lumpur. The hotel is a synergistic addition to the integrated development of Sunway Velocity, a 100-acre, multi-phase development in the heart of Kuala Lumpur.

Sunway to acquire leasehold land in Jalan Peel

	2016	2017
Revenue	1,410	1,470
Profit	100	110
EPS	0.10	0.11
Dividend	0.05	0.05



SunCon earnings higher



Sunway proposes 4-for-3 bonus issue with free warrants

KUALA LUMPUR (June 14) Sunway (9816) has proposed to undertake a bonus issue of up to 2.8 billion new shares on the basis of four bonus shares for every three existing Sunway shares held, on an entitlement to be determined later.



25 years of wondrous fun



雙威建築今年爭取20億合約 擬擴土業務拉低聯幅

雙威建築今年爭取20億合約 擬擴土業務拉低聯幅

Sunway unit to take full control of SSQ

KUALA LUMPUR: Sunway Bhd unit, Sunway Lagoon Sdn Bhd

Agip Express jeli win a boon for Sunway Contractor



謝富年永續發展演說 在美國獲得熱烈迴響



Sunway banks on healthcare unit, plans 5 more hospitals



Tan Sri Dato' Seri Dr Jeffrey Cheah receives the Inaugural Sustainability Icon Award



Cheah highlights Sunway role in upholding sustainable development

KUALA LUMPUR: Sunway Group Chairman and Chief Executive Officer (CEO) Dr Jeffrey Cheah AO, today highlighted the role of Sunway in upholding sustainable development and the importance of the company's commitment to the environment.



CALENDAR OF SIGNIFICANT EVENTS



7 FEBRUARY 2017

LIGHT OF HOPE: CHINESE NEW YEAR CHEER

Sunway Group, in partnership with the National Kidney Foundation (“NKF”), came together to celebrate the lunar new year at the NKF headquarters in Petaling Jaya with 73 patients.

The patients come from eight different dialysis centres across Klang Valley, namely Pusat Dialisis NKF – Kelab Apex, Bakti, Good Health, Charis, Rotary Damansara, Dato Dr. GA Sreenevasan, Nanyang and Fungates Superflow.

Sunway Group donated two dialysis machines worth RM100,000 to NKF which will benefit thousands of patients with kidney failure who visit the Pusat Dialisis NKF - Rotary Damansara in Selangor and the Pusat Dialisis NKF – Yayasan Pembangunan Keluarga Darul Ta’zim in Johor Bahru to receive treatments.

In its sixth year, the Chinese New Year Cheer 2017 is an annual initiative that is a part of Sunway Group’s “Light of Hope” programme to reach out and touch the lives of the less privileged, and to create a sustainable impact in improving the lives of its communities, especially during major festive seasons.



10 FEBRUARY 2017

SUNWAY ACQUIRES STRATEGIC LAND OPPOSITE SUNWAY VELOCITY

Sunway Berhad, via its wholly-owned subsidiary, Sunway City Sdn Bhd, entered into a Subscription and Shareholders’ Agreement with Low Peng Kiat, CRSC Property Sdn Bhd and Austral Meridian Property Sdn Bhd (“AMP”) to establish a joint venture to co-develop AMP’s leasehold land at Jalan Peel, Cheras.

The prime land measures approximately 8.45 acres and it is located along Jalan Peel, directly opposite the existing 23-acre Sunway Velocity integrated development. The project will be developed as Sunway Velocity TWO and is expected to be synergistic with the existing Sunway Velocity development.



15 FEBRUARY 2017

SUNWAY-MIGHT COLLABORATION TO ACHIEVE MALAYSIA’S SMART CITY ASPIRATIONS

The Malaysian Industry-Government Group for High Technology (MIGHT) which is under the purview of the Prime Minister’s department, collaborated with Sunway Group to conduct a Smart and Sustainable City workshop. Both parties shared their knowledge to further develop the local industry for national interest, thereby supporting Malaysia’s goal of becoming an advanced economy. Sunway is the first private sector partner under the Sustainable Cities Programme led by MIGHT.

Sunway City’s key stakeholders from various divisions such as property, leisure, commercial, retail, education, hospitality and healthcare convened at the workshop to identify current and new sustainable initiatives. They also explored other opportunities in charting Sunway City’s journey to becoming a pioneer in Smart and Sustainable City.

Through this alliance, Sunway aims to further improve the way its communities live, learn, work and play via the implementation of digital solutions and innovative initiatives within the township.


9 MARCH 2017
TOP INDUSTRY LEADERS JOIN FORCES FOR A SMOKE FREE WORKFORCE

In line with the national agenda to be smoke-free by 2045, the Ministry of Health (“MoH”) together with Johnson & Johnson Sdn Bhd (“J&J”) launched a first-of-its-kind “Smoke Free Workforce” campaign. It has drawn enthusiastic participation from a panel of top industry leaders, including Tan Sri Dr Jeffrey Cheah and CEO of AIA Bhd, Ms Anusha Thavarajah. These leaders have pledged to champion the cause and its implementation within their organisations, to create a smoke-free, healthier working environment. This initiative also resonates with the MoH’s goal of helping 130,000 smokers quit smoking each year, over the next three years, complementing the ministry’s ongoing JomQuit and mQuit programmes.

Tan Sri Dr Jeffrey Cheah has always been a strong advocate of a smoke-free environment. In addition to making all Sunway-owned buildings and premises smoke-free, the Group will continue to carry out comprehensive smoking cessation plans and other internal activities to educate its employees of the benefits of a smoke free workforce.


13 MARCH 2017
SUNWAY CONSTRUCTION AWARDED MRT STATION WORKS WORTH RM212.3 MILLION

Sunway Construction Sdn Bhd received the Letter of Award for the construction and completion of three elevated stations and other associated works at Damansara Damai, Sri Damansara West and Sri Damansara East from Mass Rapid Transit Corporation Sdn Bhd. This Mass Rapid Transit (“MRT”) Package S201 entails the foundation or piling works, civil and structural works, architectural and building works, finishes, electrical and mechanical works, system works as well as other associated works for a sum of RM212.3 million.

The package is part of the RM1.2 billion Package V201 that was awarded to Sunway Construction on 1 April 2016. It is expected to enhance the overall margin and ease work coordination. The station works are scheduled for completion on 30 September 2020.


18 MARCH 2017
SUNWAY LEADERS CONFERENCE 2017

Close to 2,000 employees attended the Sunway Leaders Conference, held at Sunway Pyramid Convention Centre. The one-day conference is held annually to inspire Sunway executives to lead, innovate and sustain.

Notable speakers such as Professor Baba Shiv, Professor of Marketing at Stanford Graduate School of Business, Stanford University, and Professor Dean Williams, Adjunct Lecturer in Public Policy, for the Center for Public Leadership, Harvard University spoke on topics such as “Neuroscience and the Connection to Exemplary Leadership” and “Leading Change for Organisational Renewal”.

Participants also had the opportunity to vote for the winners of the #SUNWAYFORGOOD and “Show Me Your Leader” photo competition organised to inspire leadership within Sunway Group.

CALENDAR OF SIGNIFICANT EVENTS



24 MARCH 2017

SUNWAY CONSTRUCTION BAGS THREE PROJECTS

Sunway Construction Sdn Bhd has received the Letter of Award from Gas District Cooling (Putrajaya) Sdn Bhd for the proposed Engineering, Procurement, Construction and Commissioning (EPCC) of chilled water supply system and power generation system at Gas District Cooling (GDC) Plant 1, Precinct 1, in Putrajaya. The contract sum is RM152.4 million and the project is expected to complete in the third quarter of 2018.

Sunway Geotechnics Sdn Bhd, a subsidiary of Sunway Construction Sdn Bhd, was awarded bore piling works for Sungai Besi-Ulu Kelang Elevated Expressway (Suke) Package: CB1 from Cergas Murni Sdn Bhd and Damansara-Shah Alam Elevated Expressway (DASH) Package: CA1 from Usahasama Monza – Latimer, worth RM18.1 million and RM15.8 million respectively. Both projects are slated for completion by the second half of 2018.

4 MAY 2017

SUNWAY INNOVATION LABS TO PROPEL TECHNO-ENTREPRENEURSHIP

Sunway Innovation Labs (“Sunway iLabs”) was launched and officiated by Tan Sri Mohd Irwan Serigar Abdullah, Secretary General of Ministry of Finance and Chairman of MaGIC, alongside Tan Sri Dr Jeffrey Cheah, Founder and Chairman of Sunway Group, and Chancellor of Sunway University.

The Group’s latest not-for-profit smart partnership sees the close collaboration between Sunway University, Sunway Group and Sunway Ventures, working together to stimulate market-driven innovations.

Sunway iLabs will function as a start-up incubator as well as run accelerator programmes, acting as a micro-ecosystem, which will encourage the development of the start-up ecosystem within the country.

5 MAY 2017

“IM4U FM FABRIK KASIH BERSAMA SUNWAY”

Over 300 Sunway volunteers from Kuala Lumpur, Ipoh and Penang, supported by Sunway’s Construction and Property divisions, joined forces with iM4U youth radio station to make this Raya a memorable one for nine homes across three states. A total of 405 old folks, orphans and autistic children were given specially designed baju raya, had their welfare homes refurbished, and were feted to a sumptuous dinner, goody bags and Duit Raya.

A part of the Group’s #SUNWAYFORGOOD series, the programme featured the participation of several local fashion designers, namely Tengku Syahmi, Zakwan Anuar and Fuzana Mokhtaza. They mentored the fashion design students from GIATMARA Malaysia and Kolej Vokasional to curate an exclusive Hari Raya collection for the less privileged.

The National Kidney Foundation (“NKF”), a long-time partner of Sunway Group, also took part in this meaningful collaboration. NKF organised a School Outreach Programme, comprising a health awareness talk and several educational activities, for the children.

Sunway acquires freehold land in Jalan Belfield for RM165mil



13 JULY 2017

SUNWAY ACQUIRES PRIME FREEHOLD LAND IN JALAN BELFIELD

Sunway Innopark Sdn Bhd, a wholly-owned subsidiary of Sunway City Sdn Bhd which in turn is a wholly-owned subsidiary of Sunway entered into a Sale and Purchase Agreement with LGT Sdn Bhd and Tan Sri Lim Kok Thay, Puan Sri Datin Seri Lim (Nee Lee) Kim Hua, Yarraville Sdn Bhd, Dandenong Sdn Bhd and Ripponlea Sdn Bhd to purchase a 4.53-acre prime freehold land in Jalan Belfield, Kuala Lumpur for a sum of RM165.0 million.

The land is strategically located in the Kuala Lumpur city centre, and within three kilometres from prominent landmarks including the Bukit Bintang shopping belt, the KL Sentral transport hub and Perdana Botanical Garden. The Maharajalela monorail station is located 500 metres from the land, making it convenient for residents to travel to the Bukit Bintang shopping belt and the KL Sentral transport hub. It is also easily accessible via the Federal Highway and the North and South Bound PLUS Expressway via Jalan Syed Putra, Jalan Damansara and Jalan Istana. The land is earmarked for the development of serviced apartments, with some lifestyle retail units.



21 JULY 2017

SUNWAY GEARS UP FOR AN EXCITING PHASE IN PENANG

Sunway's Property Development division unveiled its sales gallery and regional office located at Jalan Anson, Georgetown. The building is the first sales gallery to be certified Green Building Index (GBI) Gold in Penang.

The official opening was graced by Sunway Group Founder and Chairman, Tan Sri Dr Jeffrey Cheah, Penang State Exco Member for Local Government, Traffic Management and Flood Mitigation, Yang Berhormat Chow Kon Yeow, and Mayor of City Council Of Penang Island, Yang Dipertua Dato' Maimunah. The special guests were accompanied by the Sunway management team in officiating the event.

The opening of the new sales gallery and regional office, Sunway Penang @ Anson marks a series of developments into Penang which include the expansion of Sunway's first integrated township in Penang – Sunway City Seberang Jaya which will be home to Sunway's first healthcare centre in Penang and the extension of the Sunway Carnival Mall. Sunway will also be expanding its portfolio on the island through the next integrated city, Sunway Valley City, located in Paya Terubong.



1 AUGUST 2017

SUNWAY BUYS FREEHOLD LAND IN KAJANG

Daksina Harta Sdn Bhd, a subsidiary of Sunway, acquired approximately 5.28 acres of freehold land in Kajang, bundled with the existing semi-completed building structure on site, for a purchase consideration of RM63.0 million. The land was purchased from Concept Housing Development (M) Sdn Bhd.

The existing development comprises a 3-storey retail podium, a 10-storey car park, a 20-storey commercial tower and another 12-storey commercial tower. Sunway plans to utilise the completed concrete structure, and incorporate minor adjustments to accommodate the proposed mixed development.

The site is located less than two kilometres from Kajang town and less than 200 metres from the KPJ Kajang Specialist Hospital. It is also adjacent to the Sg Jernih MRT station, making it another strategic transit-oriented development project for the Group. The project, upon completion, will be one of the first of its kind in Kajang, and set to be a new landmark in the vicinity.

CALENDAR OF SIGNIFICANT EVENTS



3 AUGUST 2017

DISPOSAL OF SUNWAY CLIO PROPERTY TO SUNWAY REIT

Sunway Berhad announced the disposal of the Sunway Clio Property to Sunway REIT for RM340.0 million. Sunway Clio Property comprises a 19-storey 4-star rated hotel, a 3-storey retail space and a multi-storey car park.

The Sunway Clio Property is located within the township of Sunway City, in close proximity to Sunway Resort Hotel & Spa and Sunway Pyramid Hotel which are owned by Sunway REIT. In addition to having a convenient connection to the adjacent Sunway Pyramid, the retail space features a mixture of international and national chain retailers such as Starbucks, The Parenthood, Hokkaido Ramen and Sanook.

A hotel lease agreement was also signed for an initial term of 10 years to allow Sunway Resort Hotel Sdn Bhd to run the hotel operations in the property.



11 AUGUST 2017

240,000 MEALS TO RISE AGAINST HUNGER

In conjunction with Malaysia's 60th Independence Day, Sunway continued to render support to national development through the 'Rise Against Hunger Meal Packing Programme', as part of its #SUNWAYFORGOOD initiative. It manifests the Group's commitment in embracing and achieving the United Nations Sustainable Development Goal No.2 - Zero Hunger.

During the month of August, Sunwayians embarked on a nationwide campaign to pack an ambitious 240,000 meals, a significant leap from 40,000 meals last year. In four instalments, the packing events took place in Sunway Lost World Hotel in Ipoh, Sunway Hotel Seberang Jaya in Penang, Sunway Medical Centre in Kuala Lumpur, and Sunway International School in Iskandar, Johor, with each event contributing 60,000 meals. At RM1 per meal, these nutritious packed meals will feed 4,000 underserved individuals, including the Orang Asli community, old folks, orphans and those living below the poverty line, for a total of 60 days.



16 AUGUST 2017

SUNWAY ACQUIRES 4.34 ACRES OF FREEHOLD LAND IN WANGSA MAJU

Sunway City Sdn Bhd, together with joint venture partner, Huatland Development Sdn Bhd entered into a Sale and Purchase Agreement with Setapak Heights Development Sdn Bhd via joint venture company, Sunglobal Resources Sdn Bhd to acquire 4.34 acres of freehold land in Wangsa Maju for RM51.1 million.

Sunglobal Resources Sdn Bhd, which is 55%:45% owned by Sunway and Huatland Development Sdn Bhd respectively, intends to earmark the land for a mixed development comprising serviced apartments with some lifestyle retail units. The parcel of land is strategically located in the rapidly developing area of Wangsa Maju, less than eight kilometres from the Kuala Lumpur city centre and well-connected via major highways and within walking distance to the Sri Rampai LRT station.

Sunway Bhd to buy lands for RM167m

By NST Business - August 1, 2017 @ 9:59pm

KUALA LUMPUR: Sunway Bhd. had via its indirect wholly-owned subsidiary Enterprise Sdn Bhd, is buying four parcels of lands from Jaka Resources Property Sdn Bhd for RM167.6 million.

The freehold industrial land in Subang Jaya spans 8.55ha.

It is planning to redevelop into a mixed-use development with an estimated value of at least RM1.1 billion.

In a filing to Bursa Malaysia yesterday, Sunway said the sale and purchase is conditional on the approval of the shareholders of Jaka Resources.

"The land's strategic location and easy access to major highways is

SunCon bags RM581.66m job to build civil servant housing in Kelantan

BY WONG EE LIN

KUALA LUMPUR: Sunway Construction Group Bhd (SunCon) has bagged a construction contract worth RM581.66 million for the construction of 1Malaysia Civil Servants Housing (PPA1M) apartments in Kelantan.

In a filing with Bursa Malaysia yesterday, SunCon said its subsidiary Sunway Construction Sdn Bhd had inked a construction contract with Liza Standaco Sdn Bhd for the proposed construction and completion of six blocks of 29-storey PPA1M apartments.

The project is for about 24 months from the date of commencement, to be completed by the first quarter of 2020, said SunCon. "The project is expected to contribute positively to the earnings of SunCon Group from the financial year ending Dec 31, 2019 onwards," said SunCon. The current project which is SunCon's outstanding order book as date to RM1.7 billion is said.



17 AUGUST 2017

LANDBANKING IN USJ 1, SUBANG JAYA

Sunway, via its wholly-owned subsidiary, Sunway Supply Chain Enterprise Sdn Bhd, entered into Sale and Purchase Agreement with Premier Place Property Sdn Bhd, a wholly-owned subsidiary of JAKS Resources Berhad for the acquisition of four parcels of freehold land in USJ 1, totaling approximately 14.8 acres for a purchase consideration of RM167.6 million.

The industrial lots are strategically located in the matured township of Subang Jaya, presenting opportunities to be redeveloped into a mixed-use development. Its proximity to Sunway City makes it ideal as an extension to complement the Group's township. The existing industrial warehouses and storage facilities also allow for immediate usage for Sunway's Trading and Manufacturing business.

The parcels of land are well served by major highways such as the KESAS, NPE and NKVE highways; as well as public transportation, with the South Quay BRT station and USJ 7 LRT station located approximately 600 metres and less than one kilometre away, respectively. Within the radius of 500 metres are local landmarks like Da Men Mall, Summit USJ, Giant Hypermarket and Mydin Hypermarket.

14 SEPTEMBER 2017

SUNWAY CONSTRUCTION SECURES RM581.7 MILLION CONTRACT FOR PPA1M PROJECT

Sunway Construction Sdn Bhd, a wholly-owned subsidiary of Sunway Construction Group Berhad, secured a RM581.7 million contract from LIZIZ Standaco Sdn Bhd. The project entails the construction of 2,160 units across six blocks of 29-storey 1Malaysia Civil Servants Housing ("PPA1M") apartments in Kota Bahru, Kelantan.

The project is for a duration of 30 months and it is slated for completion by the first quarter of 2020.

15 SEPTEMBER 2017

SUNWAY OPENS 351-ROOM TRANSIT-ORIENTED HOTEL IN SUNWAY VELOCITY

The Hospitality division of Sunway Group announced that its 351-room Sunway Velocity Hotel will open its doors for operations on 20 September 2017. Upon opening, the mid-market hotel will be the only transit-oriented, and the only integrated hotel within the Cheras vicinity.

Located within the heart of the vibrant, transit-oriented, 23-acre Sunway Velocity integrated township, Sunway Velocity Hotel is one of the final synergistic additions to the premier shopping, dining and entertainment experiences of the Sunway Velocity Mall, the office towers, serviced residences and a sprawling two-acre central park which is within the development, besides the upcoming medical centre slated to open in 2019.

CALENDAR OF SIGNIFICANT EVENTS



25 SEPTEMBER 2017

TAN SRI DR JEFFREY CHEAH RECEIVES STANDING OVATION AT UN CONFERENCE

Tan Sri Dr Jeffrey Cheah, Sunway Group Founder and Chairman, and the Jeffrey Cheah Foundation founding trustee, received a standing ovation at his inaugural address to the Leadership Council of the United Nations Sustainable Development Solutions Network (SDSN) meeting in New York, USA. He shared his viewpoints on the importance of sustainable development, Sunway Group's initiatives, and underscored that all sectors of society have an obligation to come together towards the achievement of the 2030 Agenda.

The Leadership Council comprises eminent experts on sustainable development from academia, business, civil society, and the public sector from across the globe and oversees the work of the Sustainable Development Solutions Network, including advancing the 17 sustainable development goals on a global scale.

5 OCTOBER 2017

SUNWAY CONSTRUCTION AWARDED RM2.2 BILLION LRT3 PROJECT

Sunway Construction Sdn Bhd, a wholly-owned subsidiary of Sunway Construction Group Berhad clinched the civil package for Light Rail Transit 3 ("LRT3"), its largest single project to-date worth RM2.2 billion. The contract is for the Package GS07-08 which stretches from Kawasan 17 to Sri Andalas. It entails the construction and completion of guideway, stations, an iconic bridge, park and rides, ancillary buildings and other associated works. The project is for a period of 36 months and is expected to be completed by the fourth quarter of 2020.

The project marks Sunway Construction's fourth elevated rail project since 2011. Sunway Construction continues to be the choice infrastructure contractor, building on its successes in completing the Klang Valley Mass Rapid Transit Package V4 (Section 17 to Semantan Portal), Light Rail Transit Kelana Jaya Line Extension (Package B) and the nation's first elevated Bus Rapid Transit – Sunway Line.

24 OCTOBER 2017

SUNWAY ASSUMES FULL OWNERSHIP OF SUNWAY SOUTH QUAY

Sunway Lagoon Sdn Bhd ("SLSB"), a subsidiary of Sunway Berhad, acquired the remaining 20% of the share capital of Sunway South Quay Sdn Bhd ("SSQ") from Employees Provident Fund Board ("EPF"), increasing SLSB's stake in SSQ to 100% from 80%.

Earlier, on 10 October 2017, SLSB had also entered into a Share Sale Agreement with Kuwait Finance House (Malaysia) Berhad (KFH) to acquire their 20% stake in SSQ.

The full ownership of the Sunway South Quay development and its developable landbank is expected to contribute positively to the Group's current and future earnings. The increase in stake is an affirmation of Sunway's confidence and commitment to the long term prospects and success of Sunway South Quay.

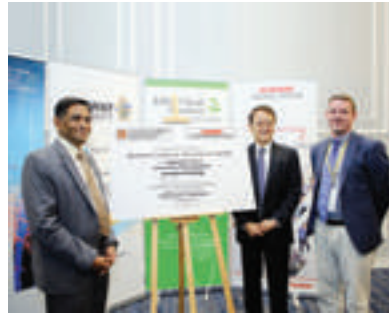

29 OCTOBER 2017

SUNWAY BROUGHT 6,000 GOOD MALAYSIANS TOGETHER TO RUN FOR CANCER

More than 6,000 altruistic Malaysians flocked to Sunway City to take part in Sunway's The Good Run around Sunway City. Participants of the 15km trail had the privilege of running on the elevated Bus Rapid Transit (BRT).

The run collected RM200,000 which went in its entirety to Cancerlink Foundation for its cancer awareness and Psychosocial Health Care Support Programme. This programme provides information support, socio-emotional caring, management of cancer treatment and physical therapy sessions, benefitting thousands affected by cancer, including patients, caregivers, families, friends, colleagues, as well as the general public.

The event was organised by Sunway's Property division and Sunway Medical Centre, in collaboration with Majlis Perbandaran Subang Jaya (MPSJ) and Prasarana Malaysia Berhad, with Prudential as a sponsor and Sunway City as the official venue.


21 NOVEMBER 2017

CAMBRIDGE COMES TO SUNWAY

The University of Cambridge has signed several agreements with the Sunway Group and the Jeffrey Cheah Foundation, marking the 800-year-old world-renowned university's first such entry into Asia, and first of its collaborations of this kind in the world.

As part of the collaboration, Sunway Medical Centre will establish the Sunway Clinical Research Centre, which will be a Regional Site Partner of the University of Cambridge School of Clinical Medicine. Cambridge University's decision to collaborate with Sunway further testifies to Sunway's commitment to excellence and to giving back to society.

This is an extension of Sunway's relationship with the University of Cambridge, which began in 2014 with the establishment of the Jeffrey Cheah Professorial Fellowship Fund.


27 NOVEMBER 2017

COASTAL HIGHWAY SOUTHERN LINK LAUNCH

Johor Menteri Besar, Datuk Seri Mohamed Khaled Nordin launched the Coastal Highway Southern Link ("CHSL"), the final stretch connecting the existing Coastal Highway to the Second Link Expressway. The infrastructure project was led by Iskandar Investment Berhad (IIB), in collaboration with its partners; UEM Sunrise Berhad, Sunway Iskandar Development Sdn Bhd (SIDSB) and Mulpha International Bhd. The 5.2-kilometre highway features a dual carriageway road, two interchanges, two junctions and two bridges.

CHSL will be a game changer for Iskandar Malaysia and will be an enabler for the sustainable economic growth of the region. The highway is expected to augment the rapid growth of Iskandar Malaysia and attract more direct investments, foreign and domestic, to the region and the Group's integrated township, Sunway Iskandar. The CHSL opened to the public on 29 November 2017.

AWARDS & ACCOLADES



SUNWAY RECOGNISED FOR SUSTAINABILITY INITIATIVES

10 JANUARY 2017

EVENT:

ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2016

AWARDS RECEIVED:

- Commendation Award: Commitment
- Commendation Award: Knowledge Management



TAN SRI DR JEFFREY CHEAH RECOGNISED BY ALMA MATER

9 APRIL 2017

EVENT:

Victoria University Graduation Ceremony

AWARD RECEIVED:

- Victoria University Distinguished Alumni Award



Sunway Group scooped two commendation awards at ACCA MaSRA 2016, while Sunway Construction and Sunway Real Estate Investment Trust (REIT) were shortlisted for their continuous efforts in sustainability reporting.

The ACCA MaSRA was first developed to recognise organisations which report and disclose material economic, environmental and social information in line with sustainability reporting frameworks. Besides encouraging the uptake of sustainability reporting, the awards also aim to raise awareness of corporate transparency issues.

Sustainability is deeply embedded in the DNA of Sunway, and is evident through the values embraced, as well as the townships built, owned and operated. These wins further reaffirm the Group's commitment to not only sustainable business practices, but also transparent demonstration through sustainability reporting.

Tan Sri Dr Jeffrey Cheah received Victoria University's 2016 Distinguished Alumni Award from Chancellor of Victoria University, Mr George Pappas, at the Victoria University Graduation Ceremony held at Sunway Resort Hotel and Spa.

The Distinguished Alumni Award is awarded each year to recognise the outstanding achievements and contributions of a member of the Victoria University alumni in their chosen field of endeavour. Only one recipient is selected a year, based on several selection criteria including being recognised as a leader in their field, receiving formal recognition for their endeavours, demonstrating integrity and high ethical standards, and exemplifying the pursuit of excellence in everything they do.

As a pioneer in the Malaysian educational landscape for twinning degree programmes, Victoria University was one of the first educational institutions that Sunway Education Group was affiliated with. The Sunway Education Group and Victoria University's 24-year academic partnership is one of Tan Sri Dr Jeffrey Cheah's many contributions to the field of education in Malaysia.



TAN SRI DR JEFFREY CHEAH RECEIVES INAUGURAL SUSTAINABILITY ICON AWARD

12 MAY 2017

EVENT:

14th RAM League Awards

AWARD RECEIVED:

- Rating Agency Malaysia ("RAM") Sustainability Icon Award



SEVENTH CONSECUTIVE WIN IN BCI ASIA AWARDS

12 MAY 2017

EVENT:

BCI Asia Awards 2017

AWARD RECEIVED:

- Malaysia's Top 10 Property Developer

Sunway Group Founder and Chairman, Tan Sri Dr Jeffrey Cheah has become the first and only recipient of RAM Consultancy's inaugural Sustainability Icon Award at the 14th RAM League Awards Night.

The award was conferred in recognition of Tan Sri Dr Jeffrey Cheah's leadership in and contribution to environmental sustainability and socio-economic development, on both local and regional fronts, through Sunway Group and the Jeffrey Cheah Foundation ("JCF").

Distinguished sustainability initiatives include the transformation of disused mining land into what is now Sunway City; the establishment of Jeffrey Sachs Center on Sustainable Development through partnership between JCF and the United Nations Sustainable Development Solutions Network (SDSN); and Sunway's pledge to 17 United Nations Sustainable Development Goals.

Sunway Berhad was named Malaysia's Top 10 Property Developer in the BCI Asia Awards 2017, marking the Group's seventh consecutive year of recognition in the regional event.

Presented annually to the top 10 developers and architects in seven key Asian markets, namely Hong Kong, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam, the award promotes and lauds sustainable developments in both social and environmental aspects. Property developers are evaluated based on the extent of sustainability incorporated in their projects from the prior year. The judging criteria are established by BCI Asia and the green building ratings are awarded through World Green Building Council (WGBC) accredited certifications.

This series of recognitions reaffirms Sunway's stature as a responsible Master Community Developer in Malaysia and its deep-rooted commitment to sustainable developments.

AWARDS & ACCOLADES



SUNWAY MEDICAL CENTRE AMONG THE BEST IN ASIA PACIFIC

19 MAY 2017

EVENT:

Global Health and Travel GHT-Bernstein 2017 APAC Healthcare & Medical Tourism Awards

AWARDS RECEIVED:

- Runner-up – Medical Tourism Hospital of the Year 2017 in Asia Pacific
- Best Orthopaedic Service Provider of the Year 2017 in Asia Pacific



SUNWAY PUTRA MALL WINS GOLD AT KL MAYOR'S TOURISM AWARDS

23 MAY 2017

EVENT:

Kuala Lumpur Mayor's Tourism Awards 2017

AWARD RECEIVED:

- Gold Award – Shopping Mall Category



Sunway Medical Centre ("SunMed") was named joint runner-up for the Medical Tourism Hospital of the Year 2017 Award in the Asia Pacific region, alongside Mount Elizabeth Hospital, Singapore, at the GHT-Bernstein 2017 APAC Healthcare and Medical Tourism Awards. The winner of the category was Bumrungrad Hospital, Thailand. At the same award ceremony, SunMed also won Best Orthopaedic Service Provider of the Year 2017 in Asia Pacific, and was acknowledged as the healthcare facility of choice for medical travellers.

The awards are jointly organised by AB Bernstein, a globally-recognised leading investment management and research firm, and the Hong Kong-based Global Health & Travel magazine. The GHT-Bernstein Awards recognise healthcare providers that have maintained consistently high standards in delivering customer value and demonstrated outstanding performances in initiatives that improve the way healthcare is delivered through areas such as leadership, technological innovation, customer service and strategic product development.

The awards are among the prestigious accolades for SunMed as the healthcare centre has also received two awards at the International Medical Travel Journal (IMTJ) Awards 2017, namely the International Hospital of the Year 2017 and Best Marketing Initiative awards.

Sunway Putra Mall was the Gold Award winner for the Shopping Mall category in the Kuala Lumpur Mayor's Tourism Awards 2017.

The award distinguishes and recognises the crème de la crème in the Kuala Lumpur tourism scene, acknowledging their contribution to the city's socio-economic growth through revenue generation and employment opportunities. Criteria for judging is based on the Kuala Lumpur Tourism Master Plan 2015-2025 with entries going through stringent selection by a panel of judges and public voting.

This year marked Sunway Putra Mall's first participation and first victory in the event after only two years in operation. This win reinforces Sunway Putra Mall's status as a Malaysia Tourism Quality Assurance (MyTQA) certified mall that delivers stellar service quality and tourism products. Unique initiatives by the mall include appointment of customer service staff as DBKL's brand ambassadors to promote heritage walks in Kuala Lumpur and collaborations with Malaysian Airlines and Matta Fair to promote Kuala Lumpur as a tourism destination.



TAN SRI DR JEFFREY CHEAH CONFERRED ASEAN@50 LIFETIME ACHIEVEMENT AWARD

4 AUGUST 2017

EVENT:

ASEAN@50 Commemorative Dinner & Achievement Awards

AWARD RECEIVED:

- Lifetime Achievement Award



SUNWAY CITY NAMED INTEGRATED SMART AND LOW-CARBON TOWNSHIP

4 AUGUST 2017

EVENT:

IDC Smart City Asia Pacific Awards (SCAPA) 2017

AWARD RECEIVED:

- Smart Buildings - Integrated Smart and Low-Carbon Township

Sunway Group Founder and Chairman, Tan Sri Dr Jeffrey Cheah was honoured with the ASEAN@50 Lifetime Achievement Award, the highest tribute by the ASEAN-Business Advisory Council Malaysia (ASEAN-BAC).

Tan Sri Dr Jeffrey Cheah was appreciated for his exceptional vision, dedication and contributions in the fields of business, education and sustainability, in Malaysia and also other ASEAN countries, through Sunway Group and the Jeffrey Cheah Foundation.

One of the key achievements lauded during the selection process was Tan Sri Dr Jeffrey Cheah's immense effort in rehabilitating Sunway City from a tin-mining wasteland to a thriving integrated sustainable township, transforming the local social and economic landscape.

Sunway City was named the Integrated Smart and Low-Carbon Township under the Smart Buildings category at the IDC Smart City Asia Pacific Awards (SCAPA) 2017, emerging as the first and only township in Malaysia to clinch this prestigious regional award.

SCAPA recognises the most outstanding smart city projects in Asia Pacific excluding Japan ("APeJ"), across a total of 14 functional smart city award categories. The award is the culmination of a rigorous six-phase benchmarking exercise comprising preliminary shortlisting by in-house analysts, consideration of public opinion through online voting, and evaluation by an international advisory council.

Sunway City was among the 130 high-quality smart city initiatives submitted for this award by local governments, vendors and the public across the APeJ region, and was amongst the 46 shortlisted initiatives eligible for the final public voting phase. Sunway City is Malaysia's first fully integrated green township as certified by Green Building Index in 2012, and was named a Low Carbon City by the Malaysian Institute of Planners in 2016.

AWARDS & ACCOLADES



TRIPLE REGIONAL RECOGNITIONS FOR THE BANJARAN HOTSPRINGS RETREAT

21 AUGUST 2017

EVENT:

7th Asian Lifestyle Tourism Awards 2017

AWARDS RECEIVED:

- Most Outstanding Spa & Wellness Destination in Asia
- Best Wedding Destination in South East Asia
- Outstanding General Manager



A HAT TRICK FOR SUNWAY AT THE EDGE BRC

21 AUGUST 2017

EVENT:

The Edge Billion Ringgit Club (BRC)

AWARDS RECEIVED:

- Highest Return to Shareholders over Three Years – Gold (Property RM3 billion and Above Market Capitalisation)
- Highest Return on Equity over Three Years – Silver (Property RM3 billion and Above Market Capitalisation)
- Highest Growth in Profit After Tax over Three Years – Silver (REIT)



The Banjaran Hotspings Retreat in Ipoh bagged three coveted regional awards at the Asian Lifestyle Tourism Awards (ALTA™) 2017 in Singapore. The luxury retreat was recognised as one of the Most Outstanding Spa and Wellness Destination in Asia and Best Wedding Destination in Southeast Asia. In addition, the General Manager of The Banjaran Hotspings Retreat, Mr Alex Castaldi, took home the Outstanding General Manager Award.

The ALTA™ Awards is organised by the Singapore-based Asia Leading Resorts Inc, a lifestyle tourism authority approved by 24 Asian Tourism Ministries and participating financial and banking partners in Asia. The awards aim to identify, celebrate and promote excellence in the products and services of the lifestyle tourism industry.

The Banjaran Hotspings Retreat is the country's first luxury natural wellness hotspings getaway set amidst limestone hills of 260 million years old and lush rainforests, nestled in the heart of Ipoh. These accolades serve as a solid testament of the resort's unwavering commitment to pushing boundaries of industry excellence to emerge and stand firm as Asia's Best.

Sunway Berhad and Sunway REIT took home three awards at the elite The Edge Billion Ringgit Club annual gala dinner and corporate awards. Categorised under Property companies of RM3 billion and above in market capitalisation, Sunway Berhad won Gold for Highest Return to Shareholders over Three Years and Silver for Highest Return on Equity over Three Years. Sunway REIT was presented Silver for Highest Growth in Profit After Tax over Three Years under the REIT category.

Sunway Berhad is viewed as a resilient stock that is able to ride out the property market slowdown due to its diversified business portfolio. The awards are introduced exclusively to identify and honour the most outstanding performers amongst the Bursa Malaysia-listed companies with RM1 billion and above in market value as at 31 March 2017, while inspiring more to grow into billion-ringgit corporations.



SUNWAY LAGOON IS ONE OF ASIA'S EMPLOYER OF CHOICE

13 OCTOBER 2017

EVENT:

HR Asia Best Companies To Work For In Asia 2017 Awards

AWARD RECEIVED:

- HR Asia Best Companies To Work For In Asia 2017 Award



SUNWAY CLINCHES MOST WINS AT TOP PROPERTY DEVELOPERS AWARDS

30 OCTOBER 2017

EVENT:

The Edge Malaysia Top Property Developers Awards 2017

AWARDS RECEIVED:

- Outstanding Property CEO Award
- Best in Qualitative Attributes Award
- Top 10 Property Developers Award
- Pioneer Development Award – Sunway University
- Property Development Excellence Award – Sunway Pyramid

Sunway Lagoon was recognised once again for its exemplary Human Resources (HR) practices at the HR Asia Awards 2017, and was bestowed the honour of being one of Asia's "Employer of Choice" by HR Asia, the most authoritative publication on HR practices in this region.

With multiple other awards and accolades under its belt, the theme park has successfully clinched HR Asia's 'Best Companies to Work For In Asia' award for the second year in a row. Covering 12 markets across the region, the awards recognise organisations that have earned a comparative advantage through their people. Judges employ a specialised system designed by HR Asia to examine the best industry practices and inner workings of companies, with a strong emphasis on employee engagement and growth, among other factors.

Sunway clinched a total of five recognitions at The Edge Malaysia's Top Property Developers Awards 2017. Sunway's Property Development division was listed amongst the top 10 property developers and emerged best in qualitative attributes. Sunway's Managing Director for its Property Development division (Malaysia and Singapore), Sarena Cheah received The Edge Malaysia's Outstanding Property CEO Award 2017 in recognition of her outstanding contribution to the industry. Under her stewardship, Sunway claimed the top spot as the Top Property Developer in Malaysia in 2015 and 2016 and delivered the best qualitative scores for four consecutive years.

Sunway University clinched The Edge Malaysia Pioneer Development Award 2017. Sunway was one of the first developers in the country to build an educational institution within its 800-acre integrated township of Sunway City. The University is now owned and governed by the Jeffrey Cheah Foundation, which is worth more than RM 1 billion in assets and is Malaysia's largest education-focused social enterprise. Sunway REIT-owned Sunway Pyramid also clinched The Edge Malaysia Property Development Excellence Award 2017.

AWARDS & ACCOLADES



TRIPLE WINS AT THE PUTRA BRAND AWARDS 2 NOVEMBER 2017

EVENT:

Putra Brand Awards 2017

AWARDS RECEIVED:

- Silver Award – Property Development Category
- Silver Award – Education & Learning Category
- Bronze Award – Entertainment Category



SAKURA RESIDENCE NAMED BEST INTERNATIONAL DEVELOPMENT 16 NOVEMBER 2017

EVENT:

iProperty Development Excellence Awards 2017

AWARD RECEIVED:

- Best International Development



Sunway's divisions achieved consecutive wins and were voted as preferred brands at the Putra Brand Awards 2017. Sunway's Property Development division won the Silver Award in the Property Development Category, its fourth award under the category. Sunway University won its second consecutive Silver Award in the Education & Learning Category while Sunway Lagoon won its third consecutive award, a Bronze Award in the Entertainment Category.

Organised by the Association of Accredited Advertising Agents Malaysia (4As), the Putra Brand Awards was endorsed by the Malaysian External Trade Development Corporation (MATRADE), and supported by the Branding Association of Malaysia (BAM), Malaysian Advertisers Association (MAA), and Media Specialists Association (MSA). The awards ceremony was held in collaboration with Star Media Group Bhd and saw more than 6,000 Malaysian consumers voting for their most preferred brands.

Sunway's wins at the Putra Brand Awards not only testifies to its ability to build relationships by delivering value in every category, but also highlights Sunway's unique position to create meaningful experiences for individuals throughout their lifetime.

The country's first luxurious pre-fabricated homes in Johor, Sakura Residence, took home the Best International Development Award at the prestigious iProperty Development Excellence Awards 2017. Sakura Residence, a private gated community with a total of 100 prefabricated double-storey bungalows and semi-detached homes, is a collaborative effort between Sunway and Daiwa House Malaysia Sdn Bhd ("Daiwa").

The award reflects Daiwa and Sunway's aim to produce quality and healthy living for the community in Sunway Iskandar. The pre-fabricated homes are designed with optimal space utilisation in mind and features user-friendly elements such as non-slippery floors, waterproof socket point, finger-safe doors and user friendly switches.

The unique aspects of using prefabricated technology include high precision structure, shorter delivery timeframe, well ventilated design, energy-saving and clean living environment.



TRIPLE AWARDS AT NACRA 2017 23 NOVEMBER 2017

EVENT:

National Annual Corporate Report Awards ("NACRA") 2017

AWARDS RECEIVED:

- Industry Excellence Award – Properties & Hotels Category
- Industry Excellence Award – Real Estate Investment Trusts (REITs) & Closed-End Funds Category
- Certificate of Merit



SUNWAY PUTRA MALL BAGS FIABCI MALAYSIA PROPERTY AWARD 2017 25 NOVEMBER 2017

EVENT:

FIABCI Malaysia Property Award 2017

AWARD RECEIVED:

- FIABCI Malaysia Property Award 2017 - Retail Category

Sunway Berhad and Sunway REIT successfully clinched the Industry Excellence Awards for the Properties & Hotels category and the Real Estate Investment Trusts (REITs) & Closed-End Funds category respectively at NACRA 2017. The companies were recognised for their publications of factual, comprehensive and reader friendly annual reports. This marks Sunway Berhad's eleventh consecutive win and Sunway REIT's sixth consecutive win in the event. Sunway Construction also clinched a Certificate of Merit for its annual report.

A collaborative effort between Bursa Malaysia, Malaysian Institute of Accountants, and The Malaysian Institute of Certified Public Accountants (MICPA), NACRA aims to promote excellence in annual corporate reporting and higher standards of corporate governance.

Sunway Putra Mall has been named the winner of the Retail Category at the FIABCI Malaysia Property Award 2017. With this win, Sunway's malls have collectively clinched three FIABCI Malaysia Property Awards – Sunway Putra Mall in 2017, and Sunway Pyramid in 2000 and 2010, making it the only mall group to achieve this distinction.

Currently in its 25th year, the award serves to honour Malaysia's best developments in all aspects of their creation, as guidance and inspiration for developers to continue undertaking more creative and innovative projects that would benefit the industry.

LIFE-ENRICHING EXPERIENCES

Sunway's Property Investment and Real Estate Investment Trust division owns and manages one of the largest asset portfolios in Malaysia comprising retail malls, office towers, university campuses, student accommodations, an industrial asset and a medical centre. The division will continue to grow its asset portfolio with a vision of creating more life-enriching experiences for its communities.

PERFORMANCE REVIEW

38 Chairman's Statement

44 Management Discussion and Analysis





CHAIRMAN'S STATEMENT



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

EXECUTIVE CHAIRMAN

DEAR 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 2017 ("FY 2017"). While 2017 presented another year of challenging market environment, Sunway continued its resilience in rising above expectations, braving frontiers while reaching out to customers and stakeholders.



SUNWAY CITY – SMART SUSTAINABLE CITY

PERFORMANCE REVIEW

For FY 2017, our revenue and profit before tax stood at RM5.4 billion and RM882.2 million respectively, up from RM4.7 billion and RM859.0 million in FY 2016. The operating performance across most business units improved during the year, contributing positively to the Group's earnings. The Property Development and Construction divisions contributed 47% to the Group's bottom line, whilst contributions from the other businesses, which include Property Investment, REIT, Leisure, Hospitality, Trading and Manufacturing, Quarry, Building Materials and Healthcare increased to 53%. Geographically, 91% of Sunway's profit before tax was generated through operations in Malaysia, with Singapore as the second largest contributor.

REWARDING SHAREHOLDERS

In June 2017, Sunway announced a bonus issue of shares on the basis of four bonus shares for every three existing Sunway shares held by the shareholders of Sunway, and free warrants on the basis of three warrants for every ten existing Sunway shares held. The exercise was aimed at rewarding the shareholders of Sunway for their confidence and continuous support in the Group. The Group's enlarged share base will also enhance the marketability and trading liquidity of Sunway shares on Bursa Malaysia Securities.

To make the warrants attractive, we incorporated a step-down pricing mechanism in the exercise price of the warrants, effectively making it more attractive to exercise in the later part of the tenure of the warrants. The step-down pricing mechanism encourages long-term holding and deters immediate dilution to the equity shareholdings arising from the exercise of the warrants. The corporate exercise was completed in October 2017 with the listing of close to 2.8 billion new shares and 630.0 million warrants.

Further, on the back of the Group's commendable financial performance, we have declared an annual dividend payout of 6 sen per share for FY 2017 based on the enlarged number of shares of the Group. The first interim dividend of 3 sen per share was paid in October 2017, while the second interim dividend amounting to 3 sen per share will be paid in April 2018. For comparison purposes, the total dividend for FY 2016 of 12.14 sen adjusted to reflect the new share base of Sunway after the bonus issue of shares is equivalent to 5.2 sen per share.

LEADING CONGLOMERATE

From our humble beginnings in tin mining and quarrying, Sunway has now grown into one of the leading conglomerates in Malaysia with a portfolio of synergistic businesses, which are leaders in their respective industries. In addition to property development, property investment and construction, Sunway has further integrated its business model to include healthcare, trading and manufacturing, quarry and building materials over the years. In June 2017, we reclassified Sunway Berhad's listing status from the Properties sector to the Trading/Services sector on the Main Board of Bursa Malaysia Securities to reflect our current status as one of Malaysia's largest conglomerates.

The journey continues with our new corporate vision – to be Asia's model corporation in sustainable development, innovating to enrich lives for a better tomorrow. Sunway City is testament that sustainable development is embedded in our DNA, having been transformed from a disused and abandoned mining crater, into Malaysia's first integrated township with a thriving community of more than 200,000 people living, working, playing and learning in a safe and healthy environment.



Please refer to Vision & Mission Statement for more information.

CHAIRMAN'S STATEMENT



SUNWAY GROUP PARTNERS UNIVERSITY OF CAMBRIDGE AND PAPWORTH HOSPITAL

SUSTAINABILITY, FOR A BETTER TOMORROW

Building a sustainable business model to help eradicate poverty through education and reverse environmental degradation have been my goals over the years. This inspired me to establish Sunway Group and the development of Sunway City. Built on a barren land of disused mining pools, Sunway City now represents a “Smart Sustainable City”, balanced with technology and an ecosystem filled with 25,000 planted trees and 150 species of flora and fauna. Sunway City has been wired with fibre optic cables throughout the township to enable easy WiFi connectivity. In addition, green certified buildings have been added to Sunway City's portfolio, as well as our very own water treatment plant to purify water from a local ex-mining lake.

Sunway goes beyond tangible developments. Human capital development is equally important and our 15,000 strong workforce is comprised of diverse races, religions, ages and genders to empower businesses and operations. The foundation of a good workforce stems from quality education and 2017 marked the 30th anniversary of the Sunway Education Group and the 10th anniversary of The Jeffrey Cheah School of Medicine and Health Sciences. Monash University Malaysia was awarded the coveted Outstanding, 6-star rating in SETARA-2017 (Rating System for Malaysia Higher Education 2017), while Sunway College and Sunway College Johor Bahru both earned 6-star ratings in the 2017 Malaysian Quality Evaluation System (MyQuest) for Private Colleges.

Quality education is important, and must be sustained for future generations. The Jeffrey Cheah Foundation is now Malaysia's largest education-focused social enterprise, valued at RM1 billion and governed by an independent board of trustees. It is a not-for-profit trust, aimed at governing the educational institutions and awarding scholarships and research grants. No less than RM330 million worth of scholarships have been awarded to-date. A further USD10 million was donated to the United Nations Sustainable Development Solutions Network to establish the Jeffrey Sachs Center on Sustainable Development at Sunway University Malaysia. My personal goal is to award more than RM1 billion in scholarships in my lifetime for the betterment of education.

In our pursuit of excellence in the field of education and healthcare, Sunway is delighted and honoured to have forged partnerships with prestigious institutions such as the University of Cambridge, Harvard University and Oxford University. Sunway Clinical Research Centre was set up by Sunway Medical Centre as the Regional Site Partner of the University of Cambridge School of Clinical Medicine, to integrate healthcare research and clinical trials aimed at prevention, early diagnosis and improved treatments for diseases, particularly with relevance to the Asian genetic composition. While our academic links with Oxford University began as early as 2015, we have not rested on our laurels, committing our focus into further research on Stem Cells. The 2nd Cambridge–Oxford–Sunway Biomedical Symposium held from 21 to 22 November 2017 featured 13 distinguished experts from the United Kingdom and Australia.



Please refer to Sustainability Report 2017 for more information.



THE EDGE MALAYSIA'S OUTSTANDING PROPERTY CEO AWARD



RAM CONSULTANCY'S SUSTAINABILITY ICON AWARD



10TH ANNIVERSARY OF THE JEFFREY CHEAH SCHOOL OF MEDICINE AND HEALTH SCIENCES



JEFFREY SACHS CENTER AT SUNWAY UNIVERSITY MALAYSIA

EXCELLENCE, IN EVERYTHING WE DO

Our achievements in 2017 speak volume about Sunway's diverse yet successful businesses. We clinched five wins at The Edge Malaysia's Top Property Developers Awards 2017. Sunway was acknowledged amongst the Top 10 Property Developers in Malaysia and won the Best Qualitative Attributes award for the fourth consecutive year. The Edge Malaysia Pioneer Development Award was clinched by Sunway University, and our iconic retail development – Sunway Pyramid bagged The Edge Malaysia Property Development Excellence Award. The award for The Edge Malaysia's Outstanding Property CEO Award was deservedly won by Sarena Cheah, Sunway Berhad's Managing Director of the Property Development Division (Malaysia and Singapore).

At the Putra Brand Awards, our developments continue to be recognised and awarded as Sunway University and Sunway's Property Development division bagged the Silver Award in the Education & Learning and Property Development categories, respectively, while Sunway Lagoon won its third consecutive award, a Bronze Award in the Entertainment category.

The newly refurbished Sunway Putra Mall was named the winner in the Retail Category at the FIABCI Malaysia Property Award 2017, making it a hat trick of wins for Sunway's shopping malls, as Sunway Pyramid clinched this award in 2000 and 2010.

I am also proud to share that Sunway Medical Centre was awarded joint runner-up for the Medical Tourism Hospital of the Year 2017 Award in the Asia Pacific region at the Global Health and Travel GHT-Bernstein 2017 APAC Healthcare and Medical Tourism Awards, alongside Singapore's Mount Elizabeth Hospital and one rank behind Thailand's Bumrungrad Hospital. We also won Best Orthopaedic Service Provider of the Year 2017 in Asia Pacific. These wins recognise our consistently high standards in delivering customer value and our outstanding performance in initiatives that improve the way healthcare is delivered.

At the National Annual Corporate Reporting Awards, Sunway Berhad won its eleventh consecutive Industry Excellence Award for the Properties & Hotels category, while Sunway REIT proudly clinched the Industry Excellence Award for the Real Estate Investment Trust & Closed End Funds category for the sixth consecutive year. Sunway Construction Group Berhad took home a Certificate of Merit, ensuring that all three Sunway public-listed companies were recognised for excellence in annual corporate reporting.

Further, our sustainability initiatives were recognised by multiple reputable bodies in 2017. RAM Consultancy assigned its highest Sustainability Rating of Gold to Sunway Berhad, reaffirming Sunway's strong sustainability focus and alignment towards the United Nations Sustainable Development Goals. I am also honoured to be the first recipient of RAM Consultancy's inaugural Sustainability Icon Award at the 14th RAM League Awards Night. Separately, Sunway Berhad received two commendation awards at the ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2016, while Sunway Construction and Sunway Real Estate Investment Trust (REIT) were shortlisted for their continuous efforts in sustainability reporting.



Please refer to Awards & Accolades for more information.

CHAIRMAN'S STATEMENT



ARTIST'S IMPRESSION OF SUNWAY VELOCITY TWO



ARTIST'S IMPRESSION OF SUNWAY WANGSA MAJU

LANDBANKING FOR FUTURE GROWTH

2017 was a year in which we focused on landbanking in strategic locations within the Klang Valley, aiming for transit-oriented developments where we would be able to leverage on our prior experience in building integrated and mixed developments. We successfully acquired five parcels of land in Malaysia within the span of six months, with an estimated total Gross Development Value ("GDV") of over RM5.5 billion. As at 31 December 2017, Sunway's total landbank stood at 3,305 acres, with a total GDV of RM53.0 billion.

The first parcel, measuring 8.45 acres, is located opposite our Sunway Velocity development in Jalan Peel, Cheras. This will be synergistically developed into Sunway Velocity TWO, comprising serviced apartments, retail shops and offices with an estimated GDV of RM2.0 billion.

Following this, we acquired a 4.53-acre parcel of freehold land in Jalan Belfield, Kuala Lumpur for RM165.0 million. The site is located in Kuala Lumpur city centre, in close proximity to many prominent landmarks.

In August, we acquired another three parcels of freehold land in excellent locations across the Klang Valley and within walking distance to public transportation.

A parcel in Kajang, measuring 5.28 acres, was acquired for RM63.0 million, together with semi-completed structures which we intend to continue to build on. It is immediately adjacent to the newly-opened Sg Jernih Mass Rapid Transit ("MRT") station.

In USJ, Subang Jaya, we spent RM167.6 million to acquire 14.8 acres of valuable landbank in close proximity to Sunway City. The land will be used for warehousing and storage purposes by the Group's Trading and Manufacturing division in the short term, but we have plans to subsequently redevelop the land into a mixed development with a GDV of approximately RM1.4 billion.

Another 4.34 acres was acquired in Wangsa Maju for RM51.1 million via a joint venture, where we will be looking to develop more affordable residential units to complement our current product range.

OUTLOOK AND PROSPECTS

Sunway's Property Development division has targeted RM2.0 billion worth of properties to be launched in 2018. The launches will mainly be residential properties, half of which are located within Sunway's integrated townships which have recorded strong take up rates for past launches. Other launches are urban lifestyle developments, spread across multiple strategic locations with good infrastructure connectivity.

With a proven and reputable track record, the Construction division has continued to benefit from large infrastructure projects, namely the MRT Line 2 and Light Rail Transit (LRT) Line 3 and internal contracts within the Group. Its outstanding order book stands at RM6.1 billion as at 31 December 2017. For 2018, the division will be looking to sustain the current level of order book.



Please refer to Management Discussion and Analysis for more information.



WELCOMING DATO' SRI IDRIS JALA AS CO-CHAIRMAN OF THE BOARD

Our Healthcare division will also be expanding, with plans to build five more hospitals. The new hospitals will be within our integrated developments in Sunway Velocity, Seberang Jaya, Sunway Damansara, Sunway City Ipoh and Sunway Iskandar. The Sunway Velocity hospital is already under construction and is expected to be completed by early-2019.

Sunway has always thrived in challenging times. Our dynamic and integrated business model has proven resilient during such times. From property to construction, healthcare, trading and manufacturing, quarry and building materials, Sunway has always benefited from synergies among its business units to gain competitive advantage.

ACKNOWLEDGEMENT

The Group's accomplishments in the past year were the result of exemplary dedication and support from stakeholders. On behalf of the Board, I would like to extend my gratitude to the Group's management, employees, customers, suppliers, business partners, investors, financiers, shareholders and the respective government authorities for their support in building Sunway to what it is today. My deepest gratitude to Mr Teh Quen Chang, Chief Executive Officer of the Quarry division, who has retired, for his invaluable years of contribution to the Group, and my congratulations to Mr Lee Chuan Seng, who will take over from him.

I would also like to take this opportunity to welcome the new members of the Board; Dato' Sri Idris Jala, who was appointed to Sunway's Board as co-chairman and independent non-executive director on 11 August 2017, and Tan Sri Datuk Dr Rebecca Fatima Sta Maria, appointed as independent non-executive director on 1 March 2018. I am confident that Dato' Sri Idris, with his vast experience and reputation as a renowned transformation guru, will be able to contribute greatly to help steer the Group to greater heights. Tan Sri Datuk Dr Rebecca, as well, with her deep knowledge and experience in international trade, human resources and social welfare, will also be able to contribute to the Group's success.

On that note, I conclude this year's review and we look forward to another exciting and rewarding year ahead. Today Sunway, Tomorrow the World.

**TAN SRI DATO' SERI DR
JEFFREY CHEAH FOOK LING AO**
EXECUTIVE CHAIRMAN



Please refer to Profile of Board of Directors and Profile of Senior Management for more information.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF SUNWAY BERHAD

Sunway Berhad is one of the leading conglomerates in Malaysia. The Group consists of a portfolio of synergistic businesses, including Property Development, Property Investment, REIT, Leisure, Hospitality, Construction, Trading and Manufacturing, Quarry, Building Materials and Healthcare. These businesses are market leaders in their respective industries, which helps to strengthen the competitiveness of the unique business model of the Group. In June 2017, Sunway Berhad was reclassified from the Properties sector to the Trading/Services sector on the Main Board of Bursa Malaysia Securities. This is in line with the Group's strategic ambition to grow its non-property related businesses as well. The performance of the various businesses of the Group is reviewed below.

FINANCIAL REVIEW

The Group recorded revenue of RM5,375.4 million and profit before tax of RM882.2 million in FY 2017 compared to revenue of RM4,655.6 million and profit before tax of RM859.0 million in FY 2016, representing an increase in revenue of 15.5% and profit before tax of 2.7%. Performance in the current year was better due to higher contributions from most divisions, except the Property Development and Quarry divisions.

SEGMENTAL REVIEW

PROPERTY DEVELOPMENT

The Property Development division reported revenue of RM989.7 million and profit before tax of RM241.1 million in FY 2017 compared to revenue of RM1,203.0 million and profit before tax of RM328.2 million in FY 2016, representing a decrease in revenue of 17.7% and profit before tax of 26.5%. The performance for the current year was lower mainly due to lower sales and progress billings from local development projects.

PROPERTY INVESTMENT

The Property Investment division reported revenue of RM866.0 million and profit before tax of RM212.7 million in FY 2017 compared to revenue of RM692.1 million and profit before tax of RM158.4 million in FY 2016, representing an increase in revenue of 25.1% and profit before tax of 34.3%.

Revenue was higher in the current year mainly due to the additional contribution from Sunway Velocity Mall which opened in December 2016, an increase in the number of visitors to the Group's theme parks, and the re-opening of Sunway Pyramid Hotel in 2017 following a refurbishment exercise in 2016. Although profit contribution from the new Sunway Velocity Mall is not positive during the initial rental period due to higher rebates given in the current competitive market condition, profit before tax in the current year was nonetheless higher due to better contribution from the other operations.

CONSTRUCTION

The Construction division reported revenue of RM1,627.7 million and profit before tax of RM174.4 million in FY 2017 compared to revenue of RM1,137.4 million and profit before tax of RM134.1 million in FY 2016, representing an increase in revenue of 43.1% and profit before tax of 30.1%. Performance of this division in the current year was better due to stronger progress billings from local construction projects and lower intra-group eliminations resulting from a lower proportion of in-house jobs during the year.

The division closed the year with the highest order book replenishment to-date of RM4.0 billion, doubling the management's target of RM2.0 billion. Outstanding order book as at 31 December 2017 was also at a high of RM6.1 billion, providing earnings visibility for the next three years.

TRADING & MANUFACTURING

The Trading and Manufacturing division reported revenue of RM996.5 million and profit before tax of RM43.9 million in FY 2017 compared to revenue of RM833.3 million and profit before tax of RM35.6 million in FY 2016, representing an increase in revenue of 19.6% and profit before tax of 23.3%. Improvements in the overall market condition and sentiment resulted in higher sales and profit for the division, both locally and overseas.

QUARRY

The Quarry division reported revenue of RM202.1 million and profit before tax of RM5.4 million in FY 2017 compared to revenue of RM207.4 million and profit before tax of RM25.0 million in FY 2016, representing a decrease in revenue of 2.6% and profit before tax of 78.2%.

Revenue in the current year was marginally lower due to lower sales volume for aggregates and premix, while profit before tax was lower mainly due to lower operating margins. The performance of this division was also negatively affected by the temporary halt in operations at the Rawang quarry due to closure of the access road for the final stage of construction of a new highway, and cessation or relocation of two other quarry sites during the year.

BUILDING MATERIALS

The Building Materials division reported revenue of RM222.4 million and profit before tax of RM34.2 million in FY 2017 compared to revenue of RM166.3 million and profit before tax of RM22.7 million in FY 2016, representing an increase in revenue of 33.8% and profit before tax of 50.5%. The stronger performance in FY 2017 was a result of higher sales of pavers, spun piles and vitrified clay pipes, and better margins. It was also the first full year of operations at the division's spun pile plant in Batang Kali.

HEALTHCARE

The Healthcare division reported revenue of RM364.6 million and profit before tax of RM51.3 million in FY 2017 compared to revenue of RM299.2 million and profit before tax of RM37.7 million in FY 2016, representing an increase in revenue of 21.9% and profit before tax of 36.1%. The improved performance of the division was mainly driven by higher patient volume and the opening of new wards and clinics at Tower C of Sunway Medical Centre in 2017. As at 31 December 2017, the hospital's capacity increased from 373 beds to 533 beds.

	REVENUE (RM'000)			PROFIT BEFORE TAX (RM'000)		
	2017	2016	2015	2017	2016	2015
Property Development	989,660	1,203,024	1,195,682	241,098	328,150	262,647
Property Investment (comprises Property Investment, REIT, Leisure and Hospitality)	865,954	692,131	638,932	212,696	158,390	315,645
Construction	1,627,656	1,137,413	1,222,119	174,369	134,065	162,678
Trading & Manufacturing	996,468	833,349	650,002	43,935	35,631	24,134
Quarry	202,071	207,379	242,147	5,448	24,996	39,243
Building Materials	222,424	166,295	138,095	34,208	22,727	15,393
Healthcare	364,612	299,168	252,136	51,256	37,653	35,953

STATEMENT OF FINANCIAL POSITION

The Group's total borrowings increased from RM7.4 billion in FY 2016 to RM8.3 billion in FY 2017. However, this increase was partially offset by an increase in cash and bank balances and placement in funds from RM4.1 billion in FY 2016 to RM4.4 billion in FY 2017. As a result, net borrowings in FY 2017 was RM3.8 billion, which is slightly higher than the net borrowings in FY 2016 of RM3.3 billion. The additional borrowings during the year was utilised to fund capital expenditure related to the construction of the Group's investment properties, land acquisitions and acquisition of the minority interest stake in Sunway South Quay.

Total assets increased from RM18.8 billion in FY 2016 to RM20.2 billion in FY 2017. This was mainly attributable to the increase in cash and bank balances and land held for property development.

Share capital increased from RM2.1 billion in FY 2016 to RM5.4 billion in FY 2017, largely due to issuances of new shares pursuant to the bonus issue of shares in October 2017 which saw the listing of 2.8 billion new Sunway Shares, and the exercise of employees' share options during the year. The bonus issue of shares was effected by way of capitalising the share premium of the company. Further, under the new Companies Act 2016 effective 31 January 2017, the value of new shares issued is recorded in full in the share capital of the company.

STATEMENT OF CASH FLOW

OPERATING ACTIVITIES

Net cash generated from operating activities was RM779.9 million in FY 2017 compared to RM668.1 million generated in FY 2016. The higher amount generated from operating activities in FY 2017 was mainly due to an increase in profit before tax for the year and decrease in cash utilised for working capital purposes.

INVESTING ACTIVITIES

The Group utilised RM1.1 billion for investing activities in FY 2017 compared to RM1.6 billion in the preceding year. The lower amount utilised in the current year was mainly due to lower fund placements in FY 2017, which dropped marginally compared to a net increase of placements of RM981.6 million in FY 2016. This was, however, partially offset by higher expenditures incurred for the acquisition of land, construction of investment properties and acquisition of the minority interest stake in Sunway South Quay in FY 2017.

FINANCING ACTIVITIES

Net cash generated from financing activities decreased from RM1.5 billion in FY 2016 to RM706.7 million in FY 2017. The decrease was mainly due to lower increase in the overall additional net borrowings and funding from financial institutions and the local bond market in FY 2017 of RM1.2 billion compared to RM1.4 billion in FY 2016, as well as significantly lower proceeds raised from the issuance of shares pursuant to the exercise of warrants and employees' share options during the year, which amounted to RM144.0 million in FY 2017 compared to RM595.0 million in FY 2016.

Hence, as at 31 December 2017, cash and bank balances and placement in funds of Sunway stood at RM4.4 billion, an increase from the preceding year's balance of RM4.1 billion.

DIVIDENDS

For FY 2017, on the back of the Group's commendable financial performance, the Group declared an annual dividend payout of 6 sen per share based on the enlarged number of shares of the Group after the bonus issue of shares in October 2017. This is a sum of the first interim dividend of 3 sen, which was paid in October 2017, and the second interim dividend of 3 sen, to be paid in April 2018. For comparison, the total dividend of 12.14 sen for FY 2016 adjusted to reflect the enlarged share base of Sunway after the bonus issue of shares is equivalent to 5.2 sen per share.

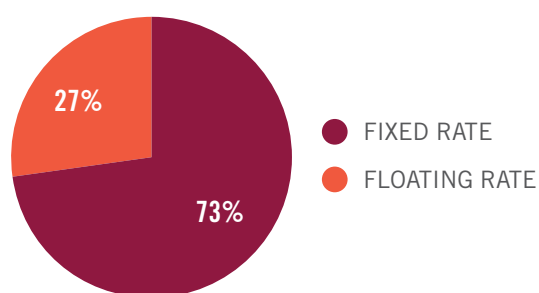
Sunway is committed to delivering satisfactory results in 2018, and maintaining its minimum dividend payout policy of 20% of core net profit, which will be paid semi-annually to shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

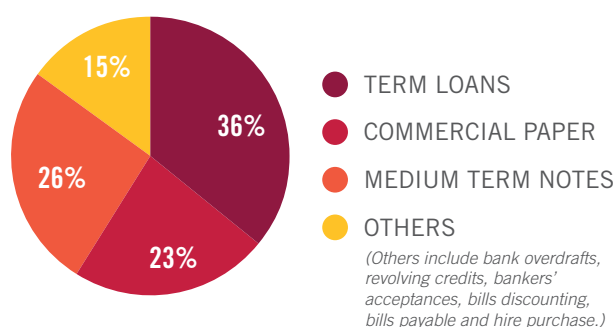
RM'MILLION	FY2017	FY2016	FY2015
Gross borrowings	8,259.4	7,413.2	5,889.1
Cash and bank balances, and placement in funds	4,426.6	4,080.1	2,631.0
Net borrowings	3,832.8	3,333.1	3,258.1
Gross gearing ratio (times)	0.97	0.90	0.82
Net gearing ratio (times)	0.45	0.40	0.45
Shareholders' fund	7,844.1	7,469.7	6,562.7
Net assets per share (sen)*	159.48	155.17	156.28

* Net assets per share for FY 2015 and 2016 have been adjusted to reflect the enlarged number of shares of Sunway after the bonus issue of shares.

FIXED VS FLOATING RATE BORROWINGS



SOURCES OF BORROWINGS



CAPITAL MANAGEMENT

Sunway's primary objective in capital management is to maintain a robust balance sheet to secure favourable financing terms to support the Group's businesses. In addition, the Group ensures that the sources of borrowings are well diversified and appropriately structured in terms of maturity to mitigate the liquidity risks.

Sunway operates a centralised treasury operation in which interest rate and hedging strategies are proactively monitored and managed. When financing terms are favourable, the Group uses cross currency swap contracts to secure foreign currency denominated borrowings to take advantage of lower effective interest rates compared to local Ringgit borrowing rates. To further manage the Group's interest rate exposure, an appropriate mix of fixed and floating rate borrowings is periodically reviewed to manage the weighted average interest cost going forward.

During the year, Malaysian Rating Corporation Berhad ("MARC") performed a review on the credit rating of the Group's private debt securities programmes. In recognition of the Group's financial strength, the credit rating assigned by MARC was maintained at MARC-1/AA-, but the ratings outlook was revised from stable to positive.

Although the Group continued to generate healthy cash flow from its business operations, its net borrowings increased marginally to RM3.8 billion in FY 2017. The borrowings were mainly used to finance the construction of investment property assets and new land acquisitions for property development during the year.

RISK MANAGEMENT

Risk Management forms an important part of the 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 ISO31000:2009 Risk Management – Principles and Guidelines, the Malaysian Code of Corporate Governance and Bursa Malaysia Securities Berhad's Listing Requirements.

Key risks for the Group and relevant mitigating action plans, as well as more details on the Group's Risk Management framework can be found in the Statement of Risk Management and Internal Control on pages 128 to 131 of the Annual Report.



Please refer to Statement of Risk Management and Internal Control for more information.

OPERATIONS REVIEW

The key indicators for each division, tracked over the last five years, are illustrated in the table below:

	2017	2016	2015	2014	2013
PROPERTY DEVELOPMENT					
Launches	RM1.1 bil	RM650 mil	RM1.4 bil	RM1.7 bil	RM1.8 bil
Sales	RM1.2 bil	RM1.2 bil	RM1.2 bil	RM1.7 bil	RM1.8 bil
Unbilled Sales	RM1.0 bil	RM1.5 bil	RM2.1 bil	RM2.5 bil	RM2.4 bil
Landbank	3,305 acres	3,292 acres	3,295 acres	3,363 acres	3,388 acres
PROPERTY INVESTMENT & REIT					
Assets under Management	RM9.4 bil	RM8.8 bil	RM7.9 bil	RM7.0 bil	RM6.5 bil
Total Net Lettable Area	10.0 mil sqft	9.3 mil sqft	8.6 mil sqft	8.3 mil sqft	7.4 mil sqft
LEISURE					
Total Park Size	128 acres	128 acres	100 acres	100 acres	100 acres
Visitorship	2.3 mil	2.2 mil	1.8 mil	1.8 mil	1.6 mil
HOSPITALITY					
Number of Hotels and Resorts Managed	11	10	9	12	12
Number of Guestrooms	3,386	3,017	2,601	2,650	2,646
CONSTRUCTION					
New Contracts Secured	RM4.0 bil	RM2.7 bil	RM2.6 bil	RM1.1 bil	RM2.6 bil
Outstanding Order Book	RM6.1 bil	RM4.8 bil	RM3.8 bil	RM3.0 bil	RM3.9 bil
TRADING AND MANUFACTURING					
Regional Presence	6 countries	6 countries	6 countries	6 countries	7 countries
Distribution Points	42	41	41	41	45
Agency Lines	150	154	146	128	116
Customer Base	13,000	13,000	13,000	7,000	6,700
QUARRY					
Number of Quarries	6	8	7	6	6
Number of Asphalt Plants	13	12	9	9	8
BUILDING MATERIALS					
Number of Manufacturing Facilities	7	7	6	5	6
HEALTHCARE					
Number of Specialist Consultation Suites	180	130	130	130	119
Number of Operating Theatres	12	12	12	12	12
Number of Beds	533	373	365	359	358

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY DEVELOPMENT



ARTIST'S IMPRESSION OF SUNWAY CITRINE LAKEHOMES

INTRODUCTION

Sunway's Property Development division stands firm as one of the top property developers in Malaysia, delivering over 28,000 property units to date. The Sunway brand is built on innovation, quality and sustainability, values which are reflected in the division's portfolio of residential, commercial and retail properties. Impelled by its vision to be a leading regional property developer, the division has expanded its geographical footprint across Malaysia and established a presence in key property markets such as Singapore, China and Australia.

The division adopts a unique "Build, Own, Operate" business model in its development projects, maintaining hands-on involvement at every stage. The approach has proven successful with the Group's flagship integrated township, Sunway City. The 800-acre, multiple award-winning township incorporates eight fundamental components, namely residential, commercial, leisure, hospitality, retail, education, healthcare and industrial. The division takes ownership and management of several components, shouldering the 'co-investor' role together with the buyers of the Group's properties.

Replicating the success of Sunway City, the division has since applied its business model in the Group's other integrated developments, namely Sunway City Ipoh, Sunway Damansara, Sunway Velocity, Sunway Penang and Sunway Iskandar, the division's most sizable venture yet. Besides integrated developments, the division is also well known for its expertise and capacity in building standalone residences of distinction. In its portfolio are Kiara Hills, Sunway Palazzo, Sunway Vivaldi, Sunway SPK Damansara, Sunway Montana and Sunway Eastwood, amongst others.

KEY MILESTONES

LAUNCHES AND SALES FOR THE YEAR

The Malaysian property market remained challenging in 2017. In response to the dampened demand, the division re-calibrated its launches strategy to align with the market interest. The Group launched RM1.1 billion worth of properties in 2017 (2016: RM650 million) despite the deferment of several projects. From the new launches and ongoing projects, the Group recorded sales amounting to RM1.2 billion for the year (2016: RM1.2 billion).

KLANG VALLEY – SUNWAY SERENE RESIDENCES

The division launched the first phase of its Sunway Serene development in the heart of Kelana Jaya, a matured neighbourhood of Petaling Jaya (“PJ”). The lavish 52-storey development features 452 units of serviced residences, in sizes ranging from 892 to 1,788 square feet. With unobstructed views of a 15-acre serene lake and the magnificent Subang National Golf Club, the lakefront homes offer its residents a luxurious and modern lifestyle.

Sunway Serene benefits from its close proximity to well established neighbourhoods such as Sunway City and Subang Jaya, and world-class amenities such as universities, shopping malls and financial institutions. In terms of facilities, the development boasts more than 50 lifestyle facilities, including a first-of-its-kind 210-metre lazy river. The lazy river will be the longest private recreational river for a residential development in Klang Valley. Other facilities include a 1.2-kilometre jogging path by the lake, an Olympic-length swimming pool, a multi-purpose court for futsal and basketball, two indoor badminton courts, a Sky Gym and Sky Jacuzzi at Level 50, and a Sky Lounge at Level 51, from which residents will be able to enjoy the magnificent PJ skyline. Sunway will also be setting up a 4-tier security system and a 24-hour care centre with first aid assistance supported by Sunway Medical Centre within the development.

As for connectivity, Sunway Serene is easily accessible via five major highways, namely the Damansara-Puchong Expressway (LDP), Federal Highway, New Pantai Expressway (“NPE”), New Klang Valley Expressway (“NKVE”) and Shah Alam Expressway (“KESAS”). Close proximity to public transportation such as the Setia Jaya Bus Rapid Transit (“BRT”) and KTM stations, Glenmarie Light Rail Transit (“LRT”) station and Kelana Jaya LRT station will also improve connectivity and accessibility to the development.

KLANG VALLEY – SUNWAY SUBANG BUSINESS PARK

Diversifying its product mix, the division launched Sunway Subang Business Park, a modern industrial development spanning across 6.5 acres of leasehold land, designed for small and medium-sized enterprises or upgraders that require warehouse storage space. The development comprises 45 units of 2.5-storey terraced factories, with sizes ranging from 5,813 to 6,927 square feet and double volume ceiling heights of up to 23 feet. The development is guarded with web-based CCTVs and perimeter fencing which surrounds the factory area to prevent unauthorised entry.

With close proximity to the Subang airport, and easy access to Port Klang and Kuala Lumpur International Airport, the location is prime for industrial development. Sunway Subang Business Park is also well connected to major highways including the NKVE, Guthrie Corridor Expressway, KESAS, Federal Highway and NPE.

JOHOR – SUNWAY GRID APARTMENTS, OFFICES AND RETAIL SHOPS

Sunway GRID is an innovative mixed development comprising 501 residential units, 74 designer offices and 41 retail shops. It is the first project to be launched in the Marketplace Precinct of Sunway Iskandar, next to the Coastal Highway Southern Link (“CHSL”) and the upcoming commercial centre. With an easily accessible location and a plethora of amenities, Sunway GRID is suitable for fast paced businesses and modern lifestyles.

Sunway GRID Residences is the first Build and Buy Online homes to be launched in Malaysia, allowing buyers to design and customise the layout of their homes online before purchasing. The residences at Sunway GRID come with built-ups ranging from 541 to 735 square feet, and an option for the loft unit layout or the non-loft layout. The units come with bay windows and high ceilings of 3.5 metres for the non-loft units and 4.5 metres for the loft units. Facilities include an Olympic-size pool, fitness centre, playground and basketball court.

The designer offices and retail shops range from 791 to 2,243 square feet and 879 to 2,240 square feet, respectively. With excellent main road frontage, and flexible and practical internal layouts, the designer offices and retail shops are suitable for a variety of businesses and start-ups. The retail shops also feature a unique 6-metre ceiling height for its ground floor units, which can be adapted to suit different needs.

JOHOR – SUNWAY CITRINE LAKEHOMES

Sunway Citrine Lakehomes is the division’s second landed development in Sunway Iskandar. The first phase of the low-density development comprises 127 units of townhouses and linked homes, with sizes ranging from 1,959 to 2,299 square feet. Sunway Citrine Lakehomes is located next to the Emerald Lake Garden, and within walking distance to Sunway Citrine Hub and Sunway International School. The gated and guarded development, launched in December 2017, has since achieved an impressive take up rate (including bookings) of close to 99%.

With the CHSL now completed, it affords the development and Sunway Iskandar excellent connectivity and accessibility to Singapore. This, coupled with the special Medini incentives such as Real Property Gains Tax (RPGT) exemption and the absence of restriction on foreign purchase, have made the development attractive to both locals and foreigners.

PENANG – SUNWAY WELLESLEY DESIGNER SHOPS

In the northern region, the division launched 10 units of 3-storey designer shops at Sunway Wellesley, forming a part of the division’s integrated development on mainland Penang. The development, located in the town of Bukit Mertajam, is easily accessible from the main road, and offers owners excellent frontage and a steady flow of pedestrian traffic. The special feature of this development is the double-volume space on the ground floor and 12-feet ceiling height for all other floors.

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY DEVELOPMENT



ARTIST'S IMPRESSION OF SUNWAY SERENE RESIDENCES



ARTIST'S IMPRESSION OF SUNWAY SUBANG BUSINESS PARK



ARTIST'S IMPRESSION OF SUNWAY GRID

DELIVERED 1,962 UNITS, RM1.0 BILLION UNBILLED SALES

The Property Development division delivered a total of 1,962 residential and commercial units in 2017. 1,740 units were delivered in Malaysia, which include 472 residential units and 268 units of retail shops and flexi suites in Sunway GEO; 297 units of serviced apartments and 72 units of shops and offices in Sunway Velocity; 328 units of serviced apartments and 167 units of offices in Sunway Citrine; 88 units of superlink and cluster homes in Sunway Serene Villas; and 48 units of semi-detached homes in Sunway Cassia. Another 171 units of medical suites and 51 units of shops were completed and delivered at the Group's Royal Square @ Novena development in Singapore.

Notwithstanding the completions, the Group's unbilled sales stood at RM1.0 billion (2016: RM1.5 billion), which will provide earnings visibility and sustainability over the next 12 to 18 months.

STRATEGIC AND DIVERSIFIED ACQUISITIONS

LANDBANKING FOR FUTURE GROWTH

Sunway intensified its landbanking efforts in 2017 and successfully acquired five parcels of land within a span of six months with a total estimated Gross Development Value ("GDV") of over RM5.5 billion. Focus was on landbank in good locations within the Klang Valley, which are suitable for transit-oriented developments where the division would be able to leverage on its prior experience in building integrated and mixed developments. As at 31 December 2017, Sunway's total landbank stood at 3,305 acres, with a total GDV of RM53.0 billion.

The first parcel, acquired in February 2017 via a joint venture, is located opposite the Group's iconic Sunway Velocity development in Jalan Peel, Cheras. The 8.45-acre leasehold parcel will be developed into Sunway Velocity TWO, comprising serviced apartments, retail shops and offices with an estimated GDV of RM2.0 billion. The project, to be developed over a period of 10 years, will be a synergistic extension of Sunway Velocity.

Following this acquisition, the division announced the acquisition of a parcel of freehold land measuring 4.53 acres in Jalan Belfield, Kuala Lumpur in July 2017 for RM165.0 million. The land is strategically located in Kuala Lumpur city centre, in close proximity to prominent landmarks such as Bukit Bintang, KL Sentral, Perdana Botanical Garden, Royal Museum (previously, the Istana Negara) and the upcoming tallest building in Kuala Lumpur, Merdeka PNB 118. Plans are in place to develop a mixed development comprising mainly serviced apartments and some lifestyle retail units with an estimated GDV of RM1.1 billion.

In the month of August, the division acquired another three parcels of freehold land in excellent locations and within walking distance to public transportation. The three parcels are dispersed in different areas of Klang Valley, namely Kajang, Subang Jaya and Wangsa Maju.

The land in Kajang is immediately adjacent to the newly-opened Sg Jernih Mass Rapid Transit ("MRT") station. Measuring 5.28 acres, it was acquired for RM63.0 million, together with semi-completed structures which the division intends to continue to build on. The original development will be converted to a mixed development with an estimated GDV of RM460.0 million.

In USJ, Subang Jaya, a 14.8-acre land was acquired for RM167.6 million, serving as a valuable landbank for the Group as it can be developed as an extension to Sunway City. The land is surrounded by a host of amenities including Sunway Pyramid Mall, Da Men Mall, USJ Summit, Giant Hypermarket and Mydin Hypermarket, and is easily accessible via the South Quay BRT and USJ 7 LRT stations, and major highways such as KESAS, NPE and NKVE. The land will be used for warehousing and storage by the Group's Trading and Manufacturing division in the short term, with plans to subsequently redevelop the land into a proposed mixed development with a GDV of approximately RM1.4 billion.

The division acquired 4.34 acres in Wangsa Maju for RM51.1 million via a joint venture. The proposed development will comprise serviced apartments with some lifestyle retail units, and will have a GDV of approximately RM500.0 million. Focus will be on developing more affordable residential units, which will complement Sunway's range of offerings.

ASSUMING FULL CONTROL OF SUNWAY SOUTH QUAY

In 2017, Sunway acquired the remaining 40% stake in Sunway South Quay Sdn Bhd ("SSQ") from its partners, Kuwait Finance House (Malaysia) Berhad and the Employees Provident Fund Board, raising its stake to 100%. The acquisition is positive for the Group as having SSQ as a wholly-owned subsidiary will enable the Group to have full ownership of the Sunway South Quay development and its developable landbank, and control over the timing of future launches and product mix to maximise the benefits from the future development of Sunway South Quay. The acquisition will also immediately contribute to the profitability of the Group as SSQ is already a profitable going concern. The increase in stake is also an affirmation of Sunway's confidence and commitment to the long term prospects and success of Sunway South Quay.

CHALLENGES

Overall, the slowdown in the property market persisted in 2017, with the volume of transactions in the primary and secondary markets continuing its downtrend. Factors such as high household debt, stricter lending policies by banks and weak local currency continued to weigh on the property market, as buyers exercised greater caution and adopted a wait-and-see approach for high value transactions such as property purchases.

New policies introduced during the year created more uncertainties and further dampened the property market. This included the indefinite freeze on approvals for new applications to build high end residential and commercial properties above RM1.0 million in Kuala Lumpur to mitigate the ongoing supply glut, and talks of potentially multiple hikes in interest rates which would make properties more expensive and increase buyer defaults.

STRATEGIES

Mindful of the headwinds that surround the local property market scene, the division continues to exercise prudence in its product planning and project launches to ensure market relevance and strong take ups. The division closed the year with RM1.1 billion in launches and RM1.2 billion in sales.

Notwithstanding the uncertainties in the property market, the division intensified efforts to capitalise on opportunities that arose to acquire prime landbank in the Klang Valley, which will fuel the next stage of growth for the division. Backed by the Group's strong financial position, the division focused on landbank in the central region that enjoy great connectivity and accessibility, in close proximity to public transportation and which allow for more immediate launch and development.

Sunway also aimed to continue to provide assistance to its homebuyers in times of uncertainty. Sunway's Certainty Plus Campaign ran in 2017 and offered buyers options of a Guaranteed Loan, Deferred Payment and Tailored Package. This initiative was designed to provide financial flexibility and assurance to assist qualified purchasers to own a property during uncertain times, aligned with the Group's commitment to grow and invest in the communities.

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY DEVELOPMENT



ARTIST'S IMPRESSION OF SUNWAY CITY IPOH

PROSPECTS

In 2018, demand for well-located properties is expected to strengthen on the back of healthy economic growth numbers, reduced uncertainties and the recovering local currency. The Group's planned launches for the year, with a total GDV of approximately RM2.0 billion, will mainly be residential properties, half of which will be in the Group's integrated townships where the division has recorded strong take up rates for past launches. Other launches will be urban lifestyle developments, while the rest will be in Singapore and China.

In the Klang Valley, the division will launch serviced apartments in its all-new Sunway Velocity TWO, directly linked to the eponymous Sunway Velocity, which is served by two MRT stations in Cochrane and Maluri. In Sunway South Quay, the division will launch Sunway GEOLake, a residential development located directly opposite the education and healthcare corridor of Sunway City and served by Malaysia's first elevated BRT. The Group will also be launching the first phase of Sunway Wangsa Maju, a mixed development comprising serviced apartments and some lifestyle units.

Down south, in Sunway Iskandar, the division will be launching the second phase of Sunway Citrine Lakehomes, comprising townhouses and cluster homes. The launch will pick up from the first phase of this development, which was very well received.

Up north, the division will be looking to launch its first high-rise residential development in Sunway City Ipoh, Sunway Onsen Suites, which comprises a 24-storey service apartment and retail shops. The unique Sunway Onsen Suites will be the first residential development featuring hot springs onsen. In Penang, the division will be developing shop houses in its integrated development of Sunway Wellesley in Bukit Mertajam.

Besides delivering promising developments in Malaysia, the division will be launching developments overseas, in Singapore and China. In Singapore, the division will launch its Rivercove Residences executive condominium project in Sengkang, and in China, its condominium development in Tianjin Eco City.

Sunway will also continue to pursue landbanking activities in 2018, following the successful acquisition of 37.4 acres of prime land with a total estimated GDV of RM5.5 billion in 2017. Internationally, the division will also aim to expand its network and supply chain contacts, and identify potential joint venture partners for entry into new countries.

Lastly, the division will look to help new homeowners through its new Under The SUN Certainty+ financing campaign, which will feature low down payment, cash rewards, guaranteed loan from Sunway, deferred payment, voluntary exit plan and differentiated sum instalments.

PROPERTY INVESTMENT & REAL ESTATE INVESTMENT TRUST



SUNWAY GEO TOWER

INTRODUCTION

Helming the “Build, Own, Operate” business model, Sunway’s Property Investment and Real Estate Investment Trust (“REIT”) division owns an extensive collection of properties, predominantly located within the Group’s integrated townships. These developments are held either directly through subsidiaries of the Group or Sunway REIT, a 39.3%-owned associate. As at 31 December 2017, the division recorded over RM9.4 billion worth of Assets Under Management (“AUM”) with a total net lettable area (“NLA”) exceeding 10.0 million square feet. These assets generate stable, recurring rental income for the Group.

RETAIL

The retail assets in the portfolio are strategically located in the Group’s integrated townships or mixed developments. There are a total of eight retail establishments under the division’s ownership and management, summing up to an NLA of approximately 4.1 million square feet. The portfolio consists of Sunway’s flagship mall – Sunway Pyramid Mall (“Sunway Pyramid”) in Sunway City, Sunway Velocity Mall, Sunway Putra Mall, Sunway Giza Mall, Sunway Carnival Mall, SunCity Hypermarket in Sunway City Ipoh, and two new retail podiums, Sunway GEO Avenue and Sunway Citrine Hub.

COMMERCIAL

Equally paramount to the division’s long term, sustainable growth is its commercial segment, with a diversified portfolio encompassing office towers, university campuses, student accommodations, an industrial asset and a medical centre. The Group owns and/or operates six prime office towers in the Klang Valley which are Menara Sunway, Sunway Pinnacle and the newest addition – Sunway GEO Tower in Sunway City; Sunway Tower and Sunway Putra Tower in the heart of Kuala Lumpur; and Wisma Sunway in Shah Alam.

The division also manages Sunway Medical Centre, and a newly acquired industrial asset – Sunway REIT Industrial – Shah Alam 1, as well as two premier university campuses, Sunway University and Monash University Malaysia, and their respective student accommodations. The segment manages a total NLA of approximately 5.9 million square feet.

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY INVESTMENT & REAL ESTATE INVESTMENT TRUST

KEY MILESTONES

THRIVING MALL APPEAL

2017 marked a few milestones for Sunway's portfolio of malls. Sunway Pyramid, the Group's flagship retail mall in Sunway City commemorated two decades of delivering exciting mall experience. Since opening its doors in July 1997, the mall has grown and thrived into an iconic landmark. To maintain its leading position as a unique lifestyle mall, Sunway Pyramid rejuvenated its tenancy mix with the entry of a number of notable brands such as Inside Scoop, Village Roast Duck, An Viet and Honolulu Café in the food and beverage ("F&B") segment, and Furla and Micheal Kors in the fashion segment. Several prominent brands such as Bath & Body Works, Etude House and GoPro Concept Store also set up flagship stores, adding to the diverse appeal of the mall.

Sunway Velocity Mall celebrated its first full year of operation in 2017. Despite the oversupply of malls, Sunway Velocity Mall, with an approximate 900,000 square feet of retail space maintained an occupancy rate of 98% as at 31 December 2017. The mall also welcomed several well-known brands such as Swarovski, Miss Selfridge, Charles & Keith, Chili's and Grand Imperial Restaurant. Foot traffic to the mall increased, recording an average of 1.5 million visitations monthly, owing to Sunway's experience in seamlessly integrating shopping, entertainment and dining in one location and through easy accessibility via public transport and major highways. The mall is nestled in between two Mass Rapid Transit ("MRT") stations – Cochrane and Maluri MRT stations which are located within walking distance. Dedicated covered walkways to both the stations were completed in 2017.

Sunway's other malls also benefited from the completion of the MRT Sungai Buloh-Kajang line during the year as better footfall was recorded to Sunway Putra Mall, Sunway Giza Mall and Sunway Pyramid through the MRT, Light Rail Transit (LRT) and Bus Rapid Transit (BRT) connectivity.

ASSET EXPANSION PROGRAMME

Sunway continues to build its portfolio of assets to create a pipeline of future property investment assets. Assets completed in 2017 include Sunway GEO Tower, Sunway GEO Avenue and the Citrine Retail Hub.

Sunway GEO Tower, a 17-storey office tower was completed in early 2017. The office tower, located in Sunway City is already 100% leased with major international tenants such as Shaklee, Genpact Malaysia, Nielsen Malaysia and British American Tobacco. The tower records an NLA of approximately 182,000 square feet and features one level of Sky Gym at the roof top.

Adjacent to the tower is Sunway GEO Avenue, a 4-storey retail podium with an NLA of approximately 85,000 square feet. The commercial centre is also connected to the Sunway GEO Residences and other retail shops and business suites. Jaya Grocer was secured as an anchor tenant, along with SSF, a home improvement store.

Down south in Sunway Iskandar, a retail component with an NLA of approximately 71,000 square feet, Sunway Citrine Hub, was completed, adding the first commercial element to the RM30.0 billion township. Jaya Grocer will be the anchor tenant along with other tenants such as Watsons, MR. D.I.Y., Morganfield's, Ying Ker Lou and 7-Eleven.

In August 2017, the disposal of the third phase expansion of Sunway Pyramid, which comprises a 3-storey retail podium, a 4-star rated Sunway Clio Hotel and a multi-storey car park, to Sunway REIT was announced. Upon completion of the disposal, approximately 90,000 square feet of additional NLA will be added to Sunway REIT's portfolio of retail properties, providing long term sustainability of Sunway REIT's income. During the year, Sunway REIT made its maiden foray into the industrial segment through the acquisition of Sunway REIT Industrial - Shah Alam 1. Sunway REIT will be on the look out for further yield accretive acquisition targets as it aims for an AUM of RM10.0 billion by FY2020.



SUNWAY CLIO PROPERTY

AWARDS & ACCOLADES

Sunway Pinnacle, the first office building in Sunway City to be certified by Multimedia Super Corridor (“MSC”) was recognised at the inaugural TheEdgeProperty.com Malaysia’s Best Managed Property Awards 2017, winning two accolades – Silver Award, Non-Strata Commercial Category and the special Editor’s Choice Awards, Built for Sustainability award for its strong sustainable property management attributes. Emphasis on sustainability has given a new dimension to property management in Sunway, through conscious design and management to be smart and green. Occupancy for Sunway Pinnacle, which records an NLA of approximately 560,000 square feet, was 99% during the year.

Capable and experienced management has also propelled Sunway Putra Mall to win a slew of awards in 2017. Sunway Putra Mall received the Malaysia Tourism Quality Assurance 2017 (MyTQA) certification which recognises the mall’s role in delivering outstanding service to local and foreign tourists; the 2017 Kuala Lumpur Mayor’s Tourism Award – Gold Award for Mall Category; and the FIABCI Malaysia Property Award – Retail Category. Despite challenges in the retail segment and cautious consumer sentiment, Sunway Putra Mall recorded an occupancy of 93% and elevated performance from the increased footfall from the 29th SEA Games and 9th ASEAN Para Games athletes staying at Sunway Putra Hotel. Recognising F&B as a thriving sector, Sunway Putra Mall attracted new tenants in that sphere, including Burger King, Dolly Dim Sum, Mei Shi Zhuang, Old Town White Coffee and Ah Cheng Laksa. Sunway Putra Mall also welcomed three new mini anchors – SSF, Max Fashion and Funscape by Cobay.

CHALLENGES

The slowdown in the overall retail and office market persisted with occupancy rates across the Klang Valley continuing to face challenges. Despite the disequilibrium between demand and supply, opportunities exist, riding on preference for newer office buildings in decentralised locations or developments in strategic transit-oriented developments offering MSC and Green Certifications.

In retail, mall operators continue to be pressured on rental reversion rates and occupancy rates, exacerbated by additional retail space saturating the market. Retail Group Malaysia’s (RGM) annual growth forecast for 2017 was revised downwards to 2.2% from 3.7%, showing a weaker propensity to spend as consumer’s purchasing power is eroded with the rising cost of living, volatility in the Ringgit as well as global and domestic uncertainties. The online e-commerce marketplace also offered alternative retail channels to consumers, pressuring sales performance in the bricks-and-mortar businesses.



SUNWAY PINNACLE



SUNWAY VELOCITY MALL

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY INVESTMENT & REAL ESTATE INVESTMENT TRUST



ARTIST'S IMPRESSION OF SUNWAY BIG BOX VILLAGE

STRATEGIES

Understanding that shopping destinations are part of the consumers' lifestyle and social gathering spots, Sunway has modelled itself as a lifestyle mall to give shoppers an immersive experience. The reinvention and positioning as a unique lifestyle destination with a breath of retail and F&B offerings can serve as a useful hedge against competition from the aggressive expansion of retail space.

The division also constantly reviews the relevance and attractiveness of the existing mix by keeping abreast with the latest retail trends. Traditional bricks-and-mortar retail shops are now adapting to the emergence of e-commerce by offering consumers an omni-channel shopping experience. Always on the lookout for creative partnerships to add value for its customers, Sunway Pyramid launched the nation's first ever Grab Lounge to boost ride-hailing service arrivals and provided dedicated Popbox collection points for online orders.

Attractive marketing campaigns and promotional activities such as hot redemptions, product launch events and contests are important to appeal and draw footfall to the mall. Creative ambient displays, user friendly amenities and Sunway Pals, a loyalty card programme, all seek to encourage spending and increase the engagement level of shoppers. In response to the tenant-favoured climate, the division regularly engages with tenants to establish sustainable business relationships.

In view of the challenging office segment, competitive rental rates and incentives are sometimes offered to improve occupancy rates. Other initiatives include upgrading the office building to MSC status and managing operating costs.

PROSPECTS

Sunway is actively engaged in Asset Expansion Programmes to ensure growth sustainability of the Property Investment and REIT division. Pipeline projects for the upcoming fiscal year include the expansion of Sunway Carnival Mall and Sunway Big Box Village.

Sunway Carnival Mall is expected to undergo an expansion from early 2018. The new wing of the mall will be a 9-storey mall with seven levels of car park, which will increase the mall's total NLA to approximately 830,000 square feet by 2020. With the expansion, a host of international retailers will be introduced to enhance tenancy mix and transform the retail scene in Penang. Upon the completion of the expansion, the existing wing will be rejuvenated to synchronise the overall concept of the mall.

For the next chapter in Sunway Iskandar, Sunway Big Box Village will be the first of its kind retail park in Malaysia that features big warehouse concept stores in an open-air strip mall environment, targeting various retailers in home products, fashion, wholesale retail and F&B operators.

Along with other future malls in the pipeline located in Paya Terubong, Penang and Tambun, Ipoh, Sunway is set to become one of Malaysia's largest mall owner and operator.

LEISURE



SUNWAY LAGOON THEME PARK

INTRODUCTION

Sunway's Leisure division takes great pride in delighting thrill seekers through its two world class theme parks – Sunway Lagoon in Sunway City and Lost World Of Tambun in Sunway City Ipoh, Perak.

Sunway Lagoon boasts more than 90 attractions across six signature parks – the Water Park, Amusement Park, Wildlife Park, Extreme Park, Scream Park and the latest addition, Nickelodeon Lost Lagoon. Sunway Lagoon is a top destination of choice and has recorded over 20 million visitors since its inception in 1992. Crowned as 'Asia's Best Attraction' by the International Association of Amusement Parks and Attractions (IAAPA) for four consecutive years, Sunway Lagoon strives to be at the forefront of the industry, captivating visitors with a series of firsts in entertainment. The family friendly theme park features the World's Largest Water Ride – Vuvuzela, World's First Waterplexx 5D, World's Largest Man-Made Surf Beach, Malaysia's First Interactive Zoo and Malaysia's First Surf Simulator – FlowRider.

Located in Ipoh is the Group's second theme park, Lost World Of Tambun, aptly named after its "lost civilisation" theme. It is a tranquil, green park set against 260 million-year old limestone hills, carefully assimilated with seven attraction parks – the Water Park, Amusement Park, Lost World Hot Springs Night Park, Tiger Valley, Lost World Petting Zoo, Tin Valley and Adventure Park. With a refreshing blend of fun and nature, Lost World Of Tambun has become a popular action and adventure family holiday destination, attracting visitors from all over the world.

As a one-of-its-kind theme park in Southeast Asia with natural hot springs coupled with an array of attractions and rides, Lost World Of Tambun is the ultimate day and night destination for all ages. In addition to offering fun, wholesome and educational experiences for families, the park is also the perfect setting for business entities and MICE groups to conduct team building activities or meetings at any of its themed locations, including the Lost World Hotel and Kepura Cave.

KEY MILESTONES

A YEAR OF CELEBRATION

2017 was a year of celebrating the many milestones achieved. The Nickelodeon Lost Lagoon, Asia's first Nickelodeon-themed attraction, celebrated its first anniversary with an array of activities from 18 to 26 March 2017. This included the Bubble Field, Slime Dunk Tank, daily Birthday Party and the unveiling of Shellraiser, the official vehicle of the Teenage Mutant Ninja Turtles. Response to the Nickelodeon Lost Lagoon since its opening in February 2016 has been overwhelming as Sunway Lagoon recorded an increase in visitors in 2017. Nickelodeon Lost Lagoon currently offers 14 immersive attractions including SpongeBob Splash Adventure, the Primeval, Jungle Fury and Monsoon 360.

MANAGEMENT DISCUSSION AND ANALYSIS

LEISURE

In conjunction with Malaysia's 60th Birthday in August, Sunway Lagoon hosted a traditional cultural campaign which saw the theme park clad in the blue, red, yellow and white colours of Malaysia. In the spirit of Malaysia as a multicultural nation, the campaign encouraged both local and international visitors to celebrate its tradition through fun and exciting activities, the Malaysian way. Guests were greeted with cultural dances inspired by the multi-ethnic background of Malaysia, activities such as Malay Batik painting, Chinese Calligraphy Artwork and Indian Henna designing, and treated to the 'WE Are Malaysia Parade' at the Zulu Walk by performers with traditional costumes and musical instruments.

The year culminated in Sunway Lagoon turning a quarter of a century old with its big year-end birthday bash themed '25 Wonder Years'. To commemorate the momentous achievement, Sunway Lagoon collaborated with local artists to create a music video and a song dubbed 'Experience It'. The premiere of the music video during the '25 Wonder Years' celebration showcased Sunway Lagoon's wide range of attractions which propelled it as one of the key attractions in Malaysia. Adding to the celebration, guests were treated to an inaugural volcano show, 'The Tale of Mount Berapi'. The musical production holds pride as it is the first in-house production by the theme park, from the script, music scores, choreography to the costume designs, and will be a daily highlight to cap off the Sunway Lagoon experience.

NEW YEAR, NEW ATTRACTIONS

For Lost World Of Tambun, 2017 kicked off in a unique fashion when it introduced a completely new experience to its guests in the form of "glamping" (a combination of the words 'glamour' and 'camping'). Lost World Glamping provides guests the chance to enjoy camping at the theme park in style and comfort. Guests can stay the night in their own luxury canvas tent, complete with all the highlights of a great hotel stay such as bed linen, power sockets, fan, complimentary breakfast buffet, plus entrance passes to Lost World Of Tambun theme park and Lost World Hot Springs Night Park.

Adding another dimension to the Lost World Petting Zoo is the all-new Hippo Kingdom. Featuring the magnificent female hippopotamus named Juwita that guests can see through the underwater viewing deck, and the beautiful flamingos, hyenas and crocodiles, the Hippo Kingdom is a happy addition to the park's family of animals.

Living up to its reputation as the ultimate day and night destination, the action and adventure continues after dark with new and exciting attractions of the Lost World Night Park. At nightfall, guests can explore various attractions for a completely different experience from daytime, such as the Lost World Petting Zoo, Tarantula Alley, Ipoh Street and the Lost World Tin Valley. Guests can also opt to unwind in the most exotic natural hot springs and spa in Malaysia through the Lost World Hot Springs Night Park which boasts a total of 12 pools and a hot springs waterfall.

Nights of Fright 5 ("NOF5"), Malaysia's largest festival of fear, returned to Sunway Lagoon in October 2017 with new attractions and experiences for adrenaline junkies, including The Island of Dolls, a replica of a haunted doll island in Mexico; Ouija, a scary séance in a mysterious and abandoned attic; and Day of the Dead in 3D, where visitors are exposed to the life of the dead and dystopia in the year 2147. The first Night of The Undead Run was also organised in October 2017, and was a big hit with a total of 2,500 runners. To inspire more participation in outdoor activities, Sunway Lagoon also hosted the AQUA Run, a water-themed fun run with obstacle courses including Rain Shower, Splash Attack, Puddles Mattress, Climb & Slide and Wall Diving.



LOST WORLD GLAMPING

CHALLENGES

One of the main challenges of an outdoor theme park is its dependency on external factors such as good weather to register high visits. Frequent and inconsistent rainfall and the annual haze, continue to be major deterrents for the public to engage in outdoor activities, affecting the leisure business.

For Lost World Of Tambun in Ipoh, the theme park is almost 200 kilometres away from the major city of Kuala Lumpur. The attractiveness and popularity of Ipoh as a tourist destination in Malaysia indirectly impacts the number of tourists who seek to visit the theme park.

Competition within the local leisure industry is also intensifying as more theme parks and resort destinations are coming into the market. Malaysia currently has over 20 theme parks and water parks, with the world's first 20th Century Fox Studios and Ubisoft video game theme park expected to open soon. As a result, each theme park needs to continuously develop and roll-out new and exciting products or attractions to attract visitors. Adding to the strain of capital intensive expansionary activities are increased costs from the implementation of the Goods and Services Tax and Entertainment Tax.

STRATEGIES

Both Sunway Lagoon and Lost World Of Tambun leverage on their unique park setting. Lost World Of Tambun is located within the natural setting of hot springs, caves and 260-million-year-old limestone hills with comprehensive facilities catering to all markets in one convenient location.

Sunway Lagoon is able to capitalise on the integrated Sunway City township comprising a mall and hotels to entice a stream of both local and international visitors to its theme park.

Loyalty schemes such as the 'Passport to Your Best Day Ever' annual pass where holders of the pass are entitled to unlimited entries to the theme park for a year with extra perks such as priority entry during peak periods and a host of other discounts and privileges will continue to attract repeat visitors. Sunway Lagoon has also leveraged on the 'Best Day Ever: One Park Six Experiences' campaign to offer value-for-money entry tickets to visitors. Complementing these are well received promotions such as 'Birthday Special', 'Seniors Play for Free', 'Quacktastic Tuesdays', 'Terrific Thursday', '2 Day Fun Pass', 'Wonder Package' and school holiday deals such as 'FAMfun' and '4 To Go'. Special rates will also be offered to those that book a hotel room in either of the three hotels located within Sunway City, namely Sunway Resort Hotel & Spa, Sunway Pyramid Hotel and Sunway Clio Hotel.

Lost World Of Tambun also took advantage of the Visit Perak Year 2017 Campaign, actively working with Tourism Perak to launch various initiatives including the 'Lost World Explorer Pass', a six-month pass to the theme park, and a 'Lost World Hot Springs and Spa By Night Annual Pass', which entitles full access to the theme park plus the Lost World Hot Springs Night Park. The theme park also continues to run the 'Awesome Thursdays' promotion which entitles visitors to purchase entrance tickets for only RM30 on one Thursday of the month. On each month's selected Wednesday from May to November 2017, guests also enjoyed the '1 Ringgit Wednesday' promotion on the second entrance ticket.

The division will also continue its digital marketing initiatives in collaboration with Tourism Malaysia, along with extensive publicity and promotion via local and international airline companies. The collaboration paid off in 2017 as Sunway Lagoon and Lost World Of Tambun recorded a growth in visitorship in 2017. Successful conversion of key markets owing to the marketing programmes rolled out also increased the number of international visitors, mainly from Middle East, India, China, Singapore and Indonesia.

PROSPECTS

Celebrating 'Two-Getherness' throughout the month of January 2018, guests will only have to pay a promotional price for two persons' entry tickets to all parks in Sunway Lagoon. Guests can also join the Two-Getherness contest, where two lucky winners will win a pair of flight tickets to Auckland, New Zealand. New in-park entertainment for guests include the Thumbuakar Fire Breathers and Swashbuckling Pirate's Show, added in conjunction with the "PAW"sperous Chinese New Year celebrations. There is never a dull moment as regular Meet & Greet sessions with Paw Patrol, Teenage Mutant Ninja Turtles, SpongeBob & Patrick, Captain Quack, God of Prosperity and a special Chinese New Year Parade will dish up fun-filled entertainment throughout the day.

In Lost World Of Tambun, The Luminous Forest attraction is set to be launched, featuring an enchanted landmark with an extraordinary luminous landscape where trees gently glow, evoking a childlike sense of joy and wonder in those who explore it. Some of the areas in this magical wonderland are The Bridge Of Luminosa that transports one from the normal realm into the magical forest where they can experience the Celebration of Life, as well as Mother Sophea, a 400-year old willow-like tree. Other magical wonders include Shadowfang, a 16-feet long centipede, Garden Of Light, Malayana Throne, Lights Of Aiyana and Toadstool Field.

MANAGEMENT DISCUSSION AND ANALYSIS

HOSPITALITY



SUNWAY RESORT HOTEL & SPA

INTRODUCTION

Sunway's Hospitality division operates 11 hotels and resorts in key cities in Malaysia, Cambodia and Vietnam, representing a collection of 3,386 guestrooms, suites and villas. The division also serves the needs of business travellers and convention goers with its meeting and exhibition facilities and small to large scale convention centres.

The flagship property is the 5-star 468-room Sunway Resort Hotel & Spa, located within the iconic 800-acre integrated township of Sunway City. Sunway Resort Hotel & Spa is complemented by two other hotels in Sunway City, namely the newly renovated 4.5-star 564-room Sunway Pyramid Hotel and the 4-star 401-room Sunway Clio Hotel, offering a combined total of 1,433 guestrooms, suites, pool villas and serviced residences, ideal for both leisure and business stays.

In Kuala Lumpur city, the brand's presence is anchored by the 650-room 5-star Sunway Putra Hotel, located strategically in the integrated mixed development of Sunway Putra that combines a vibrant shopping mall and an office tower, and is linked directly to the Putra World Trade Centre (PWTC). In 2017, the division also opened its latest property, the 351-room Sunway Velocity Hotel in Cheras, Kuala Lumpur.

Other hotels and resorts in the collection include The Banjaran Hotsprings Retreat and Sunway Lost World Hotel in Sunway City Ipoh, and Sunway Hotel Georgetown and Sunway Hotel Seberang Jaya in Penang. In addition, Sunway owns and manages Sunway Hotel Phnom Penh in Cambodia and Sunway Hotel Hanoi in Vietnam, serving the Indochina region.

Further reinforcing the Group's hospitality portfolio is the dedicated exhibition and convention facilities, namely Sunway Pyramid Convention Centre in Sunway City.

KEY MILESTONES

BRAND NEW EXPERIENCES

2017 marked the full re-opening of Sunway Pyramid Hotel, which closed in April 2016 for a full makeover and upgrade into a 4.5-star deluxe hotel. The refurbishment exercise increased the hotel's room count to 564 from 549, incorporating 21 new family rooms and suites. Each guestroom and suite in the new Sunway Pyramid Hotel embraces convenient touches and improvements, complemented by enhanced facilities and technology upgrades.

Sunway Velocity Hotel, a new 351-room mid-market hotel opened for operations on 20 September 2017, bringing new vibrancy, energy and excitement into the area. The hotel is strategically positioned within the integrated development of Sunway Velocity in Kuala Lumpur and is the only transit-oriented and integrated hotel within the Cheras vicinity. The hotel is complemented by a shopping mall, convenient access to two Mass Rapid Transit (MRT) stations, and an upcoming medical centre, which will enable the group to tap into medical tourism.

In Sunway City Ipoh, 20 new Lake Villas were added to The Banjaran Hotsprings Retreat in October 2017. Surrounded by pristine water and foliage, the Lake Villas are equipped with a private plunge pool and hot tub. The terrace seating overlooking the lake allows guests to appreciate the retreat's breathtaking views throughout the day. The 5-star retreat sanctuary in Ipoh boasts an amalgamation of natural caves, jungles, waterfalls and geothermal hotsprings.

Overseas, Sunway Hotel Hanoi introduced newly revamped rooms to its inventory. Upgrades to the hotel lobby and club lounge were also done. Continuous refurbishment of aged properties will serve to enhance guest experience and maintain the division's competitiveness and relevance.

AWARD-WINNING HOTELS

Sunway Resort Hotel & Spa was once again ranked in the Top 10 Hotels for Families in Malaysia in TripAdvisor's Travellers' Choice Hotel Awards 2017. Meanwhile, Sunway Putra Hotel was honoured with the Certificate of Excellence 2017 by TripAdvisor based on consistent favourable traveller reviews and a high 5.3 out of 6 rating for HolidayCheck 2017. The Banjaran Hotsprings Retreat continues to deliver, accumulating the Certificate of Excellence 2017 Award by TripAdvisor and a host of Travellers' Choice Awards 2017 for the Malaysia category, namely Top 25 Small Hotels, Top 25 Hotels for Romance, Top 25 Luxury Hotels and Top 25 Hotels for Service. The multiple recognitions earned are based on positive reviews by guests and is a direct reflection of the exceptional services rendered at Sunway Hotels.

The Banjaran Hotsprings Retreat in Ipoh bagged three regional awards at the Asian Lifestyle Tourism Awards 2017 in Singapore. The Asian Lifestyle Tourism Awards is organised by the Singapore-based Asia Leading Resorts Inc., a lifestyle tourism authority approved by 24 Asian Tourism Ministries and participating financial and banking partners in Asia. The awards have been developed to identify and recognise excellence in the products and services of the lifestyle tourism industry.

In Penang, Sunway Hotel Georgetown continues to be a favourite amongst the Chinese tourists, winning Ctrip's Chinese Preferred Hotel 2017 and Travellers' Top Spots – 2017 Best Food & Beverage Hotel. It was also awarded the Top 4 Star Partner by Expedia. Sunway Hotel Seberang Jaya bagged the Loved by Guests 2017 Award by Hotel.com with a high 4 out of 5 rating.

TOUR DE FORCE

Sunway benefitted from major campaigns and events organised during the year, such as the Visit ASEAN@50 campaign, the 29th SEA Games and the 9th ASEAN Para Games. Sunway Putra Hotel hosted large groups from countries such as the Philippines, Cambodia, Laos and Vietnam. The hotel hosted the largest number of countries owing to the extensive number of rooms and banquet facilities available, strategic location and variety of food and beverage options.

The Banjaran Hotsprings Retreat recorded encouraging results in 2017, having identified and ventured into two new markets, namely Japan and Europe. The eco-luxury retreat also saw a favourable return from corporate events, registering a number of corporate collaborations with luxury car brands during the year. Further exclusive loyalty programmes and special offers will be launched for guests staying at The Banjaran Hotsprings Retreat.



SUNWAY VELOCITY HOTEL

CHALLENGES

The hotel industry faced challenges amidst new supply of hotels within close proximity and the emergence of unconventional hospitality offerings such as Airbnb, homestay and boutique hotels. The division naturally has to compete with tourist destinations and attractions not only within the country but also within the region. While Sunway's hotels are strategically located in major cities saturated with tourists like Kuala Lumpur, Penang, Ipoh, Hanoi and Phnom Penh, the rise of new or recently refurbished or expanded hotels as well as serviced residences provide more options to guests. Airbnb and other vacation rental platforms are now more popular with travellers seeking a local community experience during their stay.

Volatility in the Ringgit has also affected operational costs. Whilst a weaker Ringgit does not immediately translate to a significant boost in tourist arrivals, increased costs when procuring goods or services have to be absorbed by hotels. Shortages in service staff, changes to government policies such as Minimum Wage Order, Employee Insurance Scheme and foreign worker levy will further push up staff costs.

MANAGEMENT DISCUSSION AND ANALYSIS

HOSPITALITY



NEW LAKE VILLAS AT THE BANJARAN HOTSPRINGS RETREAT

STRATEGIES

The division continues to address the need to improve operational efficiency by managing costs and steering energy saving initiatives. A key energy-saving move was implemented at The Banjaran Hotsprings Retreat, where the villa water pumps are automatically turned off when the villas are unoccupied. This feature resulted in a reduction in electricity costs and overall savings.

To capture the boom in the outbound travel market to Malaysia from the Group's fast-growing source markets, regional sales offices (RSO) were set up overseas in Singapore, Dubai, Tokyo and Guangzhou, with the aim of attracting the local travellers to the various hotels and destination that the Group has to offer. In Shanghai, General Sales Agents (GSA) were also appointed to generate sales leads and bookings. The Chinese travel market to Malaysia is expected to grow with the continued rise in Chinese affluence fuelled by economic growth. This is complemented by the Malaysian Ministry of Tourism and Culture's plan to implement an e-Visa and visa waiver programme for Chinese tourists. Digital initiatives such as the mobilisation of online platforms (Weibo, Baidu, WeChat) and top Chinese Key Opinion Leaders to drive brand awareness to Sunway also contribute a steady stream of Chinese visitors from the online community.

The division continues to drive more direct bookings online, via the Book Direct & Save digital marketing campaign "Only One Tab Matters". Via Sunway's own booking platform, the division provides the best room rates, special members' offers, attractive packages and deals to guests who book directly on the website. The division aims to increase conversions through an enhanced user journey and greater market reach via social platforms.

During the year, Sunway partnered with Handy to provide in-house guests seamless connectivity and content via the "Handy Device", the world's first mobile operating system tailored for the hospitality industry. The device features unlimited free local calls and international calls to selected countries, internet access, local travel guides and instant access to hotel services. The division appreciates technology as an enabler and will continue to take advantage of this to improve its product offerings and overall customer satisfaction.

PROSPECTS

To enhance The Banjaran Hotsprings Retreat's exclusivity, initial proposals are being drafted to construct a one-of-a-kind villa to cater to the high-end market and special events such as weddings. 2018 marks a revivification of The Banjaran Hotsprings Retreat as it will revamp its products and services to enhance the overall luxury experience.

In anticipation of Visit Malaysia Year 2020, the Ministry of Tourism and Culture will be intensifying its visibility of Malaysia as a tourism destination. Sunway will actively participate in international trade-shows to propel Sunway City as a destination of choice for international travellers. As one of the most visited destinations in Kuala Lumpur, Sunway City seamlessly integrates a portfolio of hotels, an internationally-acclaimed theme park, a mega shopping mall, an award winning Balinese-inspired spa and a medical centre within a single integrated destination. The division will be well positioned to leverage on this integration for the synergistic packaging of its products and services.



CONSTRUCTION

PARCEL F PROJECT, PUTRAJAYA

INTRODUCTION

With a commitment to nation building, Sunway Construction Group Berhad (“SunCon”) has thrived into one of the most reputable, pure play construction players in Malaysia. SunCon offers a unique value proposition as a leading contractor, providing a full range of integrated services, spanning from building, civil and infrastructure engineering, foundation and geotechnical engineering, mechanical, electrical and plumbing services (“MEP”), to the manufacture and sale of precast concrete products. The division’s identity as an end-to-end solutions provider adds to its competitive edge, and is a major market differentiator and enabler for SunCon to be a regional one-stop centre, administering projects from conception to completion.

Over the past 36 years, the division’s pledge to excellence and continuous improvement has seen its expansion throughout Malaysia and beyond its borders, venturing into Singapore, the Middle East, India and Trinidad & Tobago. SunCon has built an impressive portfolio of sizable, iconic landmark projects, including key developments in Sunway 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.

Aligned with the division’s interest in sustainable, lean manufacturing methods, SunCon advocates the adoption of Industrialised Building Systems (“IBS”) or precast concrete products, and has precast manufacturing facilities in Johor, located in Senai and Sunway Iskandar, with a total capacity of more than 156,600m³ per annum. The division also enjoys competitive advantage from its proprietary Virtual Design and Construction (“VDC”) programme. This powerful computer-aided design and modelling technology is capable of supporting and managing the design, construction and business metrics of a development project to maximise overall efficiency.

KEY MILESTONES

RECORD HIGH REPLENISHMENT AND ORDER BOOK

In 2017, SunCon recorded the highest amount of new orders since inception at RM4.0 billion, doubling its replenishment target of RM2.0 billion for the year. The newly secured projects constitute a mixture of external infrastructure, building, foundation, MEP and precast packages, as well as in-house projects. With the year’s new wins, the division’s outstanding order book reached a high of RM6.1 billion as at 31 December 2017, providing earnings visibility for the next three years.

The division’s largest job secured to-date is Package GS07-08 for LRT Line 3 from Kawasan 17 to Sri Andalas, worth RM2.2 billion. The project, which involves the construction of guideways, stations, an iconic bridge, park and ride facilities and ancillary buildings, will showcase the division’s fully integrated capabilities in foundation and geotechnical engineering, civil infrastructure, building construction and MEP.

MANAGEMENT DISCUSSION AND ANALYSIS

CONSTRUCTION



MRT LINE 2 PACKAGE V201

The division also secured a project for MRT Line 2 worth RM212.3 million, involving the construction of elevated stations and other associated works at Damansara Damai, Sri Damansara West and Sri Damansara East. This package is part of the RM1.2 billion MRT Package V201 that was awarded to SunCon in 2016.

Other projects bagged by the division include the construction of six blocks of 29-storey PPA1M (Perumahan Penjawat Awam 1 Malaysia) apartments in Kota Bahru, Kelantan, comprising 2,160 units. The total contract sum is RM581.7 million with a contract period of 30 months.

The division accepted an award from Gas District Cooling (Putrajaya) Sdn Bhd for the proposed Engineering, Procurement, Construction and Commissioning (EPCC) at Gas District Cooling (GDC) Plant 1 in Precinct 1, Putrajaya, for a chilled water supply system and a power generation system. The contract carries a value of RM152.4 million and is expected to be completed by the third quarter of 2018.

Via a 50:50 joint venture ("JV") with Taisei Corp of Japan, SunCon was awarded a RM139.8 million contract from Nippon Express (Malaysia) Sdn Bhd to build a new warehouse in Shah Alam, Selangor. Taisei will be the lead partner for the project, which is expected to take approximately 22 months to complete.

SunCon was also busy in the foundation and geotechnical engineering segment, with awards for bore piling works for two of Projek Lintasan Kota Holdings Sdn Bhd's (Prolintas) highways, namely the Sungai Besi-Ulu Kelang Elevated Expressway (Suke) and the Damansara-Shah Alam Elevated Expressway (Dash). The projects have a contract sum of RM18.1 million and RM15.8 million, respectively, both expected to be completed by the second half of 2018. SunCon also accepted a RM74.8 million award from Ahmad Zaki Sdn Bhd for earth and piling works for a planned mixed development located in Jalan Pudu. The works for the project are expected to be undertaken over a 10-month period.

Further, the division accumulated a total of RM158.0 million worth of new contracts during the year for the manufacture and sale of precast products to various clients. As for internal contracts, SunCon was awarded the construction job for Sunway Serene in Kelana Jaya which the Group launched in 2017, with a contract sum of RM449.0 million.

COMMITMENT TO PROJECT DELIVERY

SunCon completed and successfully delivered projects with contract sums totalling over RM1.0 billion in 2017. This included the notable Coastal Highway Southern Link in Johor, which has cut travelling time from Sunway Iskandar to the Malaysia-Singapore Second Link to just 5 minutes. Under the buildings segment, the division successfully completed the construction of several projects in Sunway City, namely Sunway GEO Retail Shops & Flexi Suites Phase 2 and Sunway Medical Centre Phase 3. In Kuala Lumpur city centre, SunCon completed Sunway Velocity Hotel, a 351-room hotel which was opened in September 2017, while in Johor, the division delivered the first phase of Sunway Citrine, a mixed development comprising 328 residential units, 167 units of offices and 51 retail units.

CHALLENGES

In view of the fluctuation in raw material prices, particularly steel bar prices, and the weak Ringgit during the year, the construction industry faced issues of increasing raw material costs. Competition within the field was stiffer with the entry of China-based construction companies and other up-and-rising local contractors, making it more challenging to secure high profile contracts. The company also had to be agile and stay ahead in fulfilling new customer expectations, which mainly focused on innovative and efficient construction practices, such as Building Information Modelling (“BIM”), VDC and Prefabricated Prefinished Volumetric Construction (PPVC).

In terms of the workforce, the construction industry depends heavily on foreign workers. The recent, more stringent compliance rules and annual levy to be borne by employers from 1 January 2018 would increase the overall operating costs. Further, a limited pool of competent subcontractors and shorter working hours due to restrictions on night working permits have increased the costs of operations.

STRATEGIES

To manage the volatility in raw material prices, the division hedges its position to preserve project margins more effectively. New policy implementation, particularly those affecting the labour supply, will be considered in future contract tenders. Nevertheless, the division will commit to retaining its talent pool through commensurate remuneration and promotion opportunities.

The division's competitive advantage lies in its ability to offer a full range of integrated services. It intends to place more focus on design-and-build projects over conventional methods, favouring mechanisation to reduce dependency on foreign labour and to increase productivity and safety. Sunway Velocity Mall was successfully completed in December 2016 using the capability of VDC, whilst the largest ongoing project being undertaken using the VDC technology is the RM1.6 billion Putrajaya Parcel F project.

As the first construction company to implement BIM processes, SunCon will continue to adopt the use of the technology. The precast unit also seeks to optimise the costing and productivity of its Johor plant through automation and industrial technology. As a result of the precise quality rendered through the usage of IBS, the precast unit has achieved a high of 100% in CONQUAS (Construction Quality Assessment System), a measure for overall quality of workmanship.

PROSPECTS

The Construction division is expected to continue to register strong growth in 2018, premised on the existing outstanding order book as secured projects are expected to achieve good progress. The construction industry is anticipated to sustain its momentum and to remain as one of the fastest growing economic sectors in the country, driven by the continued rollout of domestic infrastructure projects.

SunCon will continue to capitalise on opportunities presented by national development projects, while exercising prudence in its selection to target large scale, complex projects that generate higher profit margin, augmenting both technical portfolio and financial accomplishment. Government pump priming initiatives bode well for the sector's growth trajectory. With the strong outstanding order book of RM6.1 billion as at 31 December 2017, the division will be looking to sustain the current level of order book in 2018.

Focus in 2018 will be on executing and delivering the division's order book, particularly the three major projects, namely LRT Line 3 Package GS07-08 from Kawasan 17 to Sri Andalas, MRT Line 2 Package V201 from Sungai Buloh to Persiaran Dagang, and Parcel F in Putrajaya.

For precast, the division plans to participate in Singapore's Integrated Construction and Prefabrication Hub (ICPH) tenders to upscale its precast facilities to a fully mechanised plant to improve productivity, and fully automate precast processes in Singapore to align with the Government of Singapore's intention to steer the industry towards raising productivity. In addition, the division also intends to promote the usage of more precast products in the Group's in-house projects.

As part of SunCon's geographic diversification and plans to enlarge its footprint in the ASEAN region, the division is currently in discussions with potential strategic partners in Myanmar and Indonesia. Emphasis in these overseas markets will be on developing infrastructure projects and other specialised buildings such as hospitals, where the division has a strong track record.

SunCon prides itself as a total solutions provider, with key supporting units in foundation and geotechnical engineering services, MEP and the manufacture and sale of precast. Along with the building, civil and infrastructure construction services, the division will be able to create synergies across its entities, a notable competitive advantage when tendering for new projects. The division continues to reinforce the importance of delivering quality products and maintaining confidence in its branding.

MANAGEMENT DISCUSSION AND ANALYSIS

TRADING AND MANUFACTURING



CASE CRAWLER EXCAVATOR



NIETZ HAND TOOLS



SANY ROTARY DRILLING RIG

INTRODUCTION

Sunway's Trading and Manufacturing division was established in 1983. With strategic management and expansion through both organic and inorganic means, the division has thrived into an international trading house. The division carries five main product lines, namely Hoses & Fittings, Heavy Equipment Parts, Heavy Equipment, Building Materials and Industrial Hardware. The division has an active presence in 42 locations regionally via its distribution points in Malaysia, Singapore, Thailand, Indonesia, China and Australia. It currently serves a clientele base of 13,000 across a dynamic mix of industries, including construction, marine, oil and gas, mining, agriculture, manufacturing, logging and quarrying.

The division employs a partnership centric approach, building strength through affiliations with well-established global brands. To date, the division has 150 agency lines (2016: 154), including CASE, SANY, Furukawa, Unic, Airman, Lonking and Weichai for heavy equipment; FP Diesel and DCF Trek for heavy equipment parts; Copperstate and KLAW for hoses and fittings; and Bosch, 3M, Stanley and Bahco for industrial hardware.

The division also believes in powering growth through product innovation to achieve long term business sustainability. This has catalysed the development of a series of fine quality in-house brands, to further complement its existing agency lines. Amongst the in-house brands are Sunflex and TotalRubber hoses and fittings, Suntrak undercarriage parts, and Sunguard oil filters. Winstar, a new addition to the division since 2015, has also developed several in-house labels, such as Nietz hand tools and abrasive, Sobar safety shoes, Winsir household and gardening tools, and Galaxy spray paint and waterproofing.

KEY MILESTONES

YEAR OF RECOVERY

2017 was a year that the Trading and Manufacturing division rebounded in its profitability in line with the broad recovery of the global economy. The division's overseas operations doubled its profitability. Sales increased as the division focused on internal organic growth and intensifying sales efforts for its existing agency lines. CASE construction equipment, for example, for which Sunway was appointed as the authorised full-line dealer in 2016, achieved a significant increase in sales in 2017 following such initiatives.

The division also focused on increasing production and sales of its in-house products and expanding its network through cross-selling. In China, the division invested in new machinery to increase its production of fittings, and intensified efforts to localise its production of DCF heavy equipment parts to enable the division to reduce overall costs and increase its competitiveness in the China market. Meanwhile, the Heavy Equipment segment in Thailand commenced the distribution of Airman compressors.

The Industrial Hardware segment continued its efforts during the year to streamline and consolidate active entities into a more efficient corporate structure. Through its corporate consolidation exercise, the division successfully merged High Traffic Outlet (HTO) businesses such as Winstar Enterprise, Multi Star Marketing and Power Star Hardware into Sunway Winstar, creating a more integrated general hardware company and leader in hardware distribution, retail and marketing. This acquired segment is now fully integrated into the Group's various platforms, such as the shared services for Finance, Information Technology and Human Resources.

CHALLENGES

The division's Hoses & Fittings segment in Singapore continued to be impacted by the sluggish oil and gas sector. Despite slight improvements in the global economic outlook, Singapore's oil and gas sector remained muted, with new orders and projects being deferred. The recovery in oil prices in the later part of the year has also yet to translate into greater oil exploration and production activities.

The division faces increased competition and challenges from direct sales between the manufacturers and customers. Costs, including production, labour, shipping, marketing and distribution costs, must be kept low, in order to ensure pricing and margins are competitive. The weak Ringgit, however, has caused an overall increase in inventory costs and negatively impacted margins.

STRATEGIES

Sunway's Trading and Manufacturing division will build on its strong foundation and take advantage of the replicable nature of its business model to continuously expand geographically. The division's vast distribution network is a key strength and will serve as a platform for growth.

In order to remain competitive and to uphold the division's reputation as a one-stop centre for high quality products, Sunway continues to source globally for new products and agency lines and intensify its research and development ("R&D") initiatives to develop in-house proprietary brands. Sunway also actively pursues manufacturing opportunities with its product principals to expand its range of products. Focus is placed on products with a high market share and offer high yield and growth potential, as well as environmentally friendly products which comply with the Green Building Index.

Other methods of growing its portfolio include inorganic means such as mergers, acquisitions and joint ventures. Through the integration of companies with related products, the division will be able to quickly grow its extensive regional network of branches and customer base.

As the division continues to grow, a strong support system is important to manage the division's diverse business units across its 42 locations regionally. This includes an IT system to streamline daily operations and an inventory management system to drive cost containment and improve efficiency. These initiatives in turn improve the level of satisfaction in delivery to its customers, suppliers and partners. Employee engagement and motivation are also vital to keep employees focused and improve productivity in a challenging economic environment.

PROSPECTS

China's continuing growth and strong performance in 2017 is expected to be sustained in 2018, which further enhances the growth prospects for countries in Asia. Industrial production growth has also been picking up and infrastructure investment is expected to remain strong. China's Belt and Road Initiative presents strong opportunities for the Group's Trading and Manufacturing division to supply resources for the construction of the new rails, roads, waterways, pipelines and highways.

The Hoses & Fittings segment will concentrate on market expansion through the introduction of new, innovative products and replication of its business model in new locations. The segment's focus in the coming year will be the expansion of the business to Vietnam, where the division sees strong potential in the distribution of hoses and fittings. Operations are targeted to begin in the second quarter of 2018.

Winstar, the division's Industrial Hardware company, will focus on expanding its product range with the launch of its own Nietz multipurpose lubricant. Strong in-house R&D allows the division to produce its own range of products, reducing its dependency on external distribution channels. In addition, Winstar will be looking at cross-selling its products to underserved markets such as East Malaysia and Australia to widen its customer base, and tapping the export markets to open up more avenues for its expansion.

MANAGEMENT DISCUSSION AND ANALYSIS

QUARRY



QUARRY IN MELAKA

INTRODUCTION

Sunway's Quarry division is a well-established player in the local quarry scene, with core businesses in the supply of aggregates and production of asphalt. Since re-entering the industry in 2005, the division has rebuilt its capacity through the years and has gained vast experience in supplying aggregates and asphalt to some of the nation's largest developments and infrastructure projects.

AGGREGATES

The division currently operates six quarries across Peninsular Malaysia, upholding its stature as a leading supplier of crushed rock aggregates. It produces a comprehensive range of single sized and blended aggregates for ready mixed concrete and other construction activities.

ASPHALT

Presently, there are a total of 13 asphalt plants in the division's portfolio. The plants are strategically located along development corridors and in close proximity to major artery highways, enabling easy access, better efficiency and ability to capitalise on the business opportunities within the vicinity.

KEY MILESTONES

FILLING THE GAP IN GEOGRAPHIC FOOTPRINT

Active expansion is imperative for the division to stay ahead of other industry players and to retain a larger market share in the competitive industry. During the year, the division installed a new asphalt manufacturing plant in Kampar, Perak, and relocated its plant in Paka, Terengganu to Kemaman. Operations at both plants commenced in September 2017.

The new plants will ensure a continuity in supply, enhanced response time and lower transportation costs in catering to the local market. The expansion to Kampar, Perak will also fill a gap in the division's geographic footprint between its plants in Rawang and Kuala Kangsar, catering to projects within the vicinity. In total, the expansion and relocation exercise has increased the division's number of asphalt manufacturing plants to 13 (2016: 12).

Aside from expansions, the division also made strategic decisions in 2017 to exit its quarrying operations in specific locations to minimise losses. The division fully exited its quarrying operations in Paka, Terengganu following the expiry of the quarry lease contract, and in Sungai Ara, Penang, due to interruptions in rock supply caused by the land owner's inability to renew the blasting permit. The plant in Sungai Ara, Penang, was dismantled and relocated to Melaka, and production commenced in December 2017. With this restructuring exercise, the division operates six quarries in strategic locations within the peninsular.

DRIVING PROCESS IMPROVEMENTS

Sunway's Quarry division took the initiative to enhance its production processes and reduce wastage at its sites during the year. This included increasing production of $\frac{3}{4}$ " aggregates and reducing the moisture content of its aggregates for premix production for better operational efficiency. The division also replaced its generator set and changed its burning source at some sites, which resulted in cost savings.

Some of the division's asphalt batching plants were installed as batch plants, as opposed to drum mix, in line with the more stringent requirements by the authorities on better quality premix and to improve the flexibility in manufacturing. At present, six of the division's asphalt plants are batch plants, with plans to increase this further as the division gravitates towards more environmentally friendly production.

CHALLENGES

The level of demand for aggregates and asphalts continues to be sustained with the implementation of major construction and infrastructure projects by local public corporations. However, competition is stiff and prices of aggregates and asphalt remain suppressed amidst the challenging market environment. The weak local currency further amplifies the negative impact of rising costs. This affects margins and the division's bottom-line.

Further, due to the nature of the industry, quarry operators often face challenges in the renewal of operation licenses due to tighter enforcement, typically for those quarries close to residential areas. Hence, it is critical that quarry operators capture opportunities through timely quarries and plants installation in strategic locations, and remain adaptable in ensuring efficient management of resources by redistributing them where needed to strengthen the profitability of the division.

STRATEGIES

In order to build customer loyalty, focus is always placed on ensuring that customers receive the best products and services at the best price. This is achieved by focusing on lowering costs, improving quality and ensuring timely delivery. Sunway is constantly on the search for dedicated sales and marketing personnel, well equipped with knowledge of the industry and products, to build a strong customer base.

The division continues to establish strategic partnerships with non-quarry based concrete operators to offer a consistent supply stream of aggregates for their production of ready mixed concrete for infrastructure and construction projects.

With a vision to be a top quarry operator in the country, the division is always on the look-out for new quarry sites. This involves the search and identification of quarry sites in strategic locations, which will reduce logistic costs and improve margins.

In terms of operations, the division strives for flexibility in manufacturing by pursuing various methods in product optimization, varying production to cater to demand and to minimise production downtime and technical rectification. The division is also pursuing automation and integration of its systems.



ASPHALT PLANT IN KAMPAR, PERAK

PROSPECTS

With more public infrastructure projects to be rolled-out in the coming year, the division will aim to capitalise on these opportunities to fuel its sales performance. In order to achieve this, the division intends to add more new quarry sites and asphalt plants to its portfolio. This will include greenfield developments or via the acquisition of existing sites. The division will also look at adding new plants at its existing sites to support the uptake in demand at key locations.

Strategic locations for the new plants will be along the North-South Highway, where the division will be able to serve the needs of development projects in the vicinity. Some key locations identified include Penang, Kedah and Johor. New sites in the southern region will be both strategic and synergistic, as the population and development in Johor are expected to increase substantially within the next few years, and the new site will also add a new supply source to Sunway's RM30.0 billion planned township development in Sunway Iskandar.

The division will also be focusing on optimising product design, and working with research centres and other experts to develop new designs, which will improve quality, marketability and at the same time reduce costs.

MANAGEMENT DISCUSSION AND ANALYSIS

BUILDING MATERIALS



GEOPAVE

INTRODUCTION

The Group's Building Materials division constitutes three core segments, namely Interlocking Concrete Pavers ("ICP"), Vitrified Clay Pipes ("VCP"), and Spun Piles. All segments focus on sustainable business practices and eco-friendly manufacturing processes, producing products which are in compliance with Eco-Label and Green Label requirements. All manufacturing facilities are also ISO 9001:2008 and ISO 14001:2004 accredited.

ICP

Sunway is a strong brand to be reckoned with in the ICP industry, with a track record that extends beyond three decades. The division's consistent focus on high quality products and innovation gives it a competitive edge, warranting it the dominant position in the country. The division currently owns and operates four plants, contributing to a combined production capacity of over 3.0 million m² of pavers per annum. The four plants are located at each corner of Peninsular Malaysia, namely Batang Kali in Selangor, Nibong Tebal in Penang, Senai in Johor, and Marang in Terengganu, to ensure thorough coverage of the local market.

VCP

With over 20 years of participation in the industry, Sunway's VCP segment is one of the largest producers of VCP in the nation, boasting a production capacity of 55,000 tonnes per year. The business is principally involved in the production of fully glazed VCPs and jacking pipes, which are commonly used in the country's sewerage system. VCPs are known for their superior durability and resistance to cracking or flaking, even in extreme climates and conditions. Sunway's VCP segment is now able to produce a full product range from DN150 to DN600 for fully glazed VCPs and DN225 to DN500 for jacking pipes.

SPUN PILE

The Group's flagship spun pile plant in Zhuhai, China boasts an annual production capacity of over 200,000 tonnes, coupled with its technical competence in fabricating large diameter pre-stressed high strength concrete ("PHC") spun piles of up to 1.2 metres with lengths of up to 56 metres, suitable for major infrastructure and construction projects such as wharfs and bridges. The division's ability in fulfilling deliverables has made it one of the biggest and most advanced spun pile manufacturers in the region.

Aligning to its vision of becoming an established PHC spun piles supplier regionally, the division embarked on its first expansion plan into the Malaysian market, with a new plant in Batang Kali, Selangor which has a capacity to produce up to 300,000 tonnes of spun piles yearly with sizes from DN300 to DN600 and lengths of up to 15 metres.

KEY MILESTONES

“INNOVATION IS OUR DNA”

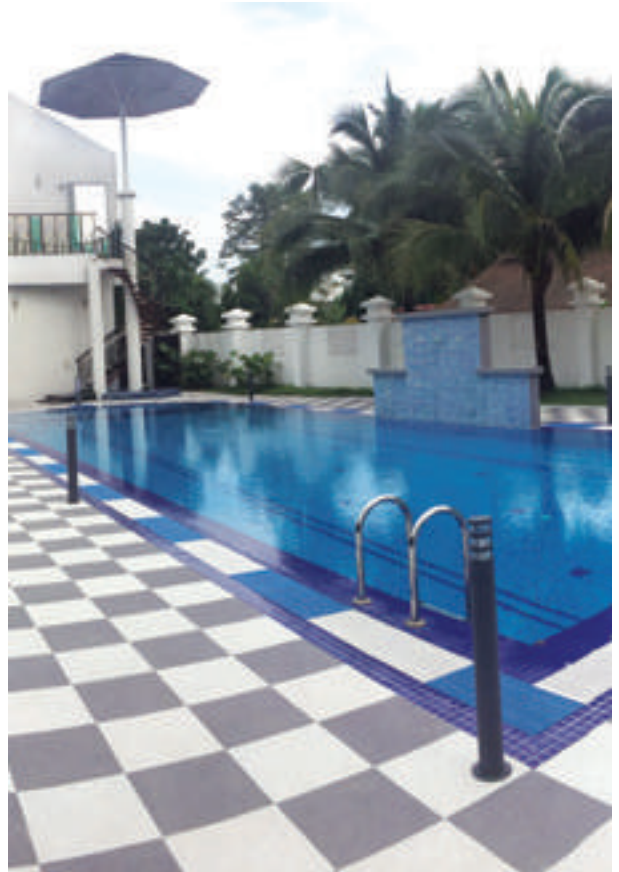
To sustain its competitive advantage, Sunway’s ICP business continued to innovate and develop new products through research and development (“R&D”) initiatives. In 2017, the division launched its new Truly Non-Slip (“TNS”) compressed concrete tiles. The TNS tiles offer exceptional anti-slip properties, safeguarding against slips and falls. This characteristic, coupled with its stylish appearance, makes it suitable for landscaping and other applications such as swimming pool decks, balconies, walkways, laundry areas, wet kitchens and bathrooms.

BUSINESS EXPANSION

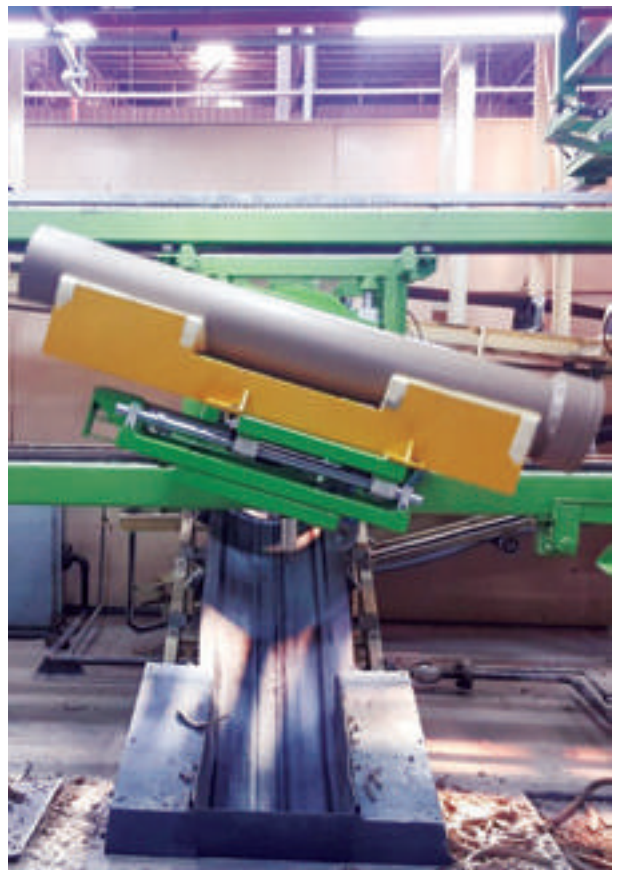
With the increase in construction activities in East Malaysia, the division identified a strategic location to establish its fifth ICP production plant and penetrate the Sabah ICP market, as well as expand its distribution network to cover East Malaysia and Brunei. The strategically located production plant in Kota Kinabalu, Sabah is targeted to begin operation in mid-2018, and will cater to the demand from, amongst others, the Pan Borneo Highway, Samalaju Industrial Park in Bintulu and other real estate developments in Kota Kinabalu, Miri, Bintulu and Kuching.

The VCP segment, which commissioned a new shuttle kiln at its site in June 2016 to serve a production vacuum left following the closure of a major competitor’s business, successfully increased its market share to 75% in 2017. Significant capital expenditure was expended on the installation of new vertical extruders and dryers for its pipes and fittings production to enhance drying and firing yields.

The division’s expansion into the Malaysian spun pile market in 2016 was also timely with the increasing demand from the local construction segment. In 2017, the division concentrated on securing new business, increasing production, and improving the production process. A second concrete pump was installed for higher output and to improve the production efficiency. To meet its customers’ requirements and ensure timely delivery, the division invested in the expansion of its storage yard to increase its storing capacity. With a focus on sustainable manufacturing, the division also concentrated on reducing its production rejection rate to drive efficiency and productivity.



TRULY NON-SLIP COMPRESSED CONCRETE TILES



VERTICAL EXTRUDER FOR VCP PRODUCTION

MANAGEMENT DISCUSSION AND ANALYSIS

BUILDING MATERIALS

CHALLENGES

Demand for the division's products, particularly ICP and VCP, are to an extent dependent on the performance of the property industry in Malaysia. As property launches by the local developers reduces, the demand for the division's products is also negatively affected. However, with less focus on property projects, and a switch to government and local council projects, which have been on an uptrend in recent years, the division is able to record strong sales from the higher conversions recorded from premix roads to interlocking pavers. As a result, the ICP division continues to retain a strong market share of more than 70%. Investment in new technology is also needed as the ICP segment's laying business faces more competition from the use of robotic mechanical laying, as opposed to manual laying.

Operationally, the division's VCP segment faces challenges from other substitute materials in the market and conversion from VCP to Reinforced Concrete Pipes (RCP) especially for sizes DN300 and above.

Customer demands are always changing, and it is pivotal for the division to stay ahead of these changes through continuous innovation and R&D. New customer demands range from non-standard dimensions and free-flowing designs to durability and aesthetics.

STRATEGIES

The Building Materials division is committed to differentiating itself from its competitors through innovations and introduction of improved products to satisfy market demand. In line with the Group's aspiration to place greater emphasis on sustainable business practices, all of its production facilities focus on eco-friendly manufacturing.

The division manages its costs through efficient resource management and optimisation of asset utilisation to improve productivity and production yields. Continuous R&D is conducted on new products and production processes to reduce wastage and drive efficiency. Moving forward, the division will also look into pursuing vertical integration of its supply chain to overcome dependency on suppliers and price fluctuations of raw materials.

Building strong relationships is also key to the sustainability of the business. This includes relationships with partners and clients, government agencies and consultants, and employees. In 2016, Sunway's Building Materials division was one of the Best Employers in Malaysia, as awarded by global talent consultancy firm Aon Hewitt in partnership with Talent Corp Malaysia Bhd.

PROSPECTS

Sunway's Building Materials division's first foray outside the peninsular, in Kota Kinabalu, Sabah, is scheduled to begin operations in mid-2018 and will increase the division's number of ICP plants to five. Strategically located at another growth corridor of Malaysia, the new plant will cater to the demand from the rising construction activities in East Malaysia. The division is also targeting to add an additional pavers plant in Nibong Tebal by end-2018, to cater for the increase in demand in that region.

Strategies to widen distributorship channels to Australia and Singapore will also be a key catalyst in driving further growth for the division. The division will continue to roll out new, innovative and efficient products and re-engineer existing ones to set itself apart from the other industry players and retain its market leadership position. More emphasis will be placed on innovation, developing green products and re-engineering road pavements. To increase conversions from premix roads to interlocking concrete pavers, the division will continue to work closely with the government agencies, authorities and local developers to promote the use of pavers. Investment into mechanical laying machines will also be an area to explore to counter the increase in competition from other industry players.

The VCP business will focus on marketing its extensive range of products to drive increased conversion rates from High-Density Polyethylene (HDPE) and concrete pipes. For the local market, the division will also continue to improve production processes.

The division's Spun Pile segment strives to grow its market presence and increase its capacity by setting up more plants at various locations. New markets, such as Brunei and Indonesia, are being explored as new export markets for the division's spun piles. Significant R&D efforts will also be channelled to improve concrete pumping workability through better mixed design formulation, which results in higher strength and lower cost.

As for its operations in China, with the promotion of the Belt & Road Initiative and the increase in infrastructure construction in Southeast Asia, there are significant opportunities for the division to supply spun piles for the construction of wharfs and bridges.

HEALTHCARE



SUNWAY MEDICAL CENTRE, TOWER C

INTRODUCTION

Established in November 1999, Sunway Medical Centre (“Sunway Medical”) is the flagship hospital for the Group’s Healthcare division. The hospital serves as one of the leading private tertiary hospitals in Malaysia and is located in the integrated township of Sunway City.

Sunway Medical has grown considerably over the years to become a provider of distinct and high quality medical care. There are approximately 215 consultant specialists and more than 2,000 health professionals serving to raise overall healthcare standards. All practicing doctors are of consultant specialist level and possess internationally recognised postgraduate qualifications as well as a stipulated number of years’ experience in their chosen specialty or sub-specialty discipline.

At Sunway Medical, an extensive range of medical services is offered, including outpatient, day surgery and in-patient specialty care, health & wellness programmes, 24-hour emergency services, and dedicated Critical Care Units (CCU), Neonatal Intensive Care Units (NICU) and High Dependency Units (HDU) which serve to deliver critical care. In the Accident and Emergency (A&E) unit, first response and primary care services are managed by a team of qualified and experienced medical doctors, nurses, paramedics and support staff.

In striving to provide an integrated and patient centric approach to healthcare services, multiple Centres of Excellence (“CoE”) were introduced and developed, covering a diverse range of medical specialties. Each of the 25 CoEs at Sunway Medical serves as a focus hub, bringing together a team of experts to address the increasingly sophisticated needs of the population.

KEY MILESTONES

STATE-OF-THE-ART CANCER CENTRE

In 2017, Sunway Medical saw the final completion of its third phase, Tower C, which houses the Cancer & Radiosurgery Centre and Nuclear Medicine Centre. Six floors of new wards, all single occupancy rooms, and 58 medical suites were progressively opened during the year, bringing the total number of hospital beds to 533 beds as at year end. Once Tower C is fully operational, it will set Sunway Medical as one of the foremost private medical centres in Southeast Asia with a total of 620 beds, 180 consultation suites and 1,470 parking bays.

Operations within the new Cancer Centre and other Tower C facilities continue to see a growth in domestic and international patients. New services in radiotherapy and nuclear medicine were ramped up in line with the division’s aspiration to be a regional hub for advanced cancer treatment. On the technological front, Sunway Medical invested in various state-of-the-art medical equipment such as the Gamma Knife, Intraoperative Radiotherapy and Brachytherapy, which are able to deliver highly precise and focused treatment to specific sites in the body; and SPECT-CT, a fusion of two different types of scans – single photon emission computed tomography (SPECT) and computed tomography (CT) to provide more precise information about the anatomy of the area being scanned. The new equipment provides a more comprehensive and wider range of treatment options for cancer.

MANAGEMENT DISCUSSION AND ANALYSIS

HEALTHCARE



GAMMA KNIFE ICON

TOP OF THE CLASS

Sunway Medical was once again recognised as International Hospital of the Year at the International Medical Travel Journal (IMTJ) Medical Travel Awards in April 2017. The award recognises top-notch healthcare providers from around the world and is accorded to hospitals with the ability to provide the highest quality in in-patient and diagnostic facilities. This was followed by another momentous recognition as the joint runner-up with Mount Elizabeth Hospital, Singapore in Global Health and Travel (GHT) and AB Bernstein's Top Medical Tourism Hospital in Asia Pacific, putting it in a class with other reputable nominees, including renowned Bumrungrad International Hospital, Bangkok. Sunway Medical also won Orthopaedic Service Provider of the Year at the event.

MEDICAL COLLABORATIONS & RESEARCH

The Sunway Clinical Research Centre was established in 2017 as the Regional Site Partner of the University of Cambridge School of Clinical Medicine. It is dedicated primarily towards coordinating all studies performed at Sunway Medical, which encompasses research on pharmaceuticals, medical devices, medical radiation and imaging, surgical procedures, medical records and biological samples, as well as epidemiological, social and psychological investigations.

Complementing the Sunway Clinical Research Centre is the newly established Haematology Laboratory, which will be offering services focusing on, amongst others, stem cell research, hematopoietic cell collection and cryopreservation, red cell depletion, donor lymphocyte collection, and immunophenotyping. In addition, a molecular diagnostic laboratory was set up for various genome testing services.

In October 2017, a collaboration agreement was signed between the Jeffrey Cheah Foundation, Sunway Medical, the University of Cambridge, and Royal Papworth Hospital, to establish a joint programme which will enable the sharing of academic excellence through regular academic visits and exchanges, and offer scientific and clinical training opportunities at Cambridge for outstanding postgraduates from Sunway. This collaboration will also see researchers from the two countries working together across borders and disciplinary divides to tackle some of the world's major health challenges and raise the standards of healthcare in Malaysia and Asia. Royal Papworth is a leading heart and lung hospital in the United Kingdom and the collaboration involves further strategic clinical development of these two clinical services at Sunway Medical.

MEDICAL SYMPOSIA

As a tertiary hospital, Sunway Medical continued to create an avenue for general practitioners ("GP") to receive medical updates through the annual GP Symposia. The subject of cancer was the main focus in 2017 and three symposia were organised covering a wide range of cancer topics, namely Cancer Treatment in the Millennial Age, Leading Cancer Focus: Lung & Breast Cancer, and An Evolving Paradigm in Cancer Management.

Other than symposia, Sunway Medical also conducted workshops on its new equipment to train in-house specialists and to showcase the benefits of using the latest robotic technology. The first workshop was on robotic Gynaecology using the breakthrough da Vinci® Surgical System, demonstrated through three "live" robotic surgeries. The other two workshops were the first robotic nursing workshop conducted in Southeast Asia and a workshop demonstrating the use of the Gamma Knife called "Evolving Role of Gamma Knife Radiosurgery in Cranial Neurosurgery" conducted by two Gamma Knife experts.

CHALLENGES

The healthcare industry continued to be competitive with the burgeoning of new hospitals and diagnostic centres, as well as the expansion of existing hospitals in Malaysia. The expansionary phase undertaken by the division will also culminate in more beds to fill and compete for.

Human capital retention remains a key challenge to operations. The recruitment of experienced nurses remains challenging due to inconsistency of training quality in local nursing schools, more attractive options and poaching by hospitals abroad, and competitiveness amongst private and government hospitals to attract and retain skilled nurses. Consultants and other medical professionals are also presented with more options with the increasing availability of medical institutions. Reputable consultants are venturing into establishing their own firms, resulting in a shortage in coverage of particular disciplines.

The Ringgit volatility also subjected the industry to higher costs in purchasing imported drugs and medical equipment and conducting international marketing overseas. This also deterred some overseas-trained Malaysian consultants from returning and practising locally.

STRATEGIES

Sunway Medical has received the highly regarded rating of Extensive Achievements in Medication Management and Credentialing and Privileging system, demonstrating the hospital's credibility in providing safe and quality patient care of international standard from the Australian Council of Healthcare Standards (ACHS). Sunway Medical was also certified by the Malaysian Society for Quality in Health (MSQH) in its fifth cycle and is 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 and practices.

The hospital continues to focus on recruiting specialities in shortage. The division endeavours to provide various forms of support through programmes and sponsorship of training through conferences, seminars and workshops to upgrade the skills of nurses in addition to offering incentives to attract returning medical consultants from overseas. Stepping up its pledge towards providing comfortable accommodation for in-house healthcare staff and professionals, three blocks of five-storey residential apartments were constructed. Each residential unit is fully furnished and conveniently located near transportation hubs.

Sunway Medical is diversifying, building up regional presence and expanding its international patient base to serve a wider market. The hospital serves patients from over 130 countries, catering to strong demand from overseas. A total of nine representative offices are fully operational in the provinces of Jakarta, Surabaya, Bandung, Padang, Balikpapan, Semarang, Palembang, Pekanbaru and Pontianak with plans to further expand representative offices in Indonesia and to China.

PROSPECTS

Under the Budget 2018, the Malaysian government announced an allocation of RM30 million to the Malaysian Healthcare Travel Council (MHTC) to promote Malaysia as a hub for fertility and cardiac treatment, extend the eVisa facility to cover specialised medical services and high-value healthcare, and introduce its Flagship Medical Tourism Hospital Programme, amongst others. The programme will offer special incentives to private hospitals to attract medical tourists, including special tax incentives extended from 2018 onwards. This move bodes well for Sunway as the flagship Sunway Medical Centre is located within the integrated township of Sunway City, one of the region's top tourism destinations.

Other potential moves by the government such as the implementation of the bundling concept to address the rising cost of private healthcare and the Voluntary Health Insurance could make healthcare more accessible to the masses. Increasing interest in healthcare and wellness has propelled the Healthcare division to be one of the strongest growing businesses in the Group. Sunway Medical will be embarking on a trajectory of growth and expansion to meet the needs of the market. New hospitals will be established in Sunway Velocity, Cheras; Sunway Damansara; Seberang Jaya, Penang; Sunway City Ipoh; and Sunway Iskandar, Johor. All of these hospitals will be located within Sunway's integrated developments.

Sunway Velocity Medical Centre, located in the 23-acre integrated Sunway Velocity development, is a new comprehensive tertiary hospital development. Facilities will include a catheterization lab, endoscopy suites, intensive care units, dialysis centre, day chemotherapy centre, and a 24-hour A&E unit. Construction is expected to be completed in early 2019.

Operationally, the hospital is also exploring opportunities to enhance productivity and services by leveraging on the advent of artificial intelligence, medical wearables and robotics. Electronic medical records can provide easy extraction of medical data to examine trends and changes in patients, eliminating the use of paper medical records. This technology can also be extended to personalise health data to wearables or mobile monitoring devices. The hospital will continue to differentiate itself through continuous updates on the latest medical technologies.

ENDLESS EXCITEMENT

Sunway's Leisure division takes pride in delivering fun to its patrons of all ages through its two premier multi-park attractions – Sunway Lagoon in Sunway City and The Lost World Of Tambun in Sunway City Ipoh. The two parks attracted close to 2.3 million visitors in 2017.

FINANCIAL REVIEW

78 Segmental Performance

79 Financial Highlights

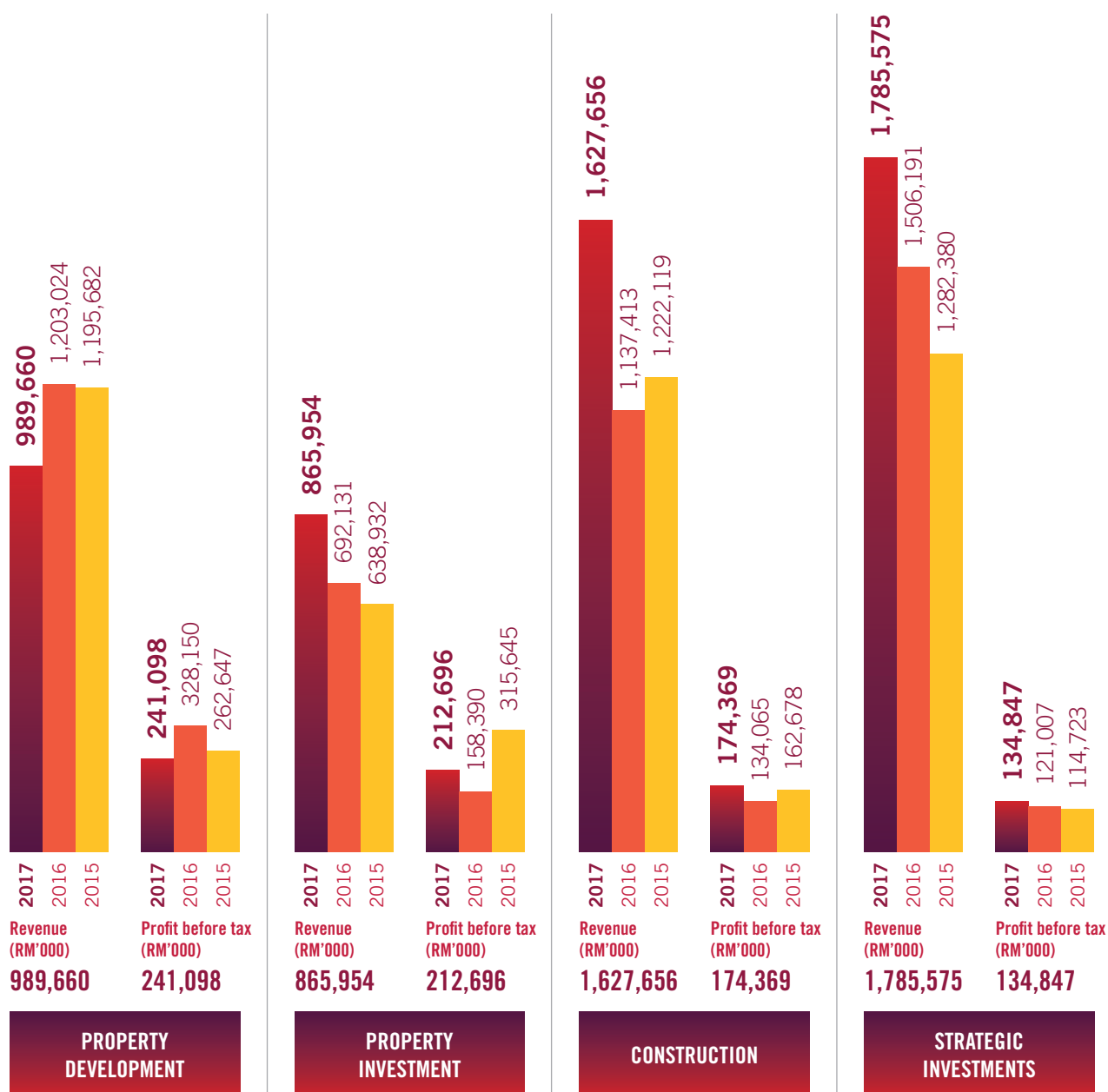
80 Value Added Statement

81 Share Performance

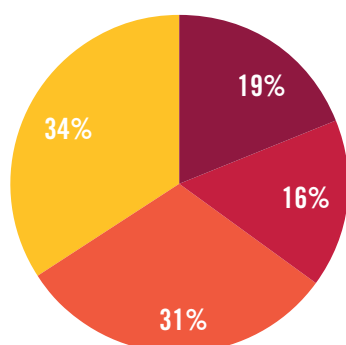




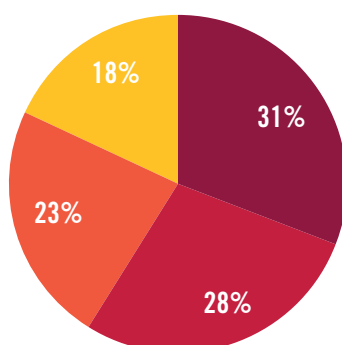
SEGMENTAL PERFORMANCE



REVENUE 2017



PROFIT BEFORE TAX 2017



- **PROPERTY DEVELOPMENT**
- **PROPERTY INVESTMENT**
(comprises Property Investment, REIT, Leisure and Hospitality)
- **CONSTRUCTION**
- **STRATEGIC INVESTMENTS**
(comprises Trading and Manufacturing, Quarry, Building Materials and Healthcare)



Please refer to Financial Review in Management Discussion and Analysis for more information.

FINANCIAL HIGHLIGHTS

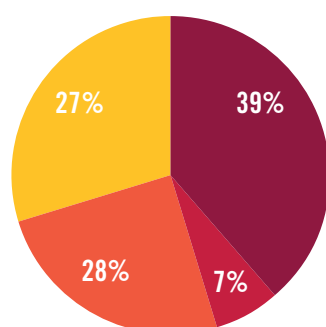
	FINANCIAL YEAR ENDED				
	2017 RM'000	2016 RM'000	2015 RM'000	2014 RM'000	2013 RM'000
OPERATING RESULTS					
Revenue	5,375,396	4,655,592	4,448,390	4,558,141	4,721,429
Profit before tax	882,192	858,992	930,362	960,242	1,900,373
Income tax expense	(149,387)	(140,394)	(130,939)	(148,593)	(137,038)
Profit net of tax	732,805	718,598	799,423	811,649	1,763,335
Non-controlling interests	93,306	132,715	66,974	77,638	272,964
Profit attributable to owners of the parent	639,499	585,883	732,449	734,011	1,490,371
KEY BALANCE SHEET DATA					
Property, plant and equipment	2,050,494	1,879,929	1,333,563	977,084	827,552
Investment properties	2,856,760	2,798,405	2,722,348	2,370,420	1,833,386
Rock reserves	6,131	6,394	6,657	6,920	7,183
Land held for property development	1,682,127	1,191,512	1,194,112	535,462	886,805
Investments in associates and joint ventures	3,526,546	3,229,934	3,181,173	2,521,413	2,304,895
Goodwill	311,842	311,840	320,060	319,444	319,444
Deferred tax assets	100,828	70,758	83,714	42,670	37,741
Trade receivables	51,407	30,380	10,521	6,723	2,305
Derivatives	34,181	164,711	351,271	66,329	22,955
Other non current assets	211,362	53,492	57,878	28,389	11,042
Current assets	9,081,766	9,014,598	6,739,560	5,884,262	4,839,567
Assets of disposal group classified as held for sale	294,283	-	-	98,029	8,686
Total assets	20,207,727	18,751,953	16,000,857	12,857,145	11,101,561
Long term borrowings	3,348,344	2,553,122	2,818,189	1,651,539	794,716
Deferred tax liabilities	121,331	94,561	90,886	82,860	73,994
Derivatives	4,496	3,644	7,709	3,682	66
Other long term liabilities	279,867	340,183	306,648	519,406	448,717
Current liabilities	7,966,228	7,527,213	5,564,151	4,275,817	4,074,034
Liabilities of disposal group classified as held for sale	-	-	-	-	64,835
Total liabilities	11,720,266	10,518,723	8,787,583	6,533,304	5,456,362
Total equity	8,487,461	8,233,230	7,213,274	6,323,841	5,645,199
Non-controlling interests	643,326	763,508	650,558	387,473	316,900
Shareholders' equity	7,844,135	7,469,722	6,562,716	5,936,368	5,328,299
FINANCIAL RATIOS					
Profit before tax margin (%)	16.41%	18.45%	20.91%	21.07%	40.25%
Basic earnings per share (sen)*	13.29	12.85	17.90	18.24	40.50
Diluted earnings per share (sen)*	13.25	12.74	17.40	17.89	40.38
Closing share price as at end of period (RM)**	1.63	1.29	1.31	1.36	1.12
Price-earning ratio (times)	12.54	10.67	7.57	7.76	3.15
Return on capital employed (ROCE) (%)	5.62%	6.09%	7.69%	10.19%	24.63%
Return on equity (ROE) (%)	8.15%	7.84%	11.16%	12.36%	27.97%
Net gearing ratio (times)	0.45	0.40	0.45	0.29	0.23
Net tangible assets per share (sen)*	152.70	147.88	147.58	138.73	124.17
Net assets per share (sen)*	159.48	155.17	156.28	147.01	132.49
Share capital (RM'000)	5,370,606	2,063,067	1,799,755	1,730,579	1,723,524
Number of ordinary shares ('000)	4,918,491	2,063,067	1,799,755	1,730,579	1,723,524

* Basic / diluted earnings per share, closing share price, net tangible assets per share and net assets per share for FY 2013 to 2016 have been adjusted to reflect the enlarged number of shares of Sunway after the bonus issue of shares.

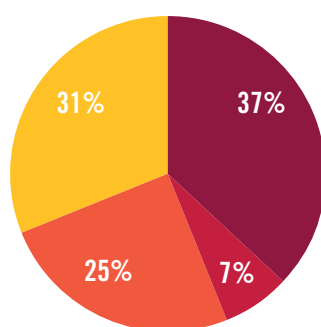
^ Source: Bloomberg

VALUE ADDED STATEMENT

FINANCIAL YEAR ENDED	2017 (RM'000)	2016 (RM'000)
VALUE ADDED		
Total Turnover	5,375,396	4,655,592
Purchases of goods and services	(3,495,226)	(2,870,232)
VALUE ADDED BY THE GROUP	1,880,170	1,785,360
Share of results of associates	168,613	124,909
Share of results of joint ventures	49,520	66,977
Net gain on revaluation of investment properties	76,662	84,484
TOTAL VALUE ADDED	2,174,965	2,061,730
RECONCILIATION:		
Profit for the year	732,805	718,598
Add: Depreciation and amortisation	139,043	137,153
Finance cost	220,271	167,903
Staff costs	840,153	764,967
Taxation	149,387	140,394
Minority Interests	93,306	132,715
TOTAL VALUE ADDED	2,174,965	2,061,730
VALUE DISTRIBUTED		
Employees		
Salaries and other staff costs	840,153	764,967
Government		
Corporate Taxation	149,387	140,394
Providers of capital		
Dividends	291,822	219,459
Finance Costs	220,271	167,903
Minority Interest	93,306	132,715
Reinvestment and growth		
Depreciation and amortisation	139,043	137,153
Income retained by the Group	440,983	499,139
TOTAL DISTRIBUTED	2,174,965	2,061,730



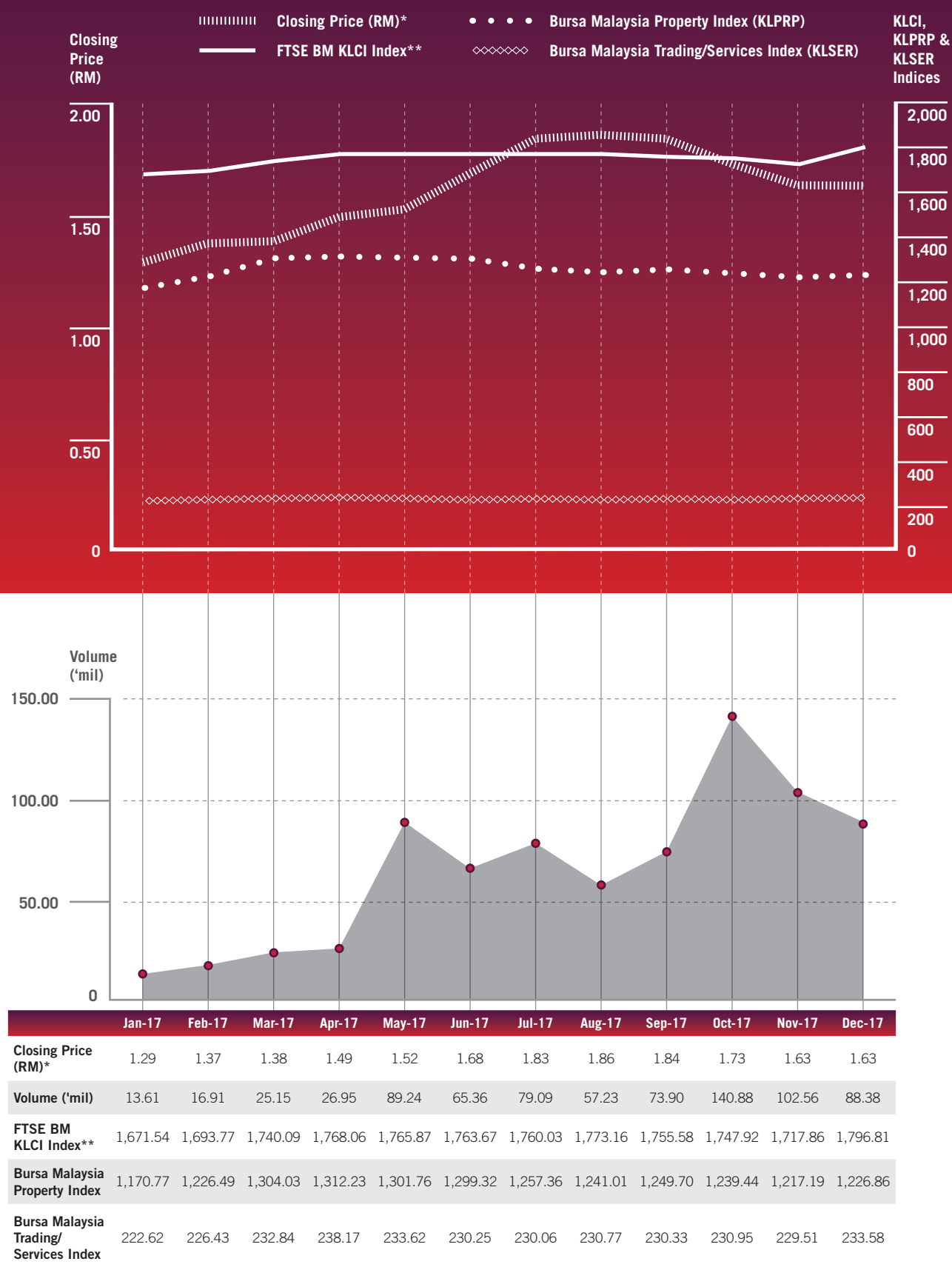
VALUE DISTRIBUTED 2017



VALUE DISTRIBUTED 2016

- EMPLOYEES
- GOVERNMENT
- PROVIDERS OF CAPITAL
- REINVESTMENT & GROWTH

SHARE PERFORMANCE



* Closing price (Source: Bloomberg) was adjusted on:

i) 11 April 2017 for share dividend distribution on the basis of 1 treasury share for every 100 existing ordinary shares in Sunway Berhad

ii) 27 September 2017 for bonus issue of shares on the basis of 4 bonus shares for every 3 existing ordinary shares in Sunway Berhad

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

PREMIER DESTINATION

Sunway's Hospitality division owns and operates a diverse portfolio of hospitality assets which includes a cluster of hotels with largescale convention, meeting and exhibition facilities, private villas and a wellness retreat. The division continues to deliver unforgettable experiences to guests visiting its collection of over 3,300 guestrooms, suites and villas.

EXEMPLARY LEADERSHIP

84 Profile of Board of Directors

96 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, Male

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO, aged 73, is the Founder and Executive Chairman of Sunway Group, one of Malaysia's largest conglomerate 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 the Sunway Group.

He has been conferred ten (10) honorary doctorates by leading universities worldwide. In 2007, Tan Sri Dr Jeffrey Cheah established the eponymous "Jeffrey Cheah Foundation" and in 2009, he transferred his equity in the Sunway Education Group worth RM720 million, in perpetuity, to the Jeffrey Cheah Foundation ("JCF"). The Foundation is now worth more than RM1 billion. 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 patron, His Royal Highness Sultan of Selangor. To-date, JCF has awarded more than RM330 million worth of scholarships to thousands of deserving students.

In 2017, Tan Sri Dr Jeffrey Cheah spearheaded the signing of agreements between Sunway Group and the Jeffrey Cheah Foundation with the University of Cambridge to establish the Sunway Clinical Research Centre, which will be a Regional Site Partner of the University of Cambridge School of Clinical Medicine.

Taking a momentous step forward in the sustainability agenda, Tan Sri Dr Jeffrey Cheah through the JCF, entered into a partnership with the United Nations Sustainable Development Solutions Network (SDSN) in 2016 towards implementing the United Nations Sustainable Development Goals (SDGs) and advancing sustainable development in Malaysia and Southeast Asia. The partnership will establish the Jeffrey Sachs Center on Sustainable Development at Sunway University to be a regional hub for research and policy practice, creating world-class programmes to train a new generation of students, practitioners and policy leaders.

In 2016, Tan Sri Dr Jeffrey Cheah became the first Malaysian to receive the Singapore-based Channel News Asia Lifetime Achievement Luminary Award, in recognition of his contributions to the business world and lifelong dedication to sustainable development and education.

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.

Tan Sri Dr Jeffrey Cheah is among Malaysia's leading philanthropists and has been recognised twice as Forbes Asia Hero of Philanthropy in 2009 and 2015 respectively.

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 Gonville & Caius College in the University of Cambridge (Caius) in November 2014, Harvard University in July 2013, and Brasenose College in the University of Oxford in December 2015, to establish, in perpetuity, the Jeffrey Cheah Professorship Funds at each of these institutions to enable a two-way flow of scholars and researchers between the institutions and the institutions of Sunway Education Group.

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 the Honorary Gold Award in 2012, 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:

- 2017** - Awarded the ASEAN@50 Lifetime Achievement Award by ASEAN Business Advisory Council Malaysia.
 - Awarded the inaugural Sustainability Icon Award by RAM.
 - Member of the Malaysian Institute of Management (MIM) Court of Emeritus Fellow.
 - Appointed a member of the National Productivity Council of Malaysia.
- 2016** - Recipient of the Victoria University Distinguished Alumni Award.
 - Conferred Malaysian Institute of Management's (MIM) Malaysian Leadership Excellence Award.
 - Awarded the Channel NewsAsia Lifetime Achievement Luminary Award 2016.
- 2015** - Founding Chair for the Malaysian 30% Club.
 - Conferred Honorary Fellow by the Institution of Engineers, Malaysia (IEM).
 - Best Chief Executive Officer for IR (Mid Cap) by the Malaysian Investor Relations Association.
- 2014** - President's Award by Malaysia Institute of Planners (MIP).
 - Prominent Player Award by Construction Industry Development Board (CIDB) Malaysia.
- 2013** - Appointed as Council Member of United Nations Sustainable Development Solutions Network (UNSDSN).
- 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. He also serves as a Member of the Employees' Share Option Scheme Committee.

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



DATO' SRI IDRIS JALA

NON-EXECUTIVE CO-CHAIRMAN,
INDEPENDENT NON-EXECUTIVE DIRECTOR

Malaysian, Male

Dato' Sri Idris Jala aged 59, graduated from University Sains Malaysia with a Bachelor Degree in Development Studies and Management in 1982. He obtained his Masters Degree in Industrial Relations from Warwick University in 1986.

Dato' Sri Idris Jala is the President and Chief Executive Officer ("CEO") of PEMANDU Associates. He is also Advisor to the Prime Minister, National Transformation Programme. Previously, he was the Managing Director of BFR Institute and CEO of PEMANDU, a unit in the Prime Minister's Department, Malaysia, the organisation tasked with spearheading Malaysia's transition towards high income status by 2020. He also served as Minister in the Prime Minister's Department, Malaysia for 6 years.

He is a renowned transformation guru in turning around companies' performance through his big fast results methodology and transformational strategies that are innovative, rigorous and relevant to today's demands. He has continuously delivered sustainable socio economic reforms which, in 2014, saw Bloomberg place him among the top 10 most influential policy makers in the world.

Dato' Sri Idris Jala is also the Founder and Executive Chairman of The Global Transformation Forum (GTF), the world's singular platform for influential, global leaders to engage and share experiences and best practices on how to drive transformation.

In addition, Dato' Sri Idris Jala is an Expert Resource Speaker at the Harvard Health Leaders' Ministerial Forum and a Visiting Fellow of Practice at the Oxford Blavatnik School of Government. He also served on the Advisory panel for the World Economic Forum (WEF) on New Economic Growth and also on the Advisory Panel of World Bank.

Prior to his Government stint, Dato' Sri Idris Jala was Managing Director/CEO at Malaysia Airlines (MAS) for 3 years. He was brought on board to turn around the airline which was in crisis brought about by a prolonged bout of losses from operational inefficiencies.

Before MAS, he spent 23 years at Shell, rising up the ranks to hold senior positions including Vice President, Shell Retail International and Vice President Business Development Consultancy, based in UK. This included successful business turnarounds in Malaysia and Sri Lanka.

Dato' Sri Idris Jala was appointed to the Board of Sunway on 11 August 2017. He also serves as a member of the Nomination and Remuneration Committees.

His directorships in other public companies are Malaysia Petroleum Resources Corporation, Johor Petroleum Development Corporation Berhad, Big Fast Results Institute, Talent Corporation Malaysia Berhad, Heineken Malaysia Berhad and Jeffrey Cheah Foundation.


TAN SRI DATUK SERI RAZMAN M HASHIM

DEPUTY EXECUTIVE CHAIRMAN,
NON-INDEPENDENT EXECUTIVE DIRECTOR

Malaysian, Male

Tan Sri Datuk Seri Razman, aged 78, 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, Marine & General Berhad (Formerly known as 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.

PROFILE OF BOARD OF DIRECTORS



DATO' CHEW CHEE KIN

**PRESIDENT,
NON-INDEPENDENT EXECUTIVE DIRECTOR**

Malaysian, Male

Dato' Chew, aged 72, 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 General Manager. In 1984, he was promoted to the Group 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 directorships in other public companies are Gopeng Berhad and Sunway Construction Group Berhad.



SARENA CHEAH YEAH TIH, S.M.S.

EXECUTIVE DIRECTOR,
NON-INDEPENDENT EXECUTIVE DIRECTOR

Malaysian, Female

Ms Sarena Cheah, aged 43, graduated with a Bachelor of Commerce (Accounting and Finance) from the University of Western Australia in 1994. She obtained her Masters in Business Administration from Melbourne Business School in 2001 and is also a member of the Association of Chartered Certified Accountants (ACCA) and Capital Markets Services Representative's Licence (CMRSL) holder.

Ms Sarena Cheah started her career with the Sunway Group since 1995 and served under various roles in the Corporate Finance, Internal Audit and Business Development departments. In 2006, she was made General Manager for Sales & Marketing of the Group's Property Development division before assuming the position of Director of Strategy & Corporate Development in 2009, during which she oversaw the successful merger and integration of Sunway Holdings Berhad and Sunway City Berhad. In May 2013, she was appointed as Joint Managing Director of Property Development Division, Malaysia/Singapore and subsequently took on her current position as Managing Director of Property Development Division of Sunway in May 2015. She has led Sunway's property arm to multiple achievements including being ranked as Malaysia's Top Property Developer by The Edge Top Property Developer Awards since 2014.

Ms Sarena Cheah was appointed to the Board of Sunway on 18 November 2010. She serves as a Member of the Employees' Share Option Scheme Committee. She is also a Board Member of Sunway REIT Management Sdn Bhd, the Manager of Sunway Real Estate Investment Trust.

Her directorships in other public companies are SunREIT Capital Berhad, SunREIT Unrated Bond Berhad, Institute of Corporate Directors' Malaysia and Yayasan Raja Muda Selangor.

PROFILE OF BOARD OF DIRECTORS



WONG CHIN MUN

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Malaysian, Male

Mr Wong, aged 73, graduated with Bachelor of Business (Accounting) Degree and Bachelor of Business (Secretarial Administration) Degree from Curtin University, Australia in 1972. He is a Fellow of Australian Society of Certified Practising Accountants. He is also a Member of Malaysian Institute of Accountants. He had attended the Senior Executives Program at International Management Imede Development at Lausanne, Switzerland in 1982. He also attended JUSE International Program for Total Quality Control for Top Management in Tokyo by Japanese Union of Scientists and Engineers in 1993. He is a certified senior coach and trainer of Vistage International of U.S.

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

Mr Wong had served on the National Export Council under the Ministry of International Trade & Industry from 1989 to 1992. He also served on the Board of Trustees of Malaysian Rubber Export Promotion Council from 2000 to 2002. Currently, he is the Chairman of the FMM-MIER Business Conditions Survey and a member of the FMM Strategic Policies Committee.

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

His directorships in other public companies are Kind Holdings Berhad, Scientex Foundation and Scientex Berhad.

**LIM SWE GUAN**

INDEPENDENT NON-EXECUTIVE DIRECTOR

Singaporean, Male

Mr Lim, aged 63, 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, Remuneration and Risk Management Committees.

He has no directorship in other public companies in Malaysia.

PROFILE OF BOARD OF DIRECTORS



DATUK SERI YAM KONG CHOY

INDEPENDENT NON-EXECUTIVE DIRECTOR

Malaysian, Male

Datuk Seri Yam, aged 64, 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 helping 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 2008, 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 trustee of 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 and also Patron of the Real Estate and Housing Developers' Association of Malaysia.

Datuk Seri Yam was appointed to the Board of Sunway on 17 July 2013. He also serves as Chairman of Remuneration Committee as well as a Member of the Audit, Nomination and Risk Management Committees.

His directorships in other public companies are Malaysia Airports Holdings Berhad, Paramount Corporation Berhad, Standard Chartered Bank Malaysia Berhad, Standard Chartered Saadiq Berhad, MRCB International Berhad and Cahya Mata Sarawak Berhad.

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

INDEPENDENT NON-EXECUTIVE DIRECTOR

Malaysian, Male

Tan Sri Dato' Dr. Lin, aged 78, 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 Dato' Dr 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. He also serves as Chairman of Risk Management Committee as well as a Member of the Audit, Nomination and Remuneration Committees.

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.

PROFILE OF BOARD OF DIRECTORS



TAN SRI DATUK DR REBECCA FATIMA STA MARIA

INDEPENDENT NON-EXECUTIVE DIRECTOR

Malaysian, Female

Tan Sri Dr Rebecca, aged 60, graduated from the University of Malaya in 1980 with a Bachelor of Arts (Honours) in English Literature. She received a Diploma in Public Administration from the National Institute of Public Administration ("INTAN"), Malaysia in 1981. She also has an M.S. (Counselling) from Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia) in 1992. Subsequently, Tan Sri Dr Rebecca obtained her Ph.D from the University of Georgia in Athens in 2000.

Tan Sri Dr Rebecca began her career in the Malaysian Administrative and Diplomatic Service in 1981 and served in various capacities in the then Ministry of Trade and Industry. In the course of her civil service career, she had a brief stint as the Chief Administration and Procurement Officer of the ASEAN Plant Quarantine and Training Centre, and contributed to human capital development at the INTAN.

She retired as the Secretary-General of the Ministry of International Trade and Industry ("MITI Sec-Gen") on 2 July 2016. As MITI Sec-Gen, a post she was appointed to in December 2010, she provided oversight for the formulation and implementation of Malaysia's international trade policies and positions. This involved Malaysia's participation in bilateral, regional (ASEAN, APEC, OIC) and multilateral fora (World Trade Organisation), as well as bilateral and regional trade negotiations. On the regional front, she played a key role in ASEAN economic integration and chaired the ASEAN Senior Economic Officials Meeting as well as the ASEAN High Level Task Force for Economic Integration.

In the academic field, in April 2000, she was awarded the Malcolm Knowles Award for the best Ph.D dissertation in 2000 in the field of Human Resource Development by the American Academy of Human Resource Development. She was also awarded "Professional Achievement Awards by School of Education, University of Georgia (2013)".

Tan Sri Dr Rebecca currently serves on the Board of Trustees of MyKasih Foundation. She is also the Chair of the Institute for Democracy and Economic Affairs (IDEAS) and the EU-Malaysia Chamber of Commerce and Industry.

Tan Sri Dr Rebecca was appointed to the Board of Sunway on 1 March 2018. She also serves as Member of the Audit, Nomination, Remuneration and Risk Management Committees.

Her directorships in other public companies are RHB Bank Berhad, Hartalega Holdings Berhad, Lafarge Malaysia Berhad, Eco World International Berhad and RHB Investment Bank 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) 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 5 years other than traffic offences (if any) nor public sanctions or penalty imposed by the relevant regulatory bodies during the financial year.

4. Attendance of Board Meetings

The attendance of the Directors at Board Meetings held during the financial year ended 31 December 2017 is disclosed in the Corporate Governance Overview Statement.



Please refer to Corporate Governance Overview Statement for more information.

PROFILE OF SENIOR MANAGEMENT



DATO' TAN KIA LOKE

SENIOR MANAGING DIRECTOR – CHAIRMAN'S OFFICE MALAYSIAN, MALE

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

Dato' Tan, aged 67, was appointed as Senior Managing Director to Chairman's Office on 1 January 2015.

He is a Civil Engineer by profession. He joined Sunway Group in 1981. He was the Senior Managing Director of Sunway Construction Sdn Bhd and was appointed as Head of Property and Construction Division on 1 January 2013 after the merger of Sunway Holdings Berhad and Sunway City Berhad in August 2011. His key role was to synergise and enhance the full potential values in the Group's core property and construction collaborations. Thereafter, he is re-designated as Senior Managing Director to the Chairman's Office to support the Chairman of Sunway Group in areas of new business ventures, strategic partnerships and collaborations.

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

He is also a Board and EXCO Member of Malaysian South-South Corporation Berhad.



EVAN CHEAH YEAN SHIN

EXECUTIVE VICE PRESIDENT - PRESIDENT'S OFFICE, CHIEF EXECUTIVE OFFICER - CHINA MALAYSIAN, MALE

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

Mr Evan Cheah, aged 38, was appointed as Executive Vice President – President Office on 1 March 2015.

He 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. He was subsequently 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.

He sits on the Board of Sunway Construction Group Berhad.



CHONG CHANG CHOONG

CHIEF FINANCIAL OFFICER MALAYSIAN, MALE

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

Mr Chong, aged 59, was appointed as Chief Financial Officer on 1 May 2013.

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.

He currently sits on the Boards of Gopeng Berhad and Sunway International Vacation Club Berhad.



LEE WENG KENG (DR)

CHIEF EXECUTIVE OFFICER – HEALTHCARE DIVISION MALAYSIAN, MALE

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

Dr Lee, aged 70, was appointed as Chief Executive Officer – Healthcare Division on 1 June 2005.

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

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

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

He does not have any directorship in public company or public listed company.

PROFILE OF SENIOR MANAGEMENT



CHUNG SOO KIONG

MANAGING DIRECTOR – CONSTRUCTION DIVISION MALAYSIAN, MALE

Bachelor of Science (Hons) Degree in Quantity Surveying,
University of Abertay Dundee;
Diploma in Building (Technology),
Tunku Abdul Rahman College

Mr Chung, aged 50, was appointed as Managing Director – Construction Division on 1 November 2015.

He 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 roles included overall management of the contracts administration and operations, develops action plans to review pre- and post-contract related matters of various projects, responsible for the overall management of business research and development activities to achieve growth and profitability, develops strategies to identify and venture into new potential businesses and/or markets, and continuously improve the policy and procedure 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.

He sits on the Board of Sunway Construction Group Berhad.



WONG FOOK CHAI

CHIEF EXECUTIVE OFFICER – TRADING AND MANUFACTURING DIVISION MALAYSIAN, MALE

Bachelor of Engineering (Honours),
University of Malaya

Mr Wong, aged 62, was appointed as Chief Executive Officer – Trading and Manufacturing Division on 1 May 2013.

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. He was subsequently designated as Chief Executive Officer in 2013.

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.

He does not have any directorship in public company or public listed company.



LEE CHUAN SENG

CHIEF EXECUTIVE OFFICER - QUARRY DIVISION MALAYSIAN, MALE

Chartered Accountant,
Chartered Institute of Management Accountants,
United Kingdom;
Masters in Business Administration,
Victoria University of Technology, Australia

Mr Lee, aged 50, was appointed as Chief Executive Officer - Quarry Division on 1 February 2018.

He has more than 22 years of experience in the quarrying industry. Prior to this appointment, he was the Chief Operating Officer of Sunway Group's Quarry division, in charge of 6 quarries and 13 asphalt manufacturing plants with annual sales turnover of over RM200 million.

He first joined Sungei Way Quarry Industries Sdn Bhd in 1996 as an Accountant and last served as Commercial Manager (Southern & Eastern Region) of the Sunway-Pioneer joint venture, formed in 1999 when the Group divested its quarrying operations to Pioneer International Limited. In his role as Commercial Manager from 1999 to 2001, he was in charge of 3 core products, namely aggregates, asphalt manufacturing and ready-mixed concrete.

He then took on the role of Financial Controller for Setia Juta Quarry Industries Sdn Bhd in 2001 and held the same position until 2005, when the company was injected into Sunway Holdings Berhad. From there, he progressed to the position of Chief Operating Officer in 2012.

He is a Fellow Member of Chartered Institute of Management Accountants, United Kingdom as well as a Member of Chartered Global Management Accountant and Malaysian Institute of Accountants.

He does not have any directorship in public company or public listed company.



DANNY NG BOON LIANG

CHIEF EXECUTIVE OFFICER – BUILDING MATERIALS DIVISION MALAYSIAN, MALE

Bachelor of Economics (Business Administration),
University of Malaya

Mr Danny Ng, aged 58, was appointed as Chief Executive Officer – Building Materials Division on 1 May 2013.

He has 37 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 and spun piles for Malaysia. He was designated to his current position in 2013.

Prior to this appointment, Mr Danny Ng was the Executive Director 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.

He does not have any directorship in public company or public listed company.

PROFILE OF SENIOR MANAGEMENT



CHAN HOI CHOY

CHIEF EXECUTIVE OFFICER – SUNWAY SHOPPING MALLS AND THEME PARKS MALAYSIAN, MALE

Bachelor of Science (Hons) degree in Managerial and Administrative Studies,
University of Aston, Birmingham, United Kingdom

Mr Chan, aged 58, was appointed as Chief Executive Officer – Sunway Shopping Malls and Theme Parks on 1 January 2009.

Having spent his entire 34 years of professional career in mall management and development, Mr Chan has acquired extensive experience in general mall management, operations and marketing management. He 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.

In his current position, he oversees the portfolio of Sunway Pyramid, Sunway Carnival, Sunway Giza, Sunway Putra, Sunway Velocity, Sunway Lagoon and The 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).

He does not have any directorship in public company or public listed company.



LAU BENG LONG

MANAGING DIRECTOR - HEALTHCARE DIVISION MALAYSIAN, MALE

Bachelor of Science (Hons),
Universiti Sains Malaysia;
Masters in Healthcare Administration,
University of New South Wales;
Postgrad Diploma in Public Administration,
National Institute of Public Administration (INTAN)

Mr Lau, aged 63, was appointed as Managing Director - Healthcare Division on 1 August 2011.

He has more than 34 years of experience in the healthcare sector. He currently overlooks the Healthcare division of the Sunway Group and is in charge of Sunway Medical Centre and spearheading the planning and project management of new hospitals and other healthcare facilities in the major cities of Malaysia.

Prior to this, he held executive leadership positions in Pantai Medical Centre (KL) as well as Mount Alvernia Hospital and Assisi Hospice & Home in Singapore. He was also a planning and management consultant for healthcare projects in East Malaysia, Indonesia and UAE. In his early career, he was holding planning and corporate secretarial positions in the Ministry of Agriculture and Harrison's & Crosfield PLC respectively.

Mr Lau was a board member of the Association of Private Hospitals in Malaysia. Currently, he is a volunteer board member of Kasih Hospice (KL); Mount Miriam Cancer Hospital, Penang; Good Shepherd Education Centres and Mount Alvernia Hospital, Singapore.

He does not have any directorship in public company or public listed company.



FOO SHIANG WYNE

CHIEF HUMAN RESOURCES OFFICER – GROUP HUMAN RESOURCES MALAYSIAN, FEMALE

Bachelor of Science (Hons) in Computer Science,
University of Sussex, United Kingdom;
Masters in Business Administration,
Cardiff Business School, United Kingdom

Ms Foo, aged 46, was appointed as Chief Human Resources Officer – Group Human Resources on 1 January 2015.

She is an experienced Human Resources Practitioner with more than 20 years' extensive experience in various industries such as Pharmaceuticals, Medical Devices, Hospitality and Fast Moving Consumable Goods. Prior to joining Sunway in 2013, she was the Human Resources Director of GlaxoSmithKline for Malaysia, Singapore and Brunei as well as in Johnson & Johnson Medical Devices Division for Malaysia and Indonesia. She was also the Regional Director of Human Resources of Hilton Worldwide, where she managed the overall HR spectrum of 17 properties across Southeast Asia, and the Regional Learning & Development Manager for NIKE (Southeast Asia) in her earlier career days.

Ms Foo joined Sunway Group in 2013 as the General Manager of Group Human Resources, where she heads the Organization Development and Talent Acquisition function. In 2015, she assumed her current role where she is responsible for the overall Group Human Resources and Human Resources Shared Services function.

She has played a key role in enhancing the overall talent acquisition, talent management and learning in the organization. Among the key initiatives, she spearheaded the women's initiatives, strengthening employer brand through strategic collaboration with top universities locally and abroad, and she is currently leading the group-wide HR System Implementation & Transformation across all Businesses within Sunway.

She does not have any directorship in public company or public listed company.

NOTES:

1. Family Relationship with Director and/or Major Shareholder

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

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

2. Conflict of interest

None of the Senior Management members has any conflict of interest with Sunway Group.

3. Conviction for Offences

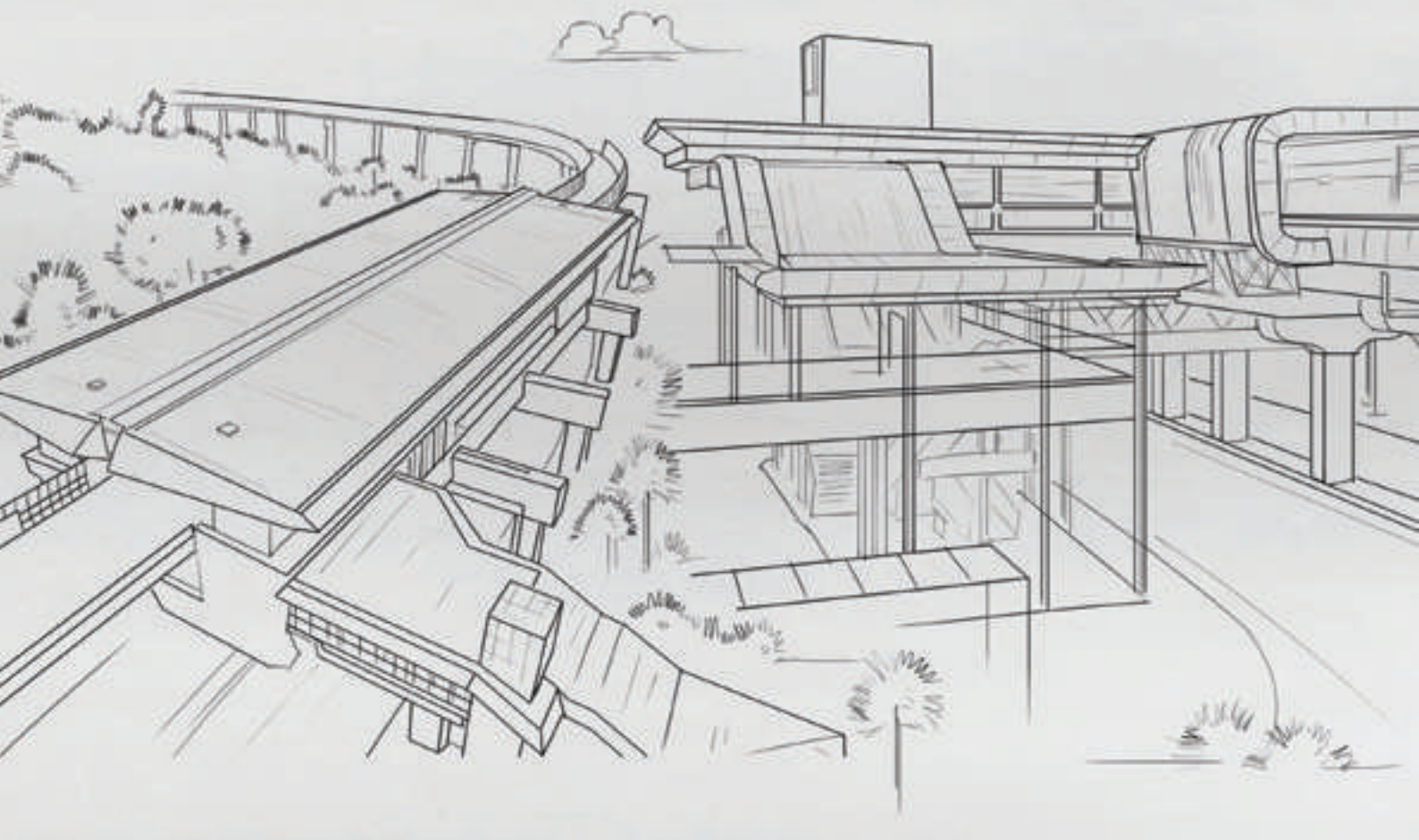
None of the Senior Management members has any conviction for offences within the past 5 years other than traffic offences, if any. They have not been imposed any penalty by any relevant regulatory bodies during the financial year 2017.

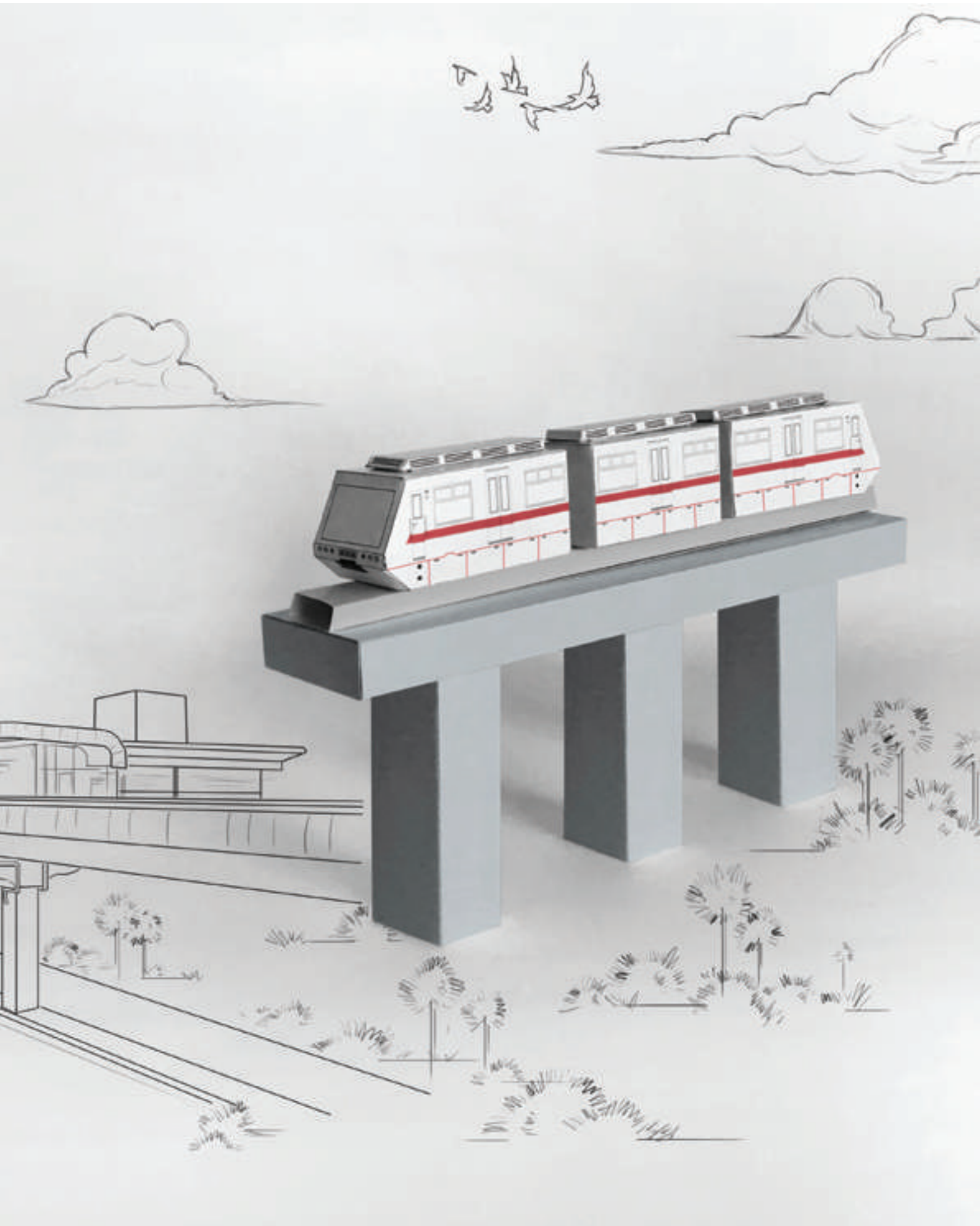
BUILDING PILLARS OF SUCCESS

Sunway's Construction division is a leading contractor that has contributed more than 36 years to nation building. The division is positioned for greater future growth through its Design & Build capabilities, enhancing all aspects of design, build and project management through technology.

SUSTAINABILITY

104 Sustainability at Sunway





SUSTAINABILITY AT SUNWAY



Please refer to Sustainability Report 2017 for detailed information on our sustainability journey.

PUSHING THE FRONTIERS OF SUSTAINABLE DEVELOPMENT

For more than four decades, sustainable development, including socio-economic goals has been integral to our business framework as we expand our presence worldwide and work towards a sustainable future.

Over the years, as we have grown to become one of Malaysia's largest conglomerates, we have woven the concept of sustainable development into the fabric of the Sunway Group and its related entities. Sunway's Sustainability Report 2017 takes you through our journey in delivering a positive and far-reaching impact on the planet and its people as we continue to Push the Frontiers of Sustainable Development.

SUNWAY'S VISION

To be Asia's model corporation in sustainable development, innovating to enrich lives for a better tomorrow



SUNWAY'S SUSTAINABILITY MISSION

- Empowering our people to deliver enhanced value to all stakeholders
- Embracing sustainability in our business processes and decisions
- Attracting and nurturing a talented and progressive workforce for the digital era



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 shrink our carbon footprint
- Partner with the communities we serve and make a positive impact



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 And Service Innovation

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

Process And Resource Efficiency

- Process improvement
- Materials & resource management

Green Initiatives

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

Giving Back To Communities

- Education
- Health and medical services
- Community development
- Philanthropic initiatives

COMMITMENT MOVING FORWARD

An additional focus area, which focuses on pushing the knowledge frontier, will be tabled to the Board. Key aspects include research, development and innovation; postgraduate studies; training; patents; intellectual property; commercialisation and start-up opportunities.

SUNWAY SUSTAINABILITY GOVERNANCE STRUCTURE

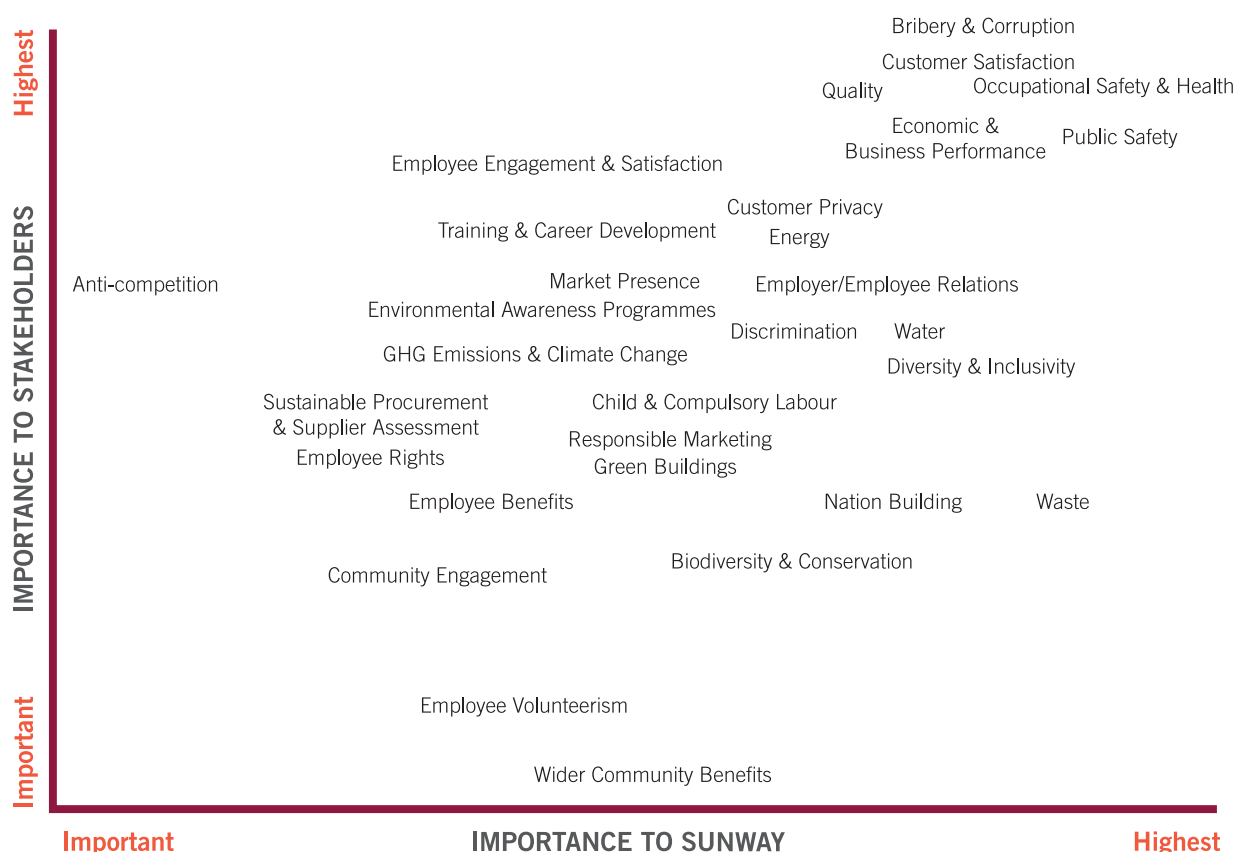
The Sunway Sustainability Taskforce reports to the Board on Economic, Environmental, Social and Governance (“EESG”) matters. EESG matters that are material to value creation are integrated into our balanced scorecard, which is used to set objectives, drive behaviours, measure performance and determine remuneration.

Tan Sri Dr Jeffrey Cheah AO, Founder and Chairman of Sunway Group, heads the Group Executive Committee (“EXCO”). The Sunway Sustainability Taskforce oversees the execution of Sunway’s sustainable strategy in the Group’s day-to-day operations.

Sunway Sustainability Taskforce comprises representatives from key functions including operations, planning, social and business functions. The taskforce acts as the thinker and planner of Sunway’s sustainable development projects. It is responsible for developing Sunway’s overarching sustainability framework, setting Key Performance Indicators (KPIs) and targets in consultation with the relevant stakeholders, and driving sustainability initiatives across the Group. This in turn conveys the Board’s strategic planning especially in monitoring EESG risks and opportunities. The taskforce meets regularly and provides updates to the Group EXCO.

PRIORITISING WHAT MATTERS THE MOST

The concept of materiality is the foundation of Sunway’s sustainability actions and reporting. We conduct an annual materiality study to prioritise sustainability aspects that are material to us and our stakeholders. We commissioned an external consultant to conduct this comprehensive study in the last quarter of 2017. Stakeholder representatives were asked to rate the importance they placed on 30 areas of sustainability. The matrix below presents the results of the Sunway materiality study. This guides us to report in line with the interests and needs of our stakeholders. Sunway’s performance in each of these sustainability areas is reported in the Sustainability Report 2017.



Please refer to Sustainability Report 2017 for more information on Stakeholder Universe and Materiality Assessment.

SUSTAINABILITY AT SUNWAY

#SUNWAYFORGOOD FOR THE ECONOMY

Sunway originates from 800 acres of mining land. Home to a population of 200,000, Sunway City attracts 42 million visits annually. This vibrant township houses more than 60 million square feet of existing and future world-class facilities and developments.

CONNECTIVITY OF THE FUTURE

All buildings within Sunway City are interconnected by an at-grade (pedestrian walk) or elevated pedestrian walkway (Canopy Walk) to encourage walking within the township. Additionally, a dedicated, connected cycling network is scheduled for completion by 2020.

MALAYSIA'S FIRST DEDICATED AND ELEVATED BUS RAPID TRANSIT ("BRT") - SUNWAY LINE



- Public-Private Partnership (PPP) between Prasarana Malaysia Berhad (Prasarana) and Sunway Berhad
- Sunway has contributed RM123 million to the RM634 million BRT-Sunway Line project
- Use of eco and disabled-friendly electric buses that run on a dedicated and elevated 5.4 kilometre track
- Serves more than 500,000 commuters in the vicinity

ELEVATED COVERED CANOPY WALK



- RM20 million investment
- 2.3 kilometres elevated covered canopy walk that will be extended to 4 kilometres in the future
- Patrolled by Sunway's security personnel
- 59 CCTV cameras
- Connects Sunway Pyramid Mall, Sunway University, Monash University Malaysia, Sunway Lagoon BRT Station, Taylor's University Lakeside Campus and SunMed BRT Station

SUNWAY INNOVATION LABS TO PROPEL TECHNOPRENEURSHIP

Launched on 4 May 2017, Sunway Innovation Labs (Sunway iLabs) functions as a start-up incubator and runs accelerator programmes. It facilitates the development of the start-up ecosystem within Malaysia by acting as a micro-ecosystem.

The unique not-for-profit smart partnership concept is an excellent platform for Sunway Group, Sunway University and Sunway Ventures to build a triple helix innovation model. The strengths of stakeholders are combined across academia, industry and government within a collaborative space. This model fosters entrepreneurship and stimulates market-driven innovations.

Sunway iLabs also syncs with the wider start-up ecosystem in Malaysia and abroad through collaborations and strategic partnerships to enable entrepreneurs to scale their businesses faster.

As a Digital Hub, Sunway iLabs offers start-ups ready access to high-speed broadband and fibre optic connectivity, funding and facilitation opportunities, a technologically-focused and workforce-ready ecosystem, coupled with a holistic convenience and lifestyle experience.

SUNWAY iLABS PARTNERS



- Malaysia Digital Economy Corporation Sdn Bhd (MDEC)
- Agensi Inovasi Malaysia (AIM)
- Platcom Ventures
- Malaysian Global Innovation and Creativity Centre (MaGIC)
- Cradle Fund Sdn Bhd
- Malaysia Angel Business Network
- Grab
- Young Outliers

#SUNWAYFORGOOD FOR THE ENVIRONMENT

We endeavour to reduce the environmental impact of our wide range of businesses. Our sustainability strategy supports our businesses and reaches beyond the doors of our assets to preserve and protect the planet and its resources.

Sunway City, Kuala Lumpur is Malaysia's first integrated township. Resurrected from a barren mining wasteland, Sunway City is:

- 40% green
- Home to more than 150 species of flora and fauna
- 100% accessible by foot through canopied and pedestrian walkways

KEY GREEN HIGHLIGHTS

- Sunway City is Malaysia's first fully integrated green township
- RM5 million spent on landscaping and beautification of Sunway City
- Styrofoam-free Initiative
- Recycling Programme
- Combined generation plant for Sunway City which uses natural gas to generate electricity, chilled water and hot water
- Construction of a water treatment plant in Sunway South Quay which produces approximately 10,000m³ of water for the commercial buildings within Sunway City
- All Sunway-owned buildings in Sunway City are 100% smoke-free
- Sunway Velocity Mall has four rainwater harvesting tanks which can yield 408,000 litres of rainwater on average. We are studying the feasibility of having this system installed in other malls.

PIONEERING GREEN DEVELOPMENT

Our commitment to green building addresses all issues including biodiversity, Greenhouse Gas (GHG) emissions, energy management, resource use, pollution, waste management and water management. The completed projects with Green Building status are as below:



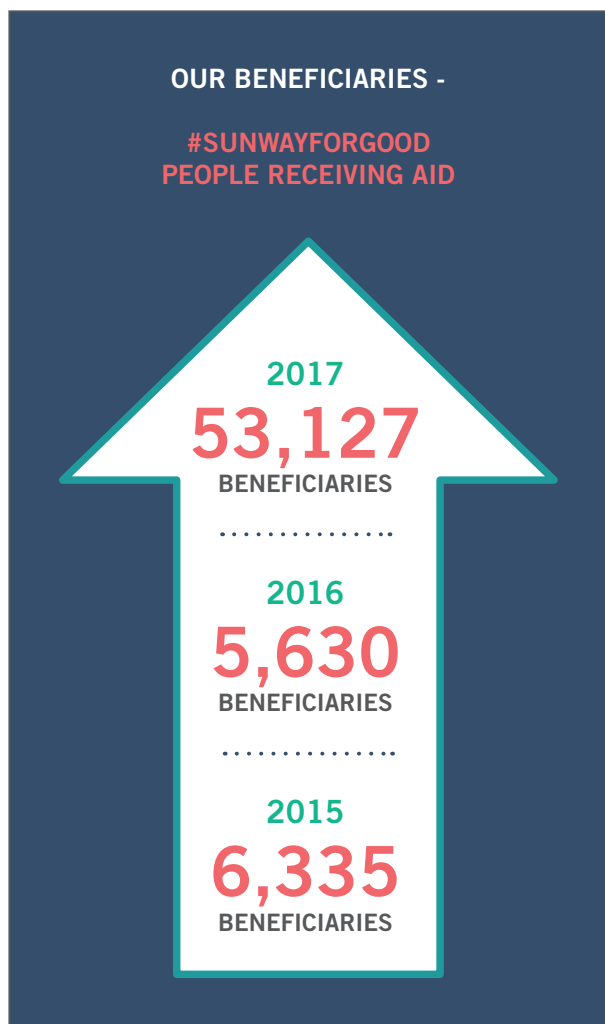
Sunway City is Malaysia's first sustainable township as certified by the Green Building Index. It is also a winner of two FIABCI Prix d'Excellence and three FIABCI Malaysia awards.

SUSTAINABILITY AT SUNWAY

#SUNWAYFORGOOD FOR OUR SOCIETY

Intertwined with Sunway's core values of Integrity, Humility and Excellence, #Sunwayforgood encapsulates Sunway's sustainability and social responsibility efforts as we strive to create a positive and far-reaching impact on the nation and humankind. We actively engage our stakeholders and the communities we serve through initiatives that advance economic, environmental and social progress so that we deliver enduring growth for thriving communities.

#Sunwayforgood is also our pledge that Sunway will continue to do good, and stand alongside Malaysians, for good. Sunway champions corporate responsibility through three key areas of focus, namely, Education, Healthcare and Community Enrichment projects.



JEFFREY CHEAH FOUNDATION

The Jeffrey Cheah Foundation ("JCF") is a unique, first-of-its-kind structure in Malaysia within the field of private academic institutions and entities. It is governed by a distinguished board of eleven trustees under the royal patronage of HRH the Sultan of Selangor.

JCF aims to safeguard the education institutions it owns and governs in perpetuity, continuing the mandate of the Sunway Education Trust Fund that was established in March 1997. Assets and operating surpluses are used to provide and sustain quality education for present and future generations of students.

JCF had allocated in excess of RM330 million (as of October 2017) worth of scholarships to more than 34,000 deserving students. These scholarships provide opportunities that meet the academic and special talent requirements of students attending Sunway University, Sunway College and other academic institutions of the Sunway Education Group (SEG).

JCF INCREASED THE VALUE OF SCHOLARSHIPS FROM RM270 MILLION IN 2016 TO RM330 MILLION IN 2017. JCF REMAINS STEADFAST IN ITS COMMITMENT TO GIVING TO SOCIETY THROUGH QUALITY AND SUSTAINABLE EDUCATION.



#SUNWAYFORGOOD FOR OUR PEOPLE

We are proud to work in an organisation that reflects the communities in which we live. Both diversity and inclusion are embraced at every level of the company. The differing backgrounds, opinions, experiences and perspectives of employees strengthen the business. A truly collaborative workplace is essential for our continued growth as a diversified conglomerate with a multitude of businesses.

Continuous learning has always been the key focus for Sunway employees. Sunway stays ahead of the market by expending significant effort and financial resources in continuously upskilling its employees. Sunway employees are encouraged to take charge of their own learning journey within the organisation through short-term and long-term programmes at the corporate office and Sunway University.

We engage Aon Hewitt to gather feedback from our employees each year. In 2017, 7,250 employees responded to the survey, which was conducted from 18 July to 8 August, achieving a group response rate of 93%. Our engagement model does not merely measure employees' satisfaction with each of the drivers. Areas for improvement are also identified based on their potential impact on engagement and business performance. Sunway's overall employee engagement score was good.

KELAB SOSIAL SUNWAY (“KSS”)

KSS supports the Group’s sustainability agenda and independent activities. Peninsular Malaysia employees from the Central Region, Ipoh, Penang and Johor Bahru join KSS, which hosts various sports and recreational activities. Fitness, disaster relief, donations and sustainability initiatives are also conducted.

KSS Objectives:

- Supports the Group’s CSR activities
- Strengthens the relations of Sunway Business Units
- Fosters family ties and creates camaraderie between Sunway employees

SAFE AND HEALTHY WORKPLACE

Sunway promises a safe and healthy workplace to all employees. Clear, aligned procedures and standards are followed to ensure a safe working environment and avoid accidents across all Sunway sites.

Sunway’s Occupational Safety and Health Council meets each month to discuss the Group’s safety performance. Measures to avoid incidents from reoccurring are also covered. Our commitment to safety is shared across all business units and all sites.

#SUNWAYFORGOOD IN SAFEGUARDING HUMAN RIGHTS

We embrace fair employment, diversity and inclusivity in the workplace. The entire Sunway Group is committed to showing respect for the human rights of each and every employee. We also strive to ensure that all employees are aware of these priorities.



- Our human resource practices comply with the local labour laws.
- Hiring is based on merit and equal opportunities are provided for career development and progression.



- Discrimination on the basis of ethnicity, gender, religious beliefs, nationality, age or physical disability is forbidden.
- Unethical and exploitative labour practices, such as child labour, forced or compulsory labour, are not tolerated.

#SUNWAYFORGOOD OPERATIONS

CIRCULAR ECONOMY THROUGH QUALITY ASSURANCE

Our commitment to circular economy aims to promote greater resource productivity. This is achieved by delivering the highest quality products and services to our stakeholders. Sunway is committed to delivering excellence with passion. Our ISO 9001-certified Quality Management System challenges us to continually improve our processes and approaches in order to deliver the best possible results in each of our business fields.

PUBLIC SAFETY

Sunway’s Safe City Initiative ensures that its communities live, learn, work, play, be healthy and safe in a well-connected environment. Our in-house security force conducts 24-hour joint patrols with Royal Malaysian Police personnel across Sunway City as part of this initiative.

SUNWAY SAFE CITY INITIATIVE

- Partnered with the Royal Malaysian Police and Malaysian Crime Prevention Foundation (MCPF)
- Spent RM1 million on constructing Sunway Pondok Polis
- Spent RM3 million on constructing a new police station
- A new RM3 million police station with state-of-the-art equipment is planned
- Panic buttons installed around Sunway Pyramid
- Round-the-clock patrols organised alongside Royal Malaysian Police personnel
- 3,000 CCTV cameras installed
- A security force of 1,100, 600 of whom are auxiliary police
- Launched the Selangor MCPF website, a one-stop digital platform that shares useful crime prevention information

TRAIL BLAZER OF UNSDGs IN THE REGION: AN ON-GOING MISSION

In September 2015, world leaders gathered at a special United Nations summit in New York to adopt Agenda 2030 and commit to 17 United Nations Sustainable Development Goals (“UNSDGs”). These goals provide a holistic framework with the vision of eradicating poverty and deprivation, growing economies, protecting the environment, advancing peace and promoting good governance.

Sunway and Malaysia as a whole have made significant progress on all UNSDGs. As one of Malaysia’s largest conglomerates, we have invested millions of Ringgit in realising these goals. Sunway is committed to the UNSDGs and aims to attain recognition and distinction in advancing the UNSDGs in the region.

We believe that achieving the UNSDGs is not the responsibility of governments alone but involves the private sector, academia, civil society and every individual as we are all in this together.

INTERNATIONAL TRADING ENTERPRISE

Sunway's Trading and Manufacturing division markets a wide range of hoses and fittings, heavy equipment parts, heavy equipment, building materials and industrial hardware. The division serves close to 13,000 active customers across a diverse range of industries from its strategic and vast distribution points throughout Malaysia, Singapore, Thailand, Indonesia, China, and Australia.

GOVERNANCE WITH INTEGRITY

112 Corporate Governance Overview Statement

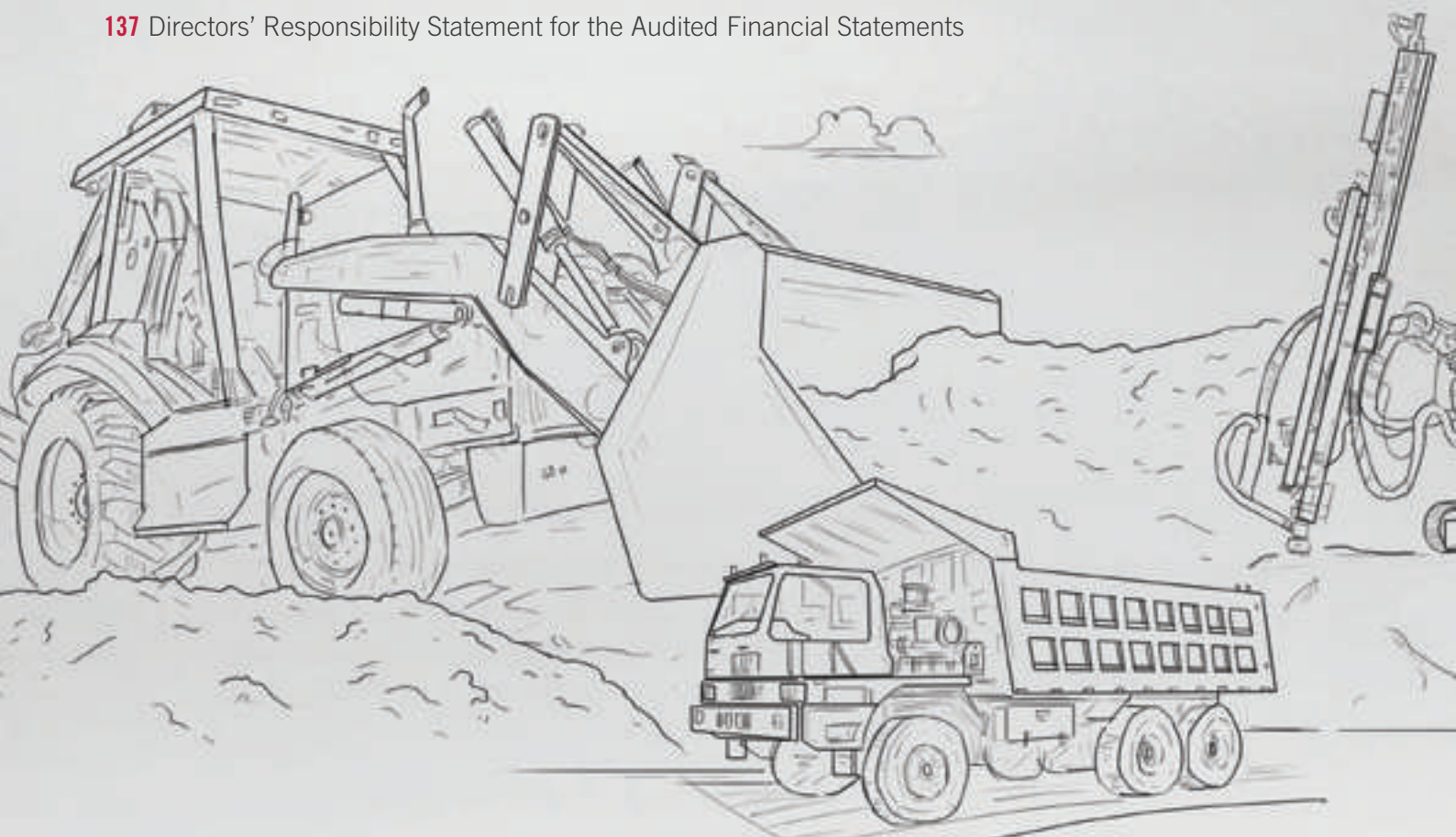
123 Audit Committee Report

128 Statement of Risk Management and Internal Control

132 Additional Compliance Information

134 Investor Relations

137 Directors' Responsibility Statement for the Audited Financial Statements





CORPORATE GOVERNANCE OVERVIEW STATEMENT

THE GOVERNANCE FRAMEWORK OF SUNWAY BERHAD

The Board operates within the following governance framework in order to systematically fulfil its roles and responsibilities under the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad and all other relevant laws and regulations. Relevant Board Committees are empowered by the Board to assist the Board in providing oversight over specific aspects of the governance process.



The Board of Directors (“**Board**”) of Sunway Berhad (“**Company**”) aspires to uphold good corporate governance in all that it does. The Company will continue to place emphasis on ensuring responsible and sustainable business practices as well as adhering to the highest levels of corporate integrity throughout the Group in line with its core values of integrity, humility and excellence.

The Group is committed to the United Nations Sustainable Development Goals (**SDG**), and continues to align its business strategies to meet the needs of its communities in line with the SDG agenda. The Group’s commitment to strong Economic, Environment and Social practices is embedded throughout the organization – from its policies and social impact initiatives to day-to-day operations so that it delivers enduring growth for thriving communities. The ultimate objective is to achieve good financial performance of Sunway Group in order to fuel long term sustainable growth and thereby, enhancing shareholders’ value.

This Corporate Governance Overview Statement provides an overview on how the Company has applied the Principles and the extent of compliance with the recommendations of good corporate governance as set out in the Malaysian Code on Corporate Governance (“**CG Code**”) throughout the financial year ended 31 December 2017 and up to the date of this annual report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board aspires to create value for the shareholders and ensure long term success of the Group by focusing on formulation of appropriate strategy, business model, risk tolerance, management succession planning and development of competitive compensation plan. It also seeks to align the interests of the Board and management with that of shareholders and balance the interests of all stakeholders. In addition, the Board sets the principles of business ethics and core values for the entire Group.

The Board oversees the entire business affairs of the Group. It is responsible for formulating and reviewing the Group’s strategic plan and direction, performance objectives, business plans of each operating units, budgets, capital expenditures, investment proposals, compliance and accountability systems, core values and corporate governance practices of the Group to ensure that the Group operates with integrity and in compliance with the rules and regulations. The Board also appoints the chief executive officer, approves policies and guidelines on remuneration as well as the remuneration for the Board and key senior management, and approves the appointment of Directors. In ensuring management continuity, the Board also oversees the long term succession planning for senior management.

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 team remain accountable to the Board for the authority that is delegated and for the performance of the Group. The Board Charter has been reviewed by the Board on 27 November 2017 and 28 February 2018 to be in line with the CG Code.

There is a clear segregation of roles and responsibilities between the 2 Co-Chairman i.e. between the Executive Chairman and the Independent Non-Executive Co-Chairman as well as the President in order to ensure a balance of power and authority as defined in the Board Charter.

The Executive Chairman provides leadership to the Board and guidance to the Group. The Independent Non-Executive Co-Chairman chairs the board meetings, sets the agenda items, promote active engagement among Directors as well as between the Board and the President. He ensures the smooth functioning of the Board including the effectiveness of the overall governance systems and processes. The President is subject to the control of the Board and focuses on the Group’s businesses and manages the day-to-day operations of the Company as well as implements the Board’s decisions. The positions of the Executive Chairman, Independent Non-Executive Chairman and President are held by different individuals.

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 interested Directors abstaining from all deliberations and decision making.

The Independent Non-Executive Directors regularly engage in discussion with senior management, Group Internal Audit Department (“**GIAD**”), Group Risk Management team, 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.

The Board has a formalized code of conduct and business ethics policy (“**Code**”) which provides an ethical framework to guide actions and behaviors of all Directors and its employees while at work.



Connect to more information online at www.sunway.com.my

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Senior Independent Director is appointed to co-ordinate the activities of the Independent Non-Executive Directors in circumstances where it would be inappropriate for the Chairman to serve in such capacity. He also assists the Chairman and the Board to assure effective corporate governance in managing affairs of the Board and the Company. He will also be available to shareholders if they have concerns relating to matters that contact through the Chairman, President or Chief Financial Officer has failed to resolve, or where such contact is inappropriate.

The Company also has in place a Whistleblowing Policy and Procedures. The objective of this policy and procedure is to provide a mechanism for all level of employees and stakeholders of the Group to report concerns about any suspected wrongdoing, inappropriate behavior or misconduct relating to fraud, corrupt practices and/or abuse on a timely basis for management action.

Any employee or member of the public who has knowledge or is aware of any improper conduct within the Group is encouraged to disclose through the following reporting channels:

Whistleblowing hotlines

Tel : +603 5639 8025

E-mail : whistleblowing@sunway.com.my

Fax : +603 5639 8027

Further details of the Code of Conduct and Whistleblowing Policy and Procedures are set out in the Corporate Governance Report (“CG Report”). The Code and Whistleblowing Policy and Procedures as well as the CG Report are available at the Company’s website at www.sunway.com.my.



Connect to more information online at www.sunway.com.my

In addition, all Directors have direct access to the advice and services of the Company Secretaries. The Company Secretaries attend all Board meetings and are accountable directly to the Board, through the Chairman of the Board, on all matters to do with the proper functioning of the Board, including compliance with the Company’s memorandum and articles of association, Companies Act 2016, Listing Requirements of Bursa Securities, the Securities Commission Guidelines, etc. The Company Secretaries are associate members of the Malaysian Institute of Chartered Secretaries and Administrators. The appointment and removal of the Company Secretaries is subject to approval of the Board. All Directors, whether as a full Board or in their individual capacity, have the authority 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.

BOARD COMMITTEES

The Board has set up the following committees and will periodically review their terms of reference and operating procedures. The Committees are required to report to the Board on all their deliberations and recommendations, if any. Such reports are also incorporated into the minutes of the Board Meetings.

A) AUDIT COMMITTEE

The details are disclosed under Principle B: Effective Audit and Risk Management.

B) NOMINATION COMMITTEE

The Nomination Committee comprises exclusively Independent Non-Executive Directors. The Chairman of this Committee is Mr Lim Swe Guan. The other members of the Committee are Dato’ Sri Idris Jala, Mr Wong Chin Mun, Datuk Seri Yam Kong Choy, Tan Sri Dato’ Dr Lin See Yan and Tan Sri Datuk Dr Rebecca Fatima Sta Maria. Dato’ Sri Idris Jala and Tan Sri Datuk Dr Rebecca Fatima Sta Maria were appointed as members of the Committee on 11 August 2017 and 1 March 2018 respectively.

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 a set of criteria used for recruitment and for 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 the 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 at the Company’s website.



Connect to more information online at www.sunway.com.my

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

- (i) At the meeting held on 27 February 2017, the Nomination Committee deliberated on the following matters:
 - Reviewed the results of the Board effectiveness assessment, Board Committees assessment, Audit Committee assessment, assessment of Independent Non-Executive Directors and Director’s peers review for the financial year 2016. Based on the aforesaid assessment, the Nomination Committee was satisfied with the effectiveness and performances of the Board, Board Committees and the individual Directors.

- The Committee reviewed and was satisfied with the existing size, structure and composition of the Board committees. At the meeting, the Committee recommended that the number of Independent Directors has to be increased to form a majority in the Board in view that the Chairman of the Board at that time was a Non-Independent Non-Executive Director.
 - The Nomination Committee evaluated and was satisfied with the competencies and time commitment of the Board members as well as the independence of the Independent Directors. The Independent Directors had individually confirmed their continued independence in accordance with the Main Market Listing Requirements of Bursa Securities.
 - Having discussed the training requirements of the Directors, the Committee encouraged the Board members to attend specific training programmes in order to keep themselves abreast with the rapidly changing regulatory environment and financial reporting standards.
- (ii) At the meeting held on 27 March 2017, the Nomination Committee reviewed and endorsed the Nomination Committee report to be included in the Company's Annual Report 2016. It also assessed the performances of the following retiring Directors for re-election or re-appointment at the Seventh Annual General Meeting of the Company held on 14 June 2017:
- Ms Sarena Cheah Yean Tih was subject to retirement by rotation pursuant to Article 107(1) of the Company's Articles of Association.
 - 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 Mr Wong Chin Mun who were over the age of 70 years and were re-appointed as Directors until the conclusion of the next Annual General Meeting, would vacate office at the Seventh Annual General Meeting.

All the above Directors offered themselves for re-election. Based on the peer review assessment and the Executive Directors' performance scorecards of the retiring Directors, the Nomination Committee subsequently recommended them to the Board and shareholders for re-election at the Seventh Annual General Meeting of the Company held on 14 June 2017. The resolutions to re-elect the said Directors were subsequently approved by the shareholders at the Annual General Meeting.

- (iii) At the meeting held on 31 July 2017, the Nomination Committee reviewed and approved the methodology for evaluation of Board Effectiveness, Board Committees effectiveness as well as assessment of the Independent Non-Executive Directors and Directors' Peers Review.

At the same meeting, the Committee interviewed Dato' Sri Idris Jala who was nominated for appointment as an Independent Non-Executive Director of the Company. Having satisfied with Dato' Sri Idris Jala's qualification, experience, competencies and time commitment as well as confirmation of his independence, the Committee had recommended his appointment to the Board for approval. The Board had subsequently approved his appointment as Independent Non-Executive Co-Chairman of the Board.

- (iv) On 27 November, 2017, the Nomination Committee was updated on management succession plan by the Chief Human Resources Officer. The potential successors to each key management position in the organization was tabled for deliberation. The Nomination Committee received assurance that all candidates appointed to the senior management positions were of sufficient calibre and there was a plan in place to track their readiness in order to provide orderly succession of senior management.

The Group Human Resource Department has a systematic program to identify, train/mentor the next echelon of future leaders. The Committee conducts an annual talent review with the Chief Human Resources Officer as well as reviewing succession planning for key management positions across all business units. The identified successors for top management will be presented to the Committee for review and endorsement on an annual basis. Currently, all senior management have one or more potential successors in one or more of these stages i.e. ready now, ready soon or ready later.

The Nomination Committee had also reviewed its terms of reference to be in line with the CG Code and approved its schedule of meetings for 2018.

The details of attendance of the Committee members are as follows:-

Name of Committee Members	Number of Meetings Attended
Lim Swe Guan	4/4
Dato' Sri Idris Jala	1/1*
Wong Chin Mun	4/4
Datuk Seri Yam Kong Choy	3/4
Tan Sri Dato' Dr Lin See Yan	3/3*

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

C) REMUNERATION COMMITTEE

The details of the composition of the Remuneration Committee, its scope of responsibilities, meetings and summary of activities are disclosed in the CG Report.



Connect to more information online at www.sunway.com.my

D) EMPLOYEES' SHARE OPTION SCHEME ("ESOS COMMITTEE")

The Employees' Share Option Scheme ("ESOS") was established in 2013 as an incentive plan for the employees to participate more actively in the operations of the Group and encourage them to contribute to the future growth of the Group. It is also to motivate, reward and to retain the eligible employees for their contribution to the Group.

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 at Sunway website.



Connect to more information online at www.sunway.com.my

During the financial year, one (1) meeting was held to approve the adjustment calculation for the proposed adjustment to the exercise price and number of unexercised options pursuant to the Company's ESOS 2013/2019.

E) RISK MANAGEMENT COMMITTEE

The Risk Management Committee was established on 29 August 2017 to oversee the Company's risk management framework and policies. The Committee comprises exclusively Independent Non-Executive Directors. The Committee is headed by Tan Sri Dato' Dr Lin See Yan as Chairman. The other members of the Committee are Mr Wong Chin Mun, Datuk Seri Yam Kong Choy, Mr Lim Swe Guan and Tan Sri Datuk Dr Rebecca Fatima Sta Maria. Tan Sri Datuk Dr Rebecca Fatima Sta Maria was appointed as a member of the Committee on 1 March 2018.

During the financial year, one (1) meeting was held to approve the risk management framework of the Group and to discuss the top key risks identified for the Group with the risk management working team.



Please refer to Statement of Risk Management and Internal Control for more information.

II. BOARD COMPOSITION

The Board of the Company comprised majority Independent Directors with an Executive Chairman and an Independent Non-Executive Co-Chairman. It comprises ten (10) members, six (6) of whom are Independent Non-Executive Directors and the balance four (4) are Non-Independent Executive Directors.

In accordance with the corporate governance best practices, 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 Directors on matters that may be deemed sensitive and the designated contact to whom the shareholders may direct their concerns or queries.

The Board recognised the benefits of having a diverse Board for a well-functioning leadership team to strengthen its strategy formulation and risk management by adding varying perspectives and insights. This will enhance the overall credibility of the Group.

The Board composition reflects a mix of suitably qualified and experienced professionals in the fields of accountancy, banking and finance, economics, real estate development, property management and human capital development. This combination of different professions, experiences and skills working together enables the Board to effectively lead and control the Company. A brief profile of each Director is presented on pages 84 to 95 of this Annual Report.

The Board through the Nomination Committee conducts an annual review of the structure and composition of the Board, competency and time commitment of the Board as well as the independence of the Independent Directors. It also undertakes an annual assessment of the Board effectiveness, the Board committees and the individual Directors via self and peer assessment. Based on the results of the assessments made, the Board was generally satisfied with the Board effectiveness, the performance of the Board committees and individual directors.

The Board has a policy whereby an Independent Non-Executive Director who has reached the threshold of 9 years' tenure will be re-designated as Non-Independent Non-Executive Director, unless he or she has obtained shareholders' approval to be retained in the Board as Independent Non-Executive Director. If the Board continues to retain the Independent Director after the twelfth year, annual shareholders' approval must be sought through a two-tier voting process. This is to facilitate the Board renewal and hence, enhancing the effectiveness of the Board.

As at the date of this report, the Board has yet to fulfil the requirement of 30% gender diversity. The Board is cognisant of this requirement and will continue to actively search for a suitable and well qualified woman director to join the Board.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities. All Directors have given their full commitment to the Board Meetings by attending most of the Board meetings held during 2017. Their meeting attendance at Board and Board committees' meetings is evidenced by the attendance record set out in the table below.

DIRECTORS	BOARD MEETING	AUDIT COMMITTEE MEETING	NOMINATION COMMITTEE MEETING	REMUNERATION COMMITTEE MEETING	ESOS COMMITTEE MEETING	RISK MANAGEMENT COMMITTEE MEETING
EXECUTIVE DIRECTORS						
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO	6/8	N/A	N/A	2/3	1/1	N/A
Tan Sri Datuk Seri Razman M Hashim	8/8	N/A	N/A	N/A	N/A	N/A
Dato' Chew Chee Kin	8/8	N/A	N/A	N/A	1/1	N/A
Sarena Cheah Yean Tih, <i>s.m.s.</i>	7/8	N/A	N/A	N/A	1/1	N/A
INDEPENDENT NON-EXECUTIVE DIRECTORS						
Wong Chin Mun	8/8	6/6	4/4	3/3	1/1	1/1
Dato' Sri Idris Jala	3/3*	N/A	1/1*	2/2*	N/A	N/A
Lim Swe Guan	8/8	6/6	4/4	3/3	N/A	1/1
Datuk Seri Yam Kong Choy	8/8	6/6	3/4	3/3	N/A	1/1
Tan Sri Dato' Dr. Lin See Yan	8/8	6/6	3/3*	3/3	N/A	1/1

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

In order to ensure the Directors have sufficient time to fulfil their roles and responsibilities effectively, the Board has agreed that one of the criteria for potential new directors is that they must not hold more than five (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. It is incorporated in the Company's Board Charter that a Director is required to seek prior consent from the Chairman of the Board before he or 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 and report to the Board during the Board meetings.

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, risk management, latest technologies, sustainable development and implementation of new regulations by the Government.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

TRAINING PROGRAMMES, SEMINARS AND WORKSHOPS ATTENDED BY DIRECTORS

NAME OF DIRECTORS	COURSE TITLE / ORGANISER	DATE
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO	<ul style="list-style-type: none"> Sunway Leaders Conference 2017 (Sunway Group) 	18 March 2017
	<ul style="list-style-type: none"> ASEAN Ministers Workshop 2017 - Navigating the Headwinds of Sustainable Development in ASEAN (Jeffrey Cheah Foundation) 	25 April 2017
	<ul style="list-style-type: none"> The 9th World Chinese Economic Summit - Managing Global Uncertainty: Exploring New Opportunities (Asian Strategy & Leadership Institute) 	13 to 14 November 2017
Dato' Sri Idris Jala	<ul style="list-style-type: none"> Global Transformation Forum (PEMANDU) 	22 & 23 March 2017
	<ul style="list-style-type: none"> Harvard Ministerial Leadership Program - Ministerial Leadership Forum for Finance Ministers - Six Elements of Inspirational Leadership* (Harvard Kennedy School of Government, Harvard School of Public Health and Harvard Graduate School of Education) 	23 to 26 April 2017
	<ul style="list-style-type: none"> Harvard Ministerial Leadership Program - Ministerial Forum for Education and Health Ministers - Leadership and Legacy: How to make your mark in Government* (Harvard Kennedy School of Government, Harvard School of Public Health and Harvard Graduate School of Education) 	25 to 28 June 2017
	<ul style="list-style-type: none"> Asian Leadership Conference (The Chosunilbo) 	3 & 4 July 2017
	<ul style="list-style-type: none"> Regional Conference on Sustainable Development Goals in the Caribbean (UNDP, Caribbean Development Bank and University of West Indies) 	30 June 2017
Tan Sri Datuk Seri Razman M Hashim	<ul style="list-style-type: none"> Sunway Leaders Conference 2017 (Sunway Group) 	18 March 2017
Dato' Chew Chee Kin	<ul style="list-style-type: none"> Sunway Leaders Conference 2017 (Sunway Group) 	18 March 2017
Sarena Cheah Yeap Tih, S.M.S.	<ul style="list-style-type: none"> Sustainability Forum for Directors/ CEOs - The Velocity of Global Change & Sustainability - The New Business Model* (Bursa Malaysia Berhad) 	10 January 2017
	<ul style="list-style-type: none"> Sunway Leaders Conference 2017 (Sunway Group) 	18 March 2017
	<ul style="list-style-type: none"> Capital Market Conference 2017 - Global Capital Markets: Entering a New Era (Malaysian Institute of Accountants) 	18 July 2017
	<ul style="list-style-type: none"> Affin Hwang Capital Conference Series 2017 - Opportunities Amidst Geopolitical Shifts (Affin Hwang Capital) 	5 October 2017
	<ul style="list-style-type: none"> Corporate Governance Breakfast Series: Thought Leadership Session for Directors - Leading in a Volatile, Uncertain, Complex, Ambiguous (VUCA) World (The Iclif Leadership and Governance Centre) 	13 October 2017

NAME OF DIRECTORS	COURSE TITLE / ORGANISER	DATE
Wong Chin Mun	<ul style="list-style-type: none"> Boost Sales in Slowing Economy (Vistage Malaysia Sdn Bhd) 	17 January 2017
	<ul style="list-style-type: none"> Amendments to the Companies Bill 2015 (Vistage Malaysia Sdn Bhd) 	24 January 2017
	<ul style="list-style-type: none"> 2017 Vistage ChairWorld Conference <ul style="list-style-type: none"> Leadership is the Art of Execution Leverage Vistage Networks Worldwide (17 Partners Countries) to Grow (Vistage International, USA) 	4 to 7 February 2017
	<ul style="list-style-type: none"> Vistage CEO Tea Talk <ul style="list-style-type: none"> Profesionalising at the Top to Reimagine the Retail Business The Opporthreats of E-Commerce to the Traditional Retail Business Model (Vistage Asia Sdn Bhd) 	26 April 2017
	<ul style="list-style-type: none"> Global Leadership Summit 2017 (Leadership Centre Willow Creek Canada) 	8 March 2017
	<ul style="list-style-type: none"> Fraud Risk Management Workshop (Bursa Malaysia Berhad) 	13 July 2017
	<ul style="list-style-type: none"> Global Strategic Summit for Rise Against Hunger (Rise Against Hunger) 	9 to 13 September 2017
	<ul style="list-style-type: none"> Focus Group Session on the Proposed Revision of the Corporate Governance Guide (Bursa Malaysia Berhad) 	11 October 2017
	<ul style="list-style-type: none"> Data Science for Executives: Towards a DATA Driven Organization (Vistage Malaysia Sdn Bhd in collaboration with ASEAN Data Analytics Exchange) 	30 to 31 October 2017
Lim Swe Guan	<ul style="list-style-type: none"> Sunway Leaders Conference 2017 (Sunway Group) 	18 March 2017
	<ul style="list-style-type: none"> Asiapac Property Leaders Summit 2017 (APREA) 	15 to 16 May 2017
Tan Sri Dato' Dr. Lin See Yan	<ul style="list-style-type: none"> Malaysia Competition Conference 2017 <ul style="list-style-type: none"> Competition Law: Breaking Norms, Managing Change (Competition Appeal Tribunal) 	6 & 7 March 2017
	<ul style="list-style-type: none"> Sunway Leaders Conference 2017 (Sunway Group) 	18 March 2017
	<ul style="list-style-type: none"> JCI-MEA Economic Seminar Series <ul style="list-style-type: none"> Revisiting the New Economic Model – Lags and Prospects “The Malaysia Economy: Where are we?”^ (Jeffrey Cheah Institute on Southeast Asia & Malaysian Economic Association) 	1 August 2017

CORPORATE GOVERNANCE OVERVIEW STATEMENT

NAME OF DIRECTORS	COURSE TITLE / ORGANISER	DATE
Datuk Seri Yam Kong Choy	<ul style="list-style-type: none"> Sustainability Forum for Directors/CEOs <ul style="list-style-type: none"> The Velocity of Global Change & Sustainability - The New Business Model (Bursa Malaysia Berhad) 	10 January 2017
	<ul style="list-style-type: none"> Asia Pacific Real Estate Market Outlook Malaysia <ul style="list-style-type: none"> Opportunities in the New Normal "Trends, Opportunities and Strategies for Competing in the New Soft Market"[^] (CBRE) 	20 January 2017
	<ul style="list-style-type: none"> Malaysian Annual Real Estate Convention 2017 <ul style="list-style-type: none"> Transforming Your Real Estate Business in A Changing Era [*] (Malaysian Institute of Estate Agents) 	3 to 4 March 2017
	<ul style="list-style-type: none"> Specialised Building Materials Supply Chain Conference 2017 <ul style="list-style-type: none"> Bridging Gaps, Building Opportunities"[@] [Malaysian Investment Development Authority (MIDA)] 	16 March 2017
	<ul style="list-style-type: none"> Construction Contract Management (CCM) Conference 2017 For Construction & The Built Environment <ul style="list-style-type: none"> Construction Contract Management by Excellence "Construction Dispute Avoidance: The First Line of Defence in Contractual Dispute Management & Resolution"[@] [The Chartered Institute of Building (CIOB)] 	12 April 2017
	<ul style="list-style-type: none"> TFWA Asia Pacific Exhibition & Conference 2017 (TFWA) 	8 May 2017
	<ul style="list-style-type: none"> Program Latihan Pengarah (PROLAP) Badan-badan Berkanun (Bursatra Sdn Bhd) 	9 August 2017
	<ul style="list-style-type: none"> ARENA Convention & Exhibition [*] (ASEAN Real Estate Network Alliance) 	24 to 27 August 2017
	<ul style="list-style-type: none"> Forbes Global CEO Conference (Forbes Asia) 	26 to 27 September 2017
	<ul style="list-style-type: none"> The Trinity Forum 2017 (Airport Council International (ACI) Asia-Pacific) 	1 to 3 November 2017
	<ul style="list-style-type: none"> REDHA Institute CEO Series 2017 <ul style="list-style-type: none"> Annual Regional Property Development Conference "Second Section - An international perspective: Ideas for Malaysian real estate players"[@] (REDHA Institute) 	9 November 2017

* Attended as speaker

[^] Attended as panellist[@] Attended as moderator

III. REMUNERATION

The Group recognizes that in order to attract and retain Directors is to have a fair and comprehensive remuneration package that commensurate with their experience, skills and responsibilities as well as benchmarking against industry's standards. In view of this, the remuneration package for Executive Directors and directors' fees for Non-Executive Directors were determined by benchmarking against remuneration packages of relevant position with similar industry and business size. It is structured on the basis of linking rewards to corporate and individual performance. The performance and remuneration package of the Executive Director is subject to evaluation of the Remuneration Committee.

For Independent Non-Executive Directors, the level of remuneration reflects their experience, level of responsibilities and industry's benchmark as well as complexity of the Group's businesses. The remuneration of Independent Non-Executive Directors consists of fixed directors' fees per annum and meeting allowances for every Board or Board Committee meeting attended.

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

The details of the Directors' remuneration for the financial year 2017 are disclosed in the CG Report which is available in the Company's website at www.sunway.com.my.



Connect to more information online at www.sunway.com.my

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The Audit Committee comprises five (5) members who are all Independent Non-Executive Directors. The members of the Audit Committee are Mr Wong Chin Mun as Chairman, Tan Sri Dato' Dr Lin See Yan, Datuk Seri Yam Kong Choy, Lim Swe Guan and Tan Sri Datuk Dr Rebecca Fatima Sta Maria. Tan Sri Datuk Dr Rebecca Fatima Sta Maria was appointed as a member of the Committee on 1 March 2018. The Chairman of the Audit Committee is not the Chairman of the Board.

The Company has a policy requiring a former key audit partner to observe a cooling-off period of at least 2 years before being appointed as a member of the Audit Committee.

In the assessment and selection of the External Auditors, the Audit Committee is guided by the Policy on Selection of External Auditors. It also monitors the provision of non-audit services by the External Auditors to ensure that the non-audit services fees do not exceed 50% of the total audit fees payable to them.

During the year, the Audit Committee assessed the audit quality, suitability, effectiveness and independence of the External Auditors and ensures that the provision of other non-audit services by the External Auditors was not in conflict with their audit function. The annual assessment of the External Auditors encompassed areas such as objectivity and independence, competency, quality of services, communication and interaction, audit planning, delivery, fees and adequacy of resources. The outcome of the assessment was tabled to the Audit Committee on 27 March 2017. There were no major concerns highlighted in the External Auditors Assessment Report. The Audit Committee was generally satisfied with the performance of the External Auditors for financial year ended 31 December 2016. Therefore, the Audit Committee had recommended for shareholders' approval at the Seventh Annual General Meeting of the Company held on 14 June 2017, the proposed re-appointment of BDO as External Auditors for the financial year 2017.

The External Auditors will rotate their engaging partner in charge of the audited financial statements of the Company and the Group once every five (5) years to maintain their independence from the Group. Nevertheless, the current audit engagement partner has held the position for only three (3) years. The Board also has an option of rotating an audit firm once every five (5) years.

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

The Audit Committee has also considered the non-audit services provided by the External Auditors during the financial year. Details of the audit and non-audit fees paid and/or payable to the External Auditors for the financial year ended 31 December 2017 are shown in the table below.

FEES PAID AND/OR PAYABLE TO EXTERNAL AUDITORS OR ITS AFFILIATES	FYE 2017	
	COMPANY (RM'000)	GROUP (RM'000)
Statutory audit and related fees	255	3,317
Non-audit fees	25	38
Total	280	3,355

The Audit Committee's performance is reviewed annually by the Nomination Committee. The evaluation covered key aspects such as the members' financial literacy levels, ability to pose probing questions, competencies in grasping complex issues and skills to discharge their duties under its terms of reference. Based on the assessment for 2017, the Board was satisfied with the performance of the Audit Committee. The Audit Committee members had also attended various training programmes and seminars to broaden their knowledge and to keep abreast with the relevant progress and changes in law, regulations, internal control systems and the risk environment in which the Company operates.



Please refer to Audit Committee Report for more information.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is assisted by Group Risk Management Department in identifying, mitigating and monitoring the critical risks highlighted by the Business Divisions. The Group Internal Audit Department which is in-charge of the internal audit function, assists the Audit Committee in reviewing, evaluating and monitoring the effectiveness of the Group's governance, risk management and internal control processes.

Based on the annual evaluation conducted, the Audit Committee was satisfied with the performance of GIAD for the financial year 2017.



Please refer to Statement of Risk Management and Internal Control for more information.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

The Company is committed to continuously disclose and disseminate comprehensive and timely information to its shareholders as well as to the general investing public in its effort to strengthen its relationship with the shareholders.

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 also 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.

The communication channels used in the Company's engagement with its stakeholders include:-

- a) The Company's website;
- b) Establishment of an investor relations division;
- c) Announcements via Bursa LINK;
- d) Annual reports;
- e) General meetings;
- f) Investors, analysts and media briefings; and
- g) Domestic and overseas roadshows and investors conference.

II. CONDUCT OF GENERAL MEETINGS

The Board 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.

In 2017, the Company served notice of its Seventh Annual General Meeting more than 28 days before the meeting, well in advance of the 21-day requirements under the Companies Act 2016 and the Main Market Listing Requirements of Bursa Securities. The additional time given to the shareholders had allowed them to have sufficient time to scrutinise the Annual Report 2016 and to make necessary arrangements to attend the meeting. The Company also distributed together with the notice of Annual General Meeting, information on administrative details such as details of the meeting, shareholders' entitlement to attend the meeting, their right to appoint proxy and information as to who may act as a proxy, etc. The notice period given for the Extraordinary General Meeting held on 30 August 2017 was also more than 28 days.

The Chairman provided ample time for the Questions and Answers sessions in the said general meetings. All the Directors together with the President, Chief Financial Officer, management and External Auditors were present to respond to all queries raised. All suggestions and comments given by the shareholders were also noted by management for consideration.

In addition, any written queries raised by the Minority Shareholder Watchdog Group would be presented to the shareholders at the general meetings together with the Group's response.

In line with the Main Market Listing Requirements of Bursa Securities, the Company had implemented poll voting for all the resolutions set out in the notice of the general meetings. The poll voting was conducted via electronic means and the results of the voting were instantly displayed on the screen. The Company has appointed an independent external scrutineer to validate all the votes at the said general meetings.

This Corporate Governance Overview Statement was approved by the Board of Directors on 21 March 2018.



DATO' SRI IDRIS JALA

Independent Non-Executive Co-Chairman

AUDIT COMMITTEE REPORT

The Board of Sunway Berhad is pleased to present the Audit Committee Report which provides insights into the manner in which the Audit Committee ("AC") has discharged its oversight functions during the financial year ended 31 December 2017.

COMPOSITION

The AC comprises five (5) members, all of whom are Independent Non-Executive Directors. This meets the requirements of Paragraph 15.09(1)(a) and (b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). Members of the AC during the financial year ended 31 December 2017 comprised the following Directors:-

1. Wong Chin Mun – Chairman
(Senior Independent Non-Executive Director)
2. Tan Sri Dato' Dr Lin See Yan
(Independent Non-Executive Director)
3. Datuk Seri Yam Kong Choy
(Independent Non-Executive Director)
4. Lim Swe Guan
(Independent Non-Executive Director)
5. Tan Sri Datuk Dr Rebecca Fatima Sta Maria
(Independent Non-Executive Director)
(Appointed w.e.f. 1 March 2018)

Mr Wong Chin Mun is a Fellow of Australian Society of Certified Practising Accountants and a member of Malaysian Institute of Accountants. Accordingly, the Company complies with Paragraph 15.09(1)(c)(i) of MMLR of Bursa Securities.

MEETINGS AND ATTENDANCE

The AC held six (6) meetings in 2017. The attendance records of the AC members are shown below:-

Name	Number of Meetings Attended
Wong Chin Mun (Chairman)	6/6
Tan Sri Dato' Dr Lin See Yan	6/6
Datuk Seri Yam Kong Choy	6/6
Lim Swe Guan	6/6

The President and Chief Financial Officer were invited to attend all the meetings to provide clarification on audit issues as well as the Group's financial and business operations. The Head of Group Internal Audit Department ("GIAD") attended all the meetings to table the internal audit reports and annual audit plan. The External Auditors, Messrs BDO, were present at three (3) of the total meetings held. Senior management officers from the respective business units were invited to attend the meetings as and when necessary to brief the AC on specific issues raised in the internal audit reports on matters relating to their areas of responsibility.

TERMS OF REFERENCE

The scope of responsibilities of the AC is outlined in its terms of reference which is set out at Sunway website at www.sunway.com.my.

SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2017, the AC carried out the following activities in the discharge of its functions and duties:-

1. Overseeing Financial Reporting

- (a) At the AC Meetings held on 27 February 2017, 29 May 2017, 29 August 2017 and 27 November 2017, the AC reviewed and discussed with management, the respective quarterly management accounts and quarterly financial results, taking into consideration that the necessary processes and controls were in place in the preparation of the financial reports.

At each of the meetings, the Chief Financial Officer presented the financial reports and confirmed to the AC, the following matters:

- i) The accounting policies and methods of computation adopted by the Group were consistent with those adopted in the previous audited financial statements except for the adoption of new or amended accounting standards that were effective for the financial year 2017;
- ii) There were no significant and unusual issues other than those reported in the financial statements;
- iii) The Company and the Group continue to operate as going concern; and
- iv) The accounting standards, regulatory and other legal requirements had been complied with in the preparation of the financial statements.

The AC focused its attention on the accuracy of the reported financial figures and explanations to material variances or movements during the relevant quarters. The AC's recommendations on the unaudited quarterly financial results were presented for approval at the subsequent Board meetings for release to Bursa Securities.

On 27 March 2017, the AC together with the External Auditors and management, deliberated on the audited financial statements for the financial year ended 31 December 2016. Having satisfied itself that the audited financial statements and directors' report complied with the relevant accounting standards and legal requirements, the AC duly recommended the same for the Board's approval and subsequent tabling at the Seventh Annual General Meeting of the Company held on 14 June 2017.

The AC also reviewed and took note of the changes and amendments to the regulations, accounting standards and other regulatory requirements tabled by the External Auditors and the Chief Financial Officer that could have a significant financial impact on the Company. The Malaysian Financial Reporting Standards discussed included MFRS 9 (Financial Instruments: Recognition and Measurement).



Connect to more information online at www.sunway.com.my

AUDIT COMMITTEE REPORT

2. Assessing Risks and Control Environment

- (a) The AC reviewed the adequacy and effectiveness of the risk management framework and the appropriateness of management's responses to key risk areas and proposed recommendations for improvements to be implemented.
- (b) The management reported to the AC on a half yearly basis, all identified risks that were recorded in a risk management scorecard which facilitated systematic review and monitoring of the risk areas.
- (c) On 27 February 2017, the AC also reviewed and deliberated on matters relating to internal control as highlighted by the External Auditors in the course of their statutory audit of the financial statements for the financial year ended 31 December 2016. At the meeting, the External Auditors reported that there was no significant breakdown in the Group's internal control systems.
- (d) At the Meeting held on 29 May 2017, the AC was briefed on the cyber risks and the Group's IT security network. The AC was assured of pro-active actions taken by management to mitigate the cyber risks which include, inter alia, setting up a security protocol, emphasizing on IT disaster discovery system, enhancing the employees' cyber security awareness and constant development of IT security network within the Group. The cyber risks comprise data breach, business interruption caused by disruption of IT services, malware threats (e.g. ransomware), etc which could disrupt the Group's businesses.

3. Evaluating the Internal and External Audit Process

(a) Internal Audit

- (i) The AC approved GIAD's 2017 Annual Audit Plan at the meeting held on 27 February 2017. The 2017 Audit Plan was developed using a risk based audit methodology where business units and processes were selected for audit based on risk assessments carried out periodically by GIAD. The AC reviewed the adequacy and relevance of the scope and resources allocated for the plan and subsequently, approved the plan and its proposed audit timetable and the budgeted man-hours.

The 2017 Audit Plan was also reviewed on a quarterly basis taking into account any developments which had an impact on the audit coverage.

GIAD's audit engagements for 2017 were mainly carried out in the following key business components:-

- Property Development Projects
- Trading & Manufacturing
- Healthcare
- Leisure & Hospitality
- Major overseas subsidiaries
- Information Technology (IT) Systems

- (ii) The AC reviewed the results of audit engagements carried out by GIAD at every AC Meeting and discussed the major findings and audit recommendations. The AC also reviewed the status of implementation of corrective actions taken by management to ensure appropriate remedial actions were taken on a timely basis to address all areas of risk and internal control issues. In addition, GIAD updated the AC on the progress of the 2017 Audit Plan and results of ad-hoc assignments including audit investigations.
- (iii) At the meeting held on 27 March 2017, the Internal Audit Function Evaluation Report was tabled for AC to assess the performance of GIAD. The AC assessed the effectiveness of the internal audit function in terms of scope and compliance with relevant regulatory standards as well as its collaboration with the External Auditors. The Committee also assessed the adequacy of resources and core skills and competencies of staff within the GIAD.

The AC was satisfied with the performance of GIAD in 2016 and was of the opinion that the internal audit function was appropriate to its size and the nature and scope of its activities.

- (iv) The AC had on 27 March 2017, met with GIAD without the presence of management and Executive Board members to facilitate discussions of additional matters in relation to audit issues and internal control weaknesses noted in the course of its audit.
- (v) At the AC Meeting held on 29 May 2017, the Head of GIAD reported to the AC on its 2016 key performance indicators.
- (vi) At the AC Meeting held on 27 November 2017, the AC had reviewed and approved its revised terms of reference incorporating new requirements of the Malaysian Code of Corporate Governance.

(b) External Audit

- (i) The AC met with the External Auditors, Messrs BDO on the following dates:

- The AC had on 27 February 2017, reviewed and deliberated with management and the External Auditors, the Audit Report by the External Auditors in respect of their audit for the financial year ended 31 December 2016.

In the aforesaid meeting, the External Auditors confirmed their professional independence in relation to the audit engagement for the financial year ended 31 December 2016. The External Auditors also reported their audit status versus the audit plan. The AC was briefed on the key audit and accounting issues which they had identified during the course of their audit and the justifications provided by management.

The External Auditors had subsequently confirmed that they were not aware of any non-compliance of laws and regulations as well as any material litigations and claims against the Group other than those brought forward from prior financial years.

The External Auditors also tabled the financial reporting standards which had been issued and would be applied to the Group in future financial years.

At the same meeting, the External Auditors briefed the AC on MFRS 9.

- The AC had on 27 March 2017, discussed with the External Auditors on the final draft of the audited financial statements of the Company for the financial year ended 31 December 2016.

The External Auditors was of the opinion that the Company's audited financial statements gave a true and fair view of the financial position of the Company and its group in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965.

Based on its annual audit, the External Auditors reported the following key audit matters and its audit response in its auditors' report for the financial year 2016:

- Revenue recognition for property development and construction contracts

The revenue recognition for property development and construction contracts was based on stage of completion method. The determination of stage of completion required management to exercise significant judgement in estimating the total costs to complete. The total costs to complete including sub-contractor costs, varied with market conditions and might also be inaccurately forecasted due to unforeseen events during construction.

- Assessment of liquidated and ascertained damages ("LAD") on construction contracts.

Based on the assessment of the exposures to LAD for the relevant construction contracts, the Directors were of the opinion that no provision for LAD was necessary at that juncture.

- The AC had on 27 November 2017, reviewed and discussed with the External Auditors, the Group Audit Planning Memorandum for the

financial year ended 31 December 2017 which outlined the scope of work for the statutory audit for the financial year ended 31 December 2017.

At the aforesaid Meeting, the External Auditors explained their audit approach and system of evaluation including areas of audit emphasis and scope. New Malaysian Financial Reporting Standards (MFRS) which would affect the financial reporting of the Company for the financial year ended 31 December 2017 were highlighted. The External Auditors also reported the significant areas which they would be focusing on in their audit.

- (ii) The AC had private sessions with the External Auditors to discuss any issues and reservations arising from their audit without the presence of management staff and the executive board members on 27 February 2017 and 27 November 2017. No major concerns were highlighted and the External Auditors had also confirmed that they had received full cooperation from management and unrestricted access to the Company's records.

- (iii) The AC had, at its meeting held on 27 March 2017, reviewed the audit and non-audit fees of the External Auditors for the financial year 2016.

The AC having considered the nature, scope and amount of the non-audit fees, was satisfied that there was no conflict of interest and it would not impair the independence of the present External Auditors.

In the AC Meeting held on 27 November 2017, the External Auditors presented their proposed audit fee for 2017.

- (iv) The AC undertook an annual assessment on the quality of audit of the External Auditors. The External Auditors were assessed based on the following criteria:-

- Audit performance;
- Quality of communication;
- Independence;
- Objectivity;
- Professionalism; and
- Adequacy of resources.

The External Auditors had provided to the AC, their firm's policies and written confirmation on their independence and the measures undertaken to control the quality of their works.

The results of the evaluation was tabled to the AC at its meeting held on 27 March 2017. Based on the assessment, the AC and management were satisfied with the External Auditors' independence, performance and audit quality of the External Auditors for the financial year ended 31 December 2016.

AUDIT COMMITTEE REPORT

As such, the AC had subsequently recommended to the Board that the External Auditors be re-appointed for the next financial year subject to the shareholders' approval at the Annual General Meeting.

4. Reviewing Related Party Transactions & Conflict of Interest Situations

- (a) The AC had at its meetings held on 27 February 2017, 29 May 2017, 29 August 2017 and 27 November 2017, deliberated on management's potential conflict of interest, related party transactions and recurrent related party transactions.

All related party transactions and recurrent related party transactions were found to have complied with the following criteria:-

- i) Carried out in compliance with the MMLR of Bursa Securities as well as relevant rules and regulations;
- ii) Transactions/arrangements were carried out on an arms' length basis and under normal commercial terms;
- iii) Transactions/arrangements were in the best interest of the Company;
- iv) Interested parties abstained from deliberation and voting;
- v) Adequate disclosure via Bursa announcements, quarterly reports and annual report; and
- vi) Prior approval by the shareholders, where applicable.

With the assistance of GIAD, the AC had satisfied itself on the adequacy, appropriateness and compliance of the procedures established to monitor recurrent related party transactions.

The AC also took note that there were no management conflict of interest situations for operational matters (including any transaction, procedure or course of conduct) as reported by the President at the quarterly meetings.

- (b) On 27 February 2017, the AC reviewed and approved the Circular to Shareholders in respect of the proposed renewal of shareholders' mandate for recurrent related party transactions as well as the statements by the AC in respect of the proposed shareholders' mandate for recurrent related party transactions.
- (c) At the AC Meeting held on 31 July 2017, the AC reviewed and approved a related party transaction involving an acquisition of a freehold land located in Kajang together with a partially completed commercial complex from Concept Housing Development (M) Sdn Bhd, a related party, for a total consideration of RM63,000,000/- (excluding Goods and Services Tax).

The disposal consideration was arrived at after taking into consideration the market value of the lands within the vicinity of the said land.

After considering all aspects of the said acquisition, the AC was of the opinion that it was in the best interest of the Group and was not detrimental to the interests of the minority shareholders of the Company and that the terms of the acquisition were fair, reasonable and made on normal commercial terms. It was then recommended to the Board for approval.

5. Other Matters

- (a) On 27 March 2017, the AC reviewed and recommended for the Board's approval, the Corporate Governance Statement, AC Report and Statement on Risk Management and Internal Control for inclusion into the Company's Annual Report 2016.

The AC had also reviewed and recommended for the Board's approval, the Annual Report 2016 of the Company.

- (b) At its meetings held on 27 February 2017, the AC was informed that the new Companies Act 2016 would be implemented on staggered basis with the first phase to be effective from 31 January 2017. Consequently, the Companies Act, 1965 would be repealed.
- (c) The AC was satisfied that there were no breaches of the MMLR of Bursa Securities as reported by the Company Secretary at its quarterly meetings during the financial year.
- (d) At its meeting held on 27 March 2017, the AC was briefed by GIAD on the cyber security risks and threats identified by the Group against the emerging trends and possible review areas to be undertaken by GIAD to assess the internal controls undertaken to counter such risks. At the same meeting, the AC was also informed of the overview of the Group's occupational safety and health initiatives.
- (e) At its meeting held on 27 February 2017, the AC was informed of 2 reports made through the whistle blower channel and the progress of the investigations undertaken.
- (f) The AC had endorsed the Policy of Selection of External Auditors at its meeting held on 27 March 2017. Thereafter, It was presented to the Board for approval at the subsequent Board Meeting.
- (g) Minutes of the previous AC Meetings were tabled at the subsequent Board Meetings by the AC Chairman. Significant issues and concerns discussed during the AC Meetings together with the recommendations were highlighted and reported to the Board.

PERFORMANCE EVALUATION

The assessment on the performance and effectiveness of the AC are undertaken by the Board annually. The AC members also undertook a Self and Peer Evaluation to assess whether the AC members had carried out their duties and responsibilities in accordance with its terms of reference.

Based on the assessment, the Board was satisfied that the AC was effective in discharging its duties and responsibilities as required under the AC's terms of reference.

CONTINUING EDUCATION

The details of training programmes and seminars attended by each AC member during the financial year ended 31 December 2017 are set out in the Corporate Governance Overview Statement under "Directors' Training".



Please refer to Corporate Governance Overview Statement for more information.

INTERNAL AUDIT FUNCTION AND SUMMARY OF ACTIVITIES

The Group's Internal Audit ("IA") function is an integral part of the assurance framework and it is performed in-house and undertaken by GIAD. The mission of GIAD is to enhance and protect Sunway Berhad Group's organizational value by providing risk-based and objective assurance, advice and insight. GIAD helps the Group to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. GIAD reports functionally to the AC and administratively to the Executive Chairman.

GIAD is headed by Mr Yee Meng Haw who is a member of the Malaysian Institute of Certified Public Accountant (MICPA), a member of the Malaysian Institute of Accountants (MIA) and a Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA).

GIAD has 23 auditors and most of the GIAD staff have professional qualifications. Some are members of Certified Information System Auditors (CISA), Certified Fraud Examiners (CFE) and Certified Internal Auditor (CIA). The Head of GIAD and the audit executives have confirmed that they are free from any relationships or conflicts of interest which could impair their objectivity and independence in their audit assignments.

GIAD is a member of the Malaysian Chapter of the Institute of Internal Auditors ("IIA") and adopts the International Standards for the Professional Practice of Internal Auditing ("IIA Standards") laid down in the International Professional Practices Framework issued by the IIA. GIAD successfully completed its external Quality Assessment Review in 2015 and continues to meet or exceed the IIA Standards in all key aspects. GIAD carried out its activities based on a risk-based annual audit plan approved by the AC. The AC reviews annually the adequacy of the scope, function and resources of the IA, to ensure that the responsibilities of GIAD are fully discharged.

The internal audit reports arising from the audit assignments carried out in 2017 were issued to the respective business unit management for their responses and Management were made responsible to ensure that the agreed corrective actions to be taken to address the reported risks and weaknesses were taken promptly within the required timeframes. Follow-up audit engagements were carried out by GIAD to ensure that the key corrective actions were implemented appropriately. The internal audit reports were subsequently tabled to the AC for its review. The Head of GIAD has unrestricted access to the AC and reports directly to the AC Chairman. In its current structure, the GIAD has been able to provide directors and senior management with pertinent information about weaknesses in the system of internal control allowing management to take prompt remedial actions.

During the financial year ended 31 December 2017 and as at the date of this report, GIAD had carried out the following activities:-

- (a) Prepared and presented the risk-based annual internal audit plan encompassing key business segments within the Group for the approval of the AC.
- (b) Performed audit engagements which covered reviews of internal control systems, accounting and management information systems, risk management and governance practices;
- (c) Issued internal audit reports to the AC and management providing results of the assessments of internal controls identifying key areas of concerns as well as highlighting recommendations for improvements and carried out follow-up audits;
- (d) Acted on suggestions made by the AC and/or senior management on concerns over operations or controls and significant issues pertinent to the Company and of the Group.
- (e) Performed investigative audits on allegations of mismanagement or improper acts reported through the whistleblowing procedures and other channels;
- (f) Reported to the AC on review of the adequacy, appropriateness and compliance with the procedures established to monitor recurrent related party transactions.
- (g) Reviewed risk exposures of new IT systems implemented to assess the controls that should be in place to mitigate the risks identified prior to implementation.

The costs incurred for the internal audit function in respect of the financial year ended 31 December 2017 including staff payroll costs and overheads amounted to RM4.06 million. The costs incurred in the previous financial year was RM4.41 million.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (“the Board”) is pleased to present the Statement of Risk Management and Internal Control, pursuant to Chapter 15, Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Principle B of the Malaysian Code on Corporate Governance 2017, with guidance from the Statement of Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

THE BOARD’S RESPONSIBILITY

The Board affirms its commitment and responsibility towards effective risk management and internal control. In doing so, the Board embeds risk management into activities, initiatives and processes of Sunway and its subsidiaries (“the Group”). The framework has been set in place by the Board to identify, evaluate, mitigate and monitor key risks faced by the Group.

The Board recognises that the framework is designed to mitigate rather than eliminate, risks or events with significant adverse impact on the achievement of the Group’s objectives and strategies. As such, it provides reasonable but not absolute assurance against material financial misstatement and management information and records, or against financial losses or fraud. This statement does not cover associate companies and joint ventures where risk management and internal control are managed by the respective management teams.

In pursuit of improving and integrating effective governance structures and processes into the framework, the Board has set up a Risk Management Committee (“RMC”) which comprises of independent directors in majority and as its Chairman to oversee the Group’s risk management and internal control. Accountable to the Board of Directors, the RMC meets quarterly to:

- Identify, assess and monitor key business risks and review risk mitigation strategies;
- Review and recommend risk management strategies, policies and levels of risk tolerance;
- Ensure infrastructure, resources and systems are in place to manage risks.

For 2017, the RMC had reviewed, appraised and assessed, controls and progress of action plans taken to mitigate and manage the Group’s risk exposure. The RMC had subsequently provided assurance to the Board that the Group’s risk management and internal control are operating adequately and effectively in all material aspects.

INTERNAL CONTROL SYSTEM

Planning, monitoring and review of the Group’s performance and conduct are done via scheduled periodic meetings of the Board, Board Committees and management. The annual Business Plan ensures that all divisions and operating subsidiaries prepare and present its outlook, expectations, budgets, performance and targets for the forthcoming year.

The President communicates the Board’s expectations to management teams and employees during management meetings, managers’ conferences and forums while the heads of the operating subsidiaries and departments are empowered with the responsibility of planning, monitoring, reporting and managing their respective operations.

COMPONENTS OF THE INTERNAL CONTROL SYSTEM

1. POLICIES & PROCEDURES

The Group’s internal control system encompasses formalised and documented internal policies, standards and procedures to ensure compliance with internal controls, relevant laws and regulations. It enables all divisions and operating subsidiaries to effectively and efficiently, operate and respond proactively to potential business, operational, financial, compliance and other risks in achieving the Group’s goals and objectives. These documents are regularly reviewed to ensure relevance and applicability and are published in the Group’s intranet for employees’ reference.

2. AUDITS

The Group Internal Audit Department (“GIAD”) carries out internal audits on divisions and operating units of the Group based on a risk-based audit plan approved annually by the Audit Committee (“AC”). Based on these audits, GIAD provides the AC with periodic reports highlighting observations, recommendations and action plans to improve the Group’s internal control system. 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 are audited as scheduled by auditors of relevant certification bodies. Results of these audits are reported to management.

3. EMPLOYEE ENGAGEMENT AND PERFORMANCE

Key performance indicators, based on balanced scorecards are used to track and measure employee’s performance while employee engagement surveys are conducted to gain feedback on effectiveness and efficiency of the Group to aid continuous improvement of employee competency, in line with the Group’s goals and objectives.

4. EMPLOYEE CONDUCT

Available for staff access in the Group Governance and Integrity portal, this is governed by a series of policies which define the core values of the Group – Integrity, Humility and Excellence.

- a) The Whistle Blowing Policy serves as a guideline for stakeholders and staff to report in a safe and confidential manner, any concerns regarding possible illegal, unethical conduct or malpractice to the management for further action. Whistle blowing avenues include a direct line telephone number, e-mail or written mail to the Head of Internal Audit Department.

- b) The Fraud Response Procedures guides management teams of respective business units to respond to allegations or suspicions of fraud and ensure that all cases of suspected or alleged frauds are reported promptly, and investigations are conducted effectively.
- c) The Integrity Pact serves to ensure transparency and fairness in the procurement process of the Group with an aim to promote efficiency in procuring products or services in accordance with approved specifications and prices while avoiding distortionary factors and corrupt practices.
- d) The Group's Code of Conduct and Business Ethics provides an ethical framework to guide actions and behaviours of directors and employees of the Group. It reflects the increasing need for effective corporate governance and compliance measures in the Group's businesses, domestically and internationally.
- e) The Staff Handbook provides information on employment terms and conditions in addition to compensation, leaves, health benefits, education assistance, discounts, expectations and career path to name a few. Also included in the policy is the Group's Personal Data Protection Notice on the collection and handling of personal information in accordance with the Malaysian Personal Data Protection Act 2010.

5. RISK MANAGEMENT

The Group's risk management framework is benchmarked against the ISO31000:2009 Risk Management – Principles and Guidelines and is designed to embed Enterprise Risk Management ("ERM") into key activities, initiatives and processes of the Group. This enables the Group to identify, evaluate, mitigate and monitor risks that may prevent the Group from achieving its objectives. In doing so, the stakeholders are assured that their interest is protected. During the financial year, the Group constantly reinforces its risk management framework to remain relevant and effective given the present business environment.

The framework is enterprise-wide and 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;
- enhance and improve corporate governance with a clear, concise and robust structure for the Group;
- determine risk appetite and risk tolerance based on measurable parameters related to critical risks that may impact the strategy, performance and reputation of the Group;
- set risk policies and limits consistent with the risk appetite and tolerance of the Group;
- ensure appropriate skills and resources are applied to risk management.

Continuous risk assessment is fundamental to the Group's risk management process. Operating subsidiaries are tasked with reporting major risks on a quarterly basis to management as it aims for a holistic approach towards risk management. The respective operating subsidiaries being risk owners of their immediate sphere are responsible to develop the appropriate response strategies to mitigate risks.

In providing assurance to the RMC and the Board, Group Risk Management Department ("GRMD"), under the purview of the Chief Financial Officer's Office continues to review the quarterly risk templates in identifying and mitigating all major risks of the operating subsidiaries under the Group. The quarterly risks from all operating subsidiaries are consolidated and updated to the Chief Financial Officer, President and RMC, highlighting major risks and mitigating controls carried out.

THE GROUP HAS FOUR (4) CORE RESPONSE STRATEGIES FOR RISK MANAGEMENT. THESE INCLUDE:

1. 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.

2. 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.

3. 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

4. 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 as is the case with sub-contracting and outsourcing arrangements;
- Sharing the business process with another party as is the case with partnerships and joint venture arrangements; and
- Retaining the process and transferring the legal and financial risks as is the case with insurance arrangements and the use of certain treasury/financial products.

Risk management discipline ensures that risk assessment is an on-going process whereby risks and risk mitigation measures are regularly reviewed and adjusted accordingly. The continuous risk assessment process therefore, represents the cornerstone of an effective ERM program for the Group.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

REPORTING STRUCTURE

The RMC will meet and deliberate on the top risks identified on a quarterly basis while its Chairman will subsequently update the Board on proceedings and updates from the RMC. 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.

GRMD is accountable for effectiveness of the risk management framework and is independently distinguished from risk owners - the respective heads of operating subsidiaries 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 operating subsidiaries by identifying, quantifying, managing and mitigating critical risks in addition to monitoring and reporting of action plans prepared by the operating subsidiaries. In line with the Group's governance initiatives, GRMD also collaborates with other support functions such as Group Brand Marketing & Communication, Group Finance, Group Internal Audit, Group IT, Group Legal, Group Procurement, Group Secretarial and Corporate Development.

GRMD continues to support the Group's efforts in embracing change and evolution into a resilient conglomerate, allowing it to refine its focus and strategies to achieve goals and objectives while sustaining an ecological balance between employees, communities and environment. Thus, as the Group commits to provide Occupational, Safety & Health standards and practices to enhance stakeholders' value, GRMD's quarterly risk reporting exercise with operating subsidiaries goes beyond risk mitigation to ensure that operational processes are consistent and remain compliant with the relevant standards such as OHSAS 18001, ISO 14001 and the Australian Council of Healthcare Standards (ACHS) to name a few.

APART FROM THE ABOVE, GRMD PARTICIPATES IN OTHER VALUE-ADDING EXERCISES SUCH AS:

1. REVIEW EXISTING SUNWAY STANDARD OPERATING PRINCIPLES ("SSOP")

The review of the Group's SSOPs is conducted by GRMD together with key relevant personnel from respective divisions or operating subsidiaries, covering credit control, sales and marketing, procurement, products and services and operative guidelines.

2. ASSIST IN DAY-TO-DAY OPERATIONS FOR OPERATING SUBSIDIARIES

Upon instruction from management, GRMD assists in fulfilling daily operative requirements to ensure minimal business interruption or delays that could hamper the achievement of goals and objectives.

3. ASSIST IN CONDUCTING REGULATORY RESEARCH

Such research is conducted to ensure that the Group's projects and businesses (existing or new) remain compliant to laws and regulations.

4. ASSIST IN CONDUCTING TENDER FOR DIVISIONS AND OPERATING SUBSIDIARIES

GRMD participates in tender processes to form an independent party to ensure fairness in observance of due process, decision making and tender awards.

KEY RISK FACTORS

For the financial year under review, GRMD has identified the following risks for the Group. These were presented to the Board which includes the Group President and CFO where controls, mitigating plans and monitoring mechanisms were highlighted.

1. BUSINESS / MARKET RISK

Risks associated with an uncertain economy such as weaker trade and higher risk aversion sentiments resulting in reduction or moderation of investments and businesses.

Mitigation:

Direct mitigation for such macro risk is nearly impossible, the Group however, holds leadership positions in a multitude of industries, chiefly driven by its core businesses of property and construction. Acquisition and investment proposals are therefore thoroughly examined and analysed prior to Board submission.

2. SUBDUED PROPERTY MARKET

This risk concerns the Group as decline in market conditions have a direct repercussion in revenue. Lacklustre economic growth has adversely affected demand for properties as well as oversupply of office space.

Mitigation:

In response to this, the Group has carved its mitigation plans to improve promotional and incentive efforts as well as value added services to enhance the competitive advantage of the Group's developments. Planning and phasing of new developments will continue to be demand-driven, value integrated with a balance of progress and sustainability to enable higher take up rates.



Please refer to Management Discussion and Analysis for more information.

3. OPERATIONAL – HEALTH AND SAFETY

Risks highlighted from business units include delivery, disaster recovery, infrastructure, production and safety. In mitigating and monitoring of these risks, equal priority is given to stakeholders, regulators, senior executives, employees and investors. The Group's reputation could be potentially damaged by one or more events, resulting in negative publicity and impairing public confidence, such as litigation suits and adverse events, even if the Group is not found liable.

Mitigation:

Appropriate and effective policies and procedures are implemented and thoroughly monitored jointly by business units and GRMD to mitigate these risks. These are also continuously reviewed to ensure effectiveness and adequacy, in accordance with global best practices and standards.



Please refer to Sustainability Report 2017 for more information.

4. HUMAN CAPITAL

Risks arising from issues such as high staff turnover, loss of key and technical staff, competition from other industry players, succession planning and staff retention.

Mitigation:

Group Human Resources, together with respective divisions and operating subsidiaries continuously improve and enhance mitigation plans which include employee engagement surveys, team building exercises, training and development – internal and external and constant reviews of the Group's remuneration and compensation benefits for staff.



Please refer to Sustainability Report 2017 for more information.

5. PROJECT COMPLETION

As the Group strives to maintain its position among the country's top property developers and Sunway Construction Group Berhad as Malaysia's largest listed pure-play construction company by revenue, this risk is perennial and holds a significant weight in risk analysis.

Mitigation:

However, the Group has successfully negated such risks for the financial period with effective and constant project monitoring and supervision, in addition to efficient procurement of necessary resources to mitigate potential delays and claims.

6. CYBER & IT RISK

This risk, if left unattended, could result in the unauthorised disclosure of sensitive business information, resulting in financial or reputational loss. It could also result in the disruption of critical business processes.

Mitigation:

To mitigate this risk, various policies, resources, processes and systems have been developed and deployed. The Group-wide Information Security policy, called the SISP (Sunway Information Security Policies), was developed in accordance with ISO/IEC 27002 (2005) standards. In addition, continuous initiatives are in place to enhance cyber defense capabilities and IT resiliency of the Group.

THE BOARD'S CONCLUSION

The Board is pleased to report that the state of the Group's risk management and internal control framework is able to meet the Group's objective to ensure good corporate governance. There was no potential or present 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 framework is operating adequately and effectively in all material aspects. Continuous focus on measures to protect and enhance shareholder value and business sustainability will remain a core practice for the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITOR

The external auditor has reviewed this Statement of Risk Management and Internal Control as required under Paragraph 15.23 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements. The limited assurance review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and Audit and Assurance Practice Guide 3 ("AAPG 3") *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report*. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention which causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

This Statement of Risk Management and Internal Control was approved by the Board of Directors on 21 March 2018.

TAN SRI DATO' SERI DR JEFFREY CHEAH FOOK LING AO
EXECUTIVE CHAIRMAN

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 26 March 2013, Sunway had announced that Sunway Velocity Mall Sdn Bhd ("**SVM**"), a 59% owned subsidiary of Sunway City Sdn Bhd ("**Sunway City**") which in turn is a wholly-owned subsidiary of Sunway, has received authorization from the Securities Commission ("**SC**") to establish a medium term note programme for the issuance of unrated medium term notes ("**UMTNs**") of up to RM1.0 billion in nominal value ("**MTN Programme**") via SC's letter dated 21 March 2013.

During the financial year ended 31 December 2017, SVM had 1 issuance of UMTN. There was no repayment made in the financial year.

The proceeds raised from the MTN Programme were utilized to repay advances and other related costs due to Sunway Treasury Sdn Bhd, a wholly owned subsidiary of Sunway, for the development and operation of SVM.

- (b) On 28 October 2013, Sunway had announced that it has received authorization from the 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 in nominal value ("**CP/MTN Programme**") via SC's letter dated 25 October 2013.

During the financial year ended 31 December 2017, Sunway had 71 issuance of CPs and 1 issuance of MTNs totaling RM5,566,000,000/- and RM160,000,000/- respectively under the CP/MTN Programme at various interest rates and had repaid RM5,204,000,000/- of CPs and RM150,000,000/- of MTNs. As at 31 December 2017, the total outstanding CPs and MTNs amounted to RM980,000,000/- and RM610,000,000/- 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.

- (c) 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, 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 2017, Sunway Treasury Sukuk had 112 issuance of ICPs and 2 IMTNs totaling RM13,415,000,000/- and RM200,000,000/- respectively under the Sukuk Programme at various interest rates and had repaid RM13,850,000,000/- of ICPs. As at 31 December 2017, the total outstanding ICPs and IMTNs amounted to RM900,000,000/- and RM670,000,000/- 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.

- (d) On 14 June 2017, Sunway had announced, inter alia, a proposed bonus issue of warrants of up to 631,006,003 free warrants in Sunway ("**Warrants**") on the basis of 3 Warrants for every 10 existing ordinary shares held in Sunway ("**Sunway Shares**") ("**Bonus Issue of Warrants**"). Bursa Securities had, vide its letter dated 24 July 2017, amongst others, approved the admission to the Official List and the listing and quotation of the issuance of the Warrants pursuant to the Bonus Issue of Warrants and listing of up to 631,006,003 new Sunway Shares to be issued following the exercise of the Warrants.

On 4 October 2017, a total of 629,970,466 Warrants had been allotted to the entitled shareholders in accordance to the Deed Poll dated 19 September 2017 ("**Warrants 2017/2024**"). The Warrants had been listed and quoted on the Main Market of Bursa Securities on 6 October 2017.

During the financial year, a total of 1,106 Warrants were exercised pursuant to the Warrants 2017/2024. The proceeds were utilized for working capital purposes.

- (e) On 17 July 2017, Sunway had announced that Sunway Treasury Sukuk has received authorization from SC to establish an Islamic Medium Term Note Programme of RM10.0 billion in nominal value ("**2017 Sukuk Programme**") for issuance of unrated Islamic medium term notes ("**UiMTNs**") via SC's letter dated 14 April 2017.

During the financial year ended 31 December 2017, Sunway Treasury Sukuk had issued 2 tranches of UiMTNs totaling RM10,000,000/- and RM400,000,000/- respectively under the 2017 Sukuk Programme at various interest rates. As at 31 December 2017, the total outstanding UiMTNs amounted to RM410,000,000/-.

The proceeds raised from the 2017 Sukuk Programme were utilized to finance investment activities, capital expenditure, working capital requirements and/or other general corporate purposes.

- (f) On 29 September 2017, Sunway had announced that Sunway Parkview Sdn Bhd ("**Sunway Parkview**"), a wholly-owned subsidiary of Sunway Iskandar Sdn Bhd, had established a Medium Term Note Programme of up to RM999.0 million in nominal value ("**Sunway Parkview MTN Programme**") for issuance of medium term notes ("**Sunway Parkview MTNs**") pursuant to the Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework.

During the financial year ended 31 December 2017, Sunway Parkview had issued 1 tranche of Sunway Parkview MTNs totaling RM300,000,000/- under the Sunway Parkview MTN Programme. There was no repayment made in the financial year.

The proceeds raised from Sunway Parkview MTN Programme were utilized to finance or reimburse Sunway Parkview's cost of acquiring the lease(s) over 10 parcels of adjoining development land from Sunway Iskandar Sdn Bhd.

2. OPTIONS OVER ORDINARY SHARES

(a) Employees' Share Option Scheme

- (i) During the financial year ended 31 December 2017, a total of 55,537,314 options over the ordinary shares were exercised pursuant to the Company's Employees' Share Option Scheme 2013/2019 ("ESOS"). A total of 14,782,268 additional options were granted and vested to the entitled employees on 4 October 2017 pursuant to the adjustments made to the number of options arising from the bonus issue exercise undertaken by Sunway ("Bonus Issue of Shares").
- (ii) The total number of options granted, vested, exercised and outstanding vested under the ESOS as at 31 December 2017 are set out in the table below:-

Description	Number of Options as at 31 December 2017	
	Total	Directors
(a) Granted*	181,080,268	23,800,000
(b) Exercised	108,472,040	23,720,000
(c) Vested*	146,903,268	23,720,000
(d) Expired and deallocation	13,452,005	0
(e) Outstanding	24,979,223	0

- (iii) As at the date of this report, the aggregate options granted to Directors were 23,800,000, out of which 23,720,000 options had been vested to them. The Directors had fully exercised their options during the financial year.
- (iv) Percentage of options applicable to Directors and Senior Management under the ESOS are as follows:-

Directors and Senior Management	During the financial year	Since commencement up to 31 December 2017
(a) Aggregate maximum allocation	10.82%*	22.97%
(b) Actual granted	10.82%*	22.97%
(c) Actual vested	10.82%*	28.14%

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

Note:

* additional options granted and vested pursuant to the adjustments made to the number of options arising from the Bonus Issue of Shares.

3. AUDIT AND NON-AUDIT FEES

During the financial year ended 31 December 2017, the total audit and non-audit fees incurred for services rendered to the Company and the Group by the external auditors, or a firm affiliated to the external auditors are as follows:-

	Group (RM'000)	The Company (RM'000)
Audit fees	3,317	255
Non-audit fees	38	25
TOTAL:	3,355	280

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

Save as disclosed, there were no other 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 2017:-

- (a) Sale and Purchase Agreement dated 1 August 2017 between Daksina Harta Sdn Bhd, a subsidiary of Sunway, and Concept Housing Development (M) Sdn Bhd for the acquisition of a freehold land held under Geran No. 47813, Lot No. 1, Mukim Kajang, Daerah Ulu Langat, Negeri Selangor measuring approximately 24,281.1 square metres (before taking into account/deducting the portion of the land that was compulsorily acquired by the relevant authority measuring 2,928 square metres) together with a partially completed commercial complex comprising a 3-storey podium (3 units of office space) including 1 unit of Tenaga Nasional Berhad substation, a 20-storey office block A (17 units of office space), a 12-storey office block B (9 units of office space) and a 10-storey car park free from encumbrances and with vacant possession for a total purchase consideration of RM63,000,000/- (excluding Goods and Services Tax). The consideration was satisfied by cash.

RELATIONSHIP OF RELATED PARTIES

Ms Cheah He Mooi and Mr Yap Chin Gum are the directors and major shareholders of Concept Housing Development (M) Sdn Bhd and are married to one another. Ms Cheah He Mooi and Mr Yap Chin Gum are the sister and brother-in-law of Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling ("Tan Sri Jeffrey Cheah") respectively. Ms Sarena Cheah Yean Tih is the daughter of Tan Sri Jeffrey Cheah.

Tan Sri Jeffrey Cheah and Sarena Cheah Yean Tih are Directors and major shareholders of Sunway.

5. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

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

INVESTOR RELATIONS

Sunway's Investor Relations ("IR") team plays an intermediary role between the company and the investing community, bridging any gap in information flow. To achieve this, the team practises regular engagement with existing and potential investors through various platforms to disseminate information on the company's developments, strategies and prospects. Such endeavour is imperative in establishing transparency, instilling confidence in investors, analysts and shareholders, allowing them to make informed and timely investment decisions.

BROAD COVERAGE

Since its debut on the Main Market of Bursa Malaysia in 2011, Sunway has attracted substantial interest from both local and foreign financial institutions.

As at 31 December 2017, Sunway is covered by 13 analysts, with 6 having a "Buy" call on the company. The average target price of the Sunway Berhad share on even date stood at RM1.88, incorporating the effects of the Group's bonus issue of shares and warrants during the year.

Sunway is covered by the following research houses:

- Affin Hwang Investment Bank
- AllianceDBS Research
- AmInvestment Bank
- CIMB Investment Bank
- Hong Leong Investment Bank
- J.P. Morgan
- Kenanga Research
- Maybank Investment Bank
- MIDF Research
- Nomura Securities
- RHB Research Institute
- TA Securities
- UOB Kay Hian

KEY INITIATIVES AND ACTIVITIES

Sunway's IR team abides by a clear goal, which is to maintain timely, transparent and meaningful communication with the investing community, whilst adhering to regulatory guidelines for information disclosure.

Detailed below are the key IR programmes conducted throughout the year of 2017.

IN-HOUSE MEETINGS

Sunway hosted a total of 29 one-on-one and small group meetings with analysts, fund managers and investors in 2017 (2016:24). These meetings enable open interaction between investors and senior management. The management team also benefits from such communication flow, being able to glean first-hand insights and thereby synthesise market perception.

LARGE GROUP MEETINGS AND CONFERENCES

In 2017, Sunway continued its active participation in large group meetings and conferences held in Malaysia and other prime financial metropolises such as Singapore. Sunway utilised these avenues to showcase the merits of its investment case, along with the latest operational developments to share with both existing and potential investors.

On the local front, the investment banks in Malaysia also organised dedicated non-deal roadshows and corporate luncheons throughout the year. Sunway was also invited to events to share the Group's latest updates and long term growth strategy, with an audience of local, seasoned investors.

Date	Organiser	Event	Venue
21 March 2017	Maybank Kim Eng	Invest ASEAN 2017	Singapore
26 May 2017	Citibank	Citi ASEAN C-Suite Investor Conference 2017	Singapore
6 November 2017	J.P. Morgan	JP Morgan Asia Rising Dragons Forum	Kuala Lumpur

SITE VISITS

Sunway recognises site visits as another effective means of exhibiting the Group's value proposition as a diversified conglomerate and integrated developer. As such, the Group arranged a total of 10 site visits in 2017 (2016:5). It is essential for the investors to have first-hand experience on sites, in order for them to view and appreciate the strategic location, connectivity and integration of the Group's landbanks and developments.

The Group's key projects such as Sunway Iskandar and Sunway Velocity continued to draw interest from the investment community, registering a total of 7 site visits in 2017, whilst other projects such as Sunway Medical Centre, Sunway City Ipoh and Singapore gained traction during the year, with one site visit each. These visits allowed analysts to follow up on development progress and learn more about the future plans.

OTHER CHANNELS OF COMMUNICATION

BRIEFING PACKS, FLASH NOTES AND ANALYST BRIEFINGS

The IR team always strives to have the Group's important announcements published on Bursa Malaysia in a timely manner. Such announcements include the release of quarterly results, new construction orders, new land and company acquisitions as well as corporate exercises. To deliver key information that analysts and the investing community typically require, the IR team introduced concise reports in the form of briefing packs and flash notes, which are disseminated immediately after the announcements are released on Bursa Malaysia.

Briefing packs are structured to enclose crucial information typically required for analysts and media coverage. Flash notes, on the other hand, are one-page documents commonly used to circulate bulletins on the latest developments within the Group.

In addition, the IR team also conducts analyst briefings when the Group embarks on major events. In June 2017, Sunway organised an analyst briefing to share with the investing community on the Group's plan to issue bonus shares and free warrants to reward shareholders.

QUARTERLY FINANCIALS AND AWARD WINNING ANNUAL REPORT

Sunway believes in and practises comprehensive disclosure to help investors make sound investment decisions. Therefore, the Group has always voluntarily shared additional information, on top of the minimum statutory content, in its quarterly financial reports and annual report. In recognition of its commitment to informative reporting, Sunway was honoured with the Industry Excellence Award in the Properties and Hotels Category at the National Annual Corporate Report Awards ("NACRA") in 2017. This marks the Group's 11th consecutive win in NACRA, since 2006. Sunway's continued success in the event attests to its consistency in promoting effective communication through the publication of informative and reader-friendly annual reports.



2017 ANALYST BRIEFING

IR PORTAL AND E-MAIL

The IR team also integrates its web portal within the Group's website at www.sunway.com.my as another communication platform to circulate acute company bulletin and corporate messages, especially to investors with limited access to newsfeeds. In support of prompt information sharing, the IR team endeavours to publish financial and analyst reports onto the portal within 48 hours after important announcements. Also made available on the portal is the Group's quarterly and annual financial information, financial calendar and an interactive stock chart to serve as reference for the investing community. The portal can be accessed directly via <http://www.sunway.com.my/investor-relations/>. Investors may also direct any specific queries to the Group's management or IR team via e-mail at irsunwayberhad@sunway.com.my or through IR contact details as published on the portal.



Connect to more information online at www.sunway.com.my

AWARD WINNING INVESTOR RELATIONS FUNCTION

The core of successful IR is built on the trust earned from the investing community over the years. It requires the IR team to be expansive in its level of outreach, well-informed about the intricacies of the business and responsive to queries from stakeholders.

In 2017, the IR team's efforts were recognised at the 7th Malaysian Investor Relations Association ("MIRA") Awards, with the team being shortlisted in a total of 7 categories, including Best Company for Investor Relations (Mid Cap), Best Chief Financial Officer for IR (Mid Cap), Best IR Professional (Mid Cap), Best IR Website (Mid Cap), Business Knowledge & Insights of Investor Relations Team, Quality of One-on-One Meetings and Most Improved Service from IR Team.

The annual event endorses and celebrates the achievements of top IR performers from Malaysian listed entities, and is a testament of the Group's unceasing efforts in bridging the communication gap between management and the investing community. Further, in conjunction with MIRA's 10th anniversary, Sunway was showcased on a "Wall of Fame", themed the "7 Wonders of MIRA", to recognise and honour the Group as past winners in the MIRA awards history.



SITE VISIT TO SUNWAY VELOCITY

INVESTOR RELATIONS

Research
By KienLing

Sunway Berhad
Shaping a Sustainable Future

By Adrian Ng | adrian.ng@hsbc.com.my | Sarah Lee | sarah.lee@hsbc.com.my

MARKET PERFORM --
Cum/Ex Price: RM5.73/RM1.66
Cum/Ex Target Price: RM5.87/RM1.66

My came back from SUNWAY's briefing yesterday feeling positive with its long-term plan in expanding its medical division coupled with its move to reward shareholders with the announcement of a bonus issue of 4 for 3 and free warrants (2 for 10) exercise. While we maintain **NEUTRAL** PERFORM due to its conservative price

Share Price Performance

HongLeong Investment Bank
HLIB Research

Sunway (BUY ↔; EPS ↔)
RECOMMENDATION: NEUTRAL
COMPANY HIGHLIGHT

31 July 2017
Price Target: RM5.54 (+0.4%)
Share price: RM4.28

Attractive warrant with step-down mechanism

Comments

- Sunway issued a circular with more details on the proposed bonus issue and free warrants. To recap, Sunway had proposed 4 bonus issue of shares for every 3 existing shares and 3 free warrants for every 10 existing shares. The above proposals were approved by Bursa on 24 July and EGM will be held on 30 August to secure shareholders' approval.

See Hong Hong
hong.hong@hongleong.com.my
010-6788 1121

R&D
Specialised prog-tech
Specialised tech
Specialised tech

100%
10.0%
0.0%

Construction - Medical
Market Consensus

Company Flash Note

Malaysia
June 14, 2017 4:26 AM

Sunway Bhd
Bonus issue of shares and warrants

- Sunway proposed a 4-for-3 bonus issue of shares and 3-for-10 free warrants.
- Positive on the bonus shares as it will boost liquidity, but this is mitigated by the 4-for-3 bonus issue as it will dilute EPS.
- Sunway has been disappointed from property development in neighbouring states to better reflect its diversified conglomerate structure.

4-for-3 bonus issue with 3-for-10 free warrants

- Sunway has proposed a 4-for-3 bonus issue together with free warrants on the basis of 4 bonus free warrants for every 10 existing shares held.

Share Price Performance

RHB
Malaysia Company Update

15 June 2017

Sunway
Focusing On Value Creation

Property / Real Estate
Buy

Target Price: RM4.28
Price: RM4.71
Market Cap: RM2.17 Bn
Bookings Total: RM2.58 Bn

Company Update

Sunway's briefing should boost investors' confidence after executive chairman Tan Sri Jeffrey Chuan shared his strategy for Sunway going forward. Apart from the excitement from the bonus issue and free warrants, we believe investors would gradually re-rate the firm given its healthcare wing's rising earnings base over the medium term, its asset reclassification made more after a share price rebound over the next 1-2

Share Price
Avg Daily Turnover: RM100.00
52-Week Price Range: RM3.70 - RM5.10
Free Price (RM): 38
Share Outstanding (m): 1.70

June 15, 2017

Sunway (SWB)
An all rounder

HOLD

Share Price: RM4.71
Cum/Ex Target: RM4.42 (+0.4%)
Previous Price Target: RM4.32

Listing health care unit in five year times!

We are bullish on Sunway's proposed bonus issue of new shares which would improve share affordability and free warrants which would allow Sunway to expand using proceeds from the warrants exercise. But, we maintain **NEUTRAL** PERFORM due to its conservative price.

Statistics

Market value	RM2.17 Bn
52-Week range	RM3.70 - RM5.10
52-Week turnover	0.00%

Securities

AFFIN HWANG CAPITAL

Good long-term prospects

We adjust down our FY17 F&E EPS by 37.60% and TP to RM4.28 from RM4.32 based on the value 37% discount to RM4.71 to account for: 1) the change in executive Sunway REIT's earnings and the value (RM4.28) (RM4.71) from the just under 100% reduction of coverage report as of 1 October 2017; 2) the completed 4-for-3 bonus issue exercise and the fully diluted impact of the 3 free warrants issued for every 10 shares; and 3) cash adjustments from land banking exercises, asset disposal and increasing shares in joint venture LPO. We reiterate our BUY call.

Sunway
Solid SWB
Solid Property

RM1.79 @ 12 October 2017

AmInvestment Bank
Company report

SUNWAY
Highly satisfactory performance

27 Feb 2017

BUY
(Maintained)

Rationale for report: Company results

Investment Highlights

JPMorgan
Asia-Pacific Equity Research

Sunway Bhd (SWB MK)

To expand Healthcare unit leveraging on its integrated model, proposes bonus issue & free warrants

SWB has announced its reclassification as Bursa-listed Properties to Trading Services with the aim to place equal importance to the other businesses aside from Property, namely Healthcare where there are new plans for MNC expansion in the next 1 year. Trading Services comprise 47% of FY16 core P&L A&W, with Healthcare at 14%. The announced bonus issue and 3-year free warrants, which will raise up to RM9.67Bn, will help

Neutral
Price: RM4.71
14 Jun 2017
Price Target: RM4.32
FY16 Earnings: RM1.66

NOMURA
Malaysia real estate

Sunway REIT to buy Sunway Clio for MYR340mn
Quick Note

Global Markets Research
4 August 2017

Research analysis

Sunway REIT to buy Sunway Clio for MYR340mn from Sunway Berhad

TA SECURITIES
RESEARCH OF THE TA GROUP

Sunway Berhad
Among Big in Other Business Segments

TP: RM5.01, ex bonus: RM1.66 (+0.4%)
Last Traded: RM4.71, ex bonus: RM1.66

Hold

Investment Highlights

Sunway Berhad issued a briefing to provide an update on the group's asset reclassification and its strategic direction moving forward. We are upbeat on the group's ambition to grow its non-property related business particularly healthcare services. We like the group's ongoing efforts to add value to its ownership development. The group also announced a 4-for-3

Share Price
Avg Daily Turnover: RM100.00
52-Week Price Range: RM3.70 - RM5.10
Free Price (RM): 38
Share Outstanding (m): 1.70

midf RESEARCH

17 August 2017 | Corporate Update

Sunway Berhad
Fifth landbanking for the year

Maintain NEUTRAL
Revised Target Price (TP): RM4.28 (Previously: RM4.25)

INVESTMENT HIGHLIGHTS

- Acquiring land in Wangsa Maju

UOB KayHian

Sunway Bhd (SWB MK, BUY, RM3.16 Target: RM3.60)

ABOVE EXPECTATIONS

Share Price

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Price (RM)	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10
Revenue (RM)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Malaysia Flash Note

Refer to important disclosures in the end of this report

30 May 2017

Sunway (SWB MK) **HOLD**

Price: RM4.71 (+0.4%)
Last Traded Price: 23 May 2017 RM4.71

Company Guide

HongLeong Investment Bank
HLIB Research

Sunway (BUY ↔; EPS ↔)
RECOMMENDATION: NEUTRAL
COMPANY HIGHLIGHT

30 August 2017
Price Target: RM3.16 (+0.4%)
Share price: RM4.28

1H17 in line; higher dividend declared

Results

- Within Expectations: Reported 1H17 core earnings of RM248 m, making up 42.4% and 64.0% of sum and consensus full year forecasts, respectively.
- The results are deemed in line considering stronger 2H17.
- Declared interim dividend of 7 sen per share (2Q16: 5 sen), representing an annualised yield of 3.2%.
- QoQ: Higher revenue (+13.7%) in 2H17 was contributed by

See Hong Hong
hong.hong@hongleong.com.my
010-6788 1121

R&D
Specialised prog-tech
Specialised tech
Specialised tech

100%
10.0%
0.0%

DIRECTORS' RESPONSIBILITY STATEMENT FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 ("the Act") to prepare the financial statements for each financial year which have been made out in accordance with applicable Financial Reporting Standards, the requirements of the Act in Malaysia and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- (i) Adopted appropriate accounting policies and applied them consistently;
- (ii) Made judgements and estimates that are reasonable and prudent; and
- (iii) Prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company and to detect and prevent fraud and other irregularities.

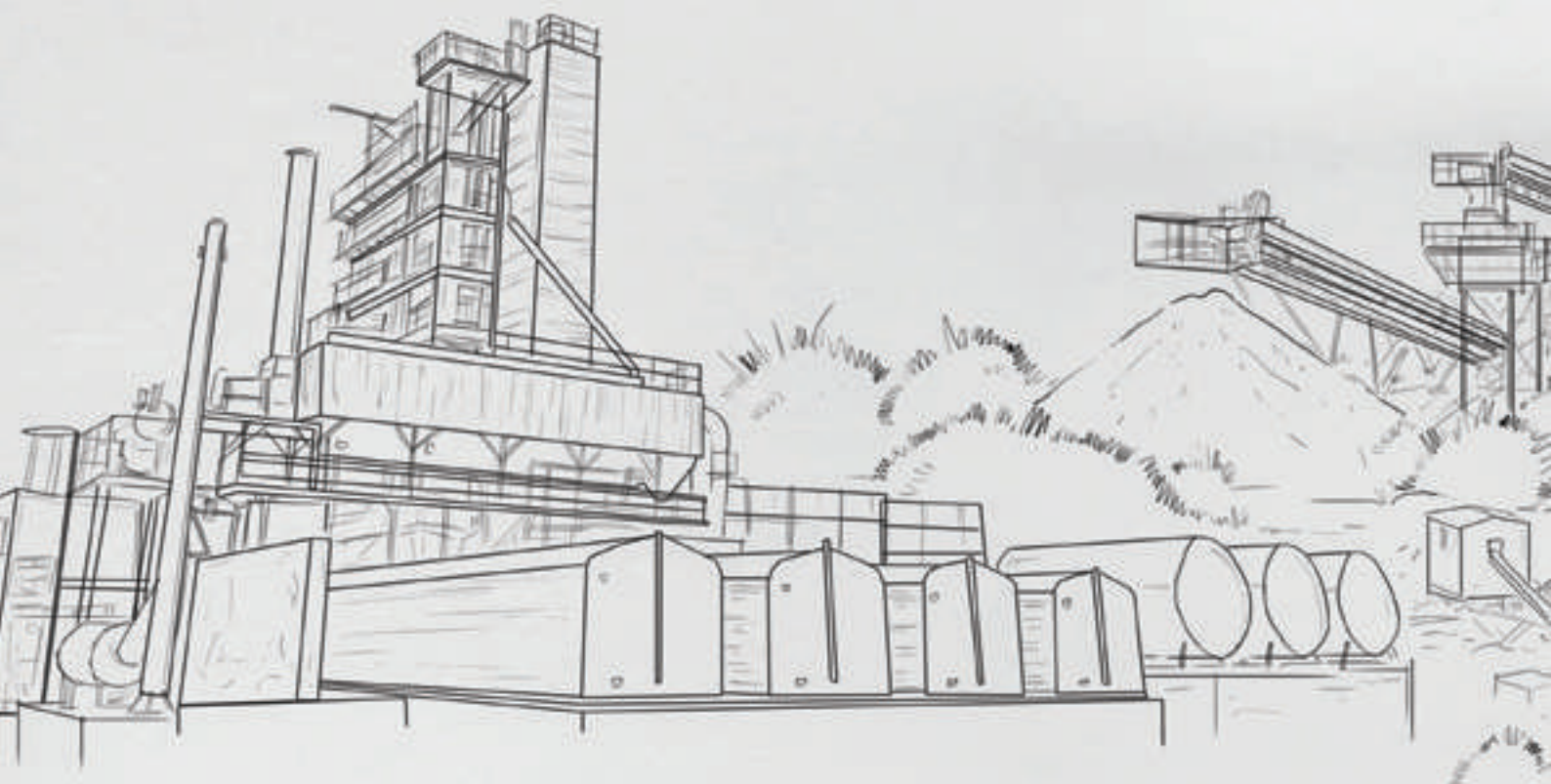
BREAKING NEW GROUND

Sunway's Quarry division is a leading quarry and asphalt operator in the country, with 6 quarries and 13 asphalt plants in high growth areas across Peninsular Malaysia. To ensure sustainable growth, the division is on the lookout for expansion through new batch plants and quarry operations in strategic locations.

FINANCIALS

140 Financial Statements

324 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 2017.

Principal activities

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

The principal activities of the subsidiaries are set out in Note 54 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit for the financial year	732,805	324,779
Profit attributable to:		
Owners of the parent	639,499	324,779
Non-controlling interests	93,306	-
	732,805	324,779

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 2016:	
Second interim dividend comprising :	
a) Second interim single tier cash dividend of 4 sen per ordinary share, paid on 28 April 2017	81,152
b) Share dividend distribution of 20,295,338 treasury shares on the basis of 1 treasury share for every 100 existing ordinary shares held, distributed on 28 April 2017	63,676
In respect of financial year ended 31 December 2017:	
First interim single tier dividend of 3 sen per ordinary share (after the bonus issue of new ordinary shares on the basis of 4 bonus shares for every 3 existing ordinary shares held. The aforesaid cash dividend before the bonus issue of new ordinary shares is equivalent to 7 sen per ordinary share), paid on 26 October 2017	146,994
	291,822

On 28 February 2018, the Board of Directors declared a second interim single tier dividend of 3 sen per ordinary share of the Company for the financial year ended 31 December 2017. The total estimated dividend payable amounts to approximately RM147,572,000. The dividend will be accounted for in the equity as an appropriation of retained earnings in the financial year ending 31 December 2018.

The Board of Directors does not propose any final dividend for the financial year ended 31 December 2017.

Issue of shares and shares buy-back

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM2,063,067,000 to RM5,370,606,000 by way of issuance of:

- (i) 42,035,650 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM2.48 per ordinary share for cash;
- (ii) 6,508,823 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM2.87 per ordinary share for cash;
- (iii) 3,829,400 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM3.25 per ordinary share for cash;
- (iv) 2,784,600 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM2.94 per ordinary share for cash;
- (v) 162,391 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM1.07 per ordinary share for cash;
- (vi) 26,065 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM1.23 per ordinary share for cash;
- (vii) 115,724 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM1.40 per ordinary share for cash;
- (viii) 74,661 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM1.26 per ordinary share for cash;
- (ix) 1,106 ordinary shares pursuant to the exercise of Warrants 2017/2024 at an exercise price of RM1.86 per ordinary share for cash; and
- (x) 2,799,885,894 ordinary shares pursuant to the bonus issue exercise undertaken by the Company on the basis of 4 bonus shares for every 3 existing ordinary shares held by the shareholders of the Company.

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 4,166,800 of its issued ordinary shares from the open market at prices ranging from RM1.59 to RM3.03 per share. The total consideration paid for the repurchases was RM6,960,876 and was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016 in Malaysia.

During the financial year, the Company had also made a share dividend distribution of 20,295,338 treasury shares on the basis of 1 treasury share for every 100 ordinary shares held in the Company.

As at 31 December 2017, the Company held a total of 22,281,262 ordinary shares as treasury shares out of its total issued and paid up share capital of 4,918,491,133 ordinary shares. Such treasury shares are recorded at a carrying amount of RM63,816,273.

DIRECTORS' REPORT (CONTD.)

Employees' Share Option Scheme

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.

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

(a) Options granted

Movements during the financial year									
Grant no.	Grant date	Number of share options '000	Balance as at 1.1.2017 '000	Adjustment (Bonus Issue)* '000	Exercised '000	Lapsed/ Expired '000	Balance as at 31.12.2017 '000	Adjusted exercise price* RM/Option	Exercise period
First	3.9.2013	133,564	47,486	6,202	(42,198)	(897)	10,593	1.07	3.10.2013 - 1.9.2019
Second	1.8.2014	15,735	9,051	2,477	(6,535)	(732)	4,261	1.23	2.9.2014 - 1.9.2019
Third	3.8.2015	10,840	7,169	3,790	(3,945)	(698)	6,316	1.40	2.9.2015 - 1.9.2019
Fourth	3.8.2016	6,159	4,805	2,313	(2,859)	(449)	3,810	1.26	2.9.2016 - 1.9.2019

Employees' Share Option Scheme (Contd.)

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

(b) Options vested

(i) First grant of options over ordinary shares

Vesting date	Vested '000	Movements during the financial year				Exercisable as at 31.12.2017 '000	Adjusted exercise price* RM/Option	Exercise period
		Exercisable as at 1.1.2017 '000	Adjustment (Bonus Issue)* '000	Exercised '000	Lapsed/ Expired '000			
2.9.2014	27,853	10,618	-	(10,140)	(478)	-	-	2.9.2014 - 1.9.2017
2.9.2015	26,744	16,430	2,323	(14,631)	(171)	3,951	1.07	2.9.2015 - 1.9.2018
2.9.2016	22,471	20,438	3,879	(17,427)	(248)	6,642	1.07	2.9.2016 - 1.9.2019
	77,068	47,486	6,202	(42,198)	(897)	10,593		

(ii) Second grant of options over ordinary shares

Vesting date	Vested '000	Movements during the financial year				Exercisable as at 31.12.2017 '000	Adjusted exercise price* RM/Option	Exercise period
		Exercisable as at 1.1.2017 '000	Adjustment (Bonus Issue)* '000	Exercised '000	Lapsed/ Expired '000			
2.9.2014	4,526	2,754	-	(2,401)	(353)	-	-	2.9.2014 - 1.9.2017
2.9.2015	3,894	3,157	925	(2,310)	(179)	1,593	1.23	2.9.2015 - 1.9.2018
2.9.2016	3,268	3,140	1,552	(1,824)	(200)	2,668	1.23	2.9.2016 - 1.9.2019
	11,688	9,051	2,477	(6,535)	(732)	4,261		

DIRECTORS' REPORT (CONTD.)

Employees' Share Option Scheme (Contd.)

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

(b) Options vested (contd.)

(iii) Third grant of options over ordinary shares

Movements during the financial year								
Vesting date	Vested '000	Exercisable as at 1.1.2017 '000	Adjustment (Bonus Issue)* '000	Exercised '000	Lapsed/ Expired '000	Exercisable as at 31.12.2017 '000	Adjusted exercise price* RM/Option	Exercise period
2.9.2015	4,792	3,723	1,690	(2,272)	(348)	2,793	1.40	2.9.2015 - 1.9.2018
2.9.2016	3,642	3,446	2,100	(1,673)	(350)	3,523	1.40	2.9.2016 - 1.9.2019
	8,434	7,169	3,790	(3,945)	(698)	6,316		

(iv) Fourth grant of options over ordinary shares

Movements during the financial year								
Vesting date	Vested '000	Exercisable as at 1.1.2017 '000	Adjustment (Bonus Issue)* '000	Exercised '000	Lapsed/ Expired '000	Exercisable as at 31.12.2017 '000	Adjusted exercise price* RM/Option	Exercise period
2.9.2016	4,936	4,805	2,313	(2,859)	(449)	3,810	1.26	2.9.2016 - 1.9.2019

* Adjustment made pursuant to the bonus issue of new ordinary shares in the Company ("Bonus Shares") following the bonus issue exercise undertaken by the Company on the basis of 4 Bonus Shares for every 3 existing ordinary shares held by the shareholders of the Company ("Bonus Issue of Shares").

+ Exercise price of the share options have been adjusted pursuant to the Bonus Issue of Shares. The details of the adjusted exercise prices were shown in the table below:

Grant No.	Before Bonus	After Bonus
	Shares (RM)	Shares (RM)
First	2.48	1.07
Second	2.87	1.23
Third	3.25	1.40
Fourth	2.94	1.26

Warrants 2017/2024

On 4 October 2017, the Company issued 629,970,466 free warrants pursuant to the bonus issue of warrants undertaken by the Company on the basis of 3 free warrants for every 10 ordinary shares held in the Company.

The warrants entitle the registered holder, at any time within a period of 7 years commencing on and including the date of issuance of the warrants and expiring on the close of business at 5.00 p.m. in Malaysia on the date immediately preceding the 7th anniversary of the date of issuance of the warrants, and if such date is not a market day, then on the preceding market day. In relation to this, the warrants were issued at an exercise price of RM1.86 each.

The exercise price of the warrant is subject to a fixed annual step-down of RM0.07 per year on each of the anniversary dates of the date of first issuance of the warrants. The exercise price, at any time during the tenure of the warrants, is further subjected to adjustments in accordance with the provisions of the Deed Poll in the event of any alteration to the share capital of the Company.

During the financial year, 1,106 new ordinary shares of RM1.86 each were issued pursuant to the exercise of Warrants 2017/2024 for the equivalent numbers by the registered holders.

The Warrants were listed on Bursa Malaysia Securities Berhad on 6 October 2017 and the salient features of the Warrants are disclosed in Note 44(b) to the financial statements.

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 Directors who have held office during the financial year until the date of this report are as follows:

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
 Dato' Sri Idris Jala (appointed on 11 August 2017)
 Tan Sri Datuk Dr Rebecca Fatima Sta Maria (appointed on 1 March 2018)

In accordance with Article 107(1) of the Articles of Association of the Company, Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling and Lim Swe Guan retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election. Datuk Seri Yam Kong Choy had decided not to seek re-election as Director of the Company at the forthcoming Annual General Meeting and therefore, he will retire at the Annual General Meeting.

Dato' Sri Idris Jala and Tan Sri Datuk Dr Rebecca Fatima Sta Maria retire pursuant to Article 90 of the Articles of Association of the Company at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

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 and warrants issued 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 any 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 11 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 Director has a substantial financial interest, except as disclosed in Note 53 to the financial statements.

DIRECTORS' REPORT (CONTD.)

Directors' interests

According to the register of Directors' shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, 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					
	As at 1.1.2017	Share Dividend Distribution^	Bonus Shares ^^	Acquired/ Transfer	Sold/ Transfer	As at 31.12.2017
The Company						
Direct interests:						
Tan Sri Dato' Seri Dr. Jeffrey						
Cheah Fook Ling AO	92,806,306	929,312	142,347,490	13,025,000	-	249,108,108
Tan Sri Datuk Seri Razman						
M Hashim	1,453,603	14,536	2,024,185	250,000	(200,000)	3,542,324
Tan Sri Dato' Dr. Lin See Yan	100,000	1,000	400,000	199,000	-	700,000
Datuk Seri Yam Kong Choy	55,000	550	100,200	19,600	-	175,350
Dato' Chew Chee Kin	5,409,729	54,097	11,785,101	3,375,000	-	20,623,927
Sarena Cheah Yean Tih	1,074,332	10,743	2,940,100	1,120,000	-	5,145,175
Deemed interests:						
Tan Sri Dato' Seri Dr. Jeffrey						
Cheah Fook Ling AO ^a	1,145,277,356	11,452,771	1,545,400,168	2,445,000	(125,000)	2,704,450,295
Dato' Chew Chee Kin ^b	650,932	6,509	876,588	-	-	1,534,029
Sarena Cheah Yean Tih ^c	1,236,453,538	12,365,782	1,682,459,091	13,150,000	(125,000)	2,944,303,411

	Number of non-cumulative redeemable preference shares			
	As at			As at
	1.1.2017	Allotment	Redeemed	31.12.2017
Immediate holding company				
Sungei Way Corporation Sdn. Bhd.				
Direct interest:				
Tan Sri Dato' Seri Dr. Jeffrey				
Cheah Fook Ling AO	50,000,000	72,000,000	-	122,000,000
Deemed interest:				
Sarena Cheah Yean Tih ^d	50,000,000	72,000,000	-	122,000,000

Directors' interests (contd.)

	Number of ordinary shares		
	As at 1.1.2017	Acquired	Sold
Immediate holding company			
Sungei Way Corporation Sdn. Bhd.			
Deemed interests:			
Tan Sri Dato' Seri Dr. Jeffrey			
Cheah Fook Ling AO ^e	10,000,000	-	-
Sarena Cheah Yean Tih ^f	10,000,000	-	-

	Number of ordinary shares		
	As at 1.1.2017	Allotment	Sold
Ultimate holding company			
Active Equity Sdn. Bhd.			
Direct interests:			
Tan Sri Dato' Seri Dr. Jeffrey			
Cheah Fook Ling AO	102,000	-	-
Sarena Cheah Yean Tih	12,750	12,750	-
Deemed interests:			
Tan Sri Dato' Seri Dr. Jeffrey			
Cheah Fook Ling AO ^g	25,500	42,500	-
Sarena Cheah Yean Tih ^d	102,000	-	-

	Number of ordinary shares		
	As at 1.1.2017	Acquired	Sold
Related company			
Sunway Construction Group Berhad			
Direct interests:			
Tan Sri Dato' Seri Dr. Jeffrey			
Cheah Fook Ling AO	7,723,892	-	-
Tan Sri Datuk Seri Razman M Hashim	106,864	-	-
Tan Sri Dato' Dr. Lin See Yan	10,000	-	-
Datuk Seri Yam Kong Choy	5,500	-	-
Dato' Chew Chee Kin	334,355	-	-
Sarena Cheah Yean Tih	57,727	-	-
Deemed interests:			
Tan Sri Dato' Seri Dr. Jeffrey			
Cheah Fook Ling AO ^h	833,629,588	-	-
Dato' Chew Chee Kin ^b	34,695	-	-
Sarena Cheah Yean Tih ⁱ	841,282,416	-	-

DIRECTORS' REPORT (CONTD.)

Directors' interests (contd.)

	Number of ordinary shares		
	As at 1.1.2017	Acquired	Sold

Related company

Sunway Global Limited

Direct interest:

Dato' Chew Chee Kin	869,684	-	(180,501)	689,183
---------------------	---------	---	-----------	----------------

	Number of warrants 2017/2024			
	As at 1.1.2017	Warrants*	Acquired	Sold

The Company

Direct interests:

Tan Sri Dato' Seri Dr. Jeffrey

Cheah Fook Ling AO	-	32,028,184	-	-	32,028,184
--------------------	---	------------	---	---	-------------------

Tan Sri Datuk Seri Razman

M Hashim	-	455,441	-	-	455,441
----------	---	---------	---	---	----------------

Tan Sri Dato' Dr. Lin See Yan

Datuk Seri Yam Kong Choy	-	22,545	-	-	22,545
--------------------------	---	--------	---	---	---------------

Dato' Chew Chee Kin	-	2,651,647	-	-	2,651,647
---------------------	---	-----------	---	---	------------------

Sarena Cheah Yean Tih	-	661,522	-	-	661,522
-----------------------	---	---------	---	---	----------------

Deemed interests:

Tan Sri Dato' Seri Dr. Jeffrey

Cheah Fook Ling AO ^a	-	347,715,037	42,357,200	-	390,072,237
---------------------------------	---	-------------	------------	---	--------------------

Dato' Chew Chee Kin ^b	-	197,232	-	-	197,232
----------------------------------	---	---------	---	---	----------------

Sarena Cheah Yean Tih ^c	-	378,553,294	42,357,200	-	420,910,494
------------------------------------	---	-------------	------------	---	--------------------

Directors' interests (contd.)

	First grant of options over ordinary shares (Exercise price of RM1.07 ⁺ per share)		
	Number of options over ordinary shares		
	As at 1.1.2017	Exercised	As at 31.12.2017
The Company			
Direct interests:			
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	12,900,000	(12,900,000)	-
Tan Sri Datuk Seri Razman M Hashim	250,000	(250,000)	-
Dato' Chew Chee Kin	3,375,000	(3,375,000)	-
Sarena Cheah Yean Tih	1,120,000	(1,120,000)	-

- [^] Receipt of ordinary shares on 28 April 2017 pursuant to the distribution of a second interim single tier dividend via a share dividend distribution on the basis of 1 treasury share for every 100 ordinary shares held in the Company ("Share Dividend Distribution").
- ^{^^} Receipt of ordinary shares on 4 October 2017 pursuant to the bonus issue of new ordinary shares in the Company ("Bonus Shares") on the basis of 4 Bonus Shares for every 3 existing ordinary shares held by the shareholders of the Company ("Bonus Issue of Shares").
- ^{*} Receipt of warrants on 4 October 2017 pursuant to the bonus issue of warrants ("Warrants") on the basis of 3 Warrants for every 10 existing ordinary shares held by the shareholders of the Company.
- ⁺ Exercise price of the first grant of the options has been adjusted to RM1.07 pursuant to the Bonus Issue of Shares.
- ^a Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn. Bhd., Sungei Way Corporation Sdn. Bhd. and children.
- ^b Deemed interest by virtue of Section 8 of the Companies Act 2016 held through spouse.
- ^c Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn. Bhd., Sungei Way Corporation Sdn. Bhd., spouse and parent.
- ^d Deemed interest by virtue of Section 8 of the Companies Act 2016 held through parent.
- ^e Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn. Bhd. and children.
- ^f Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn. Bhd. and parent.
- ^g Deemed interest by virtue of Section 8 of the Companies Act 2016 held through children.
- ^h Deemed interest by virtue of Section 8 of the Companies Act 2016 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 8 of the Companies Act 2016 held through Active Equity Sdn. Bhd., Sungei Way Corporation Sdn. Bhd., Sunway Berhad, Sunway Holdings Sdn. Bhd., spouse and parent.

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

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.

DIRECTORS' REPORT (CONTD.)

Directors' Remuneration

The details of Directors' remuneration are disclosed in Note 53 to the financial statements.

Indemnity and insurance for officers and auditors

The Group and the Company effected Directors' liability insurance during the financial year to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors. The amount of insurance premium paid by the Company for the financial year 2017 was RM84,000.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

Other statutory information

(I) As at the end of the financial year

- (a) Before the financial statements 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
 - (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.

List of Directors of Subsidiaries

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year and up to the date of this report is as follows:

Adly Sham Bin Che Din^	Dr Sarinder Kumari A/P Oam Parkash^^
Adrian Cheah Yean Sun^	Dr Shiamala Devi A/P Saravana Muthu
Adrian Lim Tiong Yeau	Eric Tan Chee Hin
Ahmad Zul-Qarnain bin Ibrahim	Evan Cheah Yean Shin
Alan Ow Wui Kiat^	Farida Aswan Binti Ibrahim
Aminah Binti Noordin	Fawzi Bin Abd. Aziz
Ang Kee Ping#	Fong Choon Fuoi^^
Anis Aswani Binti Ibrahim	Fong Foo Tat
Anne Marie Tan Hwee Hwee	Foo Shiang Wyne
Atsushi Chiyoma	Foo Yoon Seong
Azlina Binti Jaapar	Foong Wooi Fatt
Bernard Anand A/L Paul	Fred Chee Kin Yuen
Bhawarlal H Jain	Goh Gek Heong
Cha Luan Kee^	Goh Hai Thun @ Ng Hai Thun
Chan Hoi Choy	Gunawan Sukardi Subur
Chan Tack Ming	H.E Nhean Leng
Chang Kim Long	H.E Sok An
Che Rozita Binti Abd Aziz	Hajah Siti Zubaidah Binti Abd Jabar^
Cheah Choon How	Ho Ch'an Hin
Cheng Jew Keng	Ho Sheng Yueh
Cheong Hoay Wai##	Hong Eng Heng
Chew Pek Teong	Hoo Han Huat^
Chia Hon Yuen	Hor Yoon Kong^
Chiew Teck Kin#	How May Lynn
Chong Chang Choong	Irene Sin May Lin @ Irene Wong May Lin
Chong Kok Keong	Jegatheesan A/L Achelingam
Chong Sau Min^	Kelly Leong Wai Keong
Choy Le Roy^^	Khaou Phallaboth
Chua Seng Teong^^	Khoo Chai Ee
Chung Soo Kiong	Khoo Chai Heng#
Datin Paduka Dr Hajah Noraida binti Mohd Yusof	Khoo Chai Pek#
Datin Paduka Norazlina Binti Zakaria	Khoo Min Sinn
Dato' Aishaf Falina binti Ibrahim	Khor Chen Nam
Dato' Dr Charles Vijayan David	Khor Seng Yan
Dato' Dr Ir Johari Bin Basri	Koh Moy Poh
Dato' Ir Goh Chye Koon	Kok Shin Lin
Dato' Ir Haji Abdul Ghani Bin Hashim#	Kong Heong Fook
Dato' Mohamad Aslam Khan Bin Gulam Hassan^ #	Kumaresan a/l Varadu Rasu
Dato' Ng Tiong Lip	Kwon Il Park
Dato' Noordin Bin Sulaiman	Kwon Ouk Park
Dato' Puan Sri Hamidah Binti Abdullah	Kwong Tzyy En
Dato' Siow Kim Lun @ Siow Kim Lin	Lau Beng Long
Dato' Tan Kia Loke	Lau Hui Seng#
Datuk Kwan Foh Kwai	Lean Hoen Sew#
Datuk Lim Lian Kheng	Lee Boon Chuan^
Dodda Lingamurthy	Lee Boon Kwang

DIRECTORS' REPORT (CONTD.)

List of Directors of Subsidiaries (contd.)

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year and up to the date of this report is as follows: (contd.)

Lee Chuan Seng	Sing Chui Boon
Lee Hong Tat	Sivam Rajasingam [#]
Lee Soong Hwa	Soo Boon Choon [^] ^{##}
Lee Wai Ping	Soo Chin Kang [^]
Lee Weng Keng	Sum Kwai Mun
Liew Chee Choong	Takehito Fukui [^]
Liew Kok Wing	Tan Gar Peng
Lim Chin Huat	Tan Hwa Chuan
Lim Chin Lee	Tan Lay Kuan
Lim Chin Poh [#]	Tan Poh Chan
Lim Hai Poh	Tan Sri Dato' (Dr) R.V.Navaratnam
Lim Hin Soon	Tan Wee Bee
Lim Hwee Guan [#]	Tan Wooi Teong [^]
Lim Kwee Hiong	Tan Yit Chong
Loo Bit Sin	Teh Quen Chang
Lum Tuck Ming ^{^^}	Teh Saw Ha [^]
Mark Transfield	Tey Wee Gaek [#]
Mohd Auzir Zakri Bin Abd Hamid [#]	Teoh Joo Keng
Mohd Bakri Bin Ab Muda @ Nazri [#]	Thomas Samuel A/L C T Samuel
Ng Bee Lien	Toh Seok Leng
Ng Boon Liang	Toh Soon Seng
Ng Chee Hing	Tomoo Nakamura [#]
Ng Chong Beng	Tong Sau Ching
Ngian Siew Siong	Trixy Chua Zee Quin
Ng Kok Chew	Wai Sow Fun
Nor Azzam Bin Abdul Jalil [#]	Wang Choon Hui
Oknha Sour Pheng	Wong Ban Seng
Ong Pang Yen	Wong Fook Chai
Pathuri Veera Anjaneyulu	Wong Kwan Song
Peng Gai Hock ^{##}	Wong Wan Wooi
Phua Keng Peng [#]	Yap Chong Koon
Phua Swee Hock	Yap Mui Kian ^{##}
Poh Siau Jane	Yeoh Yuen Chee
Quah Kok Heng	Yeow Boon Ban
Raja Sulong Ahmad Bin Raja Abd Razak ^{^+}	Yong Num Heng
Shigeki Komi	Yong Wei Kien
Sin Tong Joo	Zaharudin Bin Mohd Sanif [^]

[^] Appointed during the financial year

^{^^} Appointed after the financial year but before the date of this report

[#] Resigned during the financial year

^{##} Resigned after the financial year but before the date of this report

⁺ Ceased as alternate director during the financial year

Significant events during the financial year

Significant events during the financial year are disclosed in Note 55 to the financial statements.

Significant events subsequent to the end of the reporting period

Details of significant events subsequent to the end of the reporting period are disclosed in Note 55 to the financial statements.

Auditors

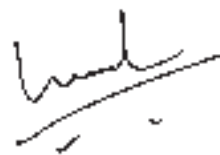
The auditors, BDO, have expressed their willingness to continue in office.

The details of auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 December 2017 are disclosed in Note 9 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 21 March 2018.



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



Dato' Chew Chee Kin

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

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 159 to 323 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act 2016 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 2017 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 21 March 2018.



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



Dato' Chew Chee Kin

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

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 159 to 323 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Chong Chang Choong
at Petaling Jaya in the State of
Selangor Darul Ehsan on 21 March 2018



Chong Chang Choong

Before me,



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNWAY BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sunway Berhad, which comprise the statements of financial position as at 31 December 2017 of the Group and of the Company, and the income statements and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 159 to 323.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017, and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards ("FRSs") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) *Revenue and profit recognition for property development and construction contracts*

Revenue from property development and construction contracts during the financial year as disclosed in Note 5 to the financial statements amounted to RM981.5 million and RM1,531.0 million respectively.

The revenue and profit recognition on property development and construction contracts involve significant judgements in estimating the stage of completion and assessing the estimated total costs to complete.

In estimating the total costs to complete, the Group considers the completeness and accuracy of its costs estimation, including its obligations to contract variations, claims and cost contingencies. The total costs to complete including sub-contractor costs, varies with market conditions and may also be inaccurately forecasted due to unforeseen events during construction.

Audit response

Our audit procedures included the following:

- (i) assessed estimated total costs to complete through inquiries with operational and financial personnel of the Group;
- (ii) inspected documentation to support cost estimates made including contract variations and cost contingencies;
- (iii) recomputed stage of completion determined by management for revenue recognition based on verified actual costs incurred to-date and budgeted costs;
- (iv) compared contract budgets to actual outcomes to assess reliability of management budgeting process; and
- (v) inspected correspondences from sub-contractors in relation to variations and claims to corroborate key judgements applied by management.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNWAY BERHAD (CONTD.)

Key Audit Matters (contd.)

(b) *Assessment of liquidated and ascertained damages ("LAD") on construction contracts*

Based on Note 43 to the financial statements regarding key estimation uncertainty arising from the assessment of LAD on construction contracts as at 31 December 2017 the Group is of the opinion that no LAD recognition is required at this juncture.

The determination of whether there is any exposure to LAD or otherwise involves significant management judgement based on available facts and circumstances including:

- (i) extension of time submitted to contract customers due to circumstances that were beyond the control of the Group;
- (ii) the likelihood of impact on the outcome of the negotiations with contract customers; and
- (iii) consultations and opinions from technical expert.

Audit response

Our audit procedures included the following:

- (i) inquired in-house operational, financial and legal personnel of the Group to assess the merits of the extension of time submitted to the contract customers;
- (ii) inspected relevant correspondences and reports, including on-going negotiations with contract customers for the late delivery of contract works;
- (iii) verified the evidences of acceptance by contract customers of the work performed by the Group to-date; and
- (iv) inquired and inspected correspondences from the external technical expert to corroborate the key judgements applied by management.

We have determined that there are no key audit matters to be communicated in our auditors' report of the audit of the separate financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with FRSs, and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit 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 internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNWAY BERHAD (CONTD.)

Auditors' Responsibilities for the Audit of the Financial Statements (contd.)

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 54 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 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 2018



Tang Seng Choon
02011/12/2019 J
Chartered Accountant

INCOME STATEMENTS

For the financial year ended 31 December 2017

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue	5	5,375,396	4,655,592	323,345	163,363
Cost of sales	6	(3,554,275)	(3,059,529)	(40,276)	(46,134)
Gross profit		1,821,121	1,596,063	283,069	117,229
Other income	7	163,931	209,668	11,492	11,740
Administrative expenses		(743,470)	(643,412)	(20,820)	(24,075)
Selling and marketing expenses		(190,638)	(180,045)	-	-
Other expenses		(364,301)	(267,184)	(777)	(121)
Operating profit		686,643	715,090	272,964	104,773
Finance and other distribution income	8	197,687	119,919	118,587	90,370
Finance costs	8	(220,271)	(167,903)	(64,642)	(49,866)
Share of results of associates		168,613	124,909	-	-
Share of results of joint ventures		49,520	66,977	-	-
Profit before tax	9	882,192	858,992	326,909	145,277
Income tax expense	12	(149,387)	(140,394)	(2,130)	(1,172)
Profit for the financial year		732,805	718,598	324,779	144,105
Attributable to:					
Owners of the parent		639,499	585,883	324,779	144,105
Non-controlling interests		93,306	132,715	-	-
		732,805	718,598	324,779	144,105
Earnings per share attributable to owners of the parent (sen per share):					
Basic	13	13.29	12.85		
Diluted	13	13.25	12.74		

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 2017

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Profit for the financial year	732,805	718,598	324,779	144,105
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Foreign currency translations	(35,497)	(4,903)	-	-
Gain on fair value changes	-	-	-	228
Fair value realised on disposal of other investments	-	-	(228)	(2,916)
Revaluation of property, plant and equipment	-	3,869	-	-
Cash flow hedge reserve - fair value gains/(losses)				
- Fair value (loss)/gain of derivatives	(157,945)	95,216	-	-
- Amounts recycled to profit or loss	161,885	(107,038)	-	-
Share of revaluation surplus on land of an associate	-	4,609	-	-
Other comprehensive loss to be reclassified to profit or loss in subsequent periods, net of tax	(31,557)	(8,247)	(228)	(2,688)
Total comprehensive income for the financial year	701,248	710,351	324,551	141,417
Total comprehensive income attributable to:				
Owners of the parent	610,836	575,406	324,551	141,417
Non-controlling interests	90,412	134,945	-	-
	701,248	710,351	324,551	141,417

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

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2017

		Group		Company	
		2017	2016	2017	2016
	Note	RM'000	RM'000	RM'000	RM'000
Assets					
Non-current assets					
Property, plant and equipment	15	2,050,494	1,879,929	211	1,466
Intangible assets	16	15,381	32,811	-	-
Investment properties	17	2,856,760	2,798,405	-	-
Land held for property development	18	1,682,127	1,191,512	-	-
Investments in subsidiaries	19	-	-	4,042,679	4,040,944
Investments in associates	20	1,889,499	1,728,879	-	-
Investments in joint ventures	21	1,637,047	1,501,055	800	800
Goodwill	22	311,842	311,840	-	-
Deferred tax assets	23	100,828	70,758	-	-
Trade receivables	24	51,407	30,380	-	-
Other receivables	25	11,351	19,380	-	-
Amounts due from joint ventures	35	183,201	-	-	-
Derivatives	26	34,181	164,711	-	-
Rock reserves	27	6,131	6,394	-	-
Other investments	28	813	476	78	3,375
Biological assets	29	616	825	-	-
		10,831,678	9,737,355	4,043,768	4,046,585
Current assets					
Property development costs	30	1,033,371	1,171,286	-	-
Inventories	31	681,339	669,965	-	-
Trade receivables	24	1,930,195	1,550,998	-	-
Other receivables	25	290,556	340,512	11,855	9,413
Placement in funds	32	2,035,734	2,129,635	529,511	838,822
Cash and bank balances	32	2,390,898	1,950,420	736,164	439,275
Derivatives	26	68,378	342,944	-	-
Amounts due from subsidiaries	33	-	-	1,747,544	1,053,396
Amounts due from associates	34	41,904	39,194	824	5
Amounts due from joint ventures	35	551,887	780,559	1,520	1,857
Tax recoverable		57,504	39,085	-	85
		9,081,766	9,014,598	3,027,418	2,342,853
Assets of disposal group					
classified as held for sale	36	294,283	-	-	-
Total assets		20,207,727	18,751,953	7,071,186	6,389,438

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2017 (contd.)

	Note	Group		Company	
		2017	2016	2017	2016
		RM'000	RM'000	RM'000	RM'000
Equity and liabilities					
Current liabilities					
Borrowings	37	4,910,497	4,858,419	1,060,000	768,000
Trade payables	38	1,595,926	1,345,643	-	-
Other payables	39	1,310,825	1,092,571	27,146	27,167
Amounts due to subsidiaries	33	-	-	5,557	858
Amounts due to associates	34	14,850	1,816	39	-
Amounts due to joint ventures	35	58,601	43,991	11	-
Advances by non-controlling interests of subsidiaries	40	-	146,702	-	-
Hire purchase and finance lease liabilities	41	552	1,626	-	-
Derivatives	26	48,315	5,560	-	-
Tax payable		26,662	30,885	230	-
		7,966,228	7,527,213	1,092,983	796,025
Non-current liabilities					
Borrowings	37	3,348,110	2,551,996	610,000	450,000
Deferred tax liabilities	23	121,331	94,561	-	-
Other payables	39	275,417	334,501	-	-
Long term liabilities	42	4,450	5,682	-	-
Hire purchase and finance lease liabilities	41	234	1,126	-	-
Derivatives	26	4,496	3,644	-	-
		3,754,038	2,991,510	610,000	450,000
Total liabilities		11,720,266	10,518,723	1,702,983	1,246,025

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2017 (contd.)

	Note	Group		Company	
		2017	2016	2017	2016
		RM'000	RM'000	RM'000	RM'000
Equity and liabilities (contd.)					
Equity attributable to owners of the parent					
Share capital	44	5,370,606	2,063,067	5,370,606	2,063,067
Treasury shares	44	(63,817)	(120,532)	(63,817)	(120,532)
Share premium		-	3,118,802	-	3,118,802
Equity contribution from non-controlling interests	45	51,654	51,654	-	-
Merger reserve	46	(1,192,040)	(1,192,040)	-	-
Reserves	47	3,677,732	3,548,771	61,414	82,076
		7,844,135	7,469,722	5,368,203	5,143,413
Non-controlling interests		643,326	763,508	-	-
Total equity		8,487,461	8,233,230	5,368,203	5,143,413
Total equity and liabilities		20,207,727	18,751,953	7,071,186	6,389,438

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 2017

	Attributable to owners of the parent										Distributable							
	Non-distributable																	
	Share capital (Note 44)	Treasury shares (Note 44)	Share premium	Equity contribution from non-controlling interests	Merger reserve (Note 46)	Capital reserve (Note 47)	Statutory reserve (Note 47)	Revaluation reserve (Note 47)	Share option reserve (Note 47)	Equity contribution reserve (Note 47)	Cash flow hedge reserve (Note 47)	Furniture, fittings and equipment reserve (Note 47)	Foreign currency translation reserve (Note 47)	Other reserves, total (Note 47)	Retained earnings (Note 47)	Equity attributable of the parent, total	Non-controlling interests	Equity, total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2017																		
Group																		
At 1 January 2017	2,063,067	(120,532)	3,118,802	51,654	(1,192,040)	134,657	826	34,450	63,987	21,712	(21,794)	8,370	145,649	387,857	3,160,914	7,469,722	763,508	8,233,230
Profit for the financial year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	639,499	639,499	93,306	732,805
Other comprehensive income/(loss), net of tax	-	-	-	-	-	-	-	-	-	-	3,940	-	(32,603)	(28,663)	-	(28,663)	(2,894)	(31,557)
Transfer to furniture, fittings and equipment reserve	-	-	-	-	-	-	-	-	-	-	-	4,166	-	4,166	(4,166)	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-	-	-	3,940	4,166	(32,603)	(24,497)	635,333	610,836	90,412	701,248
Transactions with owners																		
Issuance of ordinary shares pursuant:																		
- to exercise of ESOS	188,352	-	383	-	-	-	-	-	(44,711)	-	-	-	-	(44,711)	-	144,024	-	144,024
- to exercise of warrants	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	2
Bonus issue of shares	2,799,886	-	(2,799,886)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of share options granted under ESOS	-	-	-	-	-	-	-	-	(8,680)	-	-	-	-	(8,680)	-	(8,680)	-	(8,680)
Purchase of treasury shares	-	(6,961)	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,961)	-	(6,961)
Share buy back by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(581)	(581)	(713)	(1,294)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(48,164)	(48,164)
Dividends paid by the Company	-	63,676	-	-	-	-	-	-	-	-	-	-	-	-	(291,822)	(228,146)	-	(228,146)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	400	400
Shares acquired by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,112)	(3,112)	4,528	1,416
Redemption of redeemable preference shares in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(23,300)	(23,300)
Redemption of equity contribution reserves by non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,000)	(3,000)
Acquisition of equity interest from non-controlling interests	-	-	-	-	-	(14)	-	-	-	(21,712)	-	-	-	(21,726)	(111,243)	(132,969)	(140,345)	(273,314)
Total transactions with owners	2,988,240	56,715	(2,799,503)	-	-	(14)	-	-	(53,391)	(21,712)	-	-	-	(75,117)	(406,758)	(236,423)	(210,594)	(447,017)
Transfer pursuant to Companies Act 2016 *	319,299	-	(319,299)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2017	5,370,606	(63,817)	-	51,654	(1,192,040)	134,643	826	34,450	10,596	-	(17,854)	12,536	113,046	288,243	3,389,489	7,844,135	643,326	8,487,461

* Pursuant to the transitional provisions set out in Section 618(2) of the Companies Act 2016 in Malaysia, the credit balance in the share premium account, after taking into consideration bonus issue of shares during the financial year, has been transferred to the share capital account.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2017 (contd.)

	Attributable to owners of the parent				Non-distributable										Distributable			
	Share capital (Note 44) RM'000	Treasury shares (Note 44) RM'000	Share premium RM'000	Equity contribution from non-controlling interests (Note 45) RM'000	Merger reserve (Note 46) RM'000	Capital reserve (Note 47) RM'000	Statutory reserve (Note 47) RM'000	Revaluation reserve (Note 47) RM'000	Share option reserve (Note 47) RM'000	Equity contribution reserve (Note 47) RM'000	Cash flow hedge reserve (Note 47) RM'000	Furniture, fittings and equipment reserve (Note 47) RM'000	Foreign currency translation reserve (Note 47) RM'000	Other reserves, total (Note 47) RM'000	Retained earnings (Note 47) RM'000	Equity attributable of the parent, total RM'000	Non-controlling interests RM'000	Equity, total RM'000
2016																		
Group																		
At 1 January 2016	1,799,755	(63,604)	2,771,822	51,654	(1,192,040)	133,199	879	25,972	75,166	21,712	(9,972)	4,573	141,245	392,774	2,802,355	6,562,716	650,558	7,213,274
Profit for the financial year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	585,883	585,883	132,715	718,598
Other comprehensive income/(loss), net of tax	-	-	-	-	-	-	-	8,478	-	-	(11,822)	-	(7,133)	(10,477)	-	(10,477)	2,230	(8,247)
Transfer to furniture, fittings and equipment reserve	-	-	-	-	-	-	-	-	-	-	-	3,797	-	3,797	(3,797)	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	8,478	-	-	(11,822)	3,797	(7,133)	(6,680)	582,086	575,406	134,945	710,351
Transactions with owners																		
Issuance of ordinary shares pursuant:																		
- to exercise of ESOS	10,666	-	31,173	-	-	-	-	-	(15,309)	-	-	-	-	(15,309)	-	26,530	-	26,530
- to exercise of warrants	252,646	-	315,807	-	-	-	-	-	-	-	-	-	-	-	-	568,453	-	568,453
Share options granted under ESOS	-	-	-	-	-	-	-	-	4,130	-	-	-	-	4,130	-	4,130	-	4,130
Purchase of treasury shares	-	(56,928)	-	-	-	-	-	-	-	-	-	-	-	-	-	(56,928)	-	(56,928)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(41,325)	(41,325)
Dividends paid by the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(219,459)	(219,459)	-	(219,459)
Disposal of subsidiaries	-	-	-	-	-	10	(80)	-	-	-	-	-	11,537	11,467	-	11,467	14,294	25,761
Redemption of redeemable preference shares in subsidiaries	-	-	-	-	-	1,034	-	-	-	-	-	-	-	1,034	(1,034)	-	-	-
Acquisition of equity interest from non-controlling interests	-	-	-	-	-	414	27	-	-	-	-	-	-	441	(3,034)	(2,593)	5,036	2,443
Total transactions with owners	263,312	(56,928)	346,980	-	-	1,458	(53)	-	(11,179)	-	-	-	11,537	1,763	(223,527)	331,600	(21,995)	309,605
At 31 December 2016	2,063,067	(120,532)	3,118,802	51,654	(1,192,040)	134,657	826	34,450	63,987	21,712	(21,794)	8,370	145,649	387,857	3,160,914	7,469,722	763,508	8,233,230

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2017 (contd.)

Company	Non-distributable					Distributable		
	Share capital (Note 44) RM'000	Treasury shares (Note 44) RM'000	Share premium RM'000	Share options reserve (Note 47) RM'000	Cash flow hedge reserve (Note 47) RM'000	Fair value reserve (Note 47) RM'000	Retained earnings (Note 47) RM'000	Equity, total RM'000
At 1 January 2016	1,799,755	(63,604)	2,771,822	71,996	-	2,916	96,385	4,679,270
Profit for the financial year	-	-	-	-	-	-	144,105	144,105
Other comprehensive income, net of tax	-	-	-	-	-	(2,688)	-	(2,688)
Total comprehensive income	-	-	-	-	-	(2,688)	144,105	141,417
Issuance of ordinary shares pursuant:								
- to exercise of ESOS	10,666	-	31,173	(15,309)	-	-	-	26,530
- to exercise of warrants	252,646	-	315,807	-	-	-	-	568,453
Purchase of treasury shares	-	(56,928)	-	-	-	-	-	(56,928)
Share options granted under ESOS	-	-	-	4,130	-	-	-	4,130
Dividends paid	-	-	-	-	-	-	(219,459)	(219,459)
At 31 December 2016	2,063,067	(120,532)	3,118,802	60,817	-	228	21,031	5,143,413
Profit for the financial year	-	-	-	-	-	-	324,779	324,779
Other comprehensive loss, net of tax	-	-	-	-	-	(228)	-	(228)
Total comprehensive income	-	-	-	-	-	(228)	324,779	324,551
Issuance of ordinary shares pursuant:								
- to exercise of ESOS	188,352	-	383	(44,711)	-	-	-	144,024
- to exercise of warrants	2	-	-	-	-	-	-	2
Bonus issue of shares	2,799,886	-	(2,799,886)	-	-	-	-	-
Reversal of share options granted under ESOS	-	-	-	(8,680)	-	-	-	(8,680)
Purchase of treasury shares	-	(6,961)	-	-	-	-	-	(6,961)
Dividends paid	-	63,676	-	-	-	-	(291,822)	(228,146)
Transfer pursuant to Companies Act 2016 *	319,299	-	(319,299)	-	-	-	-	-
At 31 December 2017	5,370,606	(63,817)	-	7,426	-	-	53,988	5,368,203

*Pursuant to the transitional provisions set out in Section 618(2) of the Companies Act 2016 in Malaysia, the credit balance in the share premium account, after taking into consideration bonus issue of shares during the financial year, has been transferred to the share capital account.

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 2017

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before tax	882,192	858,992	326,909	145,277
Adjustments for:				
Finance and other distribution income	(197,687)	(119,919)	(118,587)	(90,370)
Finance costs	220,271	167,903	64,642	49,866
Dividend income	-	-	(275,300)	(109,834)
Distribution of income from real estate investment trust	-	-	(44)	(435)
Depreciation and amortisation	139,043	137,153	631	1,041
Fair value gain on:				
- derivatives	(442)	(2,363)	-	-
- investment properties	(28,305)	(56,206)	-	-
- investment properties under construction	(6,639)	(15,059)	-	-
Fair value loss on:				
- derivatives	5,036	1,040	-	-
- investment properties	15,066	10,472	-	-
Gain on disposal of:				
- property, plant and equipment	(6,651)	(1,465)	-	(12)
- subsidiaries	-	(19,173)	-	-
- other investments	(9)	(94)	(209)	(1,269)
Gain on liquidation of a subsidiary	(1,549)	-	-	-
Impairment losses on:				
- trade receivables and other receivables	38,949	14,488	-	-
- amounts due from joint ventures	5,889	-	-	-
- property, plant and equipment	-	190	-	-
- land held for property development	-	146	-	-
- intangible assets	18,075	7,754	-	-
- goodwill	498	9,289	-	-
Loss on disposal of a subsidiary	1,767	-	-	-
Net unrealised foreign exchange (gains)/losses:				
- hedged items	(161,885)	107,038	-	-
- others	(3,617)	(2,416)	-	7
Cash flow hedge recycled to profit or loss	161,885	(107,038)	-	-
Net cash generated from/(used in) operating activities carried forward	1,081,887	990,732	(1,958)	(5,729)

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2017 (contd.)

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Net cash generated from/(used in)				
operating activities brought forward	1,081,887	990,732	(1,958)	(5,729)
Reversal of allowance for impairment of:				
- trade receivables and other receivables	(7,363)	(10,585)	-	-
- investment in a joint venture	(3,867)	-	-	-
- land held for property development	(146)	-	-	-
- amounts due from associates	-	(18,900)	-	-
- other investments	-	(131)	-	-
Share of results of:				
- associates	(168,613)	(124,909)	-	-
- joint ventures	(49,520)	(66,977)	-	-
Share options (reversed)/granted under ESOS	(8,762)	3,980	299	1,526
Net movements in unrealised (profit)/loss				
arising from construction project	(3,281)	15,378	-	-
Write down of inventories to net				
realisable value	1,286	1,262	-	-
Write up of inventories to net				
realisable value	(730)	(51)	-	-
Write off of:				
- bad debts	2,402	992	-	-
- biological assets	4	-	-	-
- inventories	775	3,022	-	-
- property, plant and equipment	2,343	29	693	-
Gain on dilution of equity interest in				
in an associate	(209)	-	-	-
Operating profit/(loss) before working capital				
changes	846,206	793,842	(966)	(4,203)
Changes in working capital:				
Property development costs	(34,824)	(178,868)	-	-
Land held for property development	(95,316)	(49,010)	-	-
Inventories	13,033	20,540	-	-
Trade receivables	(440,293)	(35,861)	-	-
Other receivables	60,061	(83,743)	(2,442)	(2,331)
Trade payables	252,193	47,893	-	-
Other payables	69,842	35,682	(21)	8,167
Long term payables	(60,316)	(7,794)	-	-
Cash generated from/(used in) operations				
carried forward	610,586	542,681	(3,429)	1,633

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2017 (contd.)

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Cash generated from/(used in) operations				
brought forward	610,586	542,681	(3,429)	1,633
Interest received	200,934	115,592	118,587	90,370
Dividends received from:				
- joint ventures and associates	143,336	118,482	14,800	14,234
- subsidiaries	-	-	260,500	95,600
- other investment	15	-	-	-
Distribution of income from real estate investment trust	-	-	44	435
Tax refunded	3,221	5,928	-	527
Tax paid	(178,194)	(114,604)	(1,815)	(1,199)
Net cash from operating activities	779,898	668,079	388,687	201,600
Cash flows from investing activities				
Acquisitions of:				
- biological assets	(264)	(890)	-	-
- business	(500)	-	-	-
- equity interest from non-controlling interests	(273,314)	2,443	-	(1,351)
- intangible assets	(7,751)	(8,215)	-	-
- investment properties and investment properties under construction	(21,917)	(156,199)	-	-
- land held for property development	(212,683)	(26,238)	-	-
- other investments	(580)	-	-	(4,715)
- property, plant and equipment	(513,680)	(364,179)	(80)	(138)
- subsidiaries for cash, net of cash acquired	(3,164)	(2,962)	(1,735)	-
Proceeds from disposal of:				
- intangible assets	15	174	-	-
- land held for development	-	17,693	-	-
- other investments	237	913	3,278	52,029
- property, plant and equipment	32,454	63,626	11	88
Proceeds from acquisition of equity interest by non-controlling interests	1,416	-	-	-
Additional interests acquired:				
- joint ventures	(8,927)	(62,178)	-	-
- associates	(96,360)	(4,634)	-	-
Net cash inflows/(outflows) of disposal of a subsidiary	2,927	(193)	-	-
Net cash used in investing activities				
carried forward	(1,102,091)	(540,839)	1,474	45,913

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2017 (contd.)

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Net cash (used in)/from investing activities				
brought forward	(1,102,091)	(540,839)	1,474	45,913
Advances (to)/from:				
- subsidiaries	-	-	(698,428)	468,311
- associates and joint ventures	24,042	(195,337)	(432)	(728)
Net cash flows from licensed banks and other financial institutions with maturity of over 3 months	42,690	82,647	48,920	(54,933)
Net cash flows from fund placements	93,901	(981,644)	309,311	(685,622)
Quasi-equity loan advanced to joint venture	(112,228)	-	-	-
Net cash used in investing activities	(1,053,686)	(1,635,173)	(339,155)	(227,059)
Cash flows from financing activities				
Drawdown of:				
- term loans	1,451,004	2,073,716	-	-
- revolving credits	627,475	126,960	160,000	-
- commercial papers	1,027,000	1,079,607	722,000	484,000
- medium term notes	1,250,062	350,000	160,000	350,000
- other bank borrowings	1,705,544	307,097	-	-
Repayments of:				
- hire purchase and finance lease liabilities	(1,966)	(2,527)	-	-
- term loans	(1,805,985)	(1,357,142)	-	-
- revolving credits	(97,945)	(88,355)	(80,000)	(80,000)
- commercial papers	(1,100,000)	(816,000)	(360,000)	(776,000)
- medium term notes	(148,784)	-	(150,000)	-
- other bank borrowings	(1,665,867)	(245,920)	-	-
Interest paid	(220,271)	(167,903)	(64,642)	(49,866)
Proceeds from issuance of ordinary shares pursuant:				
- to exercise of warrants	2	568,453	2	568,453
- to exercise of ESOS	144,024	26,530	144,024	26,530
Redemption of:				
- redeemable preference shares in subsidiaries	(23,300)	-	-	-
- equity contribution reserves by non-controlling interest	(3,000)	-	-	-
Repayments of advances to non-controlling interests of a subsidiary	(146,702)	-	-	-
Net cash from financing activities				
carried forward	991,291	1,854,516	531,384	523,117

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2017 (contd.)

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Net cash from financing activities brought forward	991,291	1,854,516	531,384	523,117
Dividends paid	(228,146)	(219,459)	(228,146)	(219,459)
Dividends paid to non-controlling interests in subsidiaries	(48,164)	(41,325)	-	-
Shares buyback	(8,255)	(56,928)	(6,961)	(56,928)
Net cash from financing activities	706,726	1,536,804	296,277	246,730
Net cash from operating activities	779,898	668,079	388,687	201,600
Net cash used in investing activities	(1,053,686)	(1,635,173)	(339,155)	(227,059)
Net cash from financing activities	706,726	1,536,804	296,277	246,730
Net increase in cash and cash equivalents	432,938	569,710	345,809	221,271
Effects of exchange rate changes on cash and cash equivalents	(12,166)	6,552	-	(7)
Cash and cash equivalents at beginning of financial year	1,824,156	1,247,894	384,322	163,058
Cash and cash equivalents at end of financial year (Note 32)	2,244,928	1,824,156	730,131	384,322

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 2017

1. Corporate information

Sunway Berhad (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal place of business and registered office of the Company are located at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan.

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

The principal activities of the subsidiaries are set out in Note 54 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 2017 were authorised for issue in accordance with a resolution by the Board of Directors on 21 March 2018.

2. Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards (“FRSs”) and the requirements of the Companies Act 2016 in Malaysia.

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.

The new FRSs and amendments to FRSs adopted during the financial year are set out in Note 56(a) to the financial statements.

3. 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 reportable 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 and building materials.
- (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, loyalty program, investment in online media, electronic parcel locker operator, operation of petrol kiosk, online remittance and money services, and retail of pharmaceutical products.

Except as indicated above, no operating segments has been aggregated to form the above reportable 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 and expenses include transfers between business segments that are eliminated on consolidation. Segment results exclude the effects of transfers between business segments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

3. 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
Revenue										
Sales to external customers	989,660	865,954	1,627,656	996,468	202,071	5,212	688,375	-		5,375,396
Inter-segment revenue	103,416	181,445	1,228,957	292,923	12,688	602,766	95,850	(2,518,045)	A	-
Total revenue	1,093,076	1,047,399	2,856,613	1,289,391	214,759	607,978	784,225	(2,518,045)		5,375,396
Results										
Operating profit/(loss)	199,313	208,461	166,060	58,146	7,471	(33,650)	80,842	-		686,643
Finance and other distribution income	30,501	4,983	13,958	1,119	209	205,965	20,029	(79,077)		197,687
Finance costs	(23,581)	(180,959)	(6,230)	(15,330)	(2,232)	(57,639)	(13,377)	79,077		(220,271)
Share of results of associates	1	166,136	-	-	-	-	2,476	-		168,613
Share of results of joint ventures	34,864	14,075	581	-	-	-	-	-		49,520
Profit before tax	241,098	212,696	174,369	43,935	5,448	114,676	89,970	-		882,192
Income tax	(51,739)	(37,412)	(35,603)	(12,482)	2,860	(5,948)	(9,063)	-		(149,387)
Net profit for the year	189,359	175,284	138,766	31,453	8,308	108,728	80,907	-		732,805
Non-controlling interests	(33,551)	8,766	(65,309)	(2,731)	(180)	46	(347)	-		(93,306)
Attributable to owners of the parent	155,808	184,050	73,457	28,722	8,128	108,774	80,560	-		639,499

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

3. 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 2017 (contd.)										
Assets										
Segment assets	4,815,701	4,237,182	1,786,588	807,492	162,684	3,130,979	1,582,223	-		16,522,849
Investments in associates	30,536	1,798,124	-	269	-	-	60,570	-		1,889,499
Investments in joint ventures	1,524,342	112,705	-	-	-	-	-	-		1,637,047
Unallocated assets										158,332
Total assets										20,207,727
Liabilities										
Segment liabilities	1,211,147	1,039,544	1,168,928	230,344	53,931	7,321,753	546,626	-		11,572,273
Unallocated liabilities										147,993
Total liabilities										11,720,266
Other segment information										
Capital expenditure	14,541	154,911	54,691	28,683	20,170	212	270,404	-	B	543,612
Depreciation and amortisation	1,845	38,945	37,772	10,923	9,347	724	39,487	-		139,043

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

3. 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 2016										
Revenue										
Sales to external customers	1,203,024	692,131	1,137,413	833,349	207,379	4,986	577,310	-		4,655,592
Inter-segment revenue	6,756	174,860	1,251,696	201,954	18,667	529,785	101,771	(2,285,489)	A	-
Total revenue	1,209,780	866,991	2,389,109	1,035,303	226,046	534,771	679,081	(2,285,489)		4,655,592
Results										
Operating profit	273,382	162,406	124,869	51,002	26,725	7,455	69,251	-		715,090
Finance and other distribution income	25,601	4,223	15,571	1,301	60	243,815	12,083	(182,735)		119,919
Finance costs	(24,350)	(142,432)	(6,375)	(16,672)	(1,789)	(151,469)	(7,551)	182,735		(167,903)
Share of results of associates	6	120,727	-	-	-	-	4,176	-		124,909
Share of results of joint ventures	53,511	13,466	-	-	-	-	-	-		66,977
Profit before tax	328,150	158,390	134,065	35,631	24,996	99,801	77,959	-		858,992
Income tax	(57,484)	(27,018)	(26,049)	(10,648)	(5,854)	(5,052)	(8,289)	-		(140,394)
Net profit for the year	270,666	131,372	108,016	24,983	19,142	94,749	69,670	-		718,598
Non-controlling interests	(77,879)	(4,345)	(49,339)	(1,095)	(243)	(386)	572	-		(132,715)
Attributable to owners of the parent	192,787	127,027	58,677	23,888	18,899	94,363	70,242	-		585,883

* The comparative figures for financial year 31 December 2016 have been restated to conform with current year presentation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

3. 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 2016 (contd.)										
Assets										
Segment assets	4,359,693	4,018,558	1,433,999	873,790	176,200	3,489,367	1,060,569	-		15,412,176
Investments in associates	26,836	1,641,069	-	242	-	-	60,732	-		1,728,879
Investments in joint ventures	1,388,868	112,187	-	-	-	-	-	-		1,501,055
Unallocated assets										109,843
Total assets										18,751,953
Liabilities										
Segment liabilities	1,076,208	589,915	1,042,160	237,381	111,419	7,131,205	204,989	-		10,393,277
Unallocated liabilities										125,446
Total liabilities										10,518,723
Other segment information										
Capital expenditure	2,597	444,353	19,010	14,650	24,281	155	203,343	-	B	708,389
Depreciation and amortisation	1,619	40,208	39,119	7,057	10,722	1,124	37,304	-		137,153

* The comparative figures for financial year 31 December 2016 have been restated to conform with current year presentation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

3. 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 2017					
Malaysia	4,872,046	801,329	659,404	579,842	15,444,475
Singapore	194,784	65,850	63,679	55,260	477,718
China	156,799	(6,503)	(7,584)	(8,438)	359,982
India	-	(58)	(58)	(58)	887
Australia	42,048	5,505	5,152	3,470	89,176
Abu Dhabi	-	5,112	5,112	2,713	26,953
Other countries	109,719	10,957	7,100	6,710	123,658
	5,375,396	882,192	732,805	639,499	16,522,849
At 31 December 2016					
Malaysia	4,043,027	762,402	632,181	523,576	14,111,253
Singapore	395,407	74,414	66,996	55,714	728,826
China	86,525	14,594	14,147	15,385	313,482
India	-	(17,813)	(17,814)	(17,814)	1,039
Australia	42,154	256	256	(4,983)	94,309
Abu Dhabi	-	19,384	19,384	10,560	27,820
Other countries	88,479	5,755	3,448	3,445	135,447
	4,655,592	858,992	718,598	585,883	15,412,176

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

3. Segment information (contd.)

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:

	2017 RM'000	2016 RM'000
Property, plant and equipment	513,680	364,214
Intangible assets	7,751	8,215
Biological assets	264	890
Investment properties	21,917	335,070
	543,612	708,389

4. Capital and financial risk management

(a) 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 their 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 net of cross currency swap less cash and bank balances and placement in funds.

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Borrowings		8,258,607	7,410,415	1,670,000	1,218,000
Less: Cross currency swap		(51,638)	(500,351)	-	-
Net borrowings after cross currency swap	37	8,206,969	6,910,064	1,670,000	1,218,000
Hire purchase and finance lease liabilities	41	786	2,752	-	-
Less:					
Cash and bank balances	32	(2,390,898)	(1,950,420)	(736,164)	(439,275)
Placement in funds	32	(2,035,734)	(2,129,635)	(529,511)	(838,822)
Net debt/(cash)		3,781,123	2,832,761	404,325	(60,097)
Total equity		8,487,461	8,233,230	5,368,203	5,143,413
Total capital and net debt		12,268,584	11,065,991	5,772,528	5,083,316
Gearing ratio		45%	34%	8%	N/A*

* Gearing ratio is not presented as the Company is in net cash position.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

4. Capital and financial risk management (contd.)

(b) 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.

Interest rate risk

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 end of the reporting period, approximately 73% (2016: 86%) of the Group's borrowings after cross currency swap are at fixed rates of interest.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 24, 32, 33, 35 and 37 to the financial statements.

Foreign currency risk

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"), Chinese Renminbi ("RMB") and Australian Dollar ("AUD"). Foreign currency exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Approximately 9% (2016: 13%) of the Group's sales are denominated in foreign currencies whilst almost 9% (2016: 13%) of costs are denominated in the respective functional currencies of the Group entities.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the revenue stream to be generated from its investments.

The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances amounted to RM195.8 million (2016: RM258.3 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 were entered into to minimise the interest cost. These cross currency swap contracts have expiry periods within 1 month to 16 months (2016: 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

4. Capital and financial risk management (contd.)

(b) Financial risk management objectives and policies (contd.)

Foreign currency risk (contd.)

Foreign currency risk exposure

The currency risk exposure profiles for each class of financial instruments are as follows:

Group	SGD		USD		RMB		AUD		Others	
	<1 year RM'000	>1 year RM'000	<1 year RM'000	>1 year RM'000	<1 year RM'000	>1 year RM'000	<1 year RM'000	>1 year RM'000	<1 year RM'000	>1 year RM'000
At 31 December 2017										
Financial assets in foreign currencies										
Cash and bank balances	45,216	-	9,851	-	78,925	-	39,921	-	21,890	-
Trade and other receivables	80,511	-	6,768	-	73,905	-	12,060	-	32,950	-
Financial liabilities in foreign currencies										
Trade and other payables	(25,020)	-	(16,231)	(1,021)	(78,714)	-	(7,046)	-	(35,835)	-
Borrowings	-	(273,987)	(2,106,348)	-	(14,412)	-	(1,127)	-	(2,133)	-
Less: hedged portion	-	229,845	1,735,755	-	-	-	-	-	-	-
Borrowings - unhedged portion	-	(44,142)	(370,593)	-	(14,412)	-	(1,127)	-	(2,133)	-
Net exposure	100,707	(44,142)	(370,205)	(1,021)	59,704	-	43,808	-	16,872	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

4. Capital and financial risk management (contd.)

(b) Financial risk management objectives and policies (contd.)

Foreign currency risk (contd.)

Foreign currency risk exposure (contd.)

The currency risk exposure profiles for each class of financial instruments are as follows: (contd.)

Group	SGD			USD			RMB			AUD			Others		
	<1 year RM'000	>1 year RM'000	>1 year RM'000	<1 year RM'000	>1 year RM'000	>1 year RM'000	<1 year RM'000	>1 year RM'000	>1 year RM'000	<1 year RM'000	>1 year RM'000	>1 year RM'000	<1 year RM'000	>1 year RM'000	>1 year RM'000
At 31 December 2016															
Financial assets in foreign currencies															
Cash and bank balances	125,553	-	-	10,358	-	-	25,691	-	-	71,572	-	-	25,127	-	-
Trade and other receivables	126,353	-	-	3,112	-	-	60,881	151	-	8,002	-	-	41,153	-	-
Financial liabilities in foreign currencies															
Trade and other payables	(71,924)	-	-	(2,812)	-	-	(42,424)	-	-	(7,979)	-	-	(37,494)	-	-
Borrowings	(364)	(283,140)	(1,915,725)	(888,990)	(42,168)	-	(1,838)	-	-	(741)	-	-	-	-	-
Less: hedged portion	-	234,820	1,893,535	888,990	-	-	-	-	-	-	-	-	-	-	-
Borrowings - unhedged portion	(364)	(48,320)	(22,190)	(42,168)	-	-	(1,838)	-	-	(741)	-	-	-	-	-
Net exposure	179,618	(48,320)	(11,532)	151	69,757	-	28,045	-	-	-	-	-	-	-	-
Company															
At 31 December 2017/2016															

The currency risk exposure profile of the Company is not presented as its exposure to foreign currencies was not material at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

4. Capital and financial risk management (contd.)

(b) Financial risk management objectives and policies (contd.)

Foreign currency risk (contd.)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and the Company's profit net of tax to a reasonably possible change in the foreign exchange rates against the functional currency of the Company, with all other variables held constant.

Profit net of tax	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
SGD/RM				
- strengthen 2% (2016: 1%)	1,137	1,047	-	-
- weaken 2% (2016: 1%)	(1,137)	(1,047)	-	-
USD/RM				
- strengthen 3% (2016: 1%)	(7,356)	(145)	-	-
- weaken 3% (2016: 1%)	7,356	145	-	-
RMB/RM				
- strengthen 4% (2016: 1%)	1,950	13	-	-
- weaken 4% (2016: 1%)	(1,950)	(13)	-	-
AUD/RM				
- strengthen 2% (2016: 2%)	480	1,089	-	-
- weaken 2% (2016: 2%)	(480)	(1,089)	-	-

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.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 26, 33, 34, 35, 37, 38, 39 and 40 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

4. Capital and financial risk management (contd.)

(b) Financial risk management objectives and policies (contd.)

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.

The credit risk concentration profiles have been disclosed in Note 24 to the financial statements.

5. Revenue

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Property development:				
- sale of properties under development	947,898	1,030,573	-	-
- sale of completed properties	33,617	124,293	-	-
Construction contracts	1,530,978	941,303	-	-
Sale of goods and services	2,601,600	2,369,179	-	-
Rental income	240,104	168,885	-	-
Property management fees	8,637	7,653	-	-
Lease and hire purchase	589	637	-	-
Time sharing fees	2,060	3,433	-	-
Dividend income from:				
- Subsidiaries	-	-	260,500	95,600
- A joint venture	-	-	14,800	14,234
Distribution of income from real estate investment trust	-	-	44	435
Management fees from:				
- Subsidiaries	-	-	44,895	50,195
- Joint ventures	9,913	9,636	3,106	2,899
	5,375,396	4,655,592	323,345	163,363

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

5. Revenue (contd.)

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) Property development

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 end of the reporting period. 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.

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.

(b) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as disclosed in Note 43 to the financial statements.

(c) Sale of goods and services, rights of enjoyment and club subscription fees

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.

Club subscription fees are recognised on the accrual basis.

(d) Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease.

(e) Property management fees

Revenue from property management fees are recognised as income as and when the services are performed.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

5. Revenue (contd.)

(f) Interest on lease and hire purchase

Interest on lease and hire purchase are recognised as income on the effective yield basis method.

(g) Time share revenue

Membership fees are recognised over the membership period.

Annual maintenance fees are recognised on the accrual basis based on fees chargeable to members upon execution and renewal of the membership.

(h) Dividend income and distribution of income from real estate investment trust

Dividend income and distribution of income from real estate investment trust are recognised when the right of the Group to receive payment is established.

(i) 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.

6. Cost of sales

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Property development costs:				
- current year (Note 30)	(603,284)	(654,201)	-	-
- over recognised in prior years	1,534	309	-	-
Cost of completed properties sold	(23,483)	(93,465)	-	-
Construction contract costs	(1,234,703)	(724,147)	-	-
Cost of goods sold and services rendered	(1,689,842)	(1,583,737)	(40,276)	(46,134)
Lease and hire purchase	(4,388)	(3,000)	-	-
Cost of time sharing business operations	(109)	(1,288)	-	-
	(3,554,275)	(3,059,529)	(40,276)	(46,134)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

7. Other income

Included in other income are the following:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Fair value gain on:				
- investment properties (Note 17)	28,305	56,206	-	-
- investment properties under construction (Note 17)	6,639	15,059	-	-
- derivatives	442	2,363	-	-
Gain on disposal of:				
- property, plant and equipment	7,701	1,742	-	12
- subsidiaries	-	19,173	-	-
- other investments	9	94	209	1,269
Corporate guarantee commission fee	-	-	10,961	10,164
Gain on liquidation of a subsidiary	1,549	-	-	-
Gain on dilution of equity interest in an associate	209	-	-	-
Rental income:				
- equipment	634	1,577	-	-
- land and buildings	12,970	9,104	-	-
- others	3,628	3,377	-	-
Bad debts recovered	731	990	-	-
Reversal of allowance for impairment:				
- amounts due from associates	-	18,900	-	-
- other investments	-	131	-	-
- investment in a joint venture	3,867	-	-	-
Write up of inventories to net realisable value (Note 31)	730	51	-	-
Foreign exchange gain:				
- realised	22,213	7,551	87	132
- unrealised	4,749	7,859	-	-
- unrealised (hedged items)	161,885	-	-	-
Cash flow hedge reserve recycled to profit or loss	(161,885)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

8. Finance and other distribution income and finance costs

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Finance and other distribution income				
Finance and other distribution income from:				
- Advances to a subsidiary	-	-	71,603	57,989
- Advances to joint ventures	39,020	10,423	-	-
- Accretion of interest	1,080	4,327	-	-
- Deposits with licensed banks	22,752	17,807	474	66
- Placement in funds	131,306	85,518	46,510	32,315
- Others	3,529	1,844	-	-
	197,687	119,919	118,587	90,370
Finance costs				
Interest expense in relation to:				
- Hire purchase and finance lease liabilities	(214)	(219)	-	-
- Bank overdrafts	(32)	(116)	-	-
- Revolving credits	(20,879)	(13,540)	(2,677)	(1,684)
- Commercial papers and medium term notes	(139,973)	(108,418)	(61,965)	(48,182)
- Term loans	(47,093)	(35,713)	-	-
- Bankers' acceptances	(5,980)	(4,291)	-	-
- Bills discounting	(3,245)	(250)	-	-
Unwinding of discount	-	(1,371)	-	-
Others	(2,855)	(3,985)	-	-
	(220,271)	(167,903)	(64,642)	(49,866)

Interest income

Interest income from short term deposits and advances is recognised on the accrual basis, using the effective interest method, unless recoverability is in doubt, in which case, it is recognised on receipt basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

9. Profit before tax

Other than those disclosed elsewhere in the financial statements, the following amounts have been included in arriving at profit before tax:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Auditors' remuneration:				
- statutory audits	3,317	3,327	255	241
- other services	38	36	25	-
Foreign exchange loss:				
- realised	20,452	6,122	-	65
- unrealised	1,132	5,443	-	7
- unrealised (hedged items)	-	107,038	-	-
Cash flow hedge reserve recycled to profit or loss	-	(107,038)	-	-
Fair value loss on:				
- investment properties (Note 17)	15,066	10,472	-	-
- derivatives	5,036	1,040	-	-
Impairment losses on:				
- amounts due from joint ventures	5,889	-	-	-
Write down of inventories to net realisable value (Note 31)	1,286	1,262	-	-
Loss on disposal of:				
- property, plant and equipment	1,050	277	-	-
- a subsidiary (Note 19)	1,767	-	-	-
Write off of:				
- bad debts	2,402	992	-	-
- inventories (Note 31)	775	3,022	-	-
- property, plant and equipment	2,343	29	693	-
Rental expense:				
- land and buildings	122,859	102,359	2,145	2,324
- lease rental	-	758	-	-
- plant and equipment	9,510	9,518	79	69
- others	5,450	2,593	41	49
Direct operating expenses arising from investment properties that generated rental income	111,591	54,597	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

10. Employee benefits expense

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Wages, salaries and bonuses	673,087	602,877	37,355	42,923
Social security contributions	6,216	5,216	131	130
Contributions to defined contribution plan	70,304	67,065	5,630	7,305
Share options (reversed)/granted under ESOS	(8,762)	3,980	299	1,526
Other benefits	98,433	85,154	4,638	4,223
	839,278	764,292	48,053	56,107

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM41,246,000 (2016: RM39,513,000) and RM14,741,000 (2016: RM15,207,000) as further disclosed in Note 11 to the financial statements.

11. Directors' remuneration

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Executive Directors' remuneration:				
Fees	100	100	-	-
Emoluments	41,146	37,859	14,741	13,653
Share options granted under ESOS	-	1,554	-	1,554
Total Executive Directors' remuneration (excluding benefits-in-kind) (Note 10)	41,246	39,513	14,741	15,207
Estimated money value of benefits-in-kind	142	103	112	76
Total Executive Directors' remuneration including benefits-in-kind	41,388	39,616	14,853	15,283
Non-Executive Directors' remuneration:				
Fees	636	495	636	495
Other emoluments	97	77	97	77
Total Non-Executive Directors' remuneration	733	572	733	572
Total Directors' remuneration including benefits-in-kind	42,121	40,188	15,586	15,855

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

11. Directors' remuneration (contd.)

The number of Directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors	
	2017	2016
Executive Directors:		
RM500,000 - RM600,000	1	1
RM1,600,000 - RM2,100,000	1	1
RM6,800,000 - RM7,500,000	1	1
RM29,000,000 - RM31,400,000	1	1
Non-Executive Directors:		
Below RM200,000	5	4

12. Income tax expense

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current income tax:				
Malaysian income tax	142,614	120,599	2,222	1,775
Foreign income tax	8,276	8,710	-	-
	150,890	129,309	2,222	1,775
Under/(Over) provision in prior years:				
Malaysian income tax	2,354	(6,034)	(92)	(603)
Foreign income tax	(873)	288	-	-
	1,481	(5,746)	(92)	(603)
	152,371	123,563	2,130	1,172
Deferred tax (Note 23):				
Relating to origination and reversal of temporary differences	(3,102)	14,004	-	-
Under provision in prior years	118	2,827	-	-
	(2,984)	16,831	-	-
Total income tax expense	149,387	140,394	2,130	1,172

- (a) Domestic current income tax is calculated at the Malaysian statutory tax rate of 24% (2016: 24%) of the estimated assessable profit for the year.
- (b) Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

12. Income tax expense (contd.)

- (c) 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	
	2017 RM'000	2016 RM'000
Profit before tax	882,192	858,992
Taxation at Malaysian statutory tax rate of 24% (2016: 24%)	211,726	206,158
Different tax rates in other countries	(5,188)	(7,110)
Deferred tax recognised at different tax rates	(2,698)	(5,218)
Income not subject to tax	(33,028)	(27,431)
Expenses not deductible for tax purposes	33,736	26,798
Utilisation of previously unrecognised tax losses, unabsorbed capital allowances, unabsorbed tax allowances and other deductible temporary differences	(5,804)	(9,347)
Deferred tax assets not recognised in respect of unabsorbed capital allowances, unabsorbed tax allowances and other deductible temporary differences	9,352	10,333
Deferred tax assets recognised on previously unrecognised tax losses, unabsorbed capital allowances, unabsorbed tax allowances and other deductible temporary differences	(7,956)	(4,818)
Effect of share of profit of associates	(40,467)	(29,978)
Effect of share of profit of joint ventures	(11,885)	(16,074)
Under/(Over) provision of income tax in prior years	1,481	(5,746)
Under provision of deferred tax in prior years	118	2,827
Income tax expense for the year	149,387	140,394

	Company	
	2017 RM'000	2016 RM'000
Profit before tax	326,909	145,277
Taxation at Malaysian statutory tax rate of 24% (2016: 24%)	78,458	34,866
Income not subject to tax	(77,442)	(35,356)
Expenses not deductible for tax purposes	1,132	2,158
Deferred tax assets not recognised in respect of unabsorbed capital allowances and other deductible temporary differences	74	107
Over provision of income tax in prior years	(92)	(603)
Income tax expense for the year	2,130	1,172

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

13. Earnings per share

(a) Basic

	Group	
	2017 RM'000	2016 RM'000
Profit attributable to owners of the parent (RM'000)	639,499	585,883
Weighted average number of ordinary shares in issue ('000)	4,812,608	4,560,327
Basic earnings per share (sen)	13.29	12.85

(b) Diluted

	Group	
	2017 RM'000	2016 RM'000
Profit attributable to owners of the parent (RM'000)	639,499	585,883
Weighted average number of ordinary shares in issue ('000)	4,812,608	4,560,327
Effect of dilution of share options and warrants ('000)	14,646	37,965
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	4,827,254	4,598,292
Diluted earnings per share (sen)	13.25	12.74

The earnings per share for the previous financial year ended 31 December 2016 has been adjusted to reflect the bonus issue, which was completed on 6 October 2017. Further details are disclosed in Note 44(a).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

14. Dividends paid and proposed

	Note	Group 2017 RM'000	2016 RM'000
Dividends on ordinary shares declared and paid:			
Second interim single tier dividend for 2016: 1.71 sen per ordinary share (2015: 2.57 sen)	(a)	81,152	117,720
Distribution of 20,295,338 treasury shares on the basis of 1 treasury share for every 100 existing ordinary shares held. The share dividend is equivalent to cash dividend of 1.35 sen per share.	(b)	63,676	-
First interim dividend for 2017: 3 sen per share (2016: 2.14 sen)	(c)	146,994	101,739
		291,822	219,459

Dividends declared on ordinary shares but not recognised at end of the financial year:

Second interim single tier dividend for 2017: 3 sen per ordinary share (2016: 1.71 sen)	(d)	147,572	81,039
Distribution of 20,295,338 treasury shares on the basis of 1 treasury share for every 100 existing ordinary shares held. The share dividend is equivalent to cash dividend of 1.35 sen per share.	(e)	-	63,676
		147,572	144,715

Dividends on ordinary shares declared on 28 February 2018 (2016: 27 February 2017) are to be paid on 26 April 2018 (2016: 28 April 2017) and accordingly, the amounts have not been recognised as a liability as at the end of each reporting period.

On 6 October 2017, the Company completed a bonus issue on the basis of 4 bonus share for every 3 existing shares held. Restatement of dividend paid/declared for comparison purposes are as follows:-

	Group			
	Before bonus issue of shares (sen)		Restated after bonus issue of shares (sen)	
	2017	2016	2017	2016
Dividends on ordinary shares declared and paid:				
<u>Second interim dividend:</u>				
(a) Single tier dividend for 2016/2015	4.00	6.00	1.71	2.57
(b) Distribution of treasury shares for 2016	3.14	-	1.35	-
	7.14	6.00	3.06	2.57
(c) First interim dividend for 2017/2016	7.00	5.00	3.00	2.14
Dividends declared on ordinary shares but not recognised at end of the financial year:				
(d) Second interim dividend for 2017/2016	7.00	4.00	3.00	1.71
(e) Distribution of treasury shares for 2016	-	3.14	-	1.35

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

15. Property, plant and equipment

Group	Freehold land RM'000	Buildings RM'000	Leasehold land RM'000	Renovations RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Equipment, furniture and fittings RM'000	Quarry and development expenditure RM'000	Capital work-in-progress RM'000	Total RM'000
At 31 December 2017										
Cost										
At beginning of financial year	31,624	1,295,746	33,977	50,875	905,039	72,864	392,174	40,915	186,475	3,009,689
Additions	10,140	135,761	763	18,102	67,944	4,975	79,528	3,261	193,206	513,680
Disposals/write-offs	-	(25,497)	-	(603)	(53,608)	(11,450)	(5,743)	(2,000)	(794)	(99,695)
Reclassifications	4,422	140,385	(4,422)	6,949	14,080	127	746	-	(162,287)	-
Transfer from investment properties (Note 17)	-	252	-	-	-	-	-	-	-	252
Transfer from investment properties under construction (Note 17)	-	36,111	-	-	-	-	-	-	147	36,258
Transfer from intangible assets (Note 16)	-	-	-	-	-	-	985	-	-	985
Transfer to intangible assets (Note 16)	-	-	-	-	-	-	(4,307)	-	-	(4,307)
Transfer from inventories	-	2,211	-	-	-	-	-	-	-	2,211
Transfer from land held for property development (Note 18)	-	-	4,659	-	-	-	-	-	-	4,659
Transfer from property development costs (Note 30)	39,775	40,000	-	-	-	-	-	-	-	79,775
Disposal of a subsidiary	-	(6,289)	-	-	(23,426)	(827)	(1,213)	-	-	(31,755)
Attributable to disposal group classified as held for sale (Note 36)	-	(294,283)	-	-	-	-	-	-	-	(294,283)
Exchange differences	(375)	(9,017)	(305)	(481)	(3,157)	(364)	(2,771)	-	(2)	(16,472)
At end of financial year	85,586	1,315,380	34,672	74,842	906,872	65,325	459,399	42,176	216,745	3,200,997
Accumulated depreciation										
At beginning of financial year	-	137,215	4,703	21,240	561,579	53,650	279,272	10,571	-	1,068,230
Depreciation charge for the year	-	25,067	462	4,307	57,617	7,348	33,413	2,764	-	130,978
Disposals/write-offs	-	(5,619)	-	(444)	(14,683)	(9,697)	(6,214)	(2,000)	-	(38,657)
Reclassifications	-	(712)	4	719	51	(5)	(57)	-	-	-
Transfer from intangible assets (Note 16)	-	-	-	-	-	-	601	-	-	601
Transfer to intangible assets (Note 16)	-	-	-	-	-	-	(3,667)	-	-	(3,667)
Disposal of a subsidiary	-	(1,414)	-	-	(23,426)	(733)	(1,071)	-	-	(26,644)
Exchange differences	-	(3,706)	(130)	(401)	(1,984)	(320)	(2,435)	-	-	(8,976)
At end of financial year	-	150,831	5,039	25,421	579,154	50,243	299,842	11,335	-	1,121,865
Accumulated impairment losses										
At beginning of financial year	-	26,633	-	18	34,663	-	216	-	-	61,530
Disposals/write-offs	-	(1,901)	-	-	(30,757)	-	(234)	-	-	(32,892)
Reclassification	-	-	-	(18)	-	-	18	-	-	-
At end of financial year	-	24,732	-	-	3,906	-	-	-	-	28,638
Net carrying amount	85,586	1,139,817	29,633	49,421	323,812	15,082	159,557	30,841	216,745	2,050,494

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

15. Property, plant and equipment (contd.)

Group (contd.)	Freehold land RM'000	Buildings RM'000	Leasehold land RM'000	Renovations RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Equipment, furniture and fittings RM'000	Quarry development expenditure RM'000	Capital work-in-progress RM'000	Total RM'000
At 31 December 2016										
Cost										
At beginning 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
Additions	278	40,268	-	10,639	61,082	6,688	55,040	2,860	187,359	364,214
Disposals/write-offs	(7,450)	(4,735)	(16,792)	(1,302)	(86,066)	(8,925)	(12,671)	(2,763)	(17,966)	(158,670)
Reclassifications	(3,723)	331,226	-	26,918	(92,888)	-	154,656	-	(416,189)	-
Transfer to investment properties (Note 17)	-	(20,732)	-	-	-	-	-	-	-	(20,732)
Transfer from investment properties under construction (Note 17)	-	383,604	-	-	-	-	-	-	-	383,604
Transfer from intangible assets (Note 16)	-	-	-	-	-	-	1,938	-	-	1,938
Transfer to intangible assets (Note 16)	-	-	-	-	(21)	-	(639)	-	-	(660)
Acquisition of subsidiaries	-	8,369	4,200	-	1,737	804	1,123	-	-	16,233
Disposal of subsidiaries	-	-	-	-	(25,557)	(468)	(282)	-	-	(26,307)
Exchange differences	-	2,896	(215)	(727)	(1,416)	231	1,050	-	-	1,819
At end of financial year	31,624	1,295,746	33,977	50,875	905,039	72,864	392,174	40,915	186,475	3,009,689
Accumulated depreciation										
At beginning of financial year	-	123,245	6,041	4,179	673,275	50,849	143,155	10,769	-	1,011,513
Depreciation charge for the year	-	21,304	542	6,392	61,709	8,481	31,191	639	-	130,258
Disposals/write-offs	-	(108)	(1,811)	(2,305)	(33,021)	(6,114)	(10,450)	(837)	-	(54,646)
Reclassifications	-	(7,221)	(48)	12,750	(117,693)	6	112,206	-	-	-
Transfer to investment properties (Note 17)	-	(2,368)	-	-	-	-	-	-	-	(2,368)
Transfer from intangible assets (Note 16)	-	-	-	-	-	-	1,859	-	-	1,859
Transfer to intangible assets (Note 16)	-	-	-	-	-	-	(366)	-	-	(366)
Acquisition of subsidiaries	-	1,096	-	-	135	631	938	-	-	2,800
Disposal of subsidiaries	-	-	-	-	(22,312)	(391)	(265)	-	-	(22,968)
Exchange differences	-	1,267	(21)	224	(514)	188	1,004	-	-	2,148
At end of financial year	-	137,215	4,703	21,240	561,579	53,650	279,272	10,571	-	1,068,230
Accumulated impairment losses										
At beginning of financial year	-	26,443	-	18	76,325	135	253	-	-	103,174
Impairment loss for the year	-	190	-	-	-	-	-	-	-	190
Disposals/write-offs	-	-	-	-	(41,662)	(135)	(37)	-	-	(41,834)
At end of financial year	-	26,633	-	18	34,663	-	216	-	-	61,530
Net carrying amount	31,624	1,131,898	29,274	29,617	308,797	19,214	112,686	30,344	186,475	1,879,929

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

15. 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 2017				
Cost				
At beginning of financial year	1,829	2,566	693	5,088
Additions	80	-	-	80
Disposals	(12)	-	-	(12)
Write off	-	-	(693)	(693)
At end of financial year	1,897	2,566	-	4,463
Accumulated depreciation				
At beginning of financial year	1,269	2,353	-	3,622
Depreciation charge for the year	418	213	-	631
Disposals	(1)	-	-	(1)
At end of financial year	1,686	2,566	-	4,252
Net carrying amount	211	-	-	211
At 31 December 2016				
Cost				
At beginning of financial year	1,719	2,730	693	5,142
Additions	138	-	-	138
Disposals	(28)	(164)	-	(192)
At end of financial year	1,829	2,566	693	5,088
Accumulated depreciation				
At beginning of financial year	776	1,921	-	2,697
Depreciation charge for the year	508	533	-	1,041
Disposals	(15)	(101)	-	(116)
At end of financial year	1,269	2,353	-	3,622
Net carrying amount	560	213	693	1,466

(a) 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*.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

15. Property, plant and equipment (contd.)

- (b) All items of property, plant and equipment are initially recorded at cost. 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. Capital work-in-progress 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.

The useful lives and residual values of property, plant and equipment are estimated based on common life expectancies and commercial factors applied in the various respective industries.

Changes in expected level of usage, occupancy rates and economic development could impact the economic useful lives and the residual values of these assets, and hence future depreciation charges on such assets could be revised.

- (c) The net carrying amount of property, plant and equipment held under hire purchase and finance lease liabilities is as follows:

	Group	
	2017 RM'000	2016 RM'000
Motor vehicles	42	329
Equipment, furniture and fittings	-	2
Plant and machinery	386	3,900
	428	4,231

- (d) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Additions of property, plant and equipment	513,680	364,214	80	138
Additions via hire purchase and finance lease liabilities	-	(35)	-	-
Cash outflow for acquisition of property, plant and equipment	513,680	364,179	80	138

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

16. Intangible assets

	Software RM'000	Trademark RM'000	Operating right RM'000	Total RM'000
Group				
At 31 December 2017				
Cost				
At beginning of financial year	44,085	179	28,263	72,527
Additions	7,550	1	200	7,751
Transfer to property, plant and equipment (Note 15)	(985)	-	-	(985)
Transfer from property, plant and equipment (Note 15)	4,307	-	-	4,307
Written off	(19)	-	-	(19)
Disposals	(26)	-	-	(26)
Exchange differences	(34)	-	-	(34)
At end of financial year	54,878	180	28,463	83,521
Accumulated amortisation				
At beginning of financial year	30,352	118	1,492	31,962
Amortisation charge for the year	6,365	13	955	7,333
Transfer to property, plant and equipment (Note 15)	(601)	-	-	(601)
Transfer from property, plant and equipment (Note 15)	3,667	-	-	3,667
Written off	(19)	-	-	(19)
Disposals	(11)	-	-	(11)
Exchange differences	(20)	-	-	(20)
At end of financial year	39,733	131	2,447	42,311
Accumulated impairment loss				
At beginning of financial year	-	-	7,754	7,754
Impairment loss for the year	-	-	18,075	18,075
At end of financial year	-	-	25,829	25,829
Net carrying amount	15,145	49	187	15,381
At 31 December 2016				
Cost				
At beginning of financial year	38,112	135	28,263	66,510
Additions	8,171	44	-	8,215
Transfer to property, plant and equipment (Note 15)	(1,938)	-	-	(1,938)
Transfer from property, plant and equipment (Note 15)	660	-	-	660
Written off	(5)	-	-	(5)
Disposals	(969)	-	-	(969)
Exchange differences	54	-	-	54
At end of financial year	44,085	179	28,263	72,527

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

16. Intangible assets (contd.)

	Software RM'000	Trademark RM'000	Operating right RM'000	Total RM'000
Group (contd.)				
Accumulated amortisation				
At beginning of financial year	27,449	104	550	28,103
Amortisation charge for the year	5,154	14	942	6,110
Transfer to property, plant and equipment (Note 15)	(1,859)	-	-	(1,859)
Transfer from property, plant and equipment (Note 15)	366	-	-	366
Written off	(5)	-	-	(5)
Disposals	(795)	-	-	(795)
Exchange differences	42	-	-	42
At end of financial year	30,352	118	1,492	31,962
Accumulated impairment loss				
Impairment loss for the year	-	-	7,754	7,754
Net carrying amount	13,733	61	19,017	32,811

Intangible assets are initially measured at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised on a straight line basis over the estimated economic useful lives.

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.

Operating right

Operating right relates to the exclusive right granted by a third party to operate and manage the park and ride facilities in Sunway. Operating right has finite useful life and is amortised over its estimated useful life of 30 years.

An impairment loss of RM18,075,000 (2016: RM7,754,000) was recognised on operating right of the Group during the financial year due to declining business operation.

17. Investment properties

	Group	
	2017 RM'000	2016 RM'000
Investment properties	2,807,982	2,679,658
Investment properties under construction	48,778	118,747
	2,856,760	2,798,405

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

17. Investment properties (contd.)

Investment properties

	Group	
	2017 RM'000	2016 RM'000
At valuation		
At beginning of financial year	2,679,658	1,829,995
Additions from subsequent expenditure	11,169	314
Transfers (to)/from:		
- property, plant and equipment (Note 15)	(252)	18,364
- property development costs (Note 30)	51,675	-
- investment properties under construction	52,527	785,218
Fair value adjustments:		
- gains*	28,305	56,206
- losses	(15,066)	(10,472)
Exchange differences	(34)	33
At end of financial year	2,807,982	2,679,658

* Pursuant to this, the fair value gains on investment properties are derived from gross fair value gains amounting to RM32,852,000 (2016: RM59,963,000) and an adjustment of RM4,547,000 (2016: RM3,757,000).

The investment properties consist of the following:

	Group	
	2017 RM'000	2016 RM'000
Long term leasehold land	375,164	358,345
Freehold land	252,859	234,474
Buildings	2,179,959	2,086,839
	2,807,982	2,679,658

The carrying amounts of the properties as at 31 December 2017 and 31 December 2016 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 2017			
At beginning of financial year	73,346	45,401	118,747
Additions from subsequent expenditure	10,748	-	10,748
Transfers (to)/from:			
- property, plant and equipment (Note 15)	(36,258)	-	(36,258)
- property development costs (Note 30)	1,429	-	1,429
- investment properties	(487)	(52,040)	(52,527)
Fair value gain	-	6,639	6,639
At end of financial year	48,778	-	48,778

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

17. Investment properties (contd.)

Investment properties under construction (contd.)

The investment properties under construction consist of the following:

	At cost RM'000	At valuation RM'000	Total RM'000
Group			
At 31 December 2017			
Long term leasehold land	14,043	-	14,043
Buildings	34,735	-	34,735
	48,778	-	48,778
At 31 December 2016			
At beginning of financial year	27,145	865,208	892,353
Additions from subsequent expenditure	46,201	288,555	334,756
Transfers (to)/from:			
- property, plant and equipment (Note 15)	-	(383,604)	(383,604)
- property development costs (Note 30)	-	45,401	45,401
- investment properties	-	(785,218)	(785,218)
Fair value gain	-	15,059	15,059
At end of financial year	73,346	45,401	118,747

The investment properties under construction consist of the following:

	At cost RM'000	At valuation RM'000	Total RM'000
At 31 December 2016			
Long term leasehold land	14,043	-	14,043
Buildings	59,303	45,401	104,704
	73,346	45,401	118,747

- (a) 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 end of the reporting period and changes in fair value are included in profit or loss. 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 and rental income billed to the tenant in the current financial year.

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.

External valuers are involved for valuation of significant assets. 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 and compares changes in fair value with relevant external sources to determine whether the change is reasonable. Management also verifies major inputs by agreeing information in the valuation to contracts and other relevant documents.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

17. Investment properties (contd.)

- (b) The Group measures fair values using the fair value hierarchy that reflects the significance of the inputs used in making the measurements. The following table provides the fair value measurement hierarchy of the Group's investment properties:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
At 31 December 2017				
Investment properties:				
Commercial properties	-	81,682	1,288,772	1,370,454
Education properties	-	89,834	699,590	789,424
Leisure properties	-	1,357	12,400	13,757
Residential properties	-	445,919	-	445,919
Other properties	-	188,428	-	188,428
	-	807,220	2,000,762	2,807,982

At 31 December 2016

Investment properties:				
Commercial properties	-	56,340	1,235,205	1,291,545
Education properties	-	84,051	701,163	785,214
Leisure properties	-	1,357	12,750	14,107
Residential properties	-	432,170	-	432,170
Other properties	-	202,023	-	202,023
	-	775,941	1,949,118	2,725,059

Fair value reconciliation of investment properties measured at Level 3

	Leisure RM'000	Commercial RM'000	Education RM'000	Total RM'000
At 1 January 2017	12,750	1,235,205	701,163	1,949,118
Re-measurement recognised in profit or loss	(355)	1,831	(1,573)	(97)
Additions from subsequent expenditure	5	61	-	66
Transfer from:				
- property development costs (Note 30)	-	51,675	-	51,675
At 31 December 2017	12,400	1,288,772	699,590	2,000,762

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

17. Investment properties (contd.)

- (b) The Group measures fair values using the fair value hierarchy that reflects the significance of the inputs used in making the measurements. The following table provides the fair value measurement hierarchy of the Group's investment properties: (contd.)

	Leisure RM'000	Commercial RM'000	Education RM'000	Total RM'000
At 1 January 2016	13,467	1,258,782	707,387	1,979,636
Re-measurement recognised in profit or loss	(1,406)	9,384	(6,224)	1,754
Additions from subsequent expenditure	689	287,592	-	288,281
Revalued during the year	-	17,650	-	17,650
Transfer from/(to):				
- property development costs (Note 30)	-	45,401	-	45,401
- property, plant and equipment (Note 15)	-	(383,604)	-	(383,604)
At 31 December 2016	12,750	1,235,205	701,163	1,949,118

- (c) 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	Inter-relationship
At 31 December 2017				
Commercial	Investment method	Estimated rental value per square feet per month	RM1.12 - RM138.29	Higher estimated rental, higher fair value.
		Estimated rental value per parking bay per month	RM103.19 - RM109.30	
		Estimated outgoings per square feet per month	RM1.35 - RM7.13	Higher estimated outgoings, lower fair value.
		Estimated outgoings per parking bay per month	RM Nil - RM33.50	
		Void allowance	5.00% - 10.00%	Higher range of inputs, lower fair value.
		Market yield rate	6.00% - 7.50%	
		Discount rate	6.50% - 7.50%	
	Cost Method	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-20.00% to 20.00%	Higher differential rate, lower fair value.
		Estimated replacement cost per square feet	RM80 - RM85	Higher estimated replacement cost, lower fair value.
		Depreciation rate	20.00%	Higher depreciation rate, lower fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

17. Investment properties (contd.)

- (c) Description of valuation techniques used and key inputs to valuation on investment properties measured at Level 3: (contd.)

Property category	Valuation technique	Significant unobservable inputs	Range	Inter-relationship
At 31 December 2017				
Education	Cost method	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-52.50% to 20.00%	Higher differential rate, lower fair value.
		Estimated replacement cost per square feet	RM100 to RM310	Higher estimated replacement cost, lower fair value.
		Depreciation rate	5.00% to 41.00%	Higher depreciation rate, lower fair value.
Leisure	Investment method	Estimate rental value per square feet per month	RM1.50	Higher estimated rental, higher fair value.
		Estimated outgoings per square feet per month	RM0.05	Higher estimated outgoings, lower fair value.
		Void allowance	5%	Higher range of inputs, lower fair value.
	Cost Method	Market yield rate	6.50%	
		Discount rate	6.50%	
		Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-10.00% to 10.00%	Higher differential rate, lower fair value.
		Estimated replacement cost per square feet	RM90 to RM160	Higher estimated replacement cost, lower fair value.
		Depreciation rate	11.00% to 39.00%	Higher depreciation rate, lower fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

17. Investment properties (contd.)

- (c) Description of valuation techniques used and key inputs to valuation on investment properties measured at Level 3: (contd.)

Property category	Valuation technique	Significant unobservable inputs	Range	Inter-relationship
At 31 December 2016				
Commercial	Investment method	Estimated rental value per square feet per month	RM2.11 - RM153.13	Higher estimated rental, higher fair value.
		Estimated rental value per parking bay per month	RM93.92 - RM124.52	
		Estimated outgoing per square feet per month	RM1.35 - RM7.20	Higher estimated outgoing, lower fair value.
		Estimated outgoing per parking bay per month	RM Nil - RM33.81	
		Void allowance	5.00% - 10.00%	Higher range of inputs, lower fair value.
		Market yield rate	6.00% - 7.50%	
		Discount rate	6.50% - 7.50%	
	Cost Method	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-20.00% to 5.00%	Higher differential rate, lower fair value.
		Estimated replacement cost per square feet	RM80 - RM85	Higher estimated replacement cost, lower fair value.
		Depreciation rate	18.00%	Higher depreciation rate, lower fair value.
Education	Cost method	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-25.00% to 10.00%	Higher differential rate, lower fair value.
		Estimated replacement cost per square feet	RM90 to RM310	Higher estimated replacement cost, lower fair value.
		Depreciation rate	3.00% to 40.00%	Higher depreciation rate, lower fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

17. Investment properties (contd.)

- (c) Description of valuation techniques used and key inputs to valuation on investment properties measured at Level 3: (contd.)

Property category	Valuation technique	Significant unobservable inputs	Range	Inter-relationship
At 31 December 2016				
Leisure	Investment method	Estimate rental value per square feet per month	RM1.75- RM1.80	Higher estimated rental, higher fair value.
		Estimated outgoings per square feet per month	RM0.05	
		Void allowance	5%	Higher range of inputs, lower fair value.
		Market yield rate	6.50%	
		Discount rate	6.50%	
	Cost Method	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-10.00% to 10.00%	Higher differential rate, lower fair value.
		Estimated replacement cost per square feet	RM90 to RM160	Higher estimated replacement cost, lower fair value.
		Depreciation rate	33.00% to 38.00%	Higher depreciation rate, lower fair value.

- (d) Methods of valuation

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

17. Investment properties (contd.)

(d) Methods of valuation (contd.)

Comparison method (contd.)

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 2017 (contd.)

18. Land held for property development

	Freehold land RM'000	Long term leasehold land RM'000	Development costs RM'000	Total RM'000
Group				
At 31 December 2017				
Cost				
At 1 January 2017	913,441	59,898	221,286	1,194,625
Additions	387,495	12,239	95,316	495,050
Net transfers (to)/from:				
- Property, plant and equipment (Note 15)	-	(4,398)	(261)	(4,659)
- Property development costs (Note 30)	-	-	78	78
Reclassifications	(113,322)	106,445	6,877	-
At 31 December 2017	1,187,614	174,184	323,296	1,685,094
Accumulated impairment losses				
At 1 January 2017	(745)	-	(2,368)	(3,113)
Reversal of impairment loss	146	-	-	146
At 31 December 2017	(599)	-	(2,368)	(2,967)
Carrying amount	1,187,015	174,184	320,928	1,682,127
At 31 December 2016				
Cost				
At 1 January 2016	960,916	45,363	190,800	1,197,079
Additions	17,424	8,814	49,010	75,248
Net transfers (to)/from property development costs (Note 30)	(69,757)	14,202	(4,454)	(60,009)
Disposals	(11,689)	(6,004)	-	(17,693)
Reclassifications	16,547	(2,477)	(14,070)	-
At 31 December 2016	913,441	59,898	221,286	1,194,625
Accumulated impairment losses				
At 1 January 2016	(599)	-	(2,368)	(2,967)
Impairment loss for the year	(146)	-	-	(146)
At 31 December 2016	(745)	-	(2,368)	(3,113)
Carrying amount	912,696	59,898	218,918	1,191,512

Land held for property development is classified within non-current assets and is stated at cost less any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

19. Investments in subsidiaries

	Company	
	2017 RM'000	2016 RM'000
At cost		
Unquoted ordinary shares	368,868	367,133
Unquoted preference shares	3,673,811	3,673,811
	4,042,679	4,040,944

- (a) Investment in subsidiary is stated in the separate financial statements at cost. Written put options 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.
- (b) All 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.
- (c) The Company and/or its subsidiaries review the investments in subsidiaries for impairment when there is an indication of impairment.

The recoverable amounts of the investments in subsidiaries are assessed by reference to the fair value less cost to sell of the underlying assets or the value-in-use of the respective subsidiaries.

The value-in-use is the net present value of the projected future cash flows derived from the business operations of the respective subsidiaries discounted at an appropriate pre-tax discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set of assumptions to support their income and cash flows. Judgement had also been used to determine the pre-tax discount rate for the cash flows and the future growth rate of the business of the entities.

- (d) During the financial year, the Group completed the following subscription and acquisition of shares as well as incorporation of companies:
- (i) On 25 January 2017, Sunway City Sdn. Bhd. ("SunCity"), a wholly-owned subsidiary of the Company, had acquired 100% equity interest in Sunway (Tianjin) Management Consultancy Co. Ltd. for a cash consideration of RMB2,999,984 (equivalent to RM1,964,000);
 - (ii) On 1 March 2017, Sunway Holdings Sdn. Bhd. ("SHSB"), a wholly-owned subsidiary of the Company, had incorporated a new subsidiary known as Sunway Money Sdn. Bhd. with paid-up share capital of RM2 comprising 2 ordinary shares;
 - (iii) On 3 March 2017, SHSB had subscribed 1,600,000 ordinary shares in Monumental Productions Sdn. Bhd., representing 80% equity interest, for cash consideration of RM1,600,000;
 - (iv) On 7 June 2017, SunCity had incorporated a new subsidiary known as Sunway Iskandar Medical Centre Sdn. Bhd. with paid-up share capital of RM2 comprising 2 ordinary shares;
 - (v) On 11 August 2017, SunCity had incorporated a new subsidiary known as Sunway Sustainability Solutions Sdn. Bhd. with paid-up share capital of RM2 comprising 2 ordinary shares;
 - (vi) On 3 October 2017, the Company had acquired 347,162 ordinary shares in Sunway Medical Centre Sdn. Bhd. for cash consideration of RM1,735,810;
 - (vii) On 9 October 2017, Sunway South Quay Sdn. Bhd. ("SSQ"), a subsidiary of SunCity had incorporated a new subsidiary known as Sunway Geo Sdn. Bhd. with paid-up share capital of RM2 comprising 2 ordinary shares;
 - (viii) On 10 October 2017, SHSB had acquired 100% equity interest in Bidara Cahaya Resources Sdn. Bhd. for cash consideration of RM1;

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

19. Investments in subsidiaries (contd.)

- (d) During the financial year, the Group completed the following subscription and acquisition of shares as well as incorporation of companies: (contd.)
- (ix) On 24 November 2017, Sunway Construction Sdn. Bhd. ("SunCon"), a wholly-owned subsidiary of Sunway Construction Group Berhad, which in turn is a 54.44% owned subsidiary of SHSB, had incorporated a new subsidiary known as Sunway Innopave (S) Pte. Ltd. with paid-up share capital of SGD100 comprising 100 ordinary shares;
 - (x) On 30 November 2017, Sunway City (S'pore) Pte. Ltd., a wholly-owned subsidiary of SunCity, had incorporated a new subsidiary known as Sunway Global Investment Pte. Ltd. with paid-up share capital of SGD0.06 comprising 1 ordinary share; and
 - (xi) On 15 December 2017, Sunway Lagoon Sdn. Bhd. ("SLSB"), a wholly owned subsidiary of SunCity had acquired the remaining 40% equity interest, representing 100,000 ordinary shares in SSQ for a total cash consideration of RM273,298,000. Pursuant to that, SLSB's interest in SSQ increased from 60% to 100% and SSQ became a wholly-owned subsidiary of the Group.
- (e) During the financial year, the following subsidiaries of the Group had been struck off and deregistered:
- (i) On 7 February 2017, Sunway Homes (MM2H) Sdn. Bhd., a wholly-owned subsidiary of SunCity, was struck off pursuant to Section 308 of the Companies Act, 1965;
 - (ii) On 10 February 2017, Sunway Property (China) Limited, a subsidiary of SHSB had been deregistered pursuant to Section 750 of Companies Ordinance of Hong Kong;
 - (iii) On 29 March 2017, Sunway Construction (S) Pte. Ltd., a wholly-owned subsidiary of SunCon, was struck off pursuant to Section 344A of the Singapore Companies Act, Cap. 50;
 - (iv) On 12 July 2017, Pembinaan Objektif (M) Sdn. Bhd., a wholly-owned subsidiary of SunCity, was struck off pursuant to Section 308 of the Companies Act, 1965; and
 - (v) On 6 November 2017, Sunway Geotechnics (S) Pte. Ltd., a wholly-owned subsidiary of SunCon, was struck off pursuant to Section 344A of the Singapore Companies Act, Cap. 50.
- (f) Disposal of PND Hardware & Trading Pte. Ltd.

On 11 October 2017, SHSB, a wholly owned subsidiary of the Company, had disposed 100% equity interest in PND Hardware & Trading Pte. Ltd. for cash consideration of SGD1,540,000 (equivalent to RM4,522,000).

The loss of disposal of the subsidiary during the financial year is as follows:

	2017 RM'000
Total disposal proceeds	4,522
Net assets disposed	(6,289)
Loss on disposal to the Group	(1,767)

The disposal has resulted in net cash outflow of SGD961,000 (equivalent to approximately RM2,927,000), which was represented by the cash and cash equivalents of the disposed subsidiary as at the date of disposal.

- (g) The other acquisitions, winding up and strike off of subsidiaries did not have any material effect on the financial results and position of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

19. Investments in subsidiaries (contd.)

(h) 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 2017

	Sunway PKNS Sdn. Bhd. Group RM'000	Sunway Semenyih Sdn. Bhd. RM'000	Sunway Construction Group Berhad Group RM'000	Sunway Velocity Mall Sdn. Bhd. RM'000	Total RM'000
Non-current assets	158,792	121,334	175,075	1,208,111	1,663,312
Current assets	237,757	6,249	1,718,913	14,479	1,977,398
Total assets	396,549	127,583	1,893,988	1,222,590	3,640,710
Non-current liabilities	3,179	-	7,009	501,854	512,042
Current liabilities	69,224	141	1,327,773	675,369	2,072,507
Total liabilities	72,403	141	1,334,782	1,177,223	2,584,549
Net assets	324,146	127,442	559,206	45,367	1,056,161
Equity attributable to owners of the parent	179,465	90,657	270,315	26,767	567,204
Non-controlling interests	144,681	36,785	288,891	18,600	488,957
Total equity	324,146	127,442	559,206	45,367	1,056,161

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

19. Investments in subsidiaries (contd.)

(h) (contd.)

(i) Summarised statements of financial position (contd.)

At 31 December 2016

	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	Sunway Velocity Mall Sdn. Bhd. RM'000	Total RM'000
Non-current assets	466,292	211,832	121,334	155,110	1,173,528	2,128,096
Current assets	614,956	245,285	14,526	1,442,185	7,240	2,324,192
Total assets	1,081,248	457,117	135,860	1,597,295	1,180,768	4,452,288
Non-current liabilities	4,079	3,349	-	608	-	8,036
Current liabilities	680,015	85,380	151	1,102,905	1,112,232	2,980,683
Total liabilities	684,094	88,729	151	1,103,513	1,112,232	2,988,719
Net assets	397,154	368,388	135,709	493,782	68,536	1,463,569
Equity attributable to owners of the parent	236,291	228,487	96,439	236,480	40,436	838,133
Non-controlling interests	160,863	139,901	39,270	257,302	28,100	625,436
Total equity	397,154	368,388	135,709	493,782	68,536	1,463,569

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

19. Investments in subsidiaries (contd.)

(h) (contd.)

(ii) Summarised statements of profit or loss and other comprehensive income

At 31 December 2017

	Sunway PKNS Sdn. Bhd. Group RM'000	Sunway Semenyih Sdn. Bhd. RM'000	Sunway Construction Group Berhad Group RM'000	Sunway Velocity Mall Sdn. Bhd. RM'000	Total RM'000
Revenue	18,334	-	2,076,290	79,125	2,173,749
Profit/(loss) for the year	(4,306)	1,720	140,634	(23,170)	114,878
Other comprehensive loss	-	-	(4,752)	-	(4,752)
Total comprehensive income/ (loss)	(4,306)	1,720	135,882	(23,170)	110,126
Profit/(loss) attributable to:					
- owners of the parent	(2,845)	1,204	76,868	(13,670)	61,557
- non-controlling interests	(1,461)	516	63,766	(9,500)	53,321
Total comprehensive income/ (loss) attributable to:					
- owners of the parent	(2,845)	1,204	72,116	(13,670)	56,805
- non-controlling interests	(1,461)	516	63,766	(9,500)	53,321

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

19. Investments in subsidiaries (contd.)

(h) (contd.)

(ii) Summarised statements of profit or loss and other comprehensive income (contd.)

At 31 December 2016

	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	Sunway Velocity Mall Sdn. Bhd. RM'000	Total RM'000
Revenue	491,154	70,969	-	1,788,844	88	2,351,055
Profit/(loss) for the year	119,306	77,402	719	123,638	(18,932)	302,133
Other comprehensive income	-	-	-	2,505	-	2,505
Total comprehensive income/(loss)	119,306	77,402	719	126,143	(18,932)	304,638
Profit/(loss) attributable to:						
- owners of the parent	68,071	50,791	503	67,219	(11,170)	175,414
- non- controlling interests	51,235	26,611	216	56,419	(7,762)	126,719
Total comprehensive income/(loss) attributable to:						
- owners of the parent	68,071	50,791	503	69,724	(11,170)	177,919
- non- controlling interests	51,235	26,611	216	56,419	(7,762)	126,719

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

19. Investments in subsidiaries (contd.)

(h) (contd.)

(iii) Summarised statements of cash flows

At 31 December 2017

	Sunway PKNS Sdn. Bhd. Group RM'000	Sunway Semenyih Sdn. Bhd. RM'000	Sunway Construction Group Berhad Group RM'000	Sunway Velocity Mall Sdn. Bhd. RM'000	Total RM'000
Net cash generated from/ (used in):					
- operating activities	20,096	2,087	66,692	39,432	128,307
- investing activities	67,738	-	34,537	(472,347)	(370,072)
- financing activities	(989)	(10,000)	(80,025)	439,047	348,033
Net increase/(decrease) in cash and cash equivalents	86,845	(7,913)	21,204	6,132	106,268
Effects of foreign exchange rates changes	-	-	703	-	703
Cash and cash equivalents at beginning of the year	26,224	13,491	465,333	663	505,711
Cash and cash equivalents at end of the year	113,069	5,578	487,240	6,795	612,682

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

19. Investments in subsidiaries (contd.)

(h) (contd.)

(iii) Summarised statements of cash flows (contd.)

At 31 December 2016

	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	Sunway Velocity Mall Sdn. Bhd. RM'000	Total RM'000
Net cash generated from/ (used in):						
- operating activities	66,002	(22,959)	59	85,616	(58,281)	70,437
- investing activities	78,408	61,288	12,460	306,463	68,278	526,897
- financing activities	(26,656)	(32,885)	-	(84,365)	(10,885)	(154,791)
Net increase/ (decrease) in cash and cash equivalents	117,754	5,444	12,519	307,714	(888)	442,543
Effects of foreign exchange rates changes	-	-	-	1,742	-	1,742
Cash and cash equivalents at beginning of the year	22,855	20,780	972	155,877	1,551	202,035
Cash and cash equivalents at end of the year	140,609	26,224	13,491	465,333	663	646,320

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

20. Investments in associates

	Group	
	2017 RM'000	2016 RM'000
Unquoted shares at cost	34,601	34,356
Quoted shares at cost	1,765,662	1,669,293
Quasi-equity loan (interest-free)	2,251	2,251
Share of post-acquisition distributable reserves	226,960	165,183
Share of non-distributable reserves	33,957	30,258
Unrealised profit arising from sale of assets to associate	(22,236)	(20,766)
	2,041,195	1,880,575
Less: Accumulated impairment losses	(151,696)	(151,696)
	1,889,499	1,728,879
Dividend received	106,836	102,448
Market value of quoted shares	2,244,640	1,932,870

- (a) Investment in associate is stated at cost less accumulated impairment losses in the separate financial statements while investment in associate is accounted for using the equity method of accounting in the consolidated financial statements.
- (b) 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 2017 have been used for the purpose of applying the equity method of accounting.
- (c) Details of the associates are as follows:

Name of companies	Country of incorporation	Principal activities	Effective interest in equity	
			2017 %	2016 %
(i) Associate of Sunway City (S'pore) Pte. Ltd.				
Sunway MAK International Private Limited #	India	Property development	26.35	26.35
(ii) Associate of Sunway Leisure Sdn. Bhd.				
Pyramid Bowl Sdn. Bhd. #	Malaysia	Bowling alley operator	40	40
(iii) 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 2017 (contd.)

20. Investments in associates (contd.)

(c) Details of the associates are as follows: (contd.)

			Effective interest in equity	
Name of companies	Country of incorporation	Principal activities	2017 %	2016 %
(iv) Associate of Fortuna Gembira Enterpris Sdn. Bhd.				
Gopeng Berhad #	Malaysia	Cultivation of oil palm, investment holding and property development	19.33	19.33
(v) Associate of Sunway Marketing Sdn. Bhd.				
Buildtrend B.S.G. (M) Sdn. Bhd. #	Malaysia	Distribution of architectural building products and sanitary wares	30	30
(vi) Associate of Sunway Builders Sdn. Bhd.				
ISZL Consortium #	Unincorporated	Construction	13.61	13.61
(vii) Associate of Sunway REIT Holdings Sdn. Bhd.				
Sunway Real Estate Investment Trust ("Sunway REIT")	Malaysia	Investment in real estate	39.27	37.34 *
(viii) Associate of Sunway Global Limited				
MGlory Pte. Ltd. #	Singapore	Property development	39.32	39.32
(ix) Associate of Monumental Productions Sdn. Bhd.				
Her Network Sdn. Bhd. #	Malaysia	Online digital video production	16.8	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

20. Investments in associates (contd.)

(c) Details of the associates are as follows: (contd.)

Name of companies	Country of incorporation	Principal activities	Effective interest in equity	
			2017 %	2016 %
(x) Associate of Sunway Construction Sdn. Bhd.				
IJM Construction Sdn. Bhd. - Jalinan Rejang Sdn. Bhd. - Maltimur Resources Sdn. Bhd. - Sunway Construction Sdn. Bhd. Consortium	Unincorporated	Dormant	13.61	-

Audited by firms of auditors other than BDO in Malaysia and BDO Member Firms

* Inclusive of 0.07% held by Sunway Berhad

(d) 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 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.

The Group holds a sixteen point eight percent (16.8%) interest in Her Network Sdn. Bhd. ("Her Network") for which the Group has determined that it holds significant influence as the Group has a representative on the Board of Directors of Her Network, who is able to participate in policy-making processes, including participation in decisions about dividends or other distributions.

Based on these, the Group considers that it has the power to exercise significant influence and has treated its interests in Gopeng and Her Network as associates.

(e) During the financial year, the Company had disposed 1,915,040 units in Sunway REIT in the open market for a total consideration of RM3,274,718.

During the financial year, Sunway REIT Holdings Sdn. Bhd., a wholly-owned subsidiary of the Company, had acquired 58,915,040 units (2016: 36,769,340 units) in Sunway REIT from the open market for a total consideration of RM99,434,718 (2016: RM52,029,024).

(f) During the previous financial year, the Company had received dividend payments in lieu of 2,994,160 units in Sunway REIT amounting to RM4,634,329 from Sunway REIT Management Sdn. Bhd., a joint venture of the Company.

(g) The fair value of quoted shares in Malaysia is determined by reference to the exchange quoted market prices at the close of the business on the reporting period.

(h) During the financial year, Monumental Productions Sdn. Bhd., an 80% owned subsidiary of Sunway Holdings Sdn. Bhd., subscribed 315,000 ordinary shares, representing 21% of the equity interest in Her Network Sdn. Bhd. for cash consideration of RM200,000 and a variable consideration of RM45,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

20. Investments in associates (contd.)

- (i) 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	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Non-current assets	218,366	218,770	6,805,213	6,538,325	7,023,579	6,757,095
Current assets	108,727	108,792	510,589	67,440	619,316	176,232
Total assets	327,093	327,562	7,315,802	6,605,765	7,642,895	6,933,327
Non-current liabilities	11,360	11,351	371,491	1,118,698	382,851	1,130,049
Current liabilities	3,464	2,595	2,728,154	1,428,505	2,731,618	1,431,100
Total liabilities	14,824	13,946	3,099,645	2,547,203	3,114,469	2,561,149
Net assets	312,269	313,616	4,216,157	4,058,562	4,528,426	4,372,178

- (ii) Summarised statements of profit or loss and other comprehensive income

	Gopeng		Sunway REIT		Total	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue	15,509	11,371	549,748	509,689	565,257	521,060
Profit before tax	5,808	3,983	439,424	322,949	445,232	326,932
Profit for the year	5,826	3,680	439,424	322,949	445,250	326,629
Comprehensive income	5,826	27,525	440,028	323,610	445,854	351,135

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

20. Investments in associates (contd.)

(i) (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	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Net assets at						
1 January	313,616	293,247	4,058,562	4,003,736	4,372,178	4,296,983
Capital injection	-	-	-	5,794	-	5,794
Comprehensive income for the year	5,826	27,525	440,028	323,610	445,854	351,135
Dividend paid during the year	(7,173)	(7,173)	(282,433)	(274,578)	(289,606)	(281,751)
Depreciation transfer on land, net of tax	-	17	-	-	-	17
Net assets at 31 December	312,269	313,616	4,216,157	4,058,562	4,528,426	4,372,178
Remeasurement gain*	-	-	352,960	352,960	352,960	352,960
Net assets after remeasurement gain at 31 December	312,269	313,616	4,569,117	4,411,522	4,881,386	4,725,138
Interest in associates as at year end	19.33%	19.33%	39.27%	37.34%		
	60,362	60,622	1,794,292	1,647,262	1,854,654	1,707,884
Elimination of gain on disposal of assets to an associate	-	-	(17,397)	(17,397)	(17,397)	(17,397)
Goodwill	-	-	524	2,580	524	2,580
Effect arising from change of shareholding	-	-	18,916	7,336	18,916	7,336
Carrying value of Group's interest in associates	60,362	60,622	1,796,335	1,639,781	1,856,697	1,700,403

* 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 2017 (contd.)

21. Investments in joint ventures

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Unquoted shares at cost	828,856	819,929	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)	683,171	570,943	-	-
Share of post-acquisition reserves	134,017	127,217	-	-
Share of non-distributable reserves	(581)	-	-	-
Unrealised profit arising from construction project to a joint venture	(3,936)	(8,687)	-	-
	1,658,173	1,526,048	800	800
Less: Accumulated impairment losses	(21,126)	(24,993)	-	-
	1,637,047	1,501,055	800	800
Dividend received	36,500	97,689	14,800	14,234

- (a) Investment in joint venture is stated at cost in the separate financial statements. The Group recognises its interest in a joint venture as an investment and accounts for that investment using the equity method.
- (b) 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.
- (c) Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	Principal activities	Effective interest in equity	
			2017 %	2016 %
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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

21. Investments in joint ventures (contd.)

(c) Details of the joint ventures are as follows: (contd.)

Name of joint ventures	Country of incorporation	Principal activities	Effective interest in equity	
			2017 %	2016 %
Joint ventures with Sunway City Sdn. Bhd. Group (contd.)				
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	60	60
Sunway Iskandar Development Sdn. Bhd. ^	Malaysia	Property development	60	60
Sunglobal Resources Sdn. Bhd. ^	Malaysia	Property development	55	-
Sunway Velocity Two Sdn. Bhd. (formerly known as Austral Meridian Property Sdn. Bhd.)	Malaysia	Property development	50	-
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
Sunway Daechang Forging Investment Limited #	Hong Kong	Investment holding	50	50
Silver Coast-Sunway Innopave J.V. # ^	Unincorporated	Construction works	32.66	32.65

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

21. Investments in joint ventures (contd.)

(c) Details of the joint ventures are as follows: (contd.)

Name of joint ventures	Country of incorporation	Principal activities	Effective interest in equity	
			2017 %	2016 %
Joint ventures with Sunway Holdings Sdn. Bhd. Group (contd.)				
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
Hoi Hup Sunway Novena Pte. Ltd. #@	Singapore	Real estate developer	30	30
Hoi Hup Sunway Mount Sophia Pte. Ltd. #@	Singapore	Real estate developer	30	30
Hoi Hup Sunway Sengkang 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	27.22	27.21
IJM Sunway Sdn. Bhd. #	Malaysia	Investment holding	27.22	27.21
Taisei - Sunway Joint Venture #	Unincorporated	Construction Works	27.22	-
HL - Sunway JV Pte. Ltd. #	Singapore	Dormant	26.68	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

21. Investments in joint ventures (contd.)

(c) Details of the joint ventures are as follows: (contd.)

Name of joint ventures	Country of incorporation	Principal activities	Effective interest in equity	
			2017 %	2016 %
Subsidiaries of Sunway Iskandar Sdn. Bhd.				
Sunway Nursery and Landscape Sdn. Bhd.	Malaysia	Nursery and landscaping	30	30
Sunway Marketplace Sdn. Bhd. ^	Malaysia	Property development	60	60
Sunway Parkview Sdn. Bhd. ^	Malaysia	Property development	60	60
Sunway Seafront Sdn. Bhd. ^	Malaysia	Property development	60	60
Associate of Sunway Iskandar Sdn. Bhd.				
Daiwa Sunway Development Sdn. Bhd. #	Malaysia	Property development	18	18

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 2017 (contd.)

21. Investments in joint ventures (contd.)

(d) 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 2017						
Non-current assets	686,600	914,713	1,628	547,470	416	2,150,827
Cash and cash equivalents	486,145	38,414	96,716	83	549	621,907
Other current assets	2,711,729	460,936	297,301	12,007	8,762	3,490,735
Current assets	3,197,874	499,350	394,017	12,090	9,311	4,112,642
Total assets	3,884,474	1,414,063	395,645	559,560	9,727	6,263,469
Current liabilities (excluding trade and other payables and provisions)	327,692	308,555	-	112,361	2,880	751,488
Trade and other payables and provisions	74,070	215,838	34,619	6,462	1,428	332,417
Total current liabilities	401,762	524,393	34,619	118,823	4,308	1,083,905
Non-current liabilities	2,883,700	303,069	-	252,703	-	3,439,472
Total liabilities	3,285,462	827,462	34,619	371,526	4,308	4,523,377
Non-controlling interests	-	1,704	-	-	-	1,704
Net assets	599,012	584,897	361,026	188,034	5,419	1,738,388

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

21. Investments in joint ventures (contd.)

(d) (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 2016						
Non-current assets	2,282,737	892,932	2,193	511,102	168	3,689,132
Cash and cash equivalents	1,450,841	17,768	141,226	550	163	1,610,548
Other current assets	971,986	303,019	297,211	7,528	8,396	1,588,140
Current assets	2,422,827	320,787	438,437	8,078	8,559	3,198,688
Total assets	4,705,564	1,213,719	440,630	519,180	8,727	6,887,820
Current liabilities (excluding trade and other payables and provisions)	18,459	577,967	-	49,560	1,335	647,321
Trade and other payables and provisions	484,256	55,228	56,024	41,519	2,621	639,648
Total current liabilities	502,715	633,195	56,024	91,079	3,956	1,286,969
Non-current liabilities	3,662,882	-	-	238,550	-	3,901,432
Total liabilities	4,165,597	633,195	56,024	329,629	3,956	5,188,401
Non-controlling interests	-	2,025	-	-	-	2,025
Net assets	539,967	578,499	384,606	189,551	4,771	1,697,394

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

21. Investments in joint ventures (contd.)

(d) (contd.)

(ii) Summarised statements of profit or loss and other 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 2017						
Revenue	1,891,792	134,377	-	-	34,194	2,060,363
Depreciation and amortisation	-	(395)	(1,248)	-	(86)	(1,729)
Interest income	3,105	298	3,462	-	292	7,157
Interest expense	(7,437)	(6)	-	-	-	(7,443)
Profit/(Loss) before tax	142,990	6,095	(9,795)	(1,517)	24,522	162,295
Income tax expense	(7,119)	(18)	-	-	(6,081)	(13,218)
Profit/(Loss) after tax	135,871	6,077	(9,795)	(1,517)	18,441	149,077
Other comprehensive loss	(13,018)	-	(13,785)	-	-	(26,803)
Total comprehensive income/(loss)	122,853	6,077	(23,580)	(1,517)	18,441	122,274
Dividend received from joint venture during the year	21,700	-	-	-	14,800	36,500
Profit/(Loss) after tax attributable to:						
Joint venturers	135,871	6,398	(9,795)	(1,517)	18,441	149,398
Non-controlling interests	-	(321)	-	-	-	(321)
	135,871	6,077	(9,795)	(1,517)	18,441	149,077
Total comprehensive income/(loss) attributable to:						
Joint venturers	122,853	6,398	(23,580)	(1,517)	18,441	122,595
Non-controlling interests	-	(321)	-	-	-	(321)
	122,853	6,077	(23,580)	(1,517)	18,441	122,274

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

21. Investments in joint ventures (contd.)

(d) (contd.)

(ii) Summarised statements of profit or loss and other comprehensive income (contd.)

	Hoi Hup Group RM'000	Sunway Iskandar Sdn. Bhd. RM'000	Tianjin Eco-City Sunway Property Development Co. Ltd. RM'000	Sunway Iskandar Development Sdn. Bhd. RM'000	Sunway REIT Management Sdn. Bhd. RM'000	Total RM'000
At 31 December 2016						
Revenue	1,068,134	97,377	187,932	-	31,152	1,384,595
Depreciation and amortisation	-	(337)	(929)	-	(330)	(1,596)
Interest income	5,921	899	1,515	72	168	8,575
Interest expense	-	(5)	-	-	-	(5)
Profit/(Loss) before tax	250,547	(3,203)	12,648	(1,540)	22,122	280,574
Income tax expense	(42,612)	(1,293)	-	-	(5,325)	(49,230)
Profit/(Loss) after tax	207,935	(4,496)	12,648	(1,540)	16,797	231,344
Other comprehensive loss	9,943	-	(9,487)	-	-	456
Total comprehensive income/(loss)	217,878	(4,496)	3,161	(1,540)	16,797	231,800
Dividend received from joint venture during the year	81,655	-	-	-	14,234	95,889
Profit/(Loss) after tax attributable to:						
Joint venturers	207,935	(4,104)	12,648	(1,540)	16,797	231,736
Non-controlling interests	-	(392)	-	-	-	(392)
Total comprehensive income/(loss) attributable to:						
Joint venturers	217,878	(4,104)	3,161	(1,540)	16,797	232,192
Non-controlling interests	-	(392)	-	-	-	(392)
	217,878	(4,496)	3,161	(1,540)	16,797	231,800

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

21. Investments in joint ventures (contd.)

(d) (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 2017						
Net assets at 1 January	539,967	578,499	384,606	189,551	4,771	1,697,394
Capital injection	8,524	-	-	-	-	8,524
Total comprehensive income/(loss) attributable to joint venturers	122,853	6,398	(23,580)	(1,517)	18,441	122,595
Dividend paid during the year	(72,332)	-	-	-	(17,793)	(90,125)
Net assets at 31 December	599,012	584,897	361,026	188,034	5,419	1,738,388
Alignment to Group accounting policies	(143,687)	-	-	-	-	(143,687)
Foreign currency translation reserves	(124,566)	-	-	-	-	(124,566)
Interest in joint ventures as at year end	330,759	584,897	361,026	188,034	5,419	1,470,135
	30%	60%	60%	60%	80%	
	99,228	350,938	216,616	112,820	4,335	783,937
Effect arising from change of shareholding	-	1,628	(482)	-	-	1,146
Unrealised profit arising from construction project to a joint venture	-	(3,362)	-	(574)	-	(3,936)
Goodwill	-	8,556	-	-	-	8,556
Remeasurement gain	-	-	-	-	108,370	108,370
Quasi-equity loan	683,171	-	-	-	-	683,171
Carrying value of Group's interest in joint ventures	782,399	357,760	216,134	112,246	112,705	1,581,244

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

21. Investments in joint ventures (contd.)

(d) (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 2016						
Net assets at 1 January	590,541	524,030	381,445	191,091	5,767	1,692,874
Capital injection	3,732	58,573	-	-	-	62,305
Total comprehensive income/(loss) attributable to joint venturers	217,878	(4,104)	3,161	(1,540)	16,797	232,192
Dividend paid during the year	(272,184)	-	-	-	(17,793)	(289,977)
Net assets at 31 December	539,967	578,499	384,606	189,551	4,771	1,697,394
Alignment to Group accounting policies	(146,188)	-	-	-	-	(146,188)
Foreign currency translation reserves	(144,385)	-	-	-	-	(144,385)
Interest in joint ventures as at year end	249,394 30%	578,499 60%	384,606 60%	189,551 60%	4,771 80%	1,406,821
	74,818	347,099	230,764	113,731	3,817	770,229
Effect arising from change of shareholding	-	1,628	-	-	-	1,628
Unrealised profit arising from construction project to a joint venture	-	(8,687)	-	-	-	(8,687)
Goodwill	-	8,556	-	-	-	8,556
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	645,761	348,596	226,897	113,731	112,187	1,447,172

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

21. Investments in joint ventures (contd.)

- (e) The details of goodwill included within the Group's carrying amount of investments in joint ventures are as follows:

	2017 RM'000	2016 RM'000
Cost		
Arising from investment in a joint venture and as at 31 December	10,748	10,748

- (f) On 24 February 2017, Sunway City Sdn. Bhd. ("SunCity"), a wholly-owned subsidiary of the Company, had subscribed 500,001 ordinary shares in Sunway Velocity Two Sdn. Bhd. (formerly known as Austral Meridian Property Sdn. Bhd.) for cash consideration of RM500,001;
- (g) On 3 August 2017, SunCity had acquired 100% equity interest in Sunglobal Resources Sdn. Bhd. for cash consideration of RM1. Subsequently on 12 December 2017, SunCity had subscribed 274,999 ordinary shares and 8,151,550 non-cumulative redeemable preference shares in Sunglobal Resources Sdn. Bhd., which represents 55% equity interest in Sunglobal Resources Sdn. Bhd. for a total cash consideration of RM8,426,549; and
- (h) The Company assessed whether there are any indicators of impairment during the financial year. In doing this, management considered the current environment and performance of the Cash Generating Units ("CGUs").

Management has made estimates about the future results and key assumptions applied to cash flow forecasts of the CGUs in determining their recoverable amounts using the value-in-use model. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rate.

During the financial year, impairment loss of RM3,867,000 was reversed due to improving business operations.

22. Goodwill

	Group	
	2017 RM'000	2016 RM'000
Cost		
At beginning of financial year	341,413	340,344
Acquisition of subsidiaries	-	1,069
Acquisition of business	500	-
At end of financial year	341,913	341,413
Accumulated impairment losses		
At beginning of financial year	(29,573)	(20,284)
Impairment loss for the year	(498)	(9,289)
At end of financial year	(30,071)	(29,573)
Net carrying amount	311,842	311,840

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

22. Goodwill (contd.)

Allocation of goodwill

Goodwill has been allocated to the cash-generating units ('CGU') of the Group, according to business segments as follows:

	2017 RM'000	2016 RM'000
Property investment *	185,329	185,329
Construction	74,080	74,080
Quarry	40,149	40,647
Property development	247	247
Others	12,037	11,537
	311,842	311,840

* 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.

An impairment loss on goodwill amounting to RM498,000 (2016: RM9,289,000) has been recognised during the financial year due to declining business operations of the subsidiary.

Key assumptions used in value-in-use calculations

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 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 three-year period. The key assumptions used for value-in-use calculations for the major business segments are:

	Quarry %	Construction %	Property investment %
At 31 December 2017			
Gross margin	13.6	10.8	41.8
Growth rate	13.8	-	10.6
Discount rate	10.0	10.0	10.0
At 31 December 2016			
Gross margin	20.5	11.6	43.8
Growth rate	15.4	-	7.6
Discount rate	10.0	10.0	10.0

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

22. Goodwill (contd.)

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year adjusted for expected efficiency improvements 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 three years and the growth rate after the third year is assumed to be zero. The effect of changes to the parameters is not material to the growth rate used.

(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.

23. Deferred tax

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
At beginning of financial year	23,803	7,172	-	-
Recognised in profit or loss (Note 12)	(2,984)	16,831	-	-
Disposal of a subsidiary	(45)	-	-	-
Exchange differences	(271)	(200)	-	-
At end of financial year	20,503	23,803	-	-
Presented after appropriate offsetting as follows:				
Deferred tax assets, net*	(100,828)	(70,758)	-	-
Deferred tax liabilities, net*	121,331	94,561	-	-
	20,503	23,803	-	-

* The amount of set-off between deferred tax assets and deferred tax liabilities was RM117,515,000 (2016: RM54,782,000) for the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

23. Deferred tax (contd.)

(a) 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 2016	(43,696)	(17,768)	(19,031)	(15,416)	(1,233)	(30,027)	(127,171)
Recognised in profit or loss	16,835	1,603	2,607	(21,285)	16	2,205	1,981
Exchange differences	-	-	-	-	-	(350)	(350)
At 31 December 2016	(26,861)	(16,165)	(16,424)	(36,701)	(1,217)	(28,172)	(125,540)
Recognised in profit or loss	(67,327)	12,442	(27,201)	15,879	(3)	(26,743)	(92,953)
Exchange differences	-	-	(1)	-	(21)	172	150
At 31 December 2017	(94,188)	(3,723)	(43,626)	(20,822)	(1,241)	(54,743)	(218,343)

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 2016	32,021	5,276	87,759	9,287	134,343
Recognised in profit or loss	4,881	(5,276)	17,071	(1,826)	14,850
Exchange differences	-	-	-	150	150
At 31 December 2016	36,902	-	104,830	7,611	149,343
Recognised in profit or loss	60,185	-	30,150	(366)	89,969
Disposal of a subsidiary	(45)	-	-	-	(45)
Exchange differences	-	-	-	(421)	(421)
At 31 December 2017	97,042	-	134,980	6,824	238,846

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

23. Deferred tax (contd.)

(b) Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Unused tax losses	165,223	136,355	-	-
Unabsorbed capital allowances	67,999	64,314	1,162	1,030
Unused investment tax allowances	552,021	605,016	-	-
Other deductible temporary differences	606,380	604,303	769	592
	1,391,623	1,409,988	1,931	1,622

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.

24. Trade receivables

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Non-current				
Finance lease receivables	-	66	-	-
Hire purchase receivables	3,481	3,461	-	-
Loans and advances	50,938	26,853	-	-
	54,419	30,380	-	-
Less: Allowance for impairment	(3,012)	-	-	-
	51,407	30,380	-	-
Current				
Third parties	1,443,072	1,086,031	-	-
Retention sums	295,694	224,404	-	-
Finance lease receivables	2,037	2,409	-	-
Hire purchase receivables	2,389	3,004	-	-
Loans and advances	19,865	19,961	-	-
Amounts due from customers on contracts (Note 43)	76,057	134,391	-	-
Accrued billings in respect of property development costs	181,332	142,698	-	-
	2,020,446	1,612,898	-	-
Less: Allowance for impairment	(90,251)	(61,900)	-	-
	1,930,195	1,550,998	-	-
Total trade receivables	1,981,602	1,581,378	-	-
Total trade receivables	1,981,602	1,581,378	-	-
Other receivables (Note 25)	301,907	359,892	11,855	9,413
Amounts due from subsidiaries (Note 33)	-	-	1,747,544	1,053,396
Amounts due from associates	41,904	39,194	824	5
Amounts due from joint ventures	551,887	780,559	1,520	1,857
Cash and bank balances (Note 32)	2,390,898	1,950,420	736,164	439,275
Total loans and receivables carried forward	5,268,198	4,711,443	2,497,907	1,503,946

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

24. Trade receivables (contd.)

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Total loans and receivables brought forward	5,268,198	4,711,443	2,497,907	1,503,946
Less:				
Amounts due from customers on contracts (Note 43)	(76,057)	(134,391)	-	-
Prepayments (Note 25)	(65,766)	(59,798)	(5,321)	(6,363)
Accrued billings in respect of property development costs	(181,332)	(142,698)	-	-
Total loans and receivables	4,945,043	4,374,556	2,492,586	1,497,583

- (a) Included in trade receivables is the following amount due from a related party:

	Group	
	2017 RM'000	2016 RM'000
Sunway Technology Sdn. Bhd. Group	2,739	5,607

The amount due from a related party is unsecured, non-interest bearing and the credit period is generally for a period of 14 days to 120 days (2016: 14 days to 120 days). The relationship with the related party is as disclosed in Note 53 to the financial statements.

- (b) Financial assets classified as loans and receivables are measured at amortised cost using the effective interest method.
- (c) 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 (2016: 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.
- (d) The repayment terms of finance lease receivables, hire purchase receivables and loan and advances are as follows:

	Group	
	2017 RM'000	2016 RM'000
Finance lease receivables:		
Not later than 1 year	2,050	2,424
Later than 1 year and not later than 5 years	-	69
	2,050	2,493
Less: Unearned interest	(13)	(18)
	2,037	2,475
Representing finance lease receivables:		
Not later than 1 year	2,037	2,409
Later than 1 year and not later than 5 years	-	66
	2,037	2,475

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

24. Trade receivables (contd.)

- (d) The repayment terms of finance lease receivables, hire purchase receivables and loan and advances are as follows: (contd.)

	Group	
	2017 RM'000	2016 RM'000
Hire purchase receivables:		
Not later than 1 year	2,704	3,356
Later than 1 year and not later than 5 years	3,763	3,709
	6,467	7,065
Less: Unearned interest	(597)	(600)
	5,870	6,465
Representing hire purchase receivables:		
Not later than 1 year	2,389	3,004
Later than 1 year and not later than 5 years	3,481	3,461
	5,870	6,465
Loans and advances:		
Not later than 1 year	19,865	19,961
Later than 1 year and not later than 5 years	36,584	26,853
Later than 5 years	14,354	-
	70,803	46,814

- (e) Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2017 RM'000	2016 RM'000
Neither past due nor impaired	1,676,075	1,335,895
1 to 30 days past due not impaired	110,633	95,380
31 to 60 days past due not impaired	80,431	56,627
61 to 90 days past due not impaired	37,033	28,793
91 to 120 days past due not impaired	19,119	20,701
More than 120 days past due not impaired	58,311	43,982
	305,527	245,483
Past due and impaired	93,263	61,900
	2,074,865	1,643,278

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

24. Trade receivables (contd.)

(e) Ageing analysis of trade receivables (contd.)

Receivables that are past due not impaired

Trade receivables that are past due not impaired relate to customers for whom there is no objective evidence that the receivables are not fully recoverable. No impairment has been made on these amounts as the Group is closely monitoring these receivables and is confident of their eventual recovery.

Receivables that are past due and impaired

The Group's trade receivables that are past due and impaired at the end of the reporting period 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 2017			
Trade receivables - nominal amounts	17,355	75,908	93,263
Less: Allowance for impairment	(17,355)	(75,908)	(93,263)
	-	-	-
As at 31 December 2016			
Trade receivables - nominal amounts	5,610	56,290	61,900
Less: Allowance for impairment	(5,610)	(56,290)	(61,900)
	-	-	-

The reconciliation of movements in allowance for impairment accounts is as follows:

	Group	
	2017 RM'000	2016 RM'000
At beginning of financial year	61,900	64,254
Charge for the year	38,949	14,015
Reversal of impairment losses	(6,260)	(10,385)
Written off	(1,025)	(6,345)
Exchange differences	(251)	312
Disposal of subsidiaries	(50)	49
At end of financial year	93,263	61,900

Trade receivables that are individually determined to be impaired at the end of the reporting period 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.

The Group assesses at the end of the reporting period 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

24. Trade receivables (contd.)

- (f) 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 end of the reporting period are as follows:

	2017		2016	
	RM'000	% of total	RM'000	% of total
Group				
By country:				
Malaysia	1,828,773	92.29%	1,387,979	87.78%
Singapore	68,915	3.48%	113,803	7.20%
China	51,023	2.57%	43,390	2.74%
India	4,830	0.24%	9,728	0.62%
Indonesia	12,253	0.62%	12,160	0.77%
Australia	5,625	0.28%	6,393	0.40%
Thailand	4,761	0.24%	5,610	0.35%
United States of America	1,883	0.10%	711	0.04%
Vietnam	503	0.03%	666	0.04%
Others	3,036	0.15%	938	0.06%
	1,981,602	100.00%	1,581,378	100.00%
By segment:				
Property development	455,507	22.98%	411,690	26.03%
Property investment	3,380	0.17%	3,745	0.24%
Construction	974,259	49.17%	691,328	43.72%
Trading and marketing	243,683	12.30%	255,502	16.16%
Quarry	57,411	2.90%	55,580	3.51%
Others	247,362	12.48%	163,533	10.34%
	1,981,602	100.00%	1,581,378	100.00%

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.

- (g) At the end of the reporting period, the interest rate profile of the interest-bearing trade receivables was:

	Group	
	2017 RM'000	2016 RM'000
Fixed rate	78,710	55,754

Sensitivity analysis for fixed rate trade receivables at the end of the reporting period is not presented as it is not affected by changes in interest rates.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

24. Trade receivables (contd.)

- (h) The carrying amounts of trade receivables of the Group as at the end of the reporting period that do not approximate their fair values are:

	Group	
	Carrying amount RM'000	Fair value RM'000
At 31 December 2017		
Hire purchase receivables (Non-current)	2,902	2,535
Loans and advances (Non-current)	48,505	41,342
At 31 December 2016		
Finance lease receivables (Non-current)	66	63
Hire purchase receivables (Non-current)	3,461	3,420
Loans and advances (Non-current)	26,853	24,034

- (i) The fair values of finance lease receivables, hire purchase receivables and loans and advances are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

25. Other receivables

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Non-current				
Receivable	11,351	19,380	-	-
Current				
Deposits	74,319	41,617	106	106
Prepayments (Note 24)	65,766	59,798	5,321	6,363
Receivables	182,082	273,579	6,428	2,944
	322,167	374,994	11,855	9,413
Less: Allowance for impairment	(31,611)	(34,482)	-	-
	290,556	340,512	11,855	9,413
Total other receivables (Note 24)	301,907	359,892	11,855	9,413

- (a) Included in other receivables is the following amount due from a related party:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Sunway Technology Sdn. Bhd. Group	102	96	84	80

The amount due from a related party is unsecured, non-interest bearing and repayable based on credit terms granted. The relationship with the related party is as disclosed in Notes 52 and 53 to the financial statements.

- (b) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

25. Other receivables (contd.)

(c) The reconciliation of movements in allowance for impairment accounts is as follows:

	Group	
	2017 RM'000	2016 RM'000
At beginning of financial year	34,482	34,405
Charge for the year	-	473
Reversal of impairment losses	(1,103)	(200)
Written off	(1,768)	(196)
At end of financial year	31,611	34,482

26. Derivatives

	Note	Contract/ Notional amount RM'000	Asset RM'000	Liabilities RM'000
Group				
As at 31 December 2017				
Non-current				
Forward currency contracts	(b)(ii)	35,127	-	(926)
Cross currency swap	(b)(iv)	361,258	34,181	(3,570)
		396,385	34,181	(4,496)
Current				
Interest rate swap	(b)(i)	100,000	-	(45)
Forward currency contracts	(b)(ii)	26,062	-	(919)
Cross currency swap	(b)(iv)	1,710,645	68,378	(47,351)
		1,836,707	68,378	(48,315)
Total derivatives		2,233,092	102,559	(52,811)
As at 31 December 2016				
Non-current				
Interest rate swap	(b)(i)	100,000	-	(74)
Forward currency contracts	(b)(ii)	1,654	15	-
Cross currency swap	(b)(iv)	900,838	164,696	(3,570)
		1,002,492	164,711	(3,644)
Current				
Interest rate swap	(b)(i)	816,130	930	(1,724)
Forward currency contracts	(b)(ii)	84,690	2,297	(3,724)
Commodities futures	(b)(iii)	1,892	380	-
Cross currency swap	(b)(iv)	1,681,901	339,337	(112)
		2,584,613	342,944	(5,560)
Total derivatives		3,587,105	507,655	(9,204)

(a) Derivatives are classified as at fair value through profit or loss, and subsequently remeasured to fair value with changes in fair value being recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

26. Derivatives (contd.)

(b) During the financial year, the Group entered into derivatives as follows:

(i) Interest rate swap

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 3.62% (2016: 3.80%) per annum.

The fair values of the interest rate swap contracts are determined by using the mark to market values at the end of the reporting period and changes in the fair value is recognised in the profit or loss.

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.

(ii) Foreign currency forward contracts

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.

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.

(iii) Commodities futures

The commodities futures were entered into with the objective of managing and hedging the respective exposure of the Group's resource-based manufacturing segment.

The fair values of the commodities futures contracts are determined by using the mark to market values at the end of the reporting period and changes in the fair value is recognised in the profit or loss.

(iv) Cross currency swap contracts

The Group 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.

Cross currency swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties and interest rate curves.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

26. Derivatives (contd.)

- (c) The maturity profile of the Group's derivative liabilities at the end of the reporting period based on contractual undiscounted repayment obligations is summarised in the table below:

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
As at 31 December 2017				
Derivatives - settled net	48,315	4,496	-	52,811
As at 31 December 2016				
Derivatives - settled net	5,560	3,644	-	9,204

- (d) Derivatives are categorised as Level 2 in the fair value hierarchy.

27. Rock reserves

	Group	
	2017 RM'000	2016 RM'000
At beginning of financial year	6,394	6,657
Amortisation during the financial year	(263)	(263)
At end of financial year	6,131	6,394

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

28. Other investments

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Non-current					
At cost					
- Unquoted ordinary shares		1,832	1,252	-	-
Fair value					
Available-for-sale financial assets:					
- Quoted ordinary shares	(b)	-	6	-	3,294
- Corporate memberships	(c)	591	828	78	81
		2,423	2,086	78	3,375
Less: Accumulated					
impairment losses		(1,610)	(1,610)	-	-
		813	476	78	3,375

- (a) All regular way purchases and sales of financial assets (including loans and receivables) 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.
- (b) Fair value of quoted ordinary shares in Malaysia is determined by reference to the exchange quoted market prices at the close of the business on the reporting date.
- (c) The fair value of quoted ordinary shares of the Group and of the Company is categorised as Level 1 in the fair value hierarchy. The fair value of corporate memberships of the Group is categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- (d) It is not practical to determine the fair values of non-current unquoted ordinary shares because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs. In addition, the amount of non-current unquoted shares is immaterial to the Group.

29. Biological assets

All items of biological assets are initially recorded at cost. 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%.

Biological assets consist of animals in petting zoos operated by subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

30. Property development costs

	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
Group					
At 31 December 2017					
At beginning of financial year	627,285	305,262	3,460,553	(3,221,814)	1,171,286
Costs incurred during the year:	5,071	17,533	651,042	-	673,646
Recognised during the year (Note 6)	-	-	-	(603,284)	(603,284)
Reversal of over-accrued costs	-	-	(35,004)	-	(35,004)
Exchange differences	-	(1,159)	(7,397)	8,289	(267)
Reclassifications	(9,780)	30,052	(20,272)	-	-
Net transfers to					
Land held for property development (Note 18)	-	-	(78)	-	(78)
Inventories	(3,293)	(2,625)	(34,131)	-	(40,049)
Investment properties (Note 17)	-	(7,437)	(44,238)	-	(51,675)
Investment properties under construction (Note 17)	-	-	(1,429)	-	(1,429)
Property, plant and equipment (Note 15)	(39,775)	-	(40,000)	-	(79,775)
Reversal of completed projects	(68,324)	(488)	(604,960)	673,772	-
Property development costs at end of financial year	511,184	341,138	3,324,086	(3,143,037)	1,033,371

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

30. Property development costs (contd.)

	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
Group					
At 31 December 2016					
At beginning of financial year	541,164	309,542	2,724,608	(2,597,315)	977,999
Costs incurred during the year:	6,666	51,748	798,723	-	857,137
Recognised during the year (Note 6)	-	-	-	(654,201)	(654,201)
Reversal of over-accrued costs	(17,655)	-	(6,413)	-	(24,068)
Exchange differences	-	(1,212)	(8,421)	9,444	(189)
Reclassifications	40,034	(40,614)	580	-	-
Net transfers from/(to)					
Land held for property development (Note 18)	69,757	(14,202)	4,454	-	60,009
Investment properties under construction (Note 17)	-	-	(45,401)	-	(45,401)
Reversal of completed projects	(12,681)	-	(7,577)	20,258	-
Property development costs at end of financial year	627,285	305,262	3,460,553	(3,221,814)	1,171,286

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

30. Property development costs (contd.)

Interest expense capitalised in the previous financial year under development costs of the Group amounted to RM636,000 at interest rates ranging from 5.47% to 5.63%.

31. Inventories

	Group	
	2017	2016
	RM'000	RM'000
At cost		
Properties held for sale	204,163	191,058
Trading inventories	311,428	311,442
Food and beverages	2,243	2,130
Consumables	3,620	2,727
Raw materials	22,478	22,118
Work in progress	1,912	1,788
Finished goods	89,530	77,465
	635,374	608,728
At net realisable value		
Properties held for sale	16,810	19,586
Trading inventories	29,155	41,651
	45,965	61,237
	681,339	669,965

- (a) Costs of trading inventories, food and beverages and consumables are determined on a weighted average basis, while cost of raw material, work in progress and finished goods is determined on a weighted average and first in, first out basis.
- (b) A write down of inventories to net realisable value and written off of inventories of RM1,286,000 (2016: RM1,262,000) and RM775,000 (2016: RM3,022,000) respectively were made during the year.
- (c) The Group reversed RM730,000 (2016: RM51,000) 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.

32. Cash and bank balances and placement in funds

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances				
Cash at banks and on hand	528,418	589,447	6,869	4,833
Deposits with:				
Licensed banks	65,121	85,278	20	20
Other financial institutions	1,797,359	1,275,695	729,275	434,422
Total cash and bank balances (Note 24)	2,390,898	1,950,420	736,164	439,275
Placement in funds	2,035,734	2,129,635	529,511	838,822

- (a) Included in cash at banks of the Group are amounts of RM125,286,000 (2016: RM163,442,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are restricted from use in other operations.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

32. Cash and bank balances and placement in funds (contd.)

- (b) The weighted average effective interest rates are as follows:

	Group		Company	
	2017	2016	2017	2016
	%	%	%	%
Deposits with licensed banks	1.96	2.87	2.98	3.15
Deposits with other financial institutions	3.90	3.53	3.91	3.46

- (c) The weighted average effective average maturity days are as follows:

	Group		Company	
	2017	2016	2017	2016
Deposits with licensed banks	117	104	182	186
Deposits with other financial institutions	10	37	6	17

- (d) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	2,390,898	1,950,420	736,164	439,275
Bank overdrafts (Note 37)	(133,707)	(71,311)	-	-
Deposits with licensed banks and other financial institutions with maturity of over 3 months	(12,263)	(54,953)	(6,033)	(54,953)
Total cash and cash equivalents	2,244,928	1,824,156	730,131	384,322

- (e) At the end of the reporting period, the interest rate profile of the cash and bank balances was:

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Fixed rate	66,221	85,278	20	20
Variable rate	1,921,545	1,439,137	729,275	434,422

Sensitivity analysis for fixed rate cash and bank balances at the end of the reporting period is not presented as it is not affected by changes in interest rates.

A change of 25 basis points in interest rates, assuming all other variables remained constant, at the end of the reporting period would result in the profit net of tax of the Group and of the Company to be higher/(lower) by RM3,651,000 (2016: RM2,734,000) and RM1,386,000 (2016: RM825,000) respectively.

- (f) Placement in funds are classified as at fair value through profit or loss, and subsequently remeasured to fair value with changes in fair value being recognised in profit or loss. The fair value is categorised as Level 1 in fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

33. Amounts due from/(to) subsidiaries

	Company	
	2017	2016
	RM'000	RM'000
Current assets		
Interest bearing amounts	1,671,598	969,192
Non-interest bearing amounts	75,946	84,204
Total amounts due from subsidiaries (Note 24)	1,747,544	1,053,396
Current liabilities		
Non-interest bearing amounts	(5,557)	(858)
Total amounts due to subsidiaries (Note 38)	(5,557)	(858)

- (a) The amounts due from subsidiaries are unsecured, repayable on demand and non-interest bearing except for interest bearing amounts, which bear interest at rates ranging from 3.10% to 7.55% (2016: 3.15% to 7.55%) per annum.
- (b) The amounts due to subsidiaries are unsecured, interest free and repayable on demand.
- (c) At the end of the reporting period, the interest rate profile of the interest-bearing amounts due from subsidiaries was:

	Company	
	2017	2016
	RM'000	RM'000
Variable rate	1,671,598	969,192

A change of 25 basis points in interest rates, assuming all other variables remained constant, at the end of the reporting period would result in the profit net of tax to be higher/(lower) by RM3,176,000 (2016: RM1,841,000).

- (d) The maturity profile of amounts due to subsidiaries of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one year.

34. Amounts due from/(to) associates

The amounts due from/(to) associates of the Group and of the Company are unsecured, non-interest bearing and the term of repayment is on demand.

The maturity profile of amounts due to associates of the Group at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

35. Amounts due from/(to) joint ventures

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Non-current				
Amounts due from joint ventures	183,201	-	-	-
Current				
Amounts due from joint ventures	551,887	780,559	1,520	1,857
	735,088	780,559	1,520	1,857
Current				
Amounts due to joint ventures	58,601	43,991	11	-

- (a) 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 amounts from joint ventures of RM624,297,000 (2016: RM591,014,000), which bears an interest rate of 5.07% (2016: 4.77%) per annum.
- (b) At the end of the reporting period, the interest rate profile of the interest-bearing amounts due from joint ventures was:

	Group	
	2017	2016
	RM'000	RM'000
Fixed rate	624,297	591,014

Sensitivity analysis for fixed rate amounts due from joint ventures at the end of the reporting period is not presented as it is not affected by changes in interest rates.

- (c) The maturity profile of amounts due to joint ventures of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one year.

36. Assets of disposal group classified as held for sale

On 3 August 2017, the Group entered into negotiations with RHB Trustees Berhad ("Trustee"), as Trustee for Sunway REIT, to dispose Sunway Clio property. Accordingly, management had classified the said property as held for sale in accordance with the requirements of FRS 5.

	Group
	2017
	RM'000
Property, plant and equipment (Note 15)	294,283

Further information on this disposal can be referred to in note 55(a)(iv). The disposal had been completed as at the date of this report.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

37. Borrowings

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Short term borrowings					
Secured:					
Bank overdrafts		133,707	71,311	-	-
Bankers' acceptances		17,424	100,606	-	-
Term loans		1,522,955	2,173,198	-	-
Revolving credits		487,475	267,945	-	-
		2,161,561	2,613,060	-	-
Less: Unamortised transaction costs		(127)	(262)	-	-
		2,161,434	2,612,798	-	-
Unsecured:					
Bankers' acceptances		120,492	-	-	-
Term loans		298,411	6,106	-	-
Revolving credits		310,000	-	80,000	-
Commercial papers		1,880,000	1,953,000	980,000	618,000
Medium term notes		1,278	150,000	-	150,000
Bills discounting		134,659	136,515	-	-
Bills payable		4,223	-	-	-
		2,749,063	2,245,621	1,060,000	768,000
		4,910,497	4,858,419	1,060,000	768,000
Long term borrowings					
Secured:					
Term loans		1,178,200	1,632,125	-	-
Medium term notes		480,000	-	-	-
		1,658,200	1,632,125	-	-
Less: Unamortised transaction costs		(90)	(129)	-	-
		1,658,110	1,631,996	-	-
Unsecured:					
Medium term notes		1,690,000	920,000	610,000	450,000
		3,348,110	2,551,996	610,000	450,000
Total borrowings					
Bank overdrafts	32	133,707	71,311	-	-
Term loans	(h)(i)	2,999,566	3,811,429	-	-
Revolving credits	(h)(ii)	797,475	267,945	80,000	-
Medium term notes	(h)(iii)	2,171,278	1,070,000	610,000	600,000
Commercial papers		1,880,000	1,953,000	980,000	618,000
Bankers' acceptances		137,916	100,606	-	-
Bills discounting		134,659	136,515	-	-
Bills payable		4,223	-	-	-
		8,258,824	7,410,806	1,670,000	1,218,000
Less: Unamortised transaction costs		(217)	(391)	-	-
	38	8,258,607	7,410,415	1,670,000	1,218,000

(a) Borrowings of the Group amounting to RM3,367,064,000 (2016: RM2,429,180,000) were Islamic financing facilities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

37. Borrowings (contd.)

- (b) The Company provides financial guarantees to financial institutions for borrowings amounting to RM5,746,649,000 (2016: RM5,661,627,000) obtained by its subsidiaries.

The fair value of the financial guarantees is immaterial and 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.
- (c) The weighted average interest rates per annum of borrowings that were effective as at the end of the reporting period were as follows:

	Group		Company	
	2017	2016	2017	2016
	%	%	%	%
Bank overdrafts	6.00	5.71	-	-
Term loans	3.99	3.82	-	-
Revolving credits	3.99	3.86	3.95	-
Medium term notes	4.63	5.57	5.08	5.56
Commercial papers	3.92	3.87	3.85	3.85
Bankers' acceptances	4.03	3.88	-	-
Bills discounting	4.00	3.95	-	-
Bills payable	1.91	-	-	-

- (d) 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.
- (e) 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.
- (f) At the end of the reporting period, the interest rate profile of the borrowings was:

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Fixed rate	6,033,478	6,045,867	1,670,000	1,218,000
Variable rate	2,225,129	1,364,548	-	-

Sensitivity analysis for fixed rate borrowings at the end of the reporting period is not presented as it is not affected by changes in interest rates.

A change of 25 basis points in interest rates, assuming all other variables remained constant, at the end of the reporting period would result in the profit net of tax of the Group to be lower/(higher) by RM4,228,000 (2016: RM2,593,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

37. Borrowings (contd.)

- (g) The impact of cross currency swap contracts to the Group's and the Company's borrowings are as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Total borrowings	8,258,607	7,410,415	1,670,000	1,218,000
Less: Cross currency swap	(51,638)	(500,351)	-	-
Net borrowings after cross currency swap	8,206,969	6,910,064	1,670,000	1,218,000

At the end of the reporting period, the interest rate profile of the net borrowings after cross currency swap was:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Fixed rate	5,982,849	5,912,153	1,670,000	1,218,000
Variable rate	2,224,120	997,911	-	-

Sensitivity analysis for fixed rate borrowings at the end of the reporting period is not presented as it is not affected by changes in interest rates.

A change of 25 basis points in interest rates, assuming all other variables remained constant, at the end of the reporting period would result in the profit net of tax of the Group to be lower/(higher) by RM4,226,000 (2016: RM1,896,000).

- (h) The maturity profile of the Group's and the Company's borrowings at the end of the reporting period based on contractual undiscounted repayment obligations is summarised in the table below:

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
As at 31 December 2017	5,320,877	3,023,601	574,909	8,919,387
As at 31 December 2016	5,012,984	2,290,689	490,485	7,794,158
Company				
As at 31 December 2017	1,100,055	657,041	-	1,757,096
As at 31 December 2016	805,610	505,923	-	1,311,533

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

37. Borrowings (contd.)

(h) (contd.):

(i) The maturity of the term loans is as follows:

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Not later than 1 year	1,821,366	2,179,304	-	-
Later than 1 year and not later than 2 years	471,903	890,481	-	-
Later than 2 years and not later than 3 years	445,865	478,317	-	-
Later than 3 years and not later than 4 years	250,906	1,437	-	-
Later than 4 years and not later than 5 years	949	251,476	-	-
Later than 5 years	8,577	10,414	-	-
	2,999,566	3,811,429	-	-

(ii) The maturity of the revolving credits is as follows:

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Not later than 1 year	797,475	267,945	80,000	-

(iii) The maturity of the medium term notes is as follows:

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Not later than 1 year	1,278	150,000	-	150,000
Later than 1 year and not later than 2 years	-	-	-	-
Later than 2 years and not later than 3 years	610,000	-	610,000	-
Later than 3 years and not later than 4 years	-	450,000	-	450,000
Later than 4 years and not later than 5 years	1,080,000	-	-	-
Later than 5 years	480,000	470,000	-	-
	2,171,278	1,070,000	610,000	600,000

(i) The secured borrowings of the Group are secured by legal charges as follows:

	2017	2016
	RM'000	RM'000
Property, plant and equipment	362,972	391,412
Investment properties	2,645,179	2,211,371
Investment properties under construction	2,349	2,115
Property development costs	1,478,815	1,024,543
	4,489,315	3,629,441

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

37. Borrowings (contd.)

	Number of shares/units		At market value	
	2017 '000	2016 '000	2017 '000	2016 '000
Shares in Sunway Construction Group Berhad	301,170	179,500	755,937	305,150
Units in Sunway REIT	958,310	909,800	1,820,789	1,564,856

(j) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group and the Company's statements of cash flows as cash flows from financing activities.

	1.1.2017 RM'000	Cash flows RM'000	Group Non-cash changes		31.12.2017 RM'000
			Foreign exchange movement RM'000	Hedging RM'000	
Term loans	3,811,429	(354,981)	(8,659)	(448,223)	2,999,566
Revolving credits	267,945	529,530	-	-	797,475
Commercial papers	1,953,000	(73,000)	-	-	1,880,000
Medium term notes	1,070,000	1,101,278	-	-	2,171,278
Other bank borrowings #	237,121	39,677	-	-	276,798
Total borrowings #	7,339,495	1,242,504	(8,659)	(448,223)	8,125,117

Other bank borrowings and total borrowings exclude bank overdrafts and unamortised transaction costs.

	1.1.2017 RM'000	Cash flows RM'000	Company Non-cash changes		31.12.2017 RM'000
			RM'000	RM'000	
Revolving credits	-	80,000	-	-	80,000
Commercial papers	618,000	362,000	-	-	980,000
Medium term notes	600,000	10,000	-	-	610,000
Total borrowings	1,218,000	452,000	-	-	1,670,000

38. Trade payables

	Group	
	2017 RM'000	2016 RM'000
Third parties	1,374,475	1,140,712
Amounts due to customers on contracts (Note 43)	166,603	132,639
Amounts due to contractors and consultants	54,848	72,292
Total trade payables	1,595,926	1,345,643

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

38. Trade payables (contd.)

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Total trade payables	1,595,926	1,345,643	-	-
Total other payables (Note 39)	1,586,242	1,427,072	27,146	27,167
Amounts due to subsidiaries (Note 33)	-	-	5,557	858
Amounts due to associates	14,850	1,816	39	-
Amounts due to joint ventures	58,601	43,991	11	-
Advances by non-controlling interests of subsidiaries	-	146,702	-	-
Hire purchase and finance lease liabilities (Note 41)	786	2,752	-	-
Total borrowings (Note 37)	8,258,607	7,410,415	1,670,000	1,218,000
Less:				
Amounts due to customers on contracts (Note 43)	(166,603)	(132,639)	-	-
Progress billings in respect of property development costs (Note 39)	(16,494)	(39,324)	-	-
Deferred income (Note 39 & 42)	(5,919)	(7,524)	-	-
Total financial liabilities carried at amortised cost	11,325,996	10,198,904	1,702,753	1,246,025

(a) Included in trade payables is the following amount due to a related party:

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Sunway Technology Sdn. Bhd. Group	5	2,641	-	-

The amount due to a related party is unsecured, non-interest bearing and the normal trade credit terms granted to the Group range from 30 days to 60 days (2016: 30 days to 60 days). The relationship with the above related party is as disclosed in Note 53 to the financial statements.

- (b) The normal trade credit terms granted to the Group range from 1 day to 180 days (2016: 1 day to 180 days).
- (c) The maturity profile of the Group's trade payables (excluding amounts due to customers on contracts) at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

39. Other payables

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Non-current					
Payables	(b)	253,563	334,501	-	-
Refundable deposits		21,854	-	-	-
		275,417	334,501	-	-
Current					
Payables	(a)	524,552	353,137	147	1,392
Amounts due to contractors and consultants		117,178	46,615	-	-
Progress billings in respect of property development costs	38	16,494	39,324	-	-
Accruals		587,698	575,403	26,999	25,775
Refundable deposits		58,984	70,568	-	-
Deferred income	(c), 38, 42	5,919	7,524	-	-
		1,310,825	1,092,571	27,146	27,167
Total other payables (Note 38)		1,586,242	1,427,072	27,146	27,167

(a) Included in other payables is the following amount due to a related party:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Sunway Technology Sdn. Bhd. Group	203	80	-	8

The amount due to a related party is unsecured, non-interest bearing and payable based on credit terms granted to the Group. The relationship with the above related party is as disclosed in Notes 52 and 53 to the financial statements.

- (b) Included in payables is an amount of RM111,490,000 (2016: RM183,833,000) due to Sunway Fawanis JV Sdn. Bhd., which is unsecured, non-interest bearing and term of repayment is in accordance to the progress billing of the launched project developments.
- (c) Deferred income of the Group represents deferred timeshare membership fees and rental received in advance.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

39. Other payables (contd.)

- (d) The maturity profile of the Group's other payables (excluding deferred income and progress billings in respect of property development costs) at the end of the reporting period based on contractual undiscounted repayment obligations is summarised in the table below:

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
As at 31 December 2017				
Other payables	1,288,412	275,417	-	1,563,829
As at 31 December 2016				
Other payables	1,045,723	334,501	-	1,380,224
Company				
As at 31 December 2017				
Other payables	27,146	-	-	27,146
As at 31 December 2016				
Other payables	27,167	-	-	27,167

40. Advances by non-controlling interests of subsidiaries

Included in advances by non-controlling interests of subsidiaries in the previous financial year was contribution of RM146,702,000 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% per annum shall be paid from the Distributable Profits of SSQSB to the extent practicable.

The advances by non-controlling interests of subsidiaries were fully paid off in the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

41. Hire purchase and finance lease liabilities

	Group	
	2017	2016
	RM'000	RM'000
Future minimum lease payments:		
Not later than 1 year	619	1,741
Later than 1 year and not later than 2 years	201	834
Later than 2 years and not later than 3 years	47	271
Later than 3 years and not later than 4 years	-	48
Later than 4 years and not later than 5 years	-	-
Total future minimum lease payments	867	2,894
Less: Future finance charges	(81)	(142)
Present value of finance lease liabilities (Note 38)	786	2,752

Analysis of present value of finance lease liabilities:

Not later than 1 year	552	1,626
Later than 1 year and not later than 2 years	187	815
Later than 2 years and not later than 3 years	47	263
Later than 3 years and not later than 4 years	-	48
Later than 4 years and not later than 5 years	-	-
	786	2,752
Less: Amount due within 12 months	(552)	(1,626)
Amount due after 12 months	234	1,126

- (a) The hire purchase and finance lease liabilities of the Group attract interest at rates ranging from 2.53% to 3.00% (2016: 2.40% to 4.92%) per annum.
- (b) Hire purchase and finance lease liabilities are fixed rate instruments. Sensitivity analysis at the end of the reporting period is not presented as it is not affected by changes in interest rates.
- (c) The carrying amounts of hire purchase and finance lease liabilities of the Group as at the end of the reporting period that do not approximate their fair values are:

	Group	
	Carrying amount	Fair value
	RM'000	RM'000
At 31 December 2017		
Finance lease and hire purchase obligations (non-current)	234	229
At 31 December 2016		
Finance lease and hire purchase obligations (non-current)	1,126	1,106

The fair value of finance lease and hire purchase obligations is categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

41. Hire purchase and finance lease liabilities (contd.)

(d) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's statements of cash flows as cash flows from financing activities.

	Group			
	1.1.2017	Cash flows	Non-cash	31.12.17
	RM'000	RM'000	changes	RM'000
			RM'000	
Hire purchase and finance lease liabilities	2,752	(1,966)	-	786

42. Long term liabilities

	Group	
	2017	2016
	RM'000	RM'000
Deferred income at end of financial year	10,369	13,206
To be recognised within 1 year (Note 38 & 39)	(5,919)	(7,524)
To be recognised after 1 year	4,450	5,682

Deferred income of the Group represents deferred timeshare membership fees, which are to be recognised over the membership period, and rental received in advance.

43. Construction contracts

	Group	
	2017	2016
	RM'000	RM'000
Costs incurred to date	10,456,394	9,014,560
Accrued profits to date	1,891,031	1,726,318
Recognised losses to date	-	(16)
Total costs and accrued profits to date	12,347,425	10,740,862
Progress billings to date	(12,437,971)	(10,739,110)
	(90,546)	1,752
Amounts due from customers on contracts (Note 24)	(76,057)	(134,391)
Amounts due to customers on contracts (Note 38)	166,603	132,639
	-	-
Advances received on contracts (included in trade payables)	124,561	45,374
Retention sums	293,629	222,350

The Group recognises construction contract revenue and expenses in the profit or loss based on 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 to complete or by reference to the physical completion of the contract.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

43. Construction contracts (contd.)

Significant judgement is required in determining the stage of completion, the estimated total contract costs to complete and in assessing the exposures to liquidated ascertained damages ("LAD") based on the facts and circumstances of the relevant construction projects, including projects that had been served with certificates of non-achievement for project delays. In making these judgements, the Group evaluates based on experience and by relying on the work of specialists.

Based on the assessment of the exposures to LAD for the relevant construction contracts, the Directors are of the opinion that no provision for LAD is necessary at this juncture.

44. Share capital

	Note	Group/Company			
		Number of ordinary shares		Amount	
		2017	2016	2017	2016
Ordinary shares		'000	'000	RM'000	RM'000
Authorised					
Ordinary shares of RM1 each:					
At beginning/end of financial year		-	10,000,000	-	10,000,000
Issued and fully paid					
At beginning of financial year		2,063,067	1,799,755	2,063,067	1,799,755
Issued during the financial year:					
- pursuant to exercise of warrants	(a), (b)	1	252,646	2	252,646
- pursuant to ESOS	(a), (c)	55,537	10,666	188,352	10,666
- bonus issue of shares		2,799,886	-	2,799,886	-
Transition to no-par value regime *		-	-	319,299	-
At end of financial year		4,918,491	2,063,067	5,370,606	2,063,067

* With the introduction of the Companies Act 2016 effective 31 January 2017, the concept of authorised share capital and par value of share capital have been abolished. Consequently, balance within the share premium account of RM319,299,000, after taking into consideration bonus issue of shares during the financial year, have been transferred to the share capital account pursuant to the transitional provisions set out in Section 618(2) of the Companies Act 2016. Notwithstanding this provision, the Company may utilise its share premium account for purposes stipulated in Section 618 of the Companies Act 2016 for a transitional period of 24 months from 31 January 2017. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the member as a result of this transition.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

44. Share capital (contd.)

- (a) During the financial year, the Company increased its issued and paid-up ordinary share capital from RM2,063,067,000 to RM5,370,606,000 by way of issuance of:
- (i) 42,035,650 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM2.48 per ordinary share for cash;
 - (ii) 6,508,823 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM2.87 per ordinary share for cash;
 - (iii) 3,829,400 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM3.25 per ordinary share for cash;
 - (iv) 2,784,600 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM2.94 per ordinary share for cash;
 - (v) 162,391 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM1.07 per ordinary share for cash;
 - (vi) 26,065 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM1.23 per ordinary share for cash;
 - (vii) 115,724 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM1.40 per ordinary share for cash;
 - (viii) 74,661 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM1.26 per ordinary share for cash;
 - (ix) 1,106 ordinary shares pursuant to the exercise of Warrants 2017/2024 at an exercise price of RM1.86 per ordinary share for cash; and
 - (x) 2,799,885,894 ordinary shares pursuant to the bonus issue exercise undertaken by the Company on the basis of 4 bonus shares for every 3 existing ordinary shares held by the shareholders of the Company.

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 4,166,800 of its issued ordinary shares from the open market at prices ranging from RM1.59 to RM3.03 per share. The total consideration paid for the repurchases was RM6,960,876 and was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016 in Malaysia.

During the financial year, the Company had also made a share dividend distribution of 20,295,338 treasury shares on the basis of 1 treasury share for every 100 ordinary shares held in the Company.

As at 31 December 2017, the Company held a total of 22,281,262 ordinary shares as treasury shares out of its total issued and paid up share capital of 4,918,491,133 ordinary shares. Such treasury shares are recorded at a carrying amount of RM63,816,273.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

44. Share capital (contd.)

- (b) On 4 October 2017, the Company issued 629,970,466 free warrants pursuant to the bonus issue of warrants undertaken by the Company on the basis of 3 free warrants for every 10 ordinary shares held in the Company.

The warrants entitle the registered holder, at any time within a period of 7 years commencing on and including the date of issuance of the warrants and expiring on the close of business at 5.00 p.m. in Malaysia on the date immediately preceding the 7th anniversary of the date of issuance of the warrants, and if such date is not a market day, then on the preceding market day. In relation to this, the warrants were issued at an exercise price of RM1.86 each.

The exercise price of the warrant is subject to a fixed annual step-down of RM0.07 per year on each of the anniversary dates of the date of first issuance of the warrants. The exercise price, at any time during the tenure of the warrants, is further subjected to adjustments in accordance with the provisions of the Deed Poll in the event of any alteration to the share capital of the Company.

During the financial year, 1,106 new ordinary shares of RM1.86 each were issued pursuant to the exercise of Warrants 2017/2024 for the equivalent numbers by the registered holders.

The number of Warrants 2017/2024 unexercised at the end of the reporting period comprises 629,969,360 warrants. The Warrants 2017/2024 will expire on 3 October 2024.

The Warrants were listed on Bursa Malaysia Securities Berhad on 6 October 2017.

In the previous financial year, 252,645,715 new ordinary shares were issued pursuant to the exercise of Warrants 2011/2016 for the equivalent numbers by the registered holders. The Warrants 2011/2016 expired on 17 August 2016.

- (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;
- (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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

44. Share capital (contd.)

(c) The main features of the Scheme are: (contd.)

(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 4 October 2017, the exercise price of an option granted under the Scheme had been adjusted again following the bonus issue of new ordinary shares in Sunway Berhad ("Bonus Shares") pursuant to the bonus issue exercise undertaken by the Company on the basis of 4 bonus shares for every 3 existing ordinary shares held by the shareholders of Sunway Berhad.

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)	Third adjusted exercise price (RM)
First	3.9.2013	2.76	2.68	2.48	1.07
Second	1.8.2014	3.19	3.10	2.87	1.23
Third	3.8.2015	3.52	-	3.25	1.40
Fourth	3.8.2016	2.94	-	-	1.26

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (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 1.1.2017 '000	Movements during the year			Balance as at 31.12.2017 '000	Adjusted exercise price* RM/Option	Exercise period
				Adjustment (Bonus Issue)* '000	Exercised '000	Lapsed/ Expired '000			
First	3.9.2013	133,564	47,486	6,202	(42,198)	(897)	10,593	1.07	3.10.2013 - 1.9.2019
Second	1.8.2014	15,735	9,051	2,477	(6,535)	(732)	4,261	1.23	2.9.2014 - 1.9.2019
Third	3.8.2015	10,840	7,169	3,790	(3,945)	(698)	6,316	1.40	2.9.2015 - 1.9.2019
Fourth	3.8.2016	6,159	4,805	2,313	(2,859)	(449)	3,810	1.26	2.9.2016 - 1.9.2019

Options vested

(i) First grant of options over ordinary shares

Vesting Date	Exercisable as at		Movements during the year			Exercisable as at 31.12.2017 '000	Adjusted exercise price* RM/Option	Exercise period
	Vested '000	1.1.2017 '000	Adjustment (Bonus Issue)* '000	Exercised '000	Lapsed/ Expired '000			
2.9.2014	27,853	10,618	-	(10,140)	(478)	-	-	2.9.2014 - 1.9.2017
2.9.2015	26,744	16,430	2,323	(14,631)	(171)	3,951	1.07	2.9.2015 - 1.9.2018
2.9.2016	22,471	20,438	3,879	(17,427)	(248)	6,642	1.07	2.9.2016 - 1.9.2019
	77,068	47,486	6,202	(42,198)	(897)	10,593		

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

44. Share capital (contd.)

(c) (contd.)

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

Options vested (contd.)

(ii) Second grant of options over ordinary shares

Vesting Date	Movements during the year					Exercisable as at 31.12.2017 '000	Adjusted exercise price ⁺ RM/Option	Exercise period
	Vested '000	Exercisable as at 1.1.2017 '000	Adjustment (Bonus Issue)* '000	Exercised '000	Lapsed/ Expired '000			
2.9.2014	4,526	2,754	-	(2,401)	(353)	-	-	2.9.2014 - 1.9.2017
2.9.2015	3,894	3,157	925	(2,310)	(179)	1,593	1.23	2.9.2015 - 1.9.2018
2.9.2016	3,268	3,140	1,552	(1,824)	(200)	2,668	1.23	2.9.2016 - 1.9.2019
	11,688	9,051	2,477	(6,535)	(732)	4,261		

(iii) Third grant of options over ordinary shares

Vesting Date	Movements during the year					Exercisable as at 31.12.2017 '000	Adjusted exercise price ⁺ RM/Option	Exercise period
	Vested '000	Exercisable as at 1.1.2017 '000	Adjustment (Bonus Issue)* '000	Exercised '000	Lapsed/ Expired '000			
2.9.2015	4,792	3,723	1,690	(2,272)	(348)	2,793	1.40	2.9.2015 - 1.9.2018
2.9.2016	3,642	3,446	2,100	(1,673)	(350)	3,523	1.40	2.9.2016 - 1.9.2019
	8,434	7,169	3,790	(3,945)	(698)	6,316		

(iv) Fourth grant of options over ordinary shares

Vesting Date	Movements during the year					Exercisable as at 31.12.2017 '000	Adjusted exercise price ⁺ RM/Option	Exercise period
	Vested '000	Exercisable as at 1.1.2017 '000	Adjustment (Bonus Issue)* '000	Exercised '000	Lapsed/ Expired '000			
2.9.2016	4,936	4,805	2,313	(2,859)	(449)	3,810	1.26	2.9.2016 - 1.9.2019

* Adjustment made pursuant to the bonus issue of new ordinary shares in Sunway Berhad ("Bonus Shares") following the bonus issue exercise undertaken by Sunway Berhad on the basis of 4 Bonus Shares for every 3 existing ordinary shares held by the shareholders of Sunway Berhad ("Bonus Issue of Shares").

+ Exercise price of the share options have been adjusted pursuant to the Bonus Issue of Shares.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

44. Share capital (contd.)

(c) (contd.)

Share options exercised during the financial year resulted in the issuance of:

- (i) 42,035,650 ordinary shares at an option price of RM2.48 each.
- (ii) 6,508,823 ordinary shares at an option price of RM2.87 each.
- (iii) 3,829,400 ordinary shares at an option price of RM3.25 each.
- (iv) 2,784,600 ordinary shares at an option price of RM2.94 each.
- (v) 162,391 ordinary shares at an option price of RM1.07 each.
- (vi) 26,065 ordinary shares at an option price of RM1.23 each.
- (vii) 115,724 ordinary shares at an option price of RM1.40 each.
- (viii) 74,661 ordinary shares at an option price of RM1.26 each.

The fair values of share options measured using the Black Scholes Merton model at the date of the third adjustment to the exercise prices and the assumptions used are as follows:

Group/Company	First Grant		Second Grant	
	Tranche 3	Tranche 4	Tranche 2	Tranche 3
Exercise price of option offered (RM)	1.07	1.07	1.23	1.23
Weighted average share price (RM)	1.07	1.07	1.23	1.23
Expected life (years)	3	3	3	3
Expected volatility (%)	17.32	17.13	17.32	17.13
Expected dividend yield (%)	2.92	2.83	2.92	2.83
Risk free interest rate (%)	3.91	3.91	3.91	3.91

	Third Grant		Fourth Grant
	Tranche 1	Tranche 2	Tranche 1
Exercise price of option offered (RM)	1.40	1.40	1.26
Weighted average share price (RM)	1.40	1.40	1.26
Expected life (years)	3	3	3
Expected volatility (%)	17.32	17.13	17.13
Expected dividend yield (%)	2.92	2.83	2.83
Risk free interest rate (%)	3.91	3.91	3.91

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the options were incorporated into the measurement of fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

45. Equity contribution from non-controlling interests

The equity contribution represents the Group's share of right to use the land granted by the non-controlling interest to a subsidiary of the Group, namely Sunway Velocity Mall Sdn. Bhd. ("SVMSB"), for a project development pursuant to an agreement entered into between the shareholders of SVMSB. Accordingly, this right has been classified and presented as equity.

46. Merger reserve

The negative merger reserve arose as a result of the excess of the consideration paid over the share capital and capital reserves of both SunCity and SHSB as at the acquisition date. Further details on the merger exercise are disclosed in Note 48 to the financial statements.

47. Reserves

	Note	Group		Company	
		2017	2016	2017	2016
		RM'000	RM'000	RM'000	RM'000
Non-distributable reserves:					
Capital reserve	(a)	134,643	134,657	-	-
Statutory reserve	(b)	826	826	-	-
Revaluation reserve	(c)	34,450	34,450	-	-
Share option reserve	(d)	10,596	63,987	7,426	60,817
Equity contribution reserve	(e)	-	21,712	-	-
Cash flow hedge reserve	(f)	(17,854)	(21,794)	-	-
Furniture, fittings and equipment reserve	(g)	12,536	8,370	-	-
Foreign currency translation reserve	(h)	113,046	145,649	-	-
Fair value reserve	(i)	-	-	-	228
Total non-distributable reserves		288,243	387,857	7,426	61,045
Distributable reserve:					
Retained earnings		3,389,489	3,160,914	53,988	21,031
		3,677,732	3,548,771	61,414	82,076

The movements in each category of reserves are disclosed in the statements of changes in equity.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

47. Reserves (contd.)

The natures of each category of reserves are as follows:

(a) Capital reserve

Capital reserve represents the Group's accretion in the value of investments in subsidiaries arising from internal restructuring, which includes the redemption of cumulative redeemable preference shares.

(b) 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.

(c) Revaluation reserve

Revaluation reserve represents increase in the fair value of land of an associate.

(d) 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.

(e) Equity contribution reserve

Equity contribution reserve represented 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.

(f) 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.

(g) 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.

(h) 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.

(i) Fair value reserve

The fair value reserve includes the cumulative net change in the fair value of available-for-sale investment held until the investment is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

48. Merger exercise

On 18 August 2011, the Company acquired the entire businesses and undertakings, including all assets and liabilities of SHSB and SunwayCity (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.

49. 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 end of the reporting period but not recognised as payables, are as follows:

	Group	
	2017	2016
	RM'000	RM'000
Not later than 1 year	92,007	90,601
Later than 1 year and not later than 5 years	228,656	281,241
Later than 5 years	40,759	90,295
	361,422	462,137

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

49. Operating lease agreements (contd.)

(b) The Group as lessors

The future minimum lease payments receivable under the above non-cancellable operating leases as at the end of the reporting period but not recognised as receivables, are as follows:

	Group	
	2017	2016
	RM'000	RM'000
Not later than 1 year	80,060	78,069
Later than 1 year and not later than 5 years	317,675	275,663
Later than 5 years	801,957	938,425
	1,199,692	1,292,157

The Group has entered into various non-cancellable operating lease agreements on properties with third parties. 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.

50. Capital commitments

	Group	
	2017	2016
	RM'000	RM'000
Capital expenditure:		
Approved and contracted for property, plant and equipment and investment properties	427,723	66,164
Approved but not contracted for property, plant and equipment and investment properties	298,665	150,370
	726,388	216,534

The Group's share of capital commitments in associates are as follows:

	Group	
	2017	2016
	RM'000	RM'000
Capital expenditure:		
Approved and contracted for property, plant and equipment and investment properties	9,568	27,155
Approved but not contracted for property, plant and equipment and investment properties	23,158	12,750
	32,726	39,905

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

51. Contingent liabilities

(a) Guarantees

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Unsecured:				
Guarantees given to third parties in				
respect of trade and contracts	796,322	687,772	109,548	115,124

The Group designates guarantees given to third parties in respect of trade and contracts and to financial institutions 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 end of the reporting period, 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.

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.

The Directors are of the view that the chances of the third parties and financial institutions to call upon the guarantees are remote.

(b) Material outstanding litigations

- (i) On 4 September 2008, the solicitors of Sunway Construction Sdn. Bhd. ("SunCon") had been served with a Statement of Claim ("Statement of Claim") by Shristi Infrastructure Development Corporation Ltd. ("Claimant"). The Statement of Claim was received by SunCon's office in Malaysia on 8 September 2008.

Pursuant to an agreement signed between SunCon and the National Highway Authority of India for the rehabilitation and upgrading of NH-25 to a four-lane configuration in the state of Uttar Pradesh being a part of the East-West Corridor Project, SunCon had entered into a work order with the Claimant for the upgrading and rehabilitation of the stretch of NH-25 from 143.6 km to 170.0 km, of which the Claimant has provided two bank guarantees ("Bank Guarantees") to SunCon.

The Claimant has failed to carry out its obligations under the work order and SunCon has terminated the work order and cashed the Bank Guarantees. The Claimant had filed an application in the Supreme Court of India for the appointment of an arbitrator to arbitrate upon the disputes between the parties. The Supreme Court had appointed a sole arbitrator and two preliminary sittings have been held to date. The Claimant then filed its Statement of Claim on 4 September 2008.

The Statement of Claim was raised in respect of various claims (including claiming the refund of the amount cashed on the Bank Guarantees) and the total amount claimed is Rs891.5 million (approximately equivalent to RM59 million).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

51. Contingent liabilities (contd.)

(b) Material outstanding litigations (contd.)

(i) (contd.)

At the hearing on 2 February 2009, the arbitrator recorded SunCon's filing of the Statement of Defence and Counterclaim. In the counterclaim, SunCon is seeking for Rs781,394,628.61 (approximately equivalent to RM52 million) for inter alia, additional costs incurred by SunCon to complete the works, recovery of mobilisation advance and interest charges, loss of reputation and loss of profits.

75 hearings had been held and on 11 January 2013, the arbitrator that presided over the case passed away. The Claimant and SunCon were able to proceed to appoint another arbitrator that is agreeable by both parties, failing such agreement an application can be filed to the Supreme Court for an appointment.

SunCon was notified by its solicitors that an arbitration petition has been filed by Shristi on 7 January 2016 in the Supreme Court of India for the appointment of a new arbitrator and the petition was served on SunCon's solicitors on 5 May 2016. Matter was not listed on 17 October 2016. Hearing continued on 5 January 2017 and the Supreme Court appointed Hon'ble Mr Justice Vikramajit Sen (Former Judge of the Supreme Court) as arbitrator in place of the late Justice H.L. Agrawal (Retd.) for adjudication of the disputes and differences between the Parties. Sitting on 24 February 2017 went on as scheduled and cross examination had been completed on 7 October 2017.

On 7 October 2017, the Claimant and SunCon confirmed that evidence stands concluded except for the fact that answers to certain questions were to be furnished by affidavit by SunCon's witness within 30 days from 7 October 2017. Parties are to file a synopsis of arguments and exchange them on or before 31 January 2018. SunCon submitted the synopsis to the arbitration on 30 January 2018.

The proceedings advanced to the next stage for final arguments on 6 March 2018 to 9 March 2018. Rejoinder argument shall be heard from 12 April 2018 to 14 April 2018.

The Directors are of the opinion, after taking appropriate legal advice, that no provision for the abovementioned claims is necessary.

52. 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:

	Company	
	2017	2016
	RM'000	RM'000
IT and related expenses payable to a subsidiary	(1,343)	(1,076)
Secretarial fees and share registration fees payable to a subsidiary	(376)	(361)
Accounting services fees payable to a subsidiary	(766)	(336)
Hotel and related expenses payable to a subsidiary	(418)	(340)
Parking and related services payable to subsidiaries	(58)	(111)
Air ticket and related services payable to a subsidiary	(233)	(308)
Medical services expenses payable to a subsidiary	(44)	(34)
Subscription and related expenses payable to a subsidiary	(27)	(31)
Human resources and other related services	(179)	(198)
Training, Learning & Development expenses payable to a subsidiary	(66)	(101)
Provision of park ticket	(105)	(136)
Maintenance repairs & related expenses payable to a subsidiary	(120)	(218)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

53. 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:

		Group	
		2017	2016
Name of companies	Nature of transactions	RM'000	RM'000
(a) Sunway Technology Sdn. Bhd. Group ("STSB Group")	Information systems products and consultancy fees	(10,432)	(10,103)
	Sales of financial and IT related services	968	1,115
	Rental of office equipment, motor vehicles and other related services	1,547	1,582
	Secretarial and management services	6	14
	Provision of ticketing and tour related services	210	172
	Insurance products	66	72
	Rendering of recreational club facilities, theme park, timesharing services and related services	2	2
	Provision of medical services	33	26
	Provision of hotel and related services	53	10
	Interior decorations and related services, and renovation works	1	30
(b) Sunway Real Estate Investment Trust ("Sunway REIT") (RHB Trustees Bhd)	Lease of Sunway Resort Hotel & Spa	(51,759)	(40,974)
	Lease of Sunway Hotel Seberang Jaya	(3,932)	(4,204)
	Lease of Sunway Putra Hotel	(14,571)	(12,309)
	Lease of Sunway Hotel Georgetown	(5,488)	(4,865)
	Lease of Sunway Plaza's ice rink	(1,519)	(1,512)
	Leasing/rental of properties in respect of:		
	Sunway Medical Center building	(23,103)	(23,102)
	Menara Sunway and accommodation for security staff	(10,482)	(9,580)
	Rental and management of car parks and related services	(29,197)	(24,279)
	Rental of office space premises and related services	736	1,024
	Provision of property management & related services	1,034	1,448
	Provision of hotel and related services	615	48
	Management and related services	1,013	1,365
	Provision of ticketing and tour related services	288	256
	Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	25,485	75,123
	Provision of loyalty card points	1,761	380
	Management services	8,637	7,653

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

53. 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	
		2017 RM'000	2016 RM'000
(c) Jef-San Enterprise Sdn. Bhd.	Provision of medical services	38	12
	Provision of property management services	84	35
(d) Sunway Iskandar Sdn. Bhd.	Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	145,617	143,864

- (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 Sunway Technology Sdn. Bhd. ("STSB"). 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. Evan Cheah Yean Shin, Sarena Cheah Yean Tih and Adrian Cheah Yean Sun have deemed interests in STSB Group via a corporation where they have more than 20% equity interest and by virtue of their parent's interest in STSB. Evan Cheah Yean Shin, Sarena Cheah Yean Tih and Adrian Cheah Yean Sun are the children of Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling.

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 and Adrian Cheah Yean Sun are Directors in several subsidiaries of the Company and major shareholders of the Company.

- (b) The wholly-owned subsidiary of the Company, Sunway REIT Holdings Sdn. Bhd., is a 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, Adrian Cheah Yean Sun, Sungei Way Corporation Sdn. Bhd. and Active Equity Sdn. Bhd., being major shareholders of the Company, also have deemed interests in Sunway REIT via Sunway REIT Holdings Sdn. Bhd..

- (c) Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, Sarena Cheah Yean Tih and Evan Cheah Yean Shin are Directors and major shareholders of Jef-San Enterprise Sdn. Bhd.. Adrian Cheah Yean Sun is a major shareholder 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 and Adrian Cheah Yean Sun are Directors in several subsidiaries of the Company and major shareholders of the Company.

- (d) 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 2017 and 2016 are disclosed in Notes 24, 25, 38 and 39 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

53. 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	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Short-term employee benefits	54,801	48,908	16,600	17,339
Post-employment benefits:				
- Defined contribution plan	9,495	8,664	3,111	3,259
Share options granted under ESOS	-	2,669	-	1,894
	64,296	60,241	19,711	22,492

- (iv) Included in the total key management personnel are:

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Executive Directors' remuneration (Note 11)	41,388	39,616	14,853	15,283

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries

Details of the subsidiaries are as follows:

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(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	84.08	84.08	15.92	15.92
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	99.16	99.52	0.84	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 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(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	99.16	99.52	0.84	0.48
SunMed Clinics Sdn. Bhd.	Malaysia	Provision of medical consultation services and facility services	99.16	99.52	0.84	0.48
(d) Subsidiaries of Sunway Real Estate (China) Limited						
Sunway Guanghao Real Estate (Jiangyin) Co. Ltd. #	China	Property development	100	100	-	-
Zhuhai Sunway Consultancy Co., Ltd #	China	Dormant	100	100	-	-
(e) Subsidiaries of Sunway Holdings Sdn. Bhd.						
Sunway Construction Group Berhad	Malaysia	Investment holding	54.44	54.42	45.56	45.58
Sunway Permai Sdn. Bhd.	Malaysia	Property development	80	80	20	20

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(e) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
Sunway Transit System Sdn. Bhd.	Malaysia	Operation and maintenance of car park	100	100	-	-
Sunway Serene 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	-	-
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	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(e) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
Sunway Leasing Sdn. Bhd.	Malaysia	Provision of finance through leasing, hire purchase, money lending and share financing	100	100	-	-
Sunway Risk Management Sdn. Bhd.	Malaysia	General and life insurance agency providing insurance underwriting and consultancy services	100	100	-	-
Pasir Mas Holdings Sdn. Bhd.	Malaysia	Trading in petroleum products and provision of related services	100	100	-	-
Sunway Management Sdn. Bhd.	Malaysia	Share registration and secretarial services	100	100	-	-
Sunway Holdings (Vietnam) Sdn. Bhd.	Malaysia	Investment holding	100	100	-	-
Reptolink Sdn. Bhd. #	Malaysia	Investment holding	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(e) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
Sunway Property (China) Limited (Deregistered pursuant to Section 750 of Companies Ordinance of Hong Kong)	Hong Kong	Dormant	-	100	-	-
Shahawan (M) Sdn. Bhd. #	Malaysia	Property investment	100	100	-	-
Galaxy Avenue Sdn. Bhd. #	Malaysia	Dormant	100	100	-	-
Sunway HR Shared Services 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	-	-
Sunway Ventures Sdn. Bhd. #	Malaysia	Investment holding	100	100	-	-
Sunway Ordera Sdn. Bhd.	Malaysia	Trading and selling of products and services through online and offline channels	100	100	-	-
Sunway Supply Chain Enterprise Sdn. Bhd. # (transfer to Sunway City Sdn. Bhd.)	Malaysia	Dormant	-	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(e) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
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	-	-
Sunway Leadership Centre Sdn. Bhd.	Malaysia	Providing training services, training venue and other related activities to the Group	100	100	-	-
Sunway Paving Solutions Sdn. Bhd.	Malaysia	Manufacturing and marketing of concrete pavers, hollow concrete blocks and Eurotiles, undertake contracts for paving works and the hiring of heavy machineries	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(e) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
Sunway Quarry (Kuala Kangsar) Sdn. Bhd.	Malaysia	To sell or otherwise deal in stones, aggregates, premix or other construction related products	100	100	-	-
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	-	-
Twinnery (Malaysia) Sdn. Bhd. #	Malaysia	Quarry concession holder	60	60	40	40
Sun SEA Capital Sdn. Bhd. (formerly known as Sunway Cavity Wall Panel Sdn. Bhd.)	Malaysia	Dormant	100	100	-	-
Sunway Cavity Wall Panel (S) Pte. Ltd.	Singapore	Dormant	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(e) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
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 Industries (Caribbean) Limited #	Trinidad and Tobago	Dormant	100	100	-	-
Myanmar Sungei Way Holdings Limited # ^ (In Liquidation)	Myanmar	Dormant	99.90	99.90	0.10	0.10
PT Sunway Quarry Indonesia # ^ (In Liquidation)	Indonesia	Dormant	95	95	5	5
Sunway Global Limited	Hong Kong	Investment holding and provision of management services	98.75	98.75	1.25	1.25
Sunway Winstar Sdn. Bhd. (Formerly known as Winstar Trading Sdn. Bhd.)	Malaysia	Trading in hardware and household products	80	80	20	20
Sunway PopBox Sdn. Bhd.	Malaysia	To carry out business of electronic parcel locker operator and service provider	60	60	40	40

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(e) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
Sunway Pharma Sdn. Bhd. #	Malaysia	Retail, trading, marketing, manufacturing and online selling of pharmaceutical products	100	100	-	-
Sunway Money Sdn. Bhd.	Malaysia	Provision of online remittance and money services	100	-	-	-
Bidara Cahaya Resources Sdn. Bhd. #	Malaysia	Dormant	100	-	-	-
Monumental Productions Sdn. Bhd.	Malaysia	Investment in media, digital studio, online video and premium advertising consultancy services	80	-	20	-
(f) Subsidiary of Sunway Developments Pte. Ltd.						
Sunway Land Pte. Ltd.	Singapore	Real estate developers and building contractor	100	100	-	-
(g) Subsidiary of Sunway Leasing Sdn. Bhd.						
SWL Nominees (Tempatan) Sdn. Bhd.	Malaysia	Provision of shares nominee services	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(h) Subsidiary of Sunway Construction Group Berhad						
Sunway Construction Sdn. Bhd.	Malaysia	Turnkey, construction related design and build, civil engineering, building works and transportation agent	54.44	54.42	45.56	45.58
(i) Subsidiaries of Sunway Construction Sdn. Bhd.						
Sunway Innopave Sdn. Bhd.	Malaysia	Construction of civil and building works and provision of project management	54.44	54.42	45.56	45.58
Sunway Machinery Sdn. Bhd.	Malaysia	Renting of machinery and site equipment and undertaking sub-contract work	54.44	54.42	45.56	45.58
Sunway Engineering Sdn. Bhd.	Malaysia	Provision of mechanical and engineering works	54.44	54.42	45.56	45.58
Sunway Builders Sdn. Bhd.	Malaysia	Construction of building and civil works	54.44	54.42	45.56	45.58

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(i) Subsidiaries of Sunway Construction Sdn. Bhd. (contd.)						
Sunway Geotechnics (M) Sdn. Bhd.	Malaysia	Providing geotechnical services and related products and hire of heavy machineries	54.44	54.42	45.56	45.58
Sunspan Sdn. Bhd. #	Malaysia	Dormant	54.44	54.42	45.56	45.58
Sunway Industrial Products Sdn. Bhd.	Malaysia	Investment holding	54.44	54.42	45.56	45.58
Sunway Machineries Services Sdn. Bhd.	Malaysia	Investment holding	54.44	54.42	45.56	45.58
Sunway Construction India Pte. Ltd. #	India	Construction of civil and building works	54.44	54.42	45.56	45.58
Sunway Creative Stones Sdn. Bhd.	Malaysia	Dormant	38.11	38.09	61.89	61.91
Sunway GD Piling Sdn. Bhd. #	Malaysia	Dormant	54.44	54.42	45.56	45.58
Sunway Construction Caribbean Limited #	Trinidad and Tobago	Dormant	54.44	54.42	45.56	45.58
Sunway Precast Industries Sdn. Bhd.	Malaysia	Manufacturing precast concrete building components and undertaking of precast concrete building contracts	54.44	54.42	45.56	45.58

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(i) Subsidiaries of Sunway Construction Sdn. Bhd. (contd.)						
Sunway Construction (S) Pte. Ltd. (Struck off pursuant to Section 344A of the Singapore Companies Act, Cap. 50)	Singapore	Dormant	-	54.42	-	45.58
Sunway Facade Network Sdn. Bhd.	Malaysia	Facade engineering and consultancy services	32.66	32.65	67.34	67.35
Sunway Visioneering Sdn. Bhd. (Formerly known as Sunway VDC Sdn. Bhd.)	Malaysia	Dormant	54.44	54.42	45.56	45.58
Sunway Concrete Products (M) Sdn. Bhd.	Malaysia	Manufacture of prefabricated structural and metal components for buildings or civil engineering of cement, concrete or artificial stones	54.44	54.42	45.56	45.58
Sunway Innopave (S) Pte. Ltd. #	Singapore	Investment holding	54.44	-	45.56	-
(j) Subsidiary of Sunway Industrial Products Sdn. Bhd.						
Sunway Concrete Products (S) Pte. Ltd.	Singapore	Manufacturing and sale of precast concrete building components	54.44	54.42	45.56	45.58

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(k) Subsidiary of Sunway Machineries Services Sdn. Bhd.						
Sunway SK Sdn. Bhd.	Malaysia	Construction of building and civil works	54.44	54.42	45.56	45.58
(m) Subsidiary of Sunway Geotechnics (M) Sdn. Bhd.						
Sunway Geotechnics (S) Pte. Ltd. (Struck off pursuant to Section 344A of the Singapore Companies Act, Cap. 50)	Singapore	Dormant	-	54.42	-	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 Rydgeway Sdn. Bhd.	Malaysia	Property and housing development	80	80	20	20

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(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
Daksina Harta Sdn. Bhd.	Malaysia	Property development and 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 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(p) Subsidiaries of Sunway Marketing Sdn. Bhd. (contd.)						
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.						
Sunway Marketing (Shanghai) Pte. Ltd. #	China	Dormant	100	100	-	-
PT Sunway Trek Masindo #	Indonesia	Trading in hoses and fittings, hose assembly and heavy equipment parts	100	100	-	-
Sunway Marketing (Thailand) Ltd. #	Thailand	Trading in hoses and fittings, hose assembly and heavy equipment parts	100	100	-	-
Sunway TotalRubber Ltd. #	Australia	Import and distribution of industrial rubber and plastics	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(q) Subsidiaries of Sunway Marketing (S) Pte. Ltd. (contd.)						
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	-	-
PND Hardware & Trading Pte. Ltd. #	Singapore	General wholesale, trading of hardware, engineering products and Industrial safety products	-	100	-	-
(r) Subsidiary of Sunway Holdings (Vietnam) Sdn. Bhd.						
Realty Investments (HB) Inc. #	Panama	Investment holding	100	100	-	-
(s) Subsidiary of Realty Investments (HB) Inc.						
Hang Bai Office Complex JVC	Vietnam	Dormant	74	74	26	26
(t) Subsidiary of Sunway Serene Sdn. Bhd.						
Cleaver Fortune Sdn. Bhd.	Malaysia	Development and management of recreational facilities and amenities	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(u) 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 Hydraulic Industries (Wuhu) 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	98.75	1.25	1.25
Sunway Trading (Shanghai) Pte. Ltd.	China	Trading and distribution of hoses and couplings, machineries, spare parts and related items	98.75	98.75	1.25	1.25
Sunway Daechang Forging (Anhui) Co. Ltd.	China	Manufacturing and assembling of undercarriage components, trading, providing design, consultancy services, repair and maintenance	59.25	59.25	40.75	40.75

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(v) Subsidiaries of Sunway Enterprise (1988) Sdn. Bhd.						
Heng Ngai Knitting Manufacturer Sdn. Bhd. # ^ (In Liquidation)	Malaysia	Dormant	100	100	-	-
(w) Subsidiaries of Sunway 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
(x) 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	-	-
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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(x) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
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	Property Investment	100	100	-	-
Sunway Grand Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Pembinaan Objektif (M) Sdn. Bhd. (struck off pursuant to Section 308 of the Companies Act, 1965)	Malaysia	Dormant	-	100	-	-
SunMed Velocity Sdn. Bhd. #	Malaysia	Dormant	100	100	-	-
Sunway FSSC Sdn. Bhd.	Malaysia	Provision of financial and accounting services	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(x) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Sunway City (Cambodia) Sdn. Bhd.	Malaysia	Investment holding	76	76	24	24
Sunway City (Ipoh) Sdn. Bhd.	Malaysia	Property development and investment holding	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	-	-
Sunway City (S'pore) Pte. Ltd.	Singapore	Promotion and marketing services and investment holding	100	100	-	-
Allson International Hotels & Resorts Sdn. Bhd. #	Malaysia	Dormant	100	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(x) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
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. (in member's voluntary winding-up)	Malaysia	Dormant	100	100	-	-
Sunway International Vacation Club Berhad	Malaysia	Management of timeshare memberships	100	100	-	-
Sunway MUSC Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Sunway Iskandar Medical Centre Sdn. Bhd.	Malaysia	Dormant	100	-	-	-
Sunway Supply Chain Enterprise Sdn. Bhd. #	Malaysia	Property development and property investment	100	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(x) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
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. (Struck off pursuant to Section 308 of the Companies Act, 1965)	Malaysia	Dormant	-	100	-	-
Sunway Tower 1 Sdn. Bhd. #	Malaysia	Property investment and car park management	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 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(x) 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	Property development	100	100	-	-
Sunway Century Sdn. Bhd. #	Malaysia	Property investment	100	100	-	-
Sunway Pyramid Development Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Sunway Power Sdn. Bhd. #	Malaysia	Dormant	100	100	-	-
Sunway Properties Services Sdn. Bhd.	Malaysia	Dormant	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(x) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Sunway Velocity Hotel Sdn. Bhd.	Malaysia	Hotelier	59	100	41	-
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	Dormant	100	100	-	-
Sunway Mall Parking Sdn. Bhd.	Malaysia	Car park operator	100	100	-	-
Sunway Parking Services Sdn. Bhd.	Malaysia	Car park management	100	100	-	-
Sunway Subang Sdn. Bhd.	Malaysia	Investment holding	80	100	20	-
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	-	-
Paradigm Fairview Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Platinum Greenway Sdn. Bhd.	Malaysia	Dormant	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(x) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Sunway Belfield Sdn. Bhd. (formerly known as Sunway Innopark Sdn. Bhd.)	Malaysia	Dormant	100	100	-	-
Sunway (Tianjin) Management Consultancy Co. Ltd.	China	Provision of management consultancy and advisory services	100	-	-	-
Sunway Sustainability Solutions Sdn. Bhd.	Malaysia	Provision of consultancy and advisory services in relation to green energy and sustainability for buildings, township and environment	100	-	-	-
(y) Subsidiaries of Sunway City (Penang) Sdn. Bhd.						
Fame Parade Sdn. Bhd.	Malaysia	Letting, management of departmental stores and property development	100	100	-	-
Sunway Geo Parking Sdn. Bhd. (Formerly known as Era Primision Sdn. Bhd.) (Transfer to Sunway South Quay Sdn. Bhd.)	Malaysia	Letting, management of departmental stores and property development	-	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	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(y) Subsidiaries of Sunway City (Penang) Sdn. Bhd. (contd.)						
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	-	-
(z) Subsidiary of Konsep Objektif (M) Sdn. Bhd.						
Sunway Hotel Phnom Penh Ltd.	Cambodia	Hotel business	52.50	52.50	47.50	47.50
(aa) 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	100	60	-	40
Frontier Acres Sdn. Bhd.	Malaysia	Investment holding	100	100	-	-
(ab) Subsidiaries of Sunway South Quay Sdn. Bhd.						
Sunway Geo Parking Sdn. Bhd. (Formerly known as Era Primision Sdn. Bhd.)	Malaysia	Car park operator	100	-	-	-
Sunway Monash-U Residence Sdn. Bhd.	Malaysia	Property investment	100	60	-	40

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(ab) Subsidiaries of Sunway South Quay Sdn. Bhd. (contd.)						
Prosper Revenue Sdn. Bhd.	Malaysia	Property development	67	40.2	33	59.8
Sunway Geo Sdn. Bhd.	Malaysia	Property investment	100	-	-	-
(ac) 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. # (Transfer to Sunway City Sdn. Bhd.)	Malaysia	Dormant	-	100	-	-
(ad) Subsidiary of SunCity Vietnam Sdn. Bhd.						
Hochimex Nominee Company Limited #	Hong Kong	Investment holding	100	100	-	-
(ae) Subsidiary of Hochimex Nominee Company Limited						
Sunway Hotel Hanoi Liability Limited Company with One Member	Vietnam	Hotel business	100	100	-	-
(af) Subsidiary of Sunway City (Cambodia) Sdn. Bhd.						
Sunway City Cambodia Limited #	Cambodia	Dormant	60.80	60.80	39.20	39.20

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(ag) 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
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
(ah) Subsidiary of Deco Style Sdn. Bhd.						
Sunway Design Sdn. Bhd.	Malaysia	Interiors decorator and contractors	80	80	20	20
(ai) 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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(ai) Subsidiaries of Sunway PKNS Sdn. Bhd. (contd.)						
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
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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(aj) 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
(ak) Subsidiaries of International Theme Park Pty. Ltd.						
Sunway Australia Unit Trust #	Australia	Unit trust	45	45	55	55
(al) 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	100	-	-
Sunway Global Investment Pte. Ltd.	Singapore	Investment holding	100	-	-	-
(am) Subsidiaries of Sunway Winstar Sdn. Bhd. (Formerly known as Winstar Trading Sdn. Bhd.)						
Winstar Enterprise Sdn. Bhd.	Malaysia	Dormant	76	76	24	24
Rising Star Marketing Sdn. Bhd.	Malaysia	Dormant	53.6	53.6	46.4	46.4
Sunway Saf-T-Quip Sdn. Bhd. (Formerly known as Saf-T-Quip Sdn. Bhd.)	Malaysia	Sale of industrial safety products	80	80	20	20
Sunway United Star Sdn. Bhd. (Formerly known as United Star Engineering & Hardware Sdn. Bhd.)	Malaysia	Trading of hardware and engineering products	66.4	66.4	33.6	33.6

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(am) Subsidiaries of Sunway						
Winstar Sdn. Bhd. (Formerly known as Winstar Trading Sdn. Bhd.) (contd.)						
Sunway Hsing Yeat Sdn. Bhd. (Formerly known as Hsing Yeat Sdn. Bhd.)	Malaysia	Trading in hardware and household products	64.93	64.93	35.07	35.07
I Star Electrical Sdn. Bhd.	Malaysia	Dormant	80	80	20	20
Jaya DIY Mart Sdn. Bhd. (Formerly known as Weld Star Sdn. Bhd.)	Malaysia	Operation of DIY stores selling hardware and household products	80	-	20	-
(an) Subsidiaries of Winstar Enterprise Sdn. Bhd.						
Multi Star Marketing Sdn. Bhd.	Malaysia	Dormant	49.40	49.40	50.60	50.60
Power Star Hardware Sdn. Bhd.	Malaysia	Dormant	68.86	68.86	31.14	31.14
(ao) Subsidiaries of Sunway Hsing Yeat Sdn. Bhd. (Formerly known as Hsing Yeat Sdn. Bhd.)						
Prestamin Sdn. Bhd.	Malaysia	Dormant	64.93	64.93	35.07	35.07
TactStar Sdn. Bhd.	Malaysia	Wholesales of hardware and engineering products	64.93	64.93	35.07	35.07
Star Bridge Hardware Sdn. Bhd.	Malaysia	Dormant	48.69	48.69	51.31	51.31
Power Star Machinery Sdn. Bhd.	Malaysia	Dormant	64.93	50.01	35.07	49.99

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

54. Subsidiaries (contd.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2017	2016	2017	2016
			%	%	%	%
(ao) Subsidiaries of Sunway Hsing Yeat Sdn. Bhd. (Formerly known as Hsing Yeat Sdn. Bhd.) (contd.)						
Sunway Coating Solutions Sdn. Bhd. (Formerly known as Aimstar Marketing Sdn. Bhd.)	Malaysia	Manufacturing and selling of paints, chemical and concrete	45.45	45.45	54.55	54.55
Jaya DIY Mart Sdn. Bhd. (Formerly known as Malaysia Weld Star Sdn. Bhd.) (Transfer to Sunway Winstar Sdn. Bhd. (Formerly known as Winstar Trading Sdn. Bhd.))	Malaysia	Operation of DIY stores selling hardware and household products	-	64.93	-	35.07
North Star Marketing Sdn. Bhd.	Malaysia	Dormant	64.93	64.93	35.07	35.07
Aptstar Sdn. Bhd.	Malaysia	Dormant	64.93	64.93	35.07	35.07
The Venue International Sdn. Bhd.	Malaysia	Dormant	38.96	38.96	61.04	61.04

(ap) Subsidiary of Aptstar Sdn. Bhd.

Mcstar Sdn. Bhd.	Malaysia	Dormant	64.93	64.93	35.07	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 activities of Eastern Glory.

^ Subsidiaries are consolidated based on management accounts for the financial year ended 31 December 2017. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

55 Significant events during the financial year and significant events subsequent to the end of the reporting period

(a) Significant events during the financial year

- (i) Sales and Purchase Agreements between Sunway Subang Sdn. Bhd. with Sunway Serene Sdn. Bhd. (“SSSB”), View2pick Sdn. Bhd. (“V2P”) and Chen Yew Plastics Sdn. Bhd. (“CYP”) and Shareholders Agreement between Sunway City Sdn. Bhd. and View2pick Sdn. Bhd.

Sunway Subang 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
SSSB	Hakmilik H.S.(D) 182796, PT 7 in Pekan Subang, Daerah Petaling, Negeri Selangor measuring approximately 8,523 square metres (“PT 7”)	12,500
V2P	Hakmilik H.S.(D) 113417, PT 8 in Pekan Subang, Daerah Petaling, Negeri Selangor measuring approximately 0.9105 hectares (“PT 8”)	9,000
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 2017 (contd.)

55. Significant events during the financial year and significant events subsequent to the end of the reporting period (contd.)

(a) Significant events during the financial year (contd.)

- (i) Sales and Purchase Agreements between Sunway Subang Sdn. Bhd. with Sunway Serene Sdn. Bhd. ("SSSB"), View2pick Sdn. Bhd. ("V2P") and Chen Yew Plastics Sdn. Bhd. ("CYP") 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 SSSB, 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:

- (a) SSSB and CYP having obtained the State Authority's approval, whether unconditionally or subject to conditions acceptable to the JVCo;
- (b) the execution and fulfilment of the conditions precedent set out for PT 7 and PT 8;
- (c) SSSB 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
- (d) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

55. Significant events during the financial year and significant events subsequent to the end of the reporting period (contd.)

(a) Significant events during the financial year (contd.)

- (i) Sales and Purchase Agreements between Sunway Subang Sdn. Bhd. with Sunway Serene Sdn. Bhd. ("SSSB"), View2pick Sdn. Bhd. ("V2P") and Chen Yew Plastics Sdn. Bhd. ("CYP") and Shareholders Agreement between Sunway City Sdn. Bhd. and View2pick Sdn. Bhd. (contd.)

Salient terms of the SA include, inter-alia, the following:

- (a) 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 currently held by SunCity in the JVCo.

- (b) SunCity and V2P shall be entitled to nominate and appoint 3 directors and 1 director respectively in the JVCo.
- (c) SunCity shall nominate the Chairman of the Board.
- (d) 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 of the Development.

The SA shall become unconditional when the following conditions have been fulfilled:

- (a) Execution of the SPAs and fulfilment of the conditions precedent of the SPAs in relation to PT 7, PT 8 and PT 2049; and
- (b) 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 SPA of PT2049 and the Proposed Joint Venture were completed on 29 June 2016 and 24 May 2017 respectively. The remainder of the acquisition of PT 7 and PT 8 have not been completed as at the date of this report.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

55. Significant events during the financial year and significant events subsequent to the end of the reporting period (contd.)

(a) Significant events during the financial year (contd.)

(ii) Proposed acquisition of land by Sunway Supply Chain Enterprise Sdn. Bhd.

On 31 July 2017, Sunway Supply Chain Enterprise Sdn. Bhd. ("SSCE"), a wholly-owned subsidiary of Sunway Holdings Sdn. Bhd. which in turn is a wholly-owned subsidiary of the Company, entered into an agreement ("Agreement") with Premier Place Property Sdn. Bhd. ("PPP"), a wholly-owned subsidiary of JAKS Resources Berhad whereby PPP and SSCE or its related corporation agree to execute a sale and purchase agreement ("SPA") within 21 days from the date of the Agreement or such extended time period as the parties shall mutually agree in writing to acquire the following 4 parcels of freehold land totaling 5.988 hectares or 644,575.24 square feet for a total purchase consideration of RM167,589,760 (excluding Goods and Services Tax) ("Proposed Land Acquisition"):

- (i) Geran Mukim 85 Lot 526, Tempat Sungei Penaga, Mukim Damansara, Daerah Petaling, Negeri Selangor measuring approximately 1.214 hectares or 130,673.87 square feet ("Land 1");
- (ii) Geran Mukim 84 Lot 527, Tempat Sungei Penaga, Mukim Damansara, Daerah Petaling, Negeri Selangor measuring approximately 1.214 hectares or 130,673.87 square feet ("Land 2");
- (iii) Geran Mukim 83 Lot 528, Tempat Sungei Penaga, Mukim Damansara, Daerah Petaling, Negeri Selangor measuring approximately 1.214 hectares or 130,673.87 square feet ("Land 3"); and
- (iv) Geran Mukim 319 Lot 62506 Tempat Sungei Penaga, Pekan Subang Jaya, Daerah Petaling, Negeri Selangor measuring approximately 2.346 hectares or 252,553.63 square feet ("Land 4").

(Land 1, Land 2, Land 3 and Land 4 shall collectively be referred as "the Lands")

The SPA shall be conditional upon PPP obtaining the approval of the shareholders of JAKS Resources Berhad in a general meeting for the disposal of the Lands by PPP to SSCE within 4 months from the date of the SPA or such extended time period as the parties thereto shall mutually agree in writing. The SPA shall become unconditional upon the fulfilment of this condition precedent and receipt of a written notification of the same by SSCE ("Unconditional Date").

SSCE had on 17 August 2017 signed the SPA for the Proposed Land Acquisition.

SSCE had on 1 February 2018 entered into a supplemental agreement with PPP ("Supplemental Agreement") to vary and amend certain terms and conditions of the SPA dated 17 August 2017 in relation to the Proposed Land Acquisition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

55. Significant events during the financial year and significant events subsequent to the end of the reporting period (contd.)

(a) Significant events during the financial year (contd.)

(ii) Proposed acquisition of land by Sunway Supply Chain Enterprise Sdn. Bhd. (contd.)

Details of the Supplemental Agreement include, inter-alia, the following:

- (a) SSCE noted that the respective areas of Land 1, Land 2 and Land 3 may not be in accordance with the details as specified in the issue documents of title of Land 1, Land 2 and Land 3 respectively. In particular, PPP and SSCE agree that part of the major road known as Persiaran Subang 1 is situated on part of Land 1, Land 2 and Land 3. The aggregate area of the affected portions is approximately 49,857 square feet (the "Affected Portions"). PPP is using its best endeavors to obtain a written confirmation from the relevant authorities to confirm the actual areas of Land 1, Land 2 and Land 3 in order to resolve the uncertainty ("Written Confirmation from Authorities").
- (b) Pending the issuance of the Written Confirmation from Authorities, the parties agree, inter alia, that a total sum of RM13,000,000 ("Escrow Amount") and estimated expenses of RM780,000/- ("Estimated Expenses") out of the balance purchase price shall be deposited with SSCE's solicitors to hold as stakeholders in an interest bearing account on or before the completion date or the expiry of the extended period as mutually agreed by the parties, as the case may be. The Escrow Amount and Estimated Expenses will be dealt with after the issue documents of title for Land 1, Land 2 and Land 3 are extracted from the relevant Land Registry following the registration of the transfer in favour of SSCE.

On 15 December 2017, the SPA had become unconditional as the condition precedent had been fulfilled. The Proposed Land Acquisition has been completed but payment has not been made as at the date of this report.

(iii) Acquisition of land and buildings by Daksina Harta Sdn. Bhd. from Concept Housing Development (M) Sdn. Bhd., a related party.

On 1 August 2017, Daksina Harta Sdn. Bhd. ("Purchaser"), a subsidiary of the Company, entered into a Sale and Purchase Agreement ("SPA") with Concept Housing Development (M) Sdn. Bhd. ("Vendor") for the acquisition of a freehold land held under Geran No. 47813, Lot No. 1, Mukim Kajang, Daerah Ulu Langat, Negeri Selangor measuring approximately 24,281.1 square metres (before taking into account/deducting the portion of the land that was compulsorily acquired by the relevant authority measuring 2,928 square metres) ("the Land") together with a partially completed commercial complex comprising a 3-storey podium (3 units of office space) including 1 unit of Tenaga Nasional Berhad substation, a 20-storey office Block A (17 units of office space), a 12-storey office Block B (9 units of office space) and a 10-storey car park ("the Buildings") free from encumbrances and with vacant possession for a total purchase consideration of RM63,000,000 (excluding Goods and Services Tax) ("Proposed Property Acquisition"). The Land and the Buildings shall be collectively be referred to as "the Property".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

55. Significant events during the financial year and significant events subsequent to the end of the reporting period (contd.)

(a) Significant events during the financial year (contd.)

- (iii) Acquisition of land and buildings by Daksina Harta Sdn. Bhd. from Concept Housing Development (M) Sdn. Bhd., a related party. (contd.)

Pursuant to the SPA, the Purchaser will acquire the Property from the Vendor free from encumbrances and with vacant possession for a total purchase consideration of RM63,000,000 (excluding Goods and Services Tax) ("Purchase Price").

The Purchase Price shall be satisfied by the Purchaser in the following manner:

- (a) A deposit of RM6,300,000 paid to the Vendor's solicitors as stakeholder upon execution of the SPA which shall be refunded to the Purchaser interest free in the event the condition precedents are not met; and
- (b) The balance Purchase Price of RM56,700,000 shall be paid to the Vendor's solicitors as stakeholder within 3 months from the date of fulfillment of the conditions precedent ("Completion Date"). If the Purchaser 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 the Purchaser paying interest of 5% per annum on the outstanding amount.

The Company had on 10 August 2017 evening received a letter from the solicitors for Steelwell Development Sdn. Bhd. ("Steelwell") claiming that Steelwell's consent is required for the sale of the Property by the Vendor as there was a settlement agreement between the Vendor and Steelwell, and that the Purchaser is not to take any further action under the SPA until settlement between the Vendor and Steelwell with regards to the Property.

The Company is currently seeking legal advice in relation to its rights under the SPA.

The Proposed Property Acquisition has not been completed as at the date of this report.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

55. Significant events during the financial year and significant events subsequent to the end of the reporting period (contd.)

(a) Significant events during the financial year (contd.)

- (iv) Proposed disposal of the Sunway Clio property by Sunway Forum Hotel Sdn. Bhd., proposed lease by Sunway Resort Hotel Sdn. Bhd. of the hotel property for an initial term of 10 years ("Proposed Lease of Hotel") and proposed tenancy by Sunway Leisure Sdn. Bhd. of the multi-storey car park in the Sunway Clio property ("Proposed Tenancy of Car Park") (collectively referred to as "Proposals")

On 3 August 2017, RHB Investment Bank Berhad announced on behalf of the Group that the following agreements have been entered into:

- (i) A conditional sale and purchase agreement entered into between Sunway Forum Hotel Sdn. Bhd. (a wholly-owned subsidiary of Sunway City Sdn. Bhd. ("SunCity") which in turn is wholly-owned by the Company) ("Vendor") and RHB Trustees Berhad (as the trustee of Sunway Real Estate Investment Trust ("Sunway REIT")) ("Trustee"), for the proposed disposal by the Vendor to the Trustee of a parcel of leasehold land under H.S. (D) 259881, Lot No. PT 1333, Bandar Sunway, District of Petaling, Selangor Darul Ehsan together with a 27-storey building with a lower ground floor (and all services infrastructure, fixtures and fittings affixed or located or used in the property) comprising:

- (a) a 19-storey 4-star rated hotel with 401 hotel rooms and facilities including a swimming pool, an exercise area, a dining area and meeting rooms known as Sunway Clio Hotel ("Hotel Property");
- (b) 3-storey (including 1 storey at lower ground floor) retail lots known as Sunway Pyramid West ("Retail Space"); and
- (c) a 6-storey podium car park ("Podium Car Park") and 4-storey basement car park (collectively "Multi-storey Car Park") (collectively, the Sunway Clio Property).

for a cash consideration of RM340 million ("SPA");

- (ii) A conditional hotel lease agreement ("HLA") entered into between Sunway Resort Hotel Sdn. Bhd. (a wholly-owned subsidiary of SunCity) ("Lessee"), the Trustee ("Lessor") and Sunway REIT Management Sdn. Bhd. (as the manager of Sunway REIT), for the lease of the Hotel Property for an initial term of 10 years commencing from the day immediately after the completion of the SPA ("Completion Date") with an option to renew for a further term of 10 years; and
- (iii) A conditional car park tenancy agreement ("CTA") entered into between Sunway Leisure Sdn. Bhd. (a wholly-owned subsidiary of SunCity) ("Tenant") and the Trustee ("Landlord"), for the tenancy of the Multi-storey Car Park for a period of 3 years commencing from the day immediately after the Completion Date with an option to renew for a further term of 3 years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

55. Significant events during the financial year and significant events subsequent to the end of the reporting period (contd.)

(a) Significant events during the financial year (contd.)

- (iv) Proposed disposal of the Sunway Clio property by Sunway Forum Hotel Sdn. Bhd., proposed lease by Sunway Resort Hotel Sdn. Bhd. of the hotel property for an initial term of 10 years ("Proposed Lease of Hotel") and proposed tenancy by Sunway Leisure Sdn. Bhd. of the multi-storey car park in the Sunway Clio property ("Proposed Tenancy of Car Park") (collectively referred to as "Proposals") (contd.)

Separately, the Trustee, Manager and Lessee have via a letter dated 9 February 2018, mutually agreed to further extend the conditions precedent fulfilment period under the HLA for a further 6 months commencing from 3 February 2018 to 3 August 2018. The registration of the lease of the Hotel Property shall take place after the conditions precedent have been fulfilled in accordance with the terms of the HLA.

Nonetheless, both the Proposed Lease of Hotel and the Proposed Tenancy of Car Park would commence on 10 February 2018, being the day immediately after the Completion Date, in accordance with the respective terms of the HLA and CTA.

The Proposals have been completed as at the date of this report.

- (v) Subscription and shareholders' agreement between Sunglobal Resources Sdn. Bhd. ("Sunglobal"), Sunway City Sdn. Bhd. ("SunCity") and Huatland Sdn. Bhd. ("Huatland"), and proposed acquisition of land by Sunglobal.

On 16 August 2017, SunCity, which is a wholly-owned subsidiary of the Company, had entered into a Subscription and Shareholders' Agreement ("SSA") with Huatland and Sunglobal, a wholly-owned subsidiary of Suncity, for the purpose of establishing a joint venture via Sunglobal to jointly carry out and undertake a proposed mixed development project on a freehold land held under No. Hakmilik H.S.(M) 73476, Lot 30353 in Mukim Setapak, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan measuring approximately 17,578 square meters ("the Land") as well as to regulate the relationship between Suncity and Huatland as the shareholders of the Sunglobal ("Proposed Joint Venture").

Sunglobal has also on even date, entered into a Sale and Purchase Agreement ("SPA") with Setapak Heights Development Sdn. Bhd. ("Vendor") for the acquisition of the Land free from encumbrances and with vacant possession for a total purchase consideration of RM51,070,000 (excluding Goods and Services Tax) ("Proposed Land Acquisition").

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

55. Significant events during the financial year and significant events subsequent to the end of the reporting period (contd.)

(a) Significant events during the financial year (contd.)

- (v) Subscription and shareholders' agreement between Sunglobal Resources Sdn. Bhd. ("Sunglobal"), Sunway City Sdn. Bhd. ("SunCity") and Huatland Sdn. Bhd. ("Huatland"), and proposed acquisition of land by Sunglobal. (contd.)

The salient terms of the SSA are as follows:

- (a) Under the Proposed Joint Venture, SunCity and Huatland shall subscribe for the following shares for cash in the share capital of the JVCo:

Shareholders	Number of Ordinary Shares	Number of Redeemable Preference Shares	Shareholding Ratio
SunCity	*275,000	8,151,550	55%
Huatland	225,000	6,669,450	45%
Total	500,000	14,821,000	100%

* Include 1 ordinary share currently held by SunCity in the JVCo.

- (b) SunCity and Huatland shall be entitled to nominate and appoint 3 directors and 2 directors respectively in the JVCo.
- (c) SunCity shall nominate the Chairman of the Board.

The completion of the sale and purchase of the Land shall be conditional upon the following conditions precedent ("Conditions Precedent") being fulfilled or obtained or waived by mutual agreement of the parties by 3 months from the date of the SPA or such extended date as the parties may mutually agree:

- (a) The Vendor having obtained a revised development order or development approval in its name with an approved plot ratio of not less than 5.0 times and the Vendor having provided the documentary evidence that all premium and development charges in respect of such revised development order or development approval have been fully settled; and
- (b) The Vendor and the Sunglobal having successfully registered with the Royal Malaysian Customs Department as a Goods and Services Tax registrant.

The Purchase Price shall be satisfied by Sunglobal on or before the completion date to the Vendor's solicitors as stakeholders i.e. 1 month after the Conditions Precedent have been fulfilled or obtained or waived, or such other extended date as the parties may mutually agree.

The SSA has been completed as at the date of this report.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

55. Significant events during the financial year and significant events subsequent to the end of the reporting period (contd.)

(a) Significant events during the financial year (contd.)

- (vi) Share sale agreement ("SSA") between Sunway Lagoon Sdn. Bhd. ("SLSB") and Kuwait Finance House (Malaysia) Berhad ("KFH")

On 10 October 2017, SLSB, a subsidiary of the Sunway City Sdn. Bhd. ("SunCity"), which in turn is wholly-owned by the Company, entered into an SSA with KFH where SLSB agrees to acquire 50,000 ordinary shares held by KFH in Sunway South Quay Sdn. Bhd. ("SSQ"), representing 20% of the share capital of SSQ, at a purchase consideration of RM136,649,000 and repay on behalf of SSQ, a sum of RM73,351,000 in cash towards the settlement of the Musyarakah Capital invested by KFH in SSQ ("Proposed Acquisition").

Pursuant to the SSA, SLSB will acquire 50,000 ordinary shares from KFH, representing 20% equity interest in SSQ on an "as is where is" basis free from all encumbrances at a total consideration of RM136,649,000 ("Purchase Consideration") and repay on behalf of SSQ, a sum of RM73,351,000 in cash towards the settlement of the Musyarakah Capital invested by KFH in SSQ.

SLSB shall pay KFH in the following manner:

- (a) upon execution of the SSA, SLSB shall pay RM27,329,800 as part payment of the Purchase Consideration and RM14,670,200 towards part settlement of the Musyarakah Capital; and
- (b) on 15 December 2017 or such other date as may be agreed upon between the parties, SLSB will pay RM109,319,200 towards settlement of the balance of the Purchase Consideration and RM58,680,800 towards settlement of the balance Musyarakah Capital.

The SSA has been completed as at the date of this report.

- (vii) Share sale agreement ("SSA") between Sunway Lagoon Sdn. Bhd. ("SLSB") and Employees Provident Fund Board ("EPF")

On 24 October 2017, SLSB, a subsidiary of the SunCity, had on 24 October 2017 entered into an SSA with EPF where SLSB agrees to acquire 50,000 ordinary shares held by EPF in Sunway South Quay Sdn. Bhd. ("SSQ"), representing 20% of the share capital of SSQ, at a purchase consideration of RM136,649,000 and repay on behalf of SSQ, a sum of RM73,351,000 in cash towards the settlement of the Musyarakah Capital invested by EPF in SSQ ("Proposed Acquisition").

Pursuant to the SSA, SLSB will acquire 50,000 ordinary shares from EPF, representing 20% equity interest in SSQ on an "as is where is" basis free from all encumbrances at a total consideration of RM136,649,000 ("Purchase Consideration") and repay on behalf of SSQ, a sum of RM73,351,000 in cash towards the settlement of the Musyarakah Capital invested by EPF in SSQ.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

55. Significant events during the financial year and significant events subsequent to the end of the reporting period (contd.)

(a) Significant events during the financial year (contd.)

- (vii) Share sale agreement (“SSA”) between Sunway Lagoon Sdn. Bhd. (“SLSB”) and Employees Provident Fund Board (“EPF”) (contd.)

SLSB shall pay EPF in the following manner:

- (a) upon execution of the SSA, SLSB shall pay RM27,329,800 as part payment of the Purchase Consideration and RM14,670,200 towards part settlement of the Musyarakah Capital; and
- (b) on 15 December 2017 or such other date as may be agreed upon between the parties, SLSB will pay RM109,319,200 towards settlement of the balance of the Purchase Consideration and RM58,680,800 towards settlement of the balance Musyarakah Capital.

Upon completion of the SSA and KFH SSA, SSQ will become a wholly-owned subsidiary of SLSB.

The SSA has been completed as at the date of this report.

(b) Significant events subsequent to the end of the reporting period

- (i) Collective purchase of land, all the units and the common property in the development known as Brookvale Park comprised in Lots 4267K, 4268N, 4269X and 4270K of Mukim 5, Singapore (“Brookvale Park”)

On 15 February 2018, Hoi Hup Realty Pte. Ltd. (“Hoi Hup”) and Sunway Developments Pte. Ltd. (a wholly-owned subsidiary of Sunway Holdings Sdn. Bhd., which in turn is wholly-owned by the Company) (“SDPL”) had entered into a Collective Sale and Purchase Agreement with the collective majority owners of Brookvale Park to acquire Brookvale Park (“the Property”) for a total consideration of S\$530.0 million (equivalent to approximately RM1.59 billion). The completion of the agreement is subject to fulfillment of conditions precedent and authorities’ approval.

Brookvale Park, located on 999-year leasehold land in Clementi, Singapore, is currently a 160-unit private residential estate with a land area of 34,654 square meter. The Property will be redevelop into a new private residential development with an allowed plot ratio of 1.6 times, subject to authorities’ approval (“the Proposed Project”).

The Collective Sale and Purchase Agreement has not been completed as at the date of this report.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

56. Adoption of FRSs and Amendments to FRSs

(a) 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 2017, the Group and the Company adopted the following Standards that are mandatory for annual financial periods beginning on or after 1 January 2017.

Title	Effective Date
Amendments to FRS 12 <i>Annual Improvements to FRS Standards 2014 - 2016 Cycle</i>	1 January 2017
Amendments to FRS 107 <i>Disclosure Initiative</i>	1 January 2017
Amendments to FRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company.

(b) New FRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2018

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.

Title	Effective Date
FRS 9 <i>Financial Instruments (IFRS 9 as issued by IASB in July 2014)</i>	1 January 2018
Amendments to FRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to FRS 1 <i>Annual Improvements to FRS Standards 2014 - 2016 Cycle</i>	See FRS 1 Paragraphs 39AD and 39ADAA
Amendments to FRS 4 <i>Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts</i>	See FRS 4 Paragraphs 46, 47AA and 48
Amendments to FRS 128 <i>Annual Improvements to FRS Standards 2014 - 2016 Cycle</i>	See FRS 128 Paragraphs 45E and 45EAA
Amendments to FRS 140 <i>Transfers of Investment Property</i>	See FRS 140 Paragraphs 85G and 85GAA
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	See IC Interpretation 22 Paragraphs A1 and A1AA
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	See IC Interpretation 23 Paragraphs B1 and B1AA
Amendments to FRS 10 and FRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

56. Adoption of FRSS and Amendments to FRSS

- (b) **New FRSSs that have been issued, but only effective for annual periods beginning on or after 1 January 2018 (contd.)**

The above Standards shall be superseded upon adoption of the MFRS Framework on 1 January 2018.

- (c) **New MFRSSs that have been issued, but only effective for annual periods beginning on or after 1 January 2018**

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.

In adopting the new MFRS Framework, the Group would be required to apply the specific transition requirements in MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards. In addition to the adoption of the new MFRS Framework, the following new MFRSSs and amendments to the MFRSSs are effective for annual periods beginning on or after 1 January 2018:

Title	Effective Date
MFRS 9 <i>Financial Instruments (IFRS 9 as issued by IASB in July 2014)</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraphs 46 and 48
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 January 2018

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017 (contd.)

56. Adoption of FRSs and Amendments to FRSs

- (c) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2018 (contd.)

Malaysian Financial Reporting Standards (MFRS Framework) (contd.)

Title	Effective Date
Clarifications to MFRS 15	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
MFRS 16 <i>Leases</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group is in the process of assessing the impact of implementing these Standards, since the effects would only be observable for future financial years.

LIST OF MATERIAL PROPERTIES

AS AT 31 DECEMBER 2017

Location / Address	Land area (acres) / Built up area (sq ft)	Description / Existing use	Age of Building (Years)	Tenure	Net Book Value as at 31.12.2017 (RM'000)	Date of Acquisition (A) / Revaluation (R)
Lot 20040 Seksyen 90 Lot 5 & 31 Seksyen 90A Mukim Bandar Kuala Lumpur Daerah Kuala Lumpur Wilayah Persekutuan	22.43 / 3,538,536	Sunway Velocity Mall and Car Park	1	Freehold	1,205,221	R: Dec-17 A: Dec-16
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	24	Leasehold expiring 01.04.2097	486,000	R: Dec-17
PT 252 HS(D) 63419 PT 4974 HS(D) 79345 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	21.83	Kelana Jaya land (Land under development and held for development)	-	Freehold & Leasehold expiring 11.05.2106	429,369	A: May-15 Feb-16
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	4	Leasehold expiring 01.04.2097	360,709	R: Dec-17
H.S.(D) 308674, PT 1356 Jalan Lagoon Selatan, Bandar Sunway, Daerah Petaling, Selangor	5.78 / 357,840	Sunway Medical Centre 3 and land	-	Leasehold expiring 10.7.2114	353,432	R: Dec-17 A: Jul-15
Lot 1385, 2102, 3224 & 7629 3223 & 7630 Mukim 13, Daerah Timur Laut Pulau Pinang	24.92	Paya Terubong land (Land held for development)	-	Freehold	344,688	A: Dec-13

Location / Address	Land area (acres) / Built up area (sq ft)	Description / Existing use	Age of Building (Years)	Tenure	Net Book Value as at 31.12.2017 (RM'000)	Date of Acquisition (A) / Revaluation (R)
Lot 62637 - 62639, Lot 62654, Lot 62656 PT1351 HS(D) 297665 PT97615 HS(D) 64729 PT1352 HS(D) 297666 PT1353 HS(D) 297667 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	49.60	Sunway South Quay (Land under development and held for development)	-	Leasehold expiring 05.07.2104 & 15.05.2106 & 20.05.2113	334,336	A: Apr-04 Nov-05 Mar-06
PT894 HSD(T) 238253 Lot 62630 (Previously known as PT907) PN 81526 (Previously known as HSD(T) 238960) Bandar Sunway Daerah Petaling Selangor Darul Ehsan	11.96 / 1,056,191	Monash University	11	Leasehold expiring 02.04.2106 & 15.05.2106	302,769	R: Dec-17
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	Sunway Monash Hostel	6.5	Leasehold expiring 15.03.2106 & 02.04.2106	271,095	R: Dec-17
PTD 218602, 231844, 231849, 231850, 231856, 231857 Mukim Plentong, District of Johor Bahru, Johor	68.71	Sunway Lenang Heights (Land under development and held for development)	-	Freehold	258,235	A: Dec-10

DRIVING INNOVATION

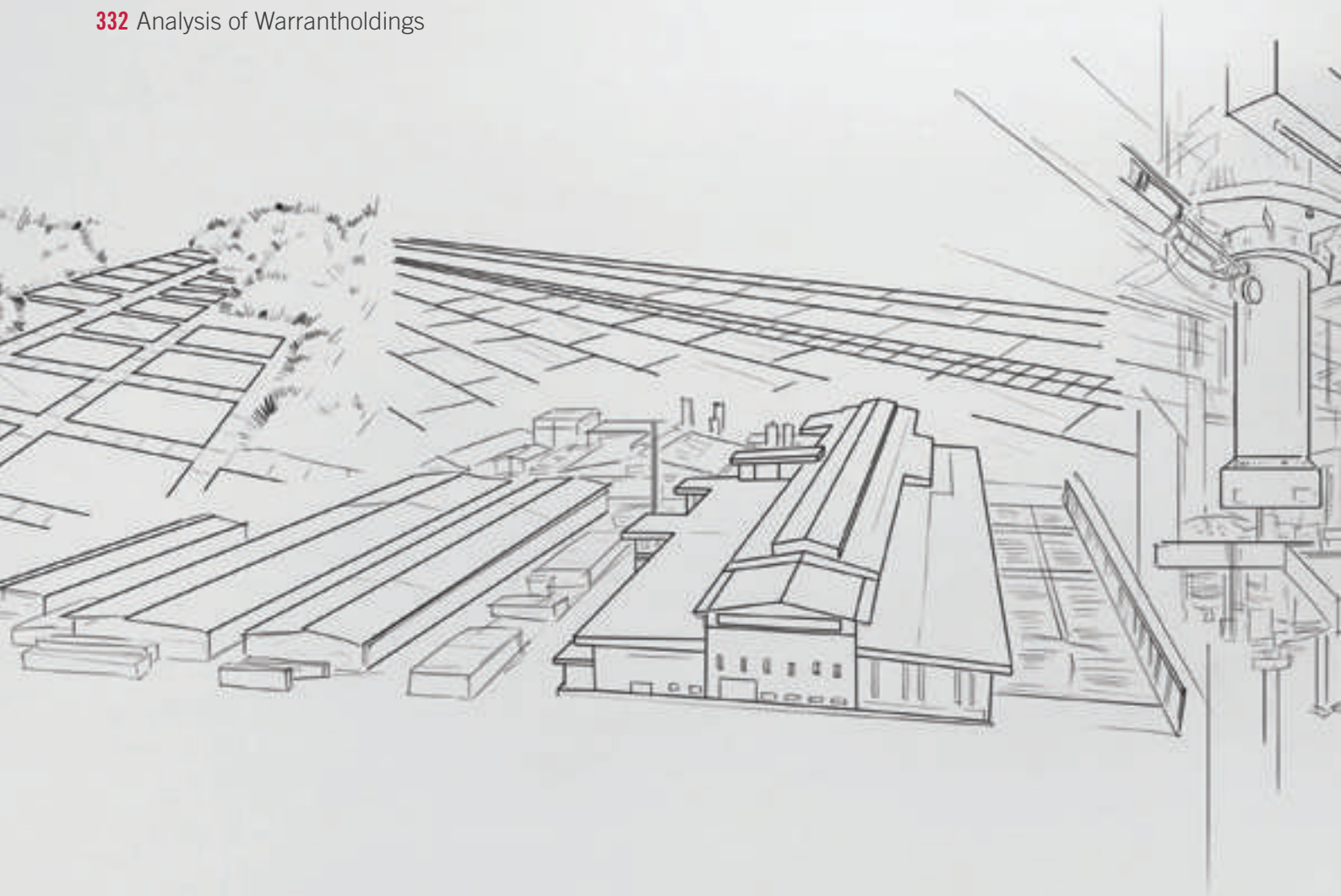
Sunway's Building Materials division supplies Interlocking Concrete Pavers, Vitrified Clay Pipes and Spun Piles to a diversified customer base in Peninsular Malaysia and China. Moving forward, the division seeks to expand geographically and continuously innovate to retain its market leadership position.

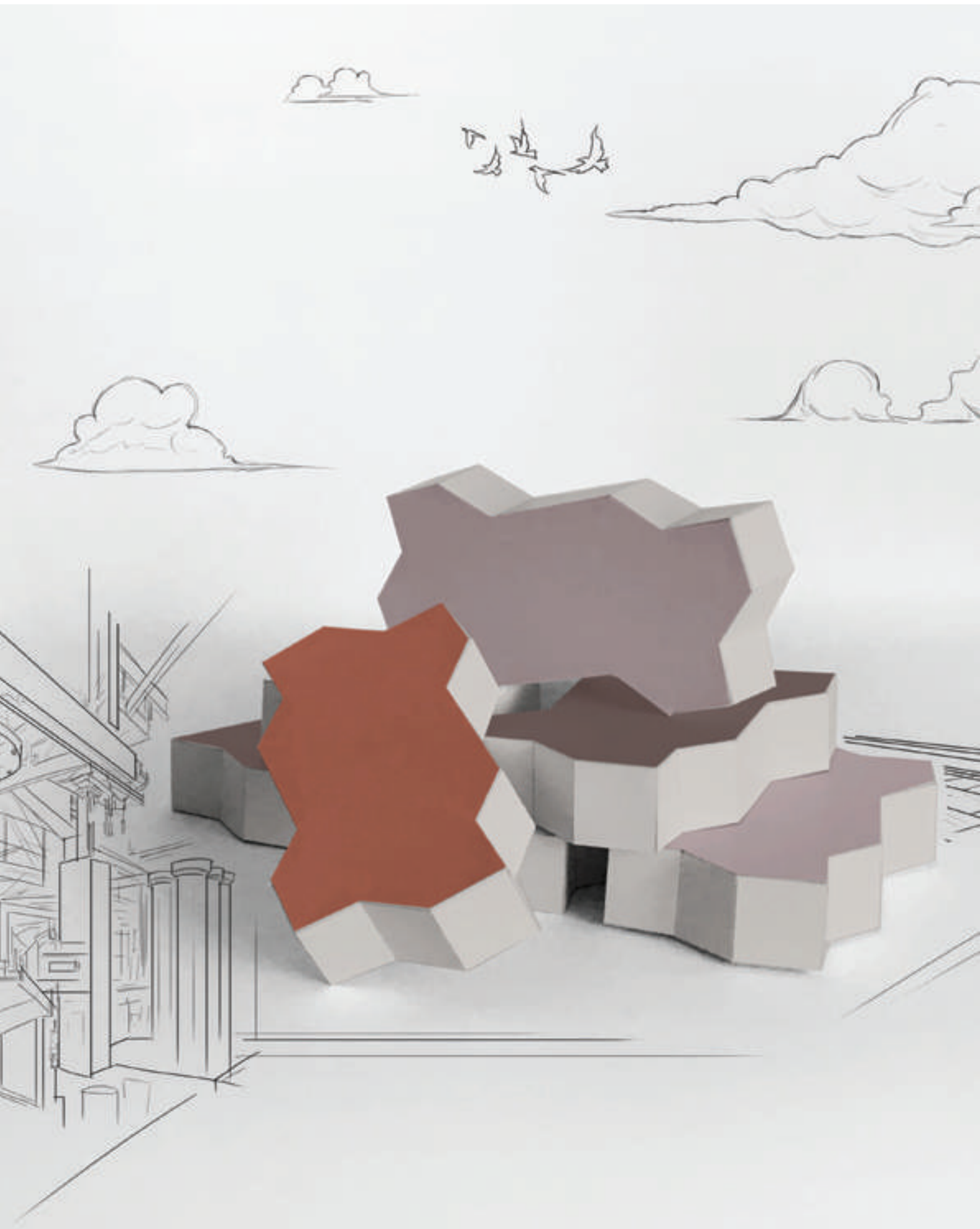
SHAREHOLDINGS' INFORMATION

328 Directors' Interests in Shares and Warrants based on the
Register of Directors' Shareholdings

330 Analysis of Shareholdings

332 Analysis of Warrantholdings





DIRECTORS' INTERESTS IN SHARES AND WARRANTS BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS

As at 20 March 2018

DIRECTORS' INTERESTS IN SUNWAY

Name of Directors	Ordinary Shares	
	No.	%
Direct interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO	249,108,108	5.10
Tan Sri Datuk Seri Razman M Hashim	3,542,324	0.07
Dato' Chew Chee Kin	20,623,927	0.42
Sarena Cheah Yean Tih	5,145,175	0.11
Datuk Seri Yam Kong Choy	175,350	#
Tan Sri Dato' Dr. Lin See Yan	700,000	0.01
Deemed interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO ^a	2,704,450,295	55.37
Dato' Chew Chee Kin ^b	1,534,029	0.03
Sarena Cheah Yean Tih ^c	2,944,303,411	60.28

Name of Directors	Warrants 2017/2024	
	No.	%
Direct interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO	32,028,184	5.08
Tan Sri Datuk Seri Razman M Hashim	455,441	0.07
Dato' Chew Chee Kin	2,651,647	0.42
Sarena Cheah Yean Tih	661,522	0.11
Datuk Seri Yam Kong Choy	22,545	#
Tan Sri Dato' Dr. Lin See Yan	90,000	0.01
Deemed interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO ^a	390,072,237	61.92
Dato' Chew Chee Kin ^b	197,232	0.03
Sarena Cheah Yean Tih ^c	420,910,494	66.81

**DIRECTORS' INTERESTS IN SUNWAY'S IMMEDIATE HOLDING COMPANY
SUNGEI WAY CORPORATION SDN BHD**

Name of Directors	Ordinary Shares	
	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

Name of Directors	Non-Cumulative Redeemable Preference Shares	
	No.	%
Direct interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO	122,000,000	100.00
Deemed interest		
Sarena Cheah Yean Tih ^f	122,000,000	100.00

**DIRECTORS' INTERESTS IN SUNWAY'S ULTIMATE HOLDING COMPANY
ACTIVE EQUITY SDN BHD**

Name of Directors	Ordinary Shares	
	No.	%
Direct interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO	102,000	60.00
Sarena Cheah Yean Tih	25,500	15.00
Deemed interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO ^g	68,000	40.00
Sarena Cheah Yean Tih ^f	102,000	60.00

**DIRECTORS' INTERESTS IN SUNWAY'S RELATED COMPANY
SUNWAY CONSTRUCTION GROUP BERHAD**

Name of Directors	Ordinary Shares	
	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
Sarena Cheah Yean Tih	57,727	#
Datuk Seri Yam Kong Choy	5,500	#
Tan Sri Dato' Dr. Lin See Yan	10,000	#
Deemed interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO ^h	833,629,588	64.51
Sarena Cheah Yean Tih ⁱ	841,282,416	65.10

NOTES:

- ^a Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd and children.
^b Deemed interest by virtue of Section 8 of the Companies Act 2016 held through spouse.
^c Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, spouse and parent.
^d Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn Bhd and children.
^e Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn Bhd and parent.
^f Deemed interest by virtue of Section 8 of the Companies Act 2016 held through parent.
^g Deemed interest by virtue of Section 8 of the Companies Act 2016 held through children.
^h Deemed interest by virtue of Section 8 of the Companies Act 2016 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 8 of the Companies Act 2016 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 20 March 2018

Issued shares : 4,919,105,979 ordinary shares
 Treasury shares : 32,420,262 treasury shares held by the Company
 Class of Shares : Ordinary shares
 Voting Rights : One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
Less than 100	1,963	9.54	63,100	#
100 - 1,000	1,972	9.59	1,035,270	0.02
1,001 - 10,000	11,075	53.84	48,779,559	1.00
10,001 - 100,000	4,739	23.04	129,235,177	2.65
100,001 - 244,334,285 (Less than 5% of issued shares)	815	3.96	1,763,823,058	36.09
244,334,286 (5% and above of issued shares)	6	0.03	2,943,749,553	60.24
	20,570	100.00	4,886,685,717*	100.00

Note:

Less than 0.01%

* Exclude a total of 32,420,262 treasury shares retained by the Company as per record of depositors as at 20 March 2018.

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

(Excluding 32,420,262 treasury shares)

	Name of Shareholders	No. of Shares	%
1	Sungei Way Corporation Sendirian Berhad	1,324,096,393	27.10
2	Public Nominees (Tempatan) Sdn Bhd - Pledged securities account for Sungei Way Corporation Sdn Bhd (BSY)	421,570,000	8.63
3	Sungei Way Corporation Sendirian Berhad	353,289,526	7.23
4	HSBC Nominees (Tempatan) Sdn Bhd - Pledged securities account for Sungei Way Corporation Sdn Bhd (302-036306-089)	329,933,333	6.75
5	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged securities account for Sungei Way Corporation Sendirian Berhad	266,303,333	5.45
6	Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO	248,556,968	5.09
7	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	215,035,410	4.40
8	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt AN for AIA Bhd.	82,677,761	1.69
9	HSBC Nominees (Asing) Sdn Bhd - JPMBL SA for Aviva Investors	76,555,522	1.57
10	Citigroup Nominees (Asing) Sdn Bhd - Exempt AN for Citibank New York (Norges Bank 14)	59,036,457	1.21
11	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (AFFIN-HWG)	41,064,345	0.84
12	Amanahraya Trustees Berhad - Amanah Saham Bumiputera 2	40,000,000	0.82
13	Amanahraya Trustees Berhad - Public Ittikal Sequel Fund	39,275,583	0.80
14	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	37,327,243	0.76
15	Permodalan Nasional Berhad	34,000,000	0.70
16	Cartaban Nominees (Tempatan) Sdn Bhd - PAMB for Prulink Equity Fund	32,884,680	0.67
17	Kumpulan Wang Persaraan (Diperbadankan)	28,132,900	0.58
18	HSBC Nominees (Asing) Sdn Bhd - BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	25,611,538	0.52

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS (CONTD.)

	Name of Shareholders	No. of Shares	%
19	Amanahraya Trustees Berhad - Amanah Saham Wawasan 2020	25,000,000	0.51
20	Cartaban Nominees (Asing) Sdn Bhd - Exempt AN for State Street Bank & Trust Company (West CLT OD67)	23,266,512	0.48
21	Amanahraya Trustees Berhad - Public Islamic Select Enterprises Fund	21,629,792	0.44
22	Teng Yew Huat	21,347,200	0.44
23	Maybank Nominees (Tempatan) Sdn Bhd - Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	21,225,633	0.43
24	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Affin Hwang Select Opportunity Fund (3969)	19,277,200	0.39
25	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Total International Stock Index Fund	18,123,852	0.37
26	CIMB Group Nominees (Tempatan) Sdn Bhd - CIMB Commerce Trustee Berhad - Kenanga Growth Fund	17,873,822	0.37
27	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Dimensional Emerging Markets Value Fund	17,831,271	0.36
28	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	15,630,097	0.32
29	Amanahraya Trustees Berhad - Amanah Saham Bumiputera	15,544,900	0.32
30	Citigroup Nominees (Asing) Sdn Bhd - Exempt AN for UBS AG London (IPB)	14,949,081	0.31

SUBSTANTIAL SHAREHOLDERS BASED ON REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Name of Shareholders	No. of Shares	%
1	Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO		
	• Direct interest	249,108,108	5.10
	• Deemed interest ^a	2,704,450,295	55.37
2	Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng		
	• Deemed interest ^b	2,953,558,403	60.47
3	Sarena Cheah Yean Tih		
	• Direct interest	5,145,175	0.11
	• Deemed interest ^c	2,944,303,411	60.28
4	Evan Cheah Yean Shin		
	• Direct interest	4,112,535	0.08
	• Deemed interest ^d	2,944,300,693	60.28
5	Adrian Cheah Yean Sun		
	• Deemed interest ^d	2,944,300,693	60.28
6	Sungei Way Corporation Sdn Bhd	2,695,192,585	55.18
7	Active Equity Sdn Bhd		
	• Deemed interest ^e	2,695,192,585	55.18
8	Employees Provident Fund Board	285,090,471	5.84

NOTES:

a Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd and children.

b Deemed interest by virtue of Section 8 of the Companies Act 2016 held through spouse and children.

c Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, spouse and parent.

d Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd and parent.

e Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Sungei Way Corporation Sdn Bhd.

ANALYSIS OF WARRANTHOLDINGS

As at 20 March 2018

DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrantholders	% of Warrantholders	No. of Warrants Held	% of Warrantholdings
Less than 100	2,918	18.98	60,197	0.01
100 - 1,000	7,184	46.74	3,488,879	0.56
1,001 - 10,000	4,271	27.79	13,126,141	2.08
10,001 - 100,000	786	5.11	24,451,216	3.88
100,001 - 31,498,457 (Less than 5% of warrants in issue)	207	1.35	168,003,440	26.67
31,498,458 (5%) and above	5	0.03	420,839,285	66.80
	15,371	100.00	629,969,158	100.00

THIRTY LARGEST WARRANTHOLDERS AS PER RECORD OF DEPOSITORS

	Name of Warrantholders	No. of Warrants	%
1	Sungei Way Corporation Sendirian Berhad	224,442,822	35.63
2	Sungei Way Corporation Sendirian Berhad	87,780,139	13.93
3	HSBC Nominees (Tempatan) Sdn Bhd - Pledged securities account for Sungei Way Corporation Sdn Bhd (302-036306-089)	42,420,000	6.73
4	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged securities account for Sungei Way Corporation Sendirian Berhad	34,239,000	5.44
5	Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO	31,957,324	5.07
6	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	21,120,792	3.35
7	Teng Yew Huat	12,624,040	2.00
8	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt AN for AIA Bhd.	10,663,786	1.69
9	HSBC Nominees (Asing) Sdn Bhd - JPMBL SA for Aviva Investors	10,263,948	1.63
10	Voon Chong Kian	7,200,000	1.14
11	Amanahraya Trustees Berhad - Public Ittikal Sequel Fund	5,049,717	0.80
12	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	4,799,217	0.76
13	Cartaban Nominees (Tempatan) Sdn Bhd - PAMB for Prulink Equity Fund	4,701,816	0.75
14	Permodalan Nasional Berhad	3,405,779	0.54
15	HSBC Nominees (Asing) Sdn Bhd - BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	3,268,483	0.52
16	Maybank Nominees (Tempatan) Sdn Bhd - Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	2,729,010	0.43
17	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Total International Stock Index Fund	2,118,838	0.34
18	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	1,834,526	0.29
19	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for CIMB Islamic Dali Equity Theme Fund	1,794,600	0.28
20	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB Bank for Khoo Chai Pek (MY1030)	1,659,021	0.26

THIRTY LARGEST WARRANTHOLDERS AS PER RECORD OF DEPOSITORS (CONTD.)

	Name of Warrantholders	No. of Warrants	%
21	UOB Kay Hian Nominees (Tempatan) Sdn Bhd - Pledged securities account for Teo Kwee Hock	1,626,600	0.26
22	Amanahraya Trustees Berhad - Public Islamic Treasures Growth Fund	1,625,619	0.26
23	Tan Hui Gek	1,583,495	0.25
24	Public Invest Nominees (Asing) Sdn Bhd - Exempt AN for Phillip Securities Pte Ltd (Clients)	1,512,409	0.24
25	CIMB Group Nominees (Tempatan) Sdn Bhd - CIMB Commerce Trustee Berhad for Kenanga Malaysian Inc Fund	1,461,100	0.23
26	SWL Nominees (Tempatan) Sdn Bhd - Pledged securities account for Dato' Chew Chee Kin	1,353,375	0.21
27	Citigroup Nominees (Tempatan) Sdn Bhd - Universal Trustee (Malaysia) Berhad for CIMB Islamic Dali Equity Fund	1,333,320	0.21
28	Dato' Chew Chee Kin	1,298,272	0.21
29	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Dimensional Emerging Markets Value Fund	1,280,928	0.20
30	HSBC Nominees (Asing) Sdn Bhd - BBH and Co Boston for Vanguard Global Ex-U.S. Real Estate Index Fund	1,260,691	0.20

PUTTING THE CARE IN HEALTHCARE

Sunway Medical Centre is a private tertiary hospital accredited by the Australian Council on Healthcare Standards, offering a comprehensive range of medical services. Sunway Medical Centre opened its new 10-storey tower adjacent to the existing flagship hospital in Sunway City in 2017. Currently under construction is the division's new hospital in Sunway Velocity.

ANNUAL GENERAL MEETING

336 Notice of 8th Annual General Meeting

- Proxy Form





NOTICE OF 8TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 8th Annual General Meeting of SUNWAY BERHAD (921551-D) will be held at Grand Caymans, Level 10, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on Thursday, 21 June 2018 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 2017 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 RM636,041.10 for the financial year ended 31 December 2017. *(Ordinary Resolution 1)*
3. To approve the payment of benefits payable to the Non-Executive Directors of up to an amount of RM600,000.00 from 1 January 2018 until the conclusion of the next Annual General Meeting of the Company. *(Ordinary Resolution 2)*
4. To re-elect the following Directors:-
 - 4.1 Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling who retires by rotation pursuant to Article 107 of the Company's Articles of Association and being eligible, offers himself for re-election. *(Ordinary Resolution 3)*
 - 4.2 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 4)*
 - 4.3 Dato' Sri Idris Jala who retires by rotation pursuant to Article 90 of the Company's Articles of Association and being eligible, offers himself for re-election. *(Ordinary Resolution 5)*
 - 4.4 Tan Sri Datuk Dr Rebecca Fatima Sta Maria who retires by rotation pursuant to Article 90 of the Company's Articles of Association and being eligible, offers herself for re-election. *(Ordinary Resolution 6)*
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 7)*

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Resolutions:-

6. ORDINARY RESOLUTION:

Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016

"THAT subject always to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company's Articles of Association/Constitution and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016 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 number of issued shares of the Company for the time being and THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

(Ordinary Resolution 8)

7. ORDINARY RESOLUTION:**Proposed Renewal of 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 30 April 2018 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 2016 ("the Act"), the Company's Memorandum and Articles of Association/ Constitution 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 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - (c) revoked or varied by resolution passed by the shareholders in general meeting,
- whichever is the earlier.

THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

(Ordinary Resolution 9)

8. ORDINARY RESOLUTION:**Proposed Renewal of Share Buy-Back Authority**

"THAT subject to the Companies Act 2016 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association/ Constitution, 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 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 in the Company ("Sunway Shares") which may be purchased and/or held by the Company shall not exceed 10% of the total number of issued shares of the Company at any point of time, subject to a restriction that the 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 retained profits 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

NOTICE OF 8TH ANNUAL GENERAL MEETING

(iii) revoked or varied by Ordinary Resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first; and

- (d) upon completion of the purchase(s) of the Sunway Shares by the Company, the Directors of the Company be and are hereby authorised to cancel the Sunway Shares so purchased or to retain the Sunway Shares so purchased as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act), or to retain part of the Sunway Shares so purchased as treasury shares and cancel the remainder and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the Main Market Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the purchase(s) of the Sunway Shares with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company.”

(Ordinary Resolution 10)

9. ORDINARY RESOLUTION:

Proposed renewal of the authority for Directors to allot and issue new ordinary shares 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

“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 10% discount to the adjusted 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 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 11)

10. SPECIAL RESOLUTION:

Proposed Adoption of the New Constitution of the Company

“THAT approval be and is hereby given to the Company to alter or amend the whole of its existing Memorandum and Articles of Association by the replacement thereof with a new Constitution as set out in the Circular to Shareholders dated 30 April 2018 with immediate effect AND THAT the Board of Directors of the Company be and are hereby authorized to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing”

(Special Resolution 1)

By Order of the Board

TAN KIM AUN (MAICSA 7002988)
CHIN LEE CHIN (MAICSA 7012347)
 Company Secretaries

Bandar Sunway
 30 April 2018

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 more than 1 proxy to attend and vote instead of the member at the meeting. A proxy need not be a member.
2. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
3. 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.
4. Where a member appoints more than 1 proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
5. If a member has appointed a proxy to attend a meeting and subsequently he attends such meeting in person, the appointment of such proxy shall be null and void, and his proxy shall not be entitled to attend the said meeting.
6. 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.
7. 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 24 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 24 hours before the time appointed for holding the meeting or any adjournment thereof.
8. In respect of deposited securities, only members whose names appear in the Record of Depositors on 13 June 2018, 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 2017 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 340(1) of the Companies Act 2016. As such, this agenda will not be put for voting.

2. Ordinary Resolution 1 - To approve the payment of Directors' fees amounting to RM636,041.10 for the financial year ended 31 December 2017

The Company has adopted the following fees structure for its Non-Executive Directors ("NEDs"):-

BOARD/AUDIT COMMITTEE	CO-CHAIRMAN/ CHAIRMAN (RM/ANNUUM)	MEMBER (RM/ANNUUM)
Board	360,000*	120,000
Audit Committee	6,000	3,000

* The Board had recommended a Director's fee of RM360,000 per annum to the Non-Executive Co-Chairman subject to the shareholders' approval. All his other benefits are the same as provided to the other NEDs.

The payment of the Directors' fees for the financial year ended 31 December 2017 will only be made if the Proposed Ordinary Resolution 1 has been approved at the 8th Annual General Meeting ("AGM") pursuant to Article 96 of the Company's Articles of Association and Section 230 of the Companies Act 2016.

3. Ordinary Resolution 2 - To approve the payment of benefits payable to the Non-Executive Directors from 1 January 2018 until the conclusion of the next AGM of the Company

Pursuant to Section 230 of the Companies Act 2016, any fees and benefits payable to the NEDs of a listed company and its subsidiaries shall be approved at a general meeting. The benefits payable to the NEDs of the Company comprises meeting allowance of RM1,000 per meeting for attending the Board and Board Committee Meetings.

NOTICE OF 8TH ANNUAL GENERAL MEETING

4. Ordinary Resolutions 3 to 6 - To re-elect Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, Lim Swe Guan, Dato' Sri Idris Jala and Tan Sri Datuk Dr Rebecca Fatima Sta Maria as Directors of the Company.

Article 107(1) of the Articles of Association provides that one-third or the number nearest to one-third of the Directors of the Company (including Managing Director) for the time being shall retire by rotation at each AGM of the Company. Each Director shall retire from office once at least in each three years but shall be eligible for re-election.

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling and Lim Swe Guan being eligible, have offered themselves for re-election at the 8th AGM.

Datuk Seri Yam Kong Choy has informed the Board in writing of his intention to retire as an Independent Non-Executive Director of the Company and therefore, will not seek re-election at the AGM. Hence, he will retain office until the conclusion of the AGM in accordance with Article 107 of the Company's Articles of Association.

Article 90 provides that any Director appointed shall hold office only until the next AGM and shall be eligible for re-election. Dato' Sri Idris Jala and Tan Sri Datuk Dr Rebecca Fatima Sta Maria who were appointed on 11 August 2017 and 1 March 2018 respectively, are standing for re-election as Directors and being eligible, have offered themselves for re-election.

The Nomination Committee had assessed the performance of the retiring Directors and recommended them for re-election as Directors of the Company due to their vast experience and contribution to the Company. Their profiles are enclosed in pages 84 to 95 of the Company's 2017 Annual Report. The Board has endorsed the Nomination Committee's recommendation subject to the shareholders' approval at this AGM.

All Directors standing for re-election have abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Nomination Committee and Board Meetings and will continue to abstain from deliberations and decisions on their own eligibility to stand for re-election at this AGM.

(ii) Special Business

5. Ordinary Resolution 8 - Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016

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 total number of issued shares of the Company.

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 total number of issued shares of the Company at any time, for such purpose. This authority, unless revoked or varied at a general meeting, will expire at the next AGM 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.

At this juncture, there is no decision to issue new shares. Should there be a decision to issue new shares after the authorisation is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

The Company did not issue any new shares under the general mandate which was approved at its 7th Annual General Meeting held on 14 June 2017.

6. Ordinary Resolution 9 - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The details on the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature are set out in the Circular to Shareholders dated 30 April 2018.

7. Ordinary Resolution 10 - Proposed Renewal of Share Buy-Back Authority

The details on the proposed renewal of Share Buy-Back authority by the Company are set out in the Circular to Shareholders dated 30 April 2018.

8. Ordinary Resolution 11 - Proposed Renewal of the authority for Directors to allot and issue new ordinary shares in the Company in relation to the Dividend Reinvestment Scheme

This proposed Ordinary Resolution 11 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 AGM. A renewal of this authority will be sought at the subsequent AGM.

9. Special Resolution 1 - Proposed Adoption of the new Constitution of the Company

The proposed amendments to the existing Memorandum and Articles of Association of the Company are made mainly for the following purposes:-

- (a) To ensure compliance with the amended Bursa Malaysia Securities Berhad Main Market Listing Requirements which was issued on 29 November 2017; and
- (b) To ensure compliance with the Companies Act 2016 which took effect on 31 January 2017.

In view of the substantial amount of proposed amendments to the Memorandum and Articles of Association, the Board proposed that the existing Memorandum and Articles of Association be altered or amended by the Company in its entirety by the replacement thereof with a new Constitution.

Please refer to Part C of the Circular to Shareholders dated 30 April 2018 for further information.

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

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK.

PROXY FORM

8th 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 8841

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 8th Annual General Meeting of the Company to be held at Grand Caymans, Level 10, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on Thursday, 21 June 2018 at 3.00 p.m. and at any adjournment thereof.

* 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 approve the payment of benefits payable to the Non-Executive Directors				
3.	To re-elect Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling as Director				
4.	To re-elect Mr Lim Swe Guan as Director				
5.	To re-elect Dato' Sri Idris Jala as Director				
6.	To re-elect Tan Sri Datuk Dr Rebecca Fatima Sta Maria as Director				
7.	To re-appoint Messrs BDO as Auditors and to authorise the Directors to fix their remuneration				
8.	To authorise the issue of shares pursuant to Sections 75 and 76 of the Companies Act 2016				
9.	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature				
10.	To approve the Proposed Renewal of Share Buy-Back Authority				
11.	To approve the Proposed Renewal of the authority for Directors to allot and issue new ordinary shares in relation to the Dividend Reinvestment Scheme				
SPECIAL RESOLUTION					
1.	To approve the Proposed Adoption of the New Constitution of the Company				

Dated this day of 2018

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 more than 1 proxy to attend and vote instead of the member at the meeting. A proxy need not be a member.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy 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 appoints more than 1 proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- 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.
- 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 24 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 24 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 13 June 2018, shall be entitled to attend, speak and vote at the general meeting.
- Please refer to the Company's Personal Data Notice in page 341 of the Annual Report 2017 in relation to Personal Data Privacy.

PLEASE FOLD HERE

STAMP

THE SHARE REGISTRAR
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 MONTEREZ SDN BHD* (531944-H)

SUNWAY D'MONT KIARA SDN BHD* (559638-V)

SUNWAY KIARA SDN BHD* (894742-A)

SUNWAY SUBANG SDN BHD* (328670-X)

SUNWAY MELAWATI SDN BHD* (606358-V)

SUNWAY BELFIELD SDN BHD* (456798-V)

(formerly known as Sunway Innopark Sdn Bhd)

SUNWAY SUPPLY CHAIN ENTERPRISE SDN BHD*

(395751-M)

SUNWAY VELOCITY TWO SDN BHD* (926309-U)

(formerly known as Austral Meridian Property Sdn Bhd)

SUNGLOBAL RESOURCES SDN BHD* (1228449-W)

Head Office:

Lobby, Level 3 & 5, Menara Sunway

Tel: (603) 5639 8888 Fax: (603) 5639 9992

Website: www.sunwayproperty.com

SUNWAY VELOCITY

V02-G-02 & V02-G-03, Sunway Velocity Office 2 (V02)

Lingkar V

55100 Kuala Lumpur, Malaysia

Tel: (603) 2714 2075

Website: www.sunwayproperty.com

SUNWAY SOUTH QUAY SDN BHD* (636596-T)

SUNWAY MONASH-U RESIDENCE SDN BHD*

(843281-X)

PROSPER REVENUE SDN BHD* (1036693-U)

Lobby, Level 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) - 5650 5125

Website: www.sunwayproperty.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)

Head Office:

Lobby, Level 3 & 5, Menara Sunway

Tel: (603) 5639 8888 Fax: (603) 5639 9992

Website: www.sunwayproperty.com

SUNWAY SERENE SDN BHD* (511429-A)

Lobby, Level 3 & 5, Menara Sunway

Sales Gallery:

Lot No. 72241, Jalan SS8/2,

Kelana Jaya,

47501 Petaling Jaya,

Selangor Darul Ehsan, Malaysia

Tel: (603) 7865 9870

Website: www.sunwayproperty.com

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: (605) 548 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: (605) 548 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)

ASSOCIATED CIRCLE SDN BHD (238151-V)

COMMERCIAL PARADE SDN BHD (235996-P)

FAME PARADE SDN BHD (238148 -V)

28, Jalan Anson, 10400 George Town

Pulau Pinang, Malaysia

Tel: (604) 684 8080 Fax: (604) 684 8180

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:

Lobby, Level 3 & 5, Menara Sunway

Tel: (603) 5639 8888 Fax: (603) 5639 9992

Website: www.sunwayproperty.com

SUNWAY BANGI SDN BHD* (215920-W)

Lobby, Level 3 & 5, Menara Sunway

Sales Gallery:

C-12-G, Plaza Paragon Point,

Jalan Medan Pusat Bandar 5,

Pusat Bandar,

43650 Bandar Baru Bangi, Selangor Darul Ehsan, Malaysia

Tel: (603) 8942 7877

SUNWAY EASTWOOD SDN BHD* (795327-T)

Lobby, Level 3 & 5, Menara Sunway

Sales Gallery:

Jalan Equine 3

43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia

Tel: (603) 8942 7877

SUNWAY ISKANDAR DEVELOPMENT SDN BHD

(1019469-K)

SUNWAY ISKANDAR SDN BHD (964451-A)

SUNWAY MARKETPLACE SDN BHD (1146301-T)

SUNWAY PARKVIEW SDN BHD (1146740-W)

SUNWAY SEAFRONT SDN BHD (1147352-T)

EMERALD TYCOON SDN BHD (554342-U)

Corporate office:

Sunway Southern Region Office

Level 7, Hab Citrine,

Sunway Citrine, Sunway Iskandar

Persiaran Medini 3

Bandar Medini Iskandar

79250 Iskandar Puteri

Johor Darul Takzim, Malaysia

Tel: (607) 509 8800 Fax: (607) 509 7211

Website: www.sunwayiskandar.com

Sales Gallery:

Lot PTD199241, Medini Zone F

Mukim Pulau, Daerah Johor Bahru

79250 Iskandar Puteri, Johor Darul Takzim, Malaysia

Tel: (607) 509 6755

SUNWAY CITY (JB) SDN BHD (896512-M)

Sales Office:

No.1, Jalan Lenang Utama

Taman Bukit Lenang

81100 Johor Bahru, Johor Darul Takzim, Malaysia

Tel: (607) 289 2259

CHINA:

SUNWAY GUANGHAO REAL ESTATE (JIANGYIN) CO. LTD

Office:

YiFangCheng Unit 20#201, No. 288, PuJiang Road

Lingang Street, Jiangyin

Jiangsu Province, 214400 China

Tel: +86 510 8688 0873

Sales Gallery:

YiFangCheng Sales Gallery, No.100, PuJiang Road

Lingang Street, Jiangyin

Jiangsu Province, 214400 China

Tel: +86 510 8610 3333

SUNWAY (TIANJIN) MANAGEMENT CONSULTANCY CO., LTD

Corporate Office:

Unit 801-802, Level 8, The Landmark, Eco-Business Park

No. 1620, Zhongtian Road, Sino-Singapore Tianjin Eco-

City, Tianjin 300467, China

Tel No: +86 022 5895 0205

Fax No: +86 022 5999 9590

TIANJIN ECO-CITY SUNWAY PROPERTY

DEVELOPMENT CO., LTD (56611336-2)

Project Office:

Unit 801-802, Level 8, The Landmark

Eco-Business Park

No. 1620, Zhongtian Road

Sino-Singapore Tianjin Eco-City, Tianjin 300467, China

Tel: +86 022 5999 9589 Fax: +86 022 5999 9590

SUNWAY REAL ESTATE (CHINA) LIMITED (1244034)

Unit 1601, 16/F, Malaysia Building,

50 Gloucester Road, Wanchai, Hong Kong

Tel: (852) 2384 9322 Fax: (852) 2771 0143

INDIA:

SUNWAY OPUS INTERNATIONAL PVT LTD

(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

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)

SUNWAY LAND PTE LTD (201024425D)

65 Ubi Road 1, #01-62 Oxley Bizhub

408729 Singapore

Tel: (+65) 6582 8089 Fax: (+65) 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

Centre Management Office

Level CP6, Blue Atrium, Sunway Pyramid

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

CORPORATE DIRECTORY

SUNWAY FACILITY MANAGEMENT SDN BHD (443028-K)
SUNWAY IFM SDN BHD (130231-P)
SUNWAY PARKING SERVICES SDN BHD (643825-X)
SUNWAY GEO PARKING SDN BHD (238182-V)
 Centre Management Office
 Level CP6, Blue Atrium, Sunway Pyramid
 No. 3 Jalan PJS 11/15, Bandar Sunway
 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia
 Tel: (603) 7494 3000 Fax: (603) 7492 6333

SUNWAY MALL PARKING SDN BHD (318333-T)
 Centre Management Office
 6-2, Sunway Putra Mall
 No. 100, Jalan Putra
 50350 Kuala Lumpur, Malaysia
 Tel: (603) 2786 9300 Fax: (603) 2786 9499

SUNWAY DESTINY SDN BHD (443511-H)
SUNWAY MUSC SDN BHD (545957-T)
SUNWAY RESIDENCE SDN BHD (538641-W)
SUNWAY PINNACLE SDN BHD (895562-K)
SUNWAY PFM SDN BHD (218317-K)
SUNWAY PYRAMID DEVELOPMENT SDN BHD (926145-W)
SUNWAY CENTURY SDN BHD (883253-V)
SUNWAY REM SDN BHD (542070-M)
SUNWAY TRANSIT SYSTEM SDN BHD (864610-D)
SUNWAY PARKING SERVICES SDN BHD (643825-X)
SUNWAY SYMPHONY SDN BHD (769617-T)
SUNWAY AMBIENCE SDN BHD (767918-W)
SUNWAY TOWNHOUSE SDN BHD (444689-T)
SUNWAY GEO SDN BHD (1250295-A)
SUMBER DORONGAN SDN BHD (384876-P)
SUNWAY TOWER 1 SDN BHD* (545935-D)
 Unit 4.5, Level 4 East Lobby, Menara Sunway Annexe
 Jalan Lagoon Timur, Bandar Sunway
 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia
 Tel: (603) 5639 8888 Fax: (603) 5639 9595

SUNWAY LEISURE SDN BHD (886286-M)
 Centre Management Office
 Level CP6, Blue Atrium, Sunway Pyramid
 No. 3 Jalan PJS 11/15, Bandar Sunway
 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia
 Tel: (603) 7494 3000 Fax: (603) 7492 6333

SUNWAY GIZA MALL SDN BHD (385998-X)
SUNWAY GIZA PARKING SDN BHD (378471-W)
 Centre Management Office, LG Block D
 Sunway Giza, No. 2, Jalan PJU 5
 Kota Damansara, 47810 Petaling Jaya,
 Selangor Darul Ehsan, Malaysia
 Tel: (603) 6148 1600 Fax: (603) 6148 1606
 Website: www.sunwaygizamall.com

SUNWAY NEXIS PARKING SDN BHD (383756-D)
 D-B1-02, Sunway Nexis, No. 1, Jalan PJU 5/1
 Kota Damansara, 47810 Petaling Jaya, Selangor Darul
 Ehsan, Malaysia
 Tel: (603) 6143 1039

SUNWAY VELOCITY MALL SDN BHD (767400-H)
 Centre Management Office
 5-02 Sunway Velocity Mall
 Lingkaran SV, Sunway Velocity
 55100 Kuala Lumpur, Malaysia
 Tel: (603) 2786 3900 Fax: (603) 2786 3939

SHAHAWAN (M) SDN BHD* (454336-K)
 Level 17, Menara Sunway
 Tel: (603) 5639 8889 Fax: (603) 5639 9507

LEISURE

SUNWAY LAGOON SDN BHD (211311-A)
SUNWAY LAGOON
 3 Jalan PJS 11/11, Bandar Sunway
 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia
 Tel: (603) 5639 0000 Fax: (603) 5639 0050
 Email: ask_lagoon@sunway.com.my
 Website: www.sunwaylagoon.com

SUNWAY LOST WORLD WATER PARK SDN BHD (240342-P)
LOST WORLD OF TAMBUN
 No. 1, Persiaran Lagun Sunway 1
 Sunway City Ipoh, 31150 Ipoh
 Perak Darul Ridzuan, Malaysia
 Tel: (605) 542 8888 Fax: (605) 542 8899
 Email: lostworldoftambun@sunway.com.my
 Website: www.sunwaylostworldoftambun.com

SUNWAY LAGOON CLUB BERHAD (185477-W)
 No. 3, Jalan Lagoon Timur, Bandar Sunway
 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia
 Tel: (603) 5639 8600 Fax: (603) 5639 9588 / 9589
 (Accounts Dept)
 Website: www.sunway.com.my/club

PYRAMID BOWL SDN BHD (397399-M)
 Lot F1.22 Level 1, Sunway Pyramid
 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

HOSPITALITY

**SUNWAY INTERNATIONAL HOTELS & RESORTS SDN
 BHD** (430654-V)
 Sunway Resort Hotel & Spa
 Level 9, Finance Department
 Persiaran Lagoon, Bandar Sunway
 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia
 Tel: (603) 7495 1482 Fax: (603) 7495 1370
 Website: www.sihrc.com

SUNWAY RESORT HOTEL SDN BHD (182198-M)
SUNWAY RESORT HOTEL & SPA
PYRAMID TOWER HOTEL
SUNWAY CLIO HOTEL
THE VILLAS
THE DUPLEX
 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: enquirysph@sunwayhotels.com
 Website: www.putra.sunwayhotels.com

SUNWAY VELOCITY HOTEL SDN BHD (414012-T)
 Lingkaran Sunway Velocity
 Sunway Velocity, Jalan Cheras
 55100 Kuala Lumpur, Malaysia
 Tel: (603) 2726 3988 Fax: (603) 2726 3989
 Email: svkl.reservations@sunwayhotels.com
 Website: www.velocity.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, Lebuh Tenggara Dua, Pusat Bandar Seberang Jaya
 13700 Prai Pulau Pinang, Malaysia
 Tel: (604) 370 7788 Fax: (604) 370 0555
 Email: shsj.enquiry@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: enquiryshhn@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)
 No. 2, Persiaran Lagun Sunway 1, Sunway City Ipoh
 31150 Ipoh, Perak Darul Ridzuan, Malaysia
 Tel: (605) 540 8888 Fax: (605) 540 8899
 Email: lostworldhotel@sunway.com.my
 Website: www.sunwaylostworldoftambun.com.my

CONSTRUCTION DIVISION**TURNKEY, DESIGN & BUILD, CIVIL ENGINEERING
 AND BUILDING CONSTRUCTION**

SUNWAY CONSTRUCTION SDN BHD* (27175-V)
SUNWAY BUILDERS SDN BHD* (285205-T)
SUNWAY INNOPAVE SDN BHD* (390417-A)
 Head Office:
 Level 8, Menara Sunway
 Tel: (603) 5639 9696 Fax: (603) 5639 9601
 Website: sunwayconstruction.com.my

Johor Office:

Unit 05, Level 7, Hub Citrine
 Sunway Citrine, Sunway Iskandar
 Persiaran Medini 3
 Bandar Medini Iskandar
 79250 Iskandar Puteri
 Johor Darul Takzim, Malaysia
 Tel: (607) 509 8800 Fax: (607) 509 7211

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

**MANUFACTURING AND SALE OF PRECAST
 CONCRETE PRODUCTS**

SUNWAY PRECAST INDUSTRIES SDN BHD (231775-X)
SENAI, JOHOR:
 18, Jalan Idaman 1/1,
 Taman Perindustrian Senai,
 81400 Senai, Johor Darul Takzim, Malaysia
 Tel: (607) 5955 222 Fax: (607) 5951 246

ISKANDAR, JOHOR:

SUNWAY CONCRETE PRODUCTS (M) SDN BHD
 (1210329-A)
 Plot F5, Lot PTD 200685,
 Medini Zone F,
 Mukim Pulau, Daerah Johor Bahru,
 81200 Johor Darul Takzim, Malaysia

SINGAPORE:

SUNWAY CONCRETE PRODUCTS (S) PTE LTD
 (1994092132)
 65 Ubi Road 1 #01-62 Oxley Bizhub, Singapore 408729
 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

CORPORATE DIRECTORY

FACADE SOLUTION

SUNWAY FACADE NETWORK SDN BHD (1153847-X)
1F09, Pusat Perdagangan IOI,
No.1, Persiaran Puchong Jaya Selatan,
Bandar Puchong Jaya,
47100 Puchong, Selangor Darul Ehsan, Malaysia
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)
Head Office:
Level 11, Menara Sunway
Tel: (603) 5639 9997 Fax: (603) 5639 9522
Website: www.sunwaymarketing.com.my

Warehouse:

Lot PT. 1490, No. 1, Jalan PJS 11/1
Bandar Sunway, 47500 Subang 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
11950 Bayan Lepas, Penang, Malaysia
Tel: (604) 638 4882 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, 47500 Subang Jaya
Selangor Darul Ehsan, Malaysia
Tel: (603) 5636 7870 / 5635 4323
Fax: (603) 5637 8046
Website: www.sunflex.com.sg
Email: sunflex@sunway.com.my

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 3459, Block 6, Kuala Baram Land District
98000 Miri, Sarawak, Malaysia
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 Tiku,
91000 Tawau, Sabah, Malaysia
Tel: (6089) 918 068 Fax: (6089) 918 086

Sandakan

Lot 2, Labuk Road Mile 9
90000 Sandakan, Sabah, Malaysia
Tel: (6089) 673 070 / 673 071 Fax: (6089) 673 077

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. 8, Lorong IKS Simpang Ampat G
Taman IKS, Simpang Ampat
14100 Simpang Ampat, Penang, Malaysia
Tel: (604) 502 6982 Fax: (604) 506 0560

Kota Kinabalu

22km, Jalan Tuaran, Pekan Telipok
88450 Kota Kinabalu, Sabah, Malaysia
Tel: (088) 492 875 Fax: (088) 492 936

Kuantan

No. 51, Lorong 14/7 B.I.M Point
Bandar Indera Mahkota, 25200 Kuantan
Pahang, Malaysia
Tel: (609) 570 1313 Fax: (609) 570 1155

Kuching

Lot 463, SL 1, Jalan Muara Tuang,
94300 Kuching, Sarawak, Malaysia
Tel: (6082) 610 608 Fax: (6082) 612 508

Johor

No. 12, Jalan Selatan 3/4,
Lot 26107, Taman Perindustrian Ringan Pulau,
81300, Skudai Johor Bahru, Malaysia
Tel: (607) 511 3638 Fax: (607) 511 3639

Sandakan

Lot 2, Labuk Road Mile 9
90000 Sandakan, Sabah, Malaysia
Tel: (6089) 673 070 / 673 071 Fax: (6089) 673 077

Miri

Lot 3346, Piasau Jaya Industrial, Jalan Piasau,
98000 Miri, Sarawak, Malaysia
Tel: (6085) 647 937 Fax: (6085) 647 936

SUNWAY WINSTAR GROUP OF COMPANIES

Head Office:
Lot 13256, KM2 Persiaran Hamzah Alang, 42200 Meru
Klang, Selangor Darul Ehsan, Malaysia
Tel: (603) 3393 1328 (Hunting Line) / (603) 3392 0469 /
0499 / 0366 / (603) 3392 0380 (Account)
Fax: (603) 3393 1226 / (603) 3392 6077
Website: www.sunwaywinstar.com

SUNWAY WINSTAR SDN BHD

(104106-W)
(formerly known as Winstar Trading Sdn Bhd)

Klang

Lot 13256 KM2 Persiaran Hamzah Alang,
42200 Meru Klang,
Selangor Darul Ehsan, Malaysia
Tel: +603 -3392 6006/3392 0691
Fax:+603- 3392 0572

Rawang

No. 38, Jalan RP 1,
Rawang Perdana Industrial Estate,
48000 Rawang, Selangor Darul Ehsan, Malaysia
Tel: (603) 6099 9399 Fax:(603) 6099 9388

Melaka

No. 64, Jalan Berkat 12,
Taman Malim Jaya, 75250 Melaka, Malaysia
Tel: (606) 336 6298 Fax: (606) 336 6297

Kuantan

No. 5, Jalan 1M 3/15, Sektor 1,
Bandar Indera Mahkota,
25200 Kuantan, Pahang, Malaysia
Tel: (609) 573 9898 Fax: (609) 5739889

Penang

872-1, Jalan Permatang Tengah,
Taman Perkasa,
13000 Butterworth, Penang, Malaysia
Tel: (604) 320 0379 Fax: (604) 320 0479

Kuching

Lot 2180, Jalan Swasta, Bintawa Industrial Estate,
93450 Kuching, Sarawak, Malaysia
Tel: (6082) 341 766 /342 766 Fax: (6082) 484 766

Kota Kinabalu

Hiong Tiong Industrial centre, Lorong Buah Salak 2,
Lot 3 & 4, Block F, 11.2km, Jalan Tuaran, 88450
Inanam,
Kota Kinabalu, Sabah, Malaysia
Tel: (6088) 387 146 Fax: (6088) 389 148

Kepong

SUNWAY SAF-T-QUIP SDN BHD (196889-P)
(formerly known as Saf-T-Quip Sdn Bhd)
No. 9, Jalan 3/33B, Batu 6 1/2, Jalan Kepong,
52000 Kuala Lumpur, Malaysia
Tel: +603-6259 2006/6259 1654
Fax:+603-6251 8227
Email: limkwh@sunway.com.my

Kepong

SUNWAY UNITED STAR SDN BHD (209723-P)
(formerly known as United Star Engineering & Hardware
Sdn Bhd)
No. 85 & 87, Jalan Metro Perdana Barat 12,
Sri Edaran Light Industrial Park, Kepong,
52100 Kuala Lumpur, Malaysia
Tel: (603) 6259 2366 Fax:(603) 6259 2066
Email: howp@sunway.com.my

Seremban

SUNWAY COATING SOLUTIONS SDN BHD (591912-V)
(formerly known as Aimstar Marketing Sdn Bhd)
No. 27 & 29, Jalan Lombong Emas 4
Off Jalan Tun Dr. Ismail, Seremban Light Ind. Park,
70200 Seremban, Negeri Sembilan, Malaysia
Tel: (606) 762 0573
Email: stevenlcc@sunway.com.my

Klang

JAYA DIY MART SDN BHD (674359-T)
(formerly known as Weldstar Sdn Bhd)
Lot 13256 KM2 Persiaran Hamzah Alang,
42200 Meru Klang,
Selangor Darul Ehsan, Malaysia
Tel: +603 -3393 1328
Email: soomm@sunway.com.my

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

Branch:

11 Gul Street 4 Singapore 629240
Tel: (65) 6631 9968 Fax: (65) 6257 8759
Website: www.sunflex.com.sg
Email: smsgen@sunflex.com.sg

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

SUNWAY MARKETING (THAILAND) LTD

– **Chonburi Branch**
399/69-70 Moo 11 Nongkham, Sriracha,
Chonburi 20230, Thailand
Tel: (663) 848 0365 Fax: (663) 848 0141

SUNWAY MARKETING (THAILAND) LTD

– **Saraburi Branch**
13/4-5 Mittraphap Road, Kaengko,
Saraburi 18110, Thailand
Tel: (663) 624 1370 Fax: (663) 624 1371

SUNWAY MARKETING (THAILAND) LTD

– **Songkhla Branch**
255/7 Moo 1 Sathingmor, Singhanakorn
Songkhla 90280, Thailand
Tel: (667) 449 6933 Fax: (667) 449 6932

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

CORPORATE DIRECTORY

PT SUNWAY TREK MASINDO – Balikpapan Branch

JL.AMD.Projakal Km.5.5 RT.002.No 12
Kelurahan Graha Indah,Kec.Balikpapan Utara
Balikpapan 76125
Kalimantan Timur, Indonesia
Tel: (62) 54 2758 8200
Fax: (62) 54 2758 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 Pelabuhan
Landasan Ulin Selatan Liangganggang
Banjar Baru, Kalimantan Selatan, 70713 Indonesia
Tel: (62) 51 1320 0033 Fax: (62) 51 1320 0032
Website: www.sunway.co.id

PT SUNWAY TREK MASINDO – Jambi Branch

Komplek Pergudangan Kastara Laksana Mandiri
Jl. Lingkar Selatan RT 30 RW 06
Kel. Paal Merah Kec. 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 / 711 564 5459
Fax: (62) 711 564 5459
Website: www.sunway.co.id

PT SUNWAY TREK MASINDO – Malinau Branch

Jl. Raja Pandita Rt 05 Pulau Betung,
Kecamatan Malinau Hulu Kabupaten Malinau Kota,
Kalimantan Utara 77554, Indonesia
Tel: (62) 0553 2021 699 / 0553 2021 091
Fax: (62) 0553 2021 769
Website: www.sunway.co.id

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
Website: www.sunflex.com.sg
Email: sunflowtech@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
Website: www.sunflex.com.sg
Email: sunflowtech@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.cnsunflex.com

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) 8232 6872 Fax: (8620) 8231 5217

SUNWAY MARKETING (SHANGHAI) PTE LTD

No. 868, Kangqiao Road, Kangqiao Town
Pudong New Area, Shanghai 201315, China
Tel: (8621) 6806 6669 / 6806 6662
Fax: (8621) 6806 6981

SUNWAY HYDRAULIC INDUSTRIES (WUHU) CO. LTD

No. 1, Xu Zhen Industrial Area, Wuhu, Anhui,
241306, China
Tel: (0086) 55 3237 0003 Fax: (0086) 55 3237 0006
Website: www.sunway.me

SUNWAY DAECHANG FORGING (ANHUI) CO. LTD

No. 1, Xu Zhen Industrial Area, Wuhu, Anhui,
241306, China
Tel: (0086) 55 3239 5300 Fax: (0086) 55 3239 5301
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 - NEW SOUTH WALES 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 - QUEENSLAND BRANCH

43 Dulacca Street, 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)
2 Jamieson Way, Dandenong South, Victoria 3175,
Australia
Tel: (613) 9799 2388 Fax: (613) 9799 2188
Email: victoria@totalrubber.com.au
Website: www.totalrubber.com.au

SUNWAY TOTALRUBBER - TASMANIA KINGSMEADOWS FRANCHISEE

3 Merino Street, Kingsmeadows
Tasmania 7249, Australia
Tel: (613) 6344 3322 Fax: (613) 6344 3233
Email: launceston@totalrubber.com.au

SUNWAY TOTALRUBBER TASMANIA MOONAH FRANCHISEE

38 Sunderland Street, Moonah
Tasmania 7009, Australia
Tel: (613) 6273 1155 Fax: (613) 6273 1188
Email: hobart@totalrubber.com.au

SUNWAY TOTALRUBBER - TASMANIA BURNIE FRANCHISEE

12 Hopkinson Street, Burnie
Tasmania 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
Website: www.pacflotech.com.au
Email: kerry@pacflotech.com.au

BUILDING MATERIALS DIVISION**SUNWAY VCP SDN BHD*** (205881-A)

#3.2, Level 3, Menara Sunway
Tel: (603) 5639 8282 (General Line)
Fax: (603) 5639 9600
Website: www.sunway.com.my/sunwayvcp/

Factory:

Lot 6489 & 6490, Off 6th Mile, Jalan Kapar
42100 Klang, Selangor Darul Ehsan, Malaysia
Tel: (603) 3291 5288 Fax: (603) 3291 5388

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

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, 2797, Lorong Industri 3
Kawasan Perindustrian Bukit Panchor
Mukim 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

No. Lot PT 61601, Kawasan Perindustrian Bukit Kor
21600 Mukim Rusila, Marang
Terengganu Darul Iman, Malaysia
Tel: (609) 617 3924 / 925 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

Factory:

Sunway Spun Pile (M) Sdn Bhd
Lot No.10071, Mukim Batang Kali,
44300 Daerah Ulu Selangor,
Selangor Darul Ehsan, Malaysia
Tel: (603) 6057 3868 Fax: (603) 6057 9868

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

QUARRY DIVISION**SUNWAY QUARRY INDUSTRIES SDN BHD*** (110401-A)**SUNWAY QUARRY (KUALA KANGSAR) SDN BHD*** (221592-V)**SUNWAY QUARRY INDUSTRIES (MELAKA) SDN BHD*** (4271-D)**TWINNERS (MALAYSIA) SDN BHD*** (278622-A)

Level 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

CORPORATE DIRECTORY

Cheras (Quarry)

Kompartmen 11
Hutan Simpan Sungai Lalang & Hutan Simpan Hulu Langat
Mukim Ulu Langat, District of Ulu Langat
Selangor Darul Ehsan, Malaysia
Tel: (6019) 347 7276

Cheras (Asphalt)

PT 6711, Mukim Hulu Langat (Sungai Mukau)
Selangor Darul Ehsan, Malaysia
Tel: (6019) 278 6494

Semenyih

Lot 7144, Mukim Semenyih
Daerah Hulu Langat
43650 Selangor Darul Ehsan, Malaysia
Tel: (6019) 212 7530

Bukit Perak

HSD13, PT1865
Mukim Padang Peliang
Daerah Pendang
Tempat Bukit Perak
06750 Kedah Darul Aman, Malaysia
Tel: (6019) 271 9750

Bukit Mertajam

No. 769, Berapit Road
14000 Bukit Mertajam
Seberang Prai Tengah,
Pulau Pinang, Malaysia
Tel: (604) 530 0839 Fax: (604) 530 4388

Sungai Bakap

Lot 20074 HSD 46027, Lot 20075 HSD 46028 and Lot 20076 HSD 46029
Mukim 12,
14200 Seberang Perai Selatan
Pulau Pinang, Malaysia
Tel: (604) 5820 226 Fax: (604) 5821 287

Kuala Kangsar

Lot 1979, Jalan Lenggong
33020 Kati, Kuala Kangsar
Perak Darul Ridzuan, Malaysia
Tel: (605) 7511 832 Fax: (605) 7512 833

Kampar

Lot 45154, Mukim Kampar
Daerah Kampar
Perak Darul Ridzuan, Malaysia
Tel : (6016) 6846853

Kemaman

PT 8627, Mukim Teluk Kalung
24000, Kemaman
Terengganu Darul Iman, Malaysia
Tel: (609) 835 8888 / 89 Fax: (609) 835 8888

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

Ulu Choh

No. 263, T.JUP 12, Jalan Ulu Pulau
Bt. 22 2/4, Jalan Johor, Pekan Nanas
81150 Pontian, Johor Darul Takzim, Malaysia
Tel: (607) 6792 190 / 91 Fax : (607) 6792 190 / 91

Masai

Mukim Plentong, Lot No. 80705
Masai, Johor Darul Takzim, Malaysia
Tel: (6019) 262 3204

HEALTHCARE DIVISION

SUNWAY MEDICAL CENTRE SDN BHD (341855-X)

SUNMED@HOME SDN BHD (635467-K)

No. 5, Jalan Lagoon Selatan, Bandar Sunway
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia
Tel: (603) 7491 9191 Fax: (603) 7491 8181
Email: smc@sunway.com.my
Website: www.sunwaymedical.com

SUNMED@HOME

SUNWAY PHARMACY@GEO & HOME CARE SUPPLIES

A-01-02, Block A, Sunway GEO
Jalan Lagoon Selatan, Sunway South Quay, Bandar Sunway
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia
Tel: (603) 5611 1707 Fax: (603) 5612 1704
Email: smc@sunway.com.my
Website: www.sunwaymedical.com

SUNMED CLINICS SDN BHD (843658-D)

SUNMED CLINIC @ SUNWAY PYRAMID
CP2.01, Sunway Pyramid Mall
3, Jalan PJS 11/15, Bandar Sunway
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia
Tel: (603) 7491 0121/0151 Fax: (603) 7491 0161
Email: smc@sunway.com.my
Website: www.sunmed.clinic

FINANCIAL & INSURANCE SERVICES

SUNWAY CREDIT SDN BHD* (80767-A)

SUNWAY LEASING SDN BHD* (35433-X)

SWL NOMINEES (TEMPATAN) SDN BHD* (388808-U)

SUNWAY RISK MANAGEMENT SDN BHD* (130211-V)

Level 5, Menara Sunway
Tel: (603) 5639 9299 Fax: (603) 5639 9608 / 9

SUNWAY CAPTIVE INSURANCE LTD (LL07119)

No. 63, 1st Floor, Jalan Merdeka,
87007 Labuan F.T., Malaysia

SECRETARIAL, SHARE REGISTRATION & MANAGEMENT SERVICES

SUNWAY MANAGEMENT SDN BHD* (50661-X)

Level 16, Menara Sunway
Tel: (603) 5639 8889 Fax: (603) 5639 9507

SHARED SERVICES CENTRE

SUNWAY SHARED SERVICES SDN BHD* (603026-A)

Level 4.3, Menara Sunway
Tel: (603) 5639 8822 Fax: (603) 5639 9293
Website: www.sunway.com.my

SUNWAY HR SHARED SERVICES SDN BHD* (559031-P)

Level 5, Menara Sunway
Tel: (603) 5639 9693

SUNWAY FSSC SDN BHD* (602138-H)

Level 10, Menara Sunway
Tel: (603) 5639 8989 Fax: (603) 5639 9524

OTHERS

SUNWAY TREASURY SDN BHD* (434005-W)

SUNWAY TREASURY SUKUK SDN BHD* (1088200-V)

Level 17, Menara Sunway
Tel: (603) 5639 8889 Fax: (603) 5639 9566

SUNWAY PALS LOYALTY SDN BHD* (914000-K)

Level 12, Menara Sunway
Tel: (603) 5639 8630 Fax: (603) 5639 8233

DECO STYLE SDN BHD* (71273-V)

Level 5, Menara Sunway
Tel: (603) 5639 6007 Fax: (603) 5639 9539

SUNWAY SOUTHERN MANGEMENT SDN BHD

(1036708-K)

SUNWAY PENDAS MANAGEMENT SDN BHD

(1066085-A)

Sunway Southern Region Office
Level 7, Hab Citrine, Sunway Citrine, Sunway Iskandar
Persiaran Medini 3, Bandar Medini Iskandar,
79250 Iskandar Puteri, Johor Darul Takzim, Malaysia
Tel: (607) 509 8800 Fax: (607) 509 7211

SUNWAY DESIGN SDN BHD (145218-T)

Unit 2.5, Level 2, Menara Sunway Annexe
Jalan Lagoon Timur, Bandar Sunway,
47500 Subang Jaya
Selangor Darul Ehsan, Malaysia
Tel: (603) 5639 8868 Fax: (603) 5639 8838

SUNWAY LEADERSHIP CENTRE SDN BHD* (1184599-V)

Unit 1.4, Level 1, Menara Sunway
Tel: (603) 5639 8831

PASIR MAS HOLDINGS SDN BHD (187905-H)

PT 9312, Bandar Sunway, 46150 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel: (603) 5611 6996 / (603) 5636 4439

SUNWAY ORDERA SDN BHD* (1178170-K)

SUNWAY VENTURES SDN BHD* (456451-P)

MONUMENTAL PRODUCTIONS SDN BHD* (1202323-K)

SUNWAY POPBOX SDN BHD* (622890-M)

SUNWAY PHARMA SDN BHD* (802483-M)

Level 1, Menara Sunway
Tel: (603) 5639 8888

SUNWAY MONEY SDN BHD* (1220176-V)

Level 14, Menara Sunway
Tel: (603) 5639 8889
Fax: (603) 5639 9566

COMPANIES MARKED WITH ASTERISK (*) ARE
LOCATED AT MENARA SUNWAY

Sunway Group Website: www.sunway.com.my

SUNWAY BERHAD (921551-D)
Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway,
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia.

Tel: (603) 5639 8889
Fax: (603) 5639 9507

www.sunway.com.my

Printed on:

