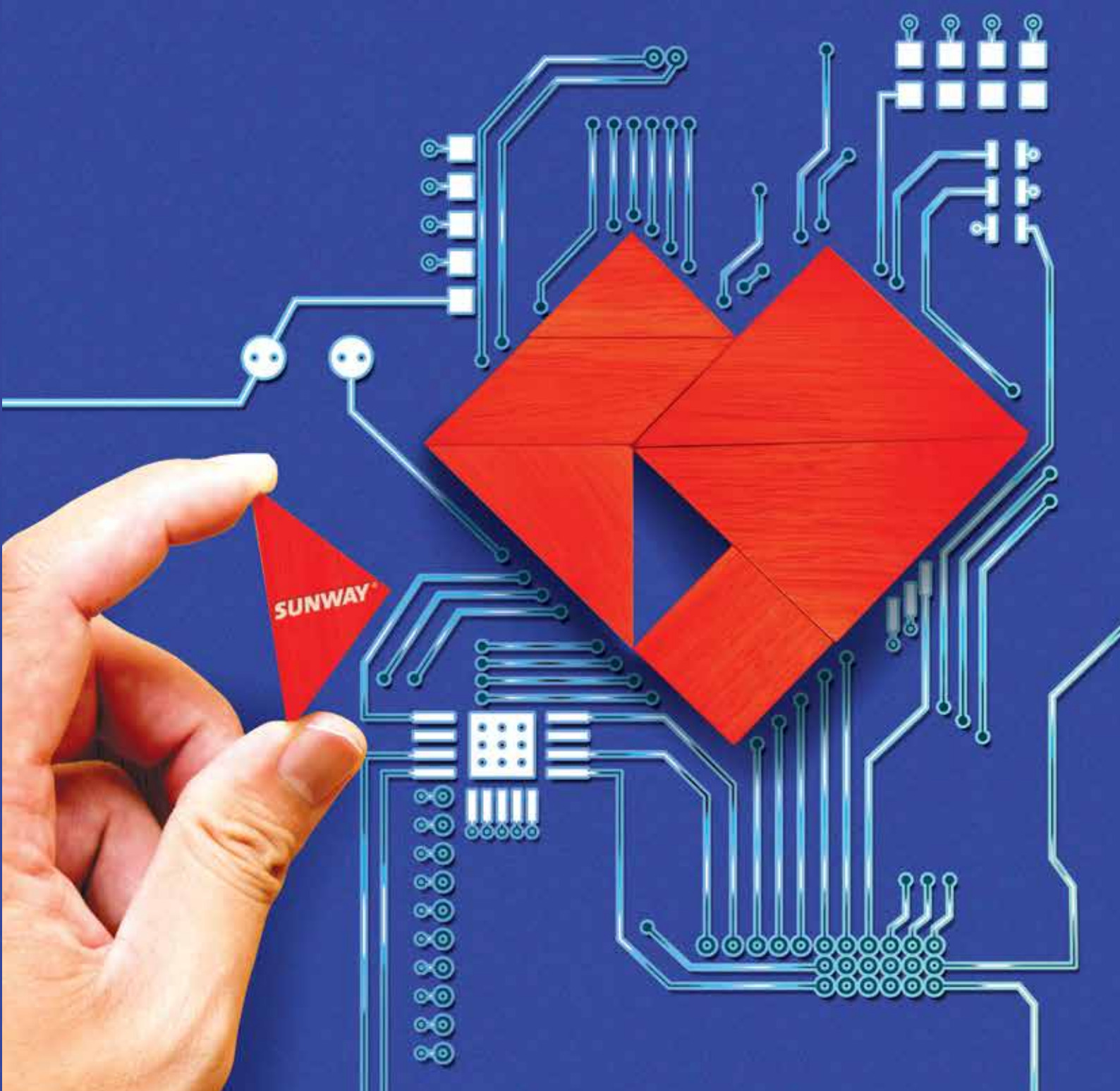


**SUNWAY®**

# TOGETHER

**WITH YOU**

Sunway Berhad  
Integrated Annual Report 2020





## Together With You

During a year of unprecedented change and challenge, Sunway has responded with agility and propelled innovation to continue delivering value. Intertwining all strategic elements of its business model, the Group has dynamically responded to Year 2020's new normal scenario.

At the heart of Sunway's growth and progress is its digital transformation journey. Innovation and technology drive new possibilities that further enhance the creation of mutually beneficial value-accretive prospects for the Group and its stakeholders. Together with you, Sunway, develops a better future of progress and growth that permeates to individuals, society and the nation.

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ABOUT THIS REPORT

Sunway Berhad (“Sunway” or “Group”), continues to adopt integrated reporting (“<IR>”) for its financial year ended 31 December 2020 (“FY 2020”) integrated annual report.

Sunway’s adoption of <IR> is aimed at providing a more comprehensive, yet concise disclosure of the Group’s approach to financial and non-financial value creation.

Sustainability resides at the core of the Group’s value creation model. In essence, value creation is derived from a conscious and strategic effort at pursuing the realisation of the 5Ps as well as the United Nations Sustainable Development Goals (“UNSDG”).

Sunway’s approach to <IR> remains firmly rooted from a sustainability perspective; that is to showcase how the Group continued to focus on a triple bottom-line of Economic, Environmental, Social and Governance (“EESG”) perspectives that leads to the realisation of financial and non-financial values for stakeholders.

APPROACH TO REPORT CONTENT

In selecting relevant content for the Integrated Annual Report 2020 (“IAR2020”), Sunway has adopted the following materiality criteria:

- Information that is pertinent to the Group’s resources (capitals)
- Information that is pertinent to the business model
- Information that is pertinent to outputs and outcomes created (financial and non-financial values)

CONTENT ELEMENT	DESCRIPTION	ICON
Corporate Profile	A comprehensive description of the Group, its business divisions, principal business activities, network of operations and key facts and figures of the Group.	
Our Value Creation Approach	Explanation of Sunway’s Build, Own, Operate (“BOO”) model and how the model creates financial and non-financial values.  The section also explains on the harnessing of business and operational synergies between the various business divisions and how the business model enables Sunway to derive business strengths or competitive advantages.	
Our Business Strengths	Provides an overview of Sunway’s business strengths and how these are leveraged upon for value creation.	
Our External Environment	Information on what external factors are impacting the Group and its business model and how these lead to the development of risks or business opportunities.	
Our Risks and Challenges	A description of all major risks faced, the potential and actual impacts as well as the Group’s mitigation measures.	
Opportunities and Strategic Priorities	Key business goals as well as emerging opportunities are identified and explained as part of the Group’s future focus and orientation for the coming year.	
Group Value Creation Model	A summary overview of Sunway’s value creation process encompassing resources consumed and values created, both financial and non-financial.	
Our Industry Strategic Profiles	A summary review of each business division, providing key information such as business strengths and strategies, highlights and achievements as well as risks and strategic priorities.	
Management Discussion and Analysis	Provides a comprehensive narration of the Group’s financial and operational performance, as well as non-financial values created from the perspective of management.	

ABOUT THIS REPORT

Following are Sunway’s consumed capitals towards the realisation of its business model and value creation:

FINANCIAL CAPITAL	MANUFACTURED CAPITAL	INTELLECTUAL CAPITAL	HUMAN CAPITAL	SOCIAL CAPITAL	NATURAL CAPITAL
comprises all financial assets such as cash, equity, assets, and operating revenue generated and deployed in our value creation activities.	comprises tangible assets such as factories, machinery, built-up properties and more.	comprises proprietary business know-how, systems, processes and methodologies that drive business operations.	refers to employees and their skillsets, experiences and competencies.	refers to stakeholder relationships and the impacts these have on the business model and value creation.	comprises consumption of resources extracted from the environment such as land, water and the production of environmental impacts.

The following icons are used to signify further information or relevance to each Sunway business division:

**CROSS REFERENCES**

Tells you where you can find more information within the reports

Tells you where you can find more information online at [www.sunway.com.my](http://www.sunway.com.my)

REPORTING SUITE & RELATED INFORMATION

This Report should be read in conjunction with the other reports in Sunway Berhad’s 2020 Integrated Annual Report Suite for a comprehensive account of our value creation process.

- The suite consists of:
- Integrated Annual Report 2020 (hardcopy and online publication)
  - Sustainability Report 2020 (online publication)
  - Corporate Governance Report 2020 (online publication)

Additional information on Sunway Group’s robust framework of corporate governance, organisational policies and codes of conduct can be found on the company’s website at [www.sunway.com.my](http://www.sunway.com.my).

APPLIED FRAMEWORKS

- International Integrated Report Council (“IIRC”) Principles Based Framework
- The Companies Act 2016 (“Act”)
- Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad
- Malaysian Code on Corporate Governance 2017 (“MCCG 2017”)
- Bursa Malaysia Sustainability Reporting Guide – Second Edition
- Malaysian Financial Reporting Standards (“MFRS”)
- International Financial Reporting Standards (“IFRS”)

SCOPE AND BOUNDARY

Unless otherwise indicated, the information in this Report reflects data and activities of the Group for the financial year ended 31 December 2020 (1 January to 31 December 2020).

FORWARD LOOKING STATEMENTS

This report contains forward-looking statements discussing targets, future plans, operations and performance of the Group based on reasonable current assumptions. As our business operates in an ever-changing environment, it is subject to uncertainties that could cause our plans and results to differ from those reflected in these statements.

FEEDBACK

Feedback, suggestions or enquiries on this report may be sent to: [irsunwayberhad@sunway.com.my](mailto:irsunwayberhad@sunway.com.my).

DIRECTORS’ STATEMENT OF RESPONSIBILITY

The Board of Directors of Sunway has applied its collective mind to present a balanced and comprehensive Integrated Annual Report based on good governance practices and guided by IIRC’s <IR> Framework.

The Board also provides assurance that the financial statements audited by Messrs BDO PLT were prepared in accordance to the relevant standards and frameworks, including the MFRS, IFRS and the Act.



# OVERVIEW

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## CORPORATE PROFILE

### WHO WE ARE & WHAT WE DO

Established in 1978, Sunway Berhad has since grown from a tin-mining enterprise to one of Malaysia's largest and most formidable conglomerates with 9 main business divisions spanning over 50 locations worldwide and over 10,000 strong employee base.

We are a Master Community Developer committed to advancing the UNSDG to meet the needs of our communities.

#### OUR VISION

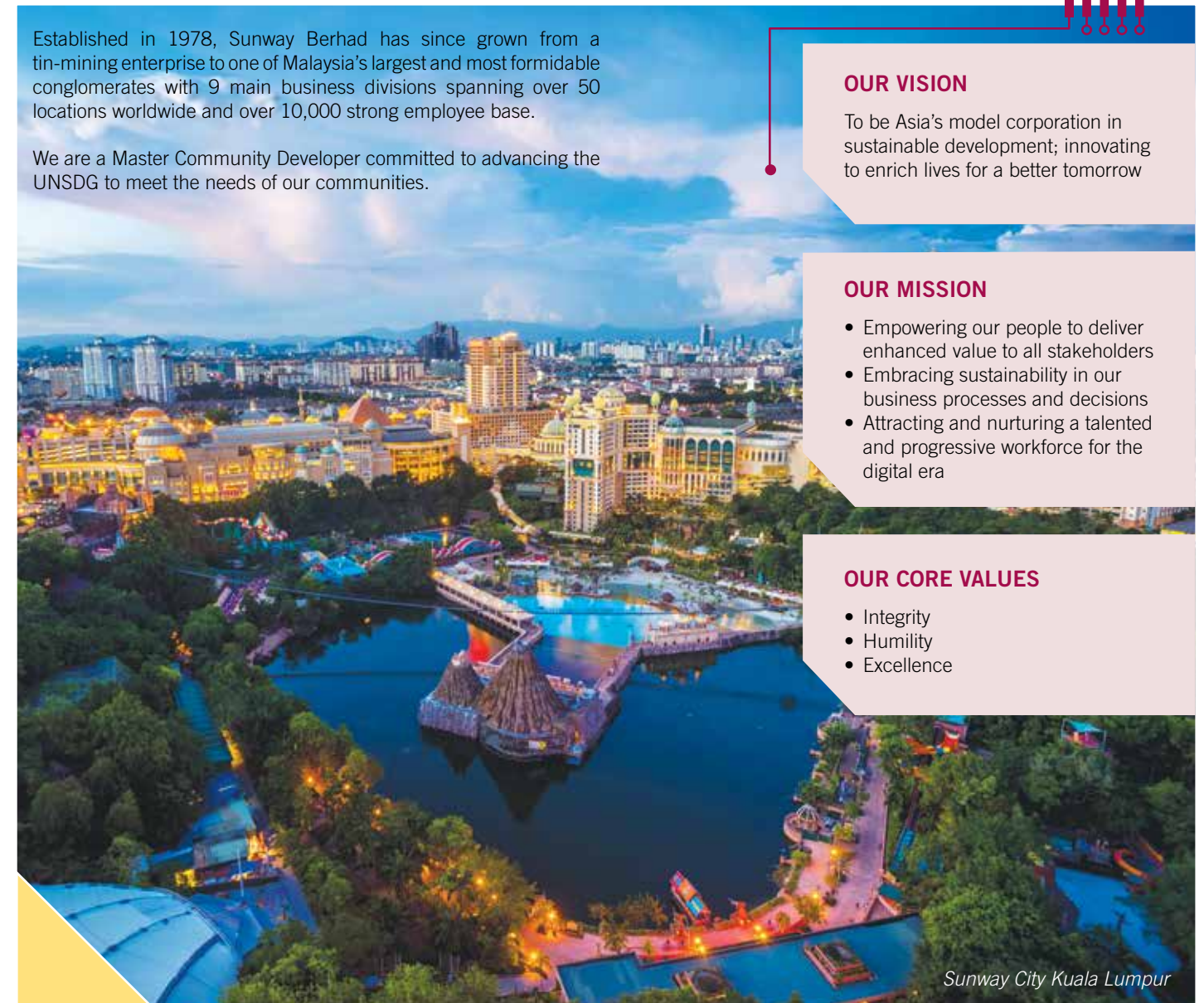
To be Asia's model corporation in sustainable development; innovating to enrich lives for a better tomorrow

#### OUR 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 CORE VALUES

- Integrity
- Humility
- Excellence



Sunway City Kuala Lumpur



Sunway Geo Avenue

Sunway City Kuala Lumpur



CORPORATE PROFILE

Sunway Berhad is one of Malaysia’s leading conglomerates with a diverse business presence spanning key industries, both in Malaysia and abroad. The Sunway brand has more than a 40-year track record of excellence and is synonymous with having contributed to some of the nation’s most iconic infrastructure developments as well as other notable achievements.

Sunway has and continues to play a major role in nation-building, creating significant value that contributes to socio-economic development of the nation. This includes job and wealth creation, transfer of technology, developing local value chains and providing entrepreneurship opportunities, meeting the nation’s needs for housing and also transforming landscapes through its innovative approach to property development. Through its business divisions, Sunway has expanded across Asia and the United Kingdom (“UK”).

Guided by its Founder and Chairman, Tan Sri Dato’ Seri Dr Jeffrey Cheah AO, beyond financial values, the Group is driven by a passion and purpose for realising the 17 UNSDG to create a more sustainable world by focusing on environmental and social performance.

**PROPERTY DEVELOPMENT**

The Property Development division is regarded as one of Malaysia’s top property developer with a track record of having developed more than 31,000 residential, commercial and retail properties across the nation and overseas.

Among the division’s many highlights are the iconic and award-winning flagship township of Sunway City Kuala Lumpur, which reflects the division’s ability to masterplan and develop a sustainable, self-contained township that today stands out as one of Malaysia’s most accomplished master-planned developments.

Its other notable townships and developments include Sunway City Ipoh, Sunway City Iskandar Puteri, Sunway Damansara, Sunway Velocity, Sunway Penang and other standalone developments, which are either integrated or transit-oriented developments (“TOD”).

**PROPERTY INVESTMENT AND REIT**

Under the Group’s ‘Build, Own, Operate’ business model, Sunway’s Property Investment and Real Estate Investment Trusts (“REIT”) division owns an extensive portfolio of retail assets, hotels, offices, university campuses, student accommodations, a medical centre and an industrial asset, predominately located within the Group’s integrated townships.

These properties are held either directly through subsidiaries of the Group or Sunway REIT, a 40.9%-owned associate. Total Assets under Management (“AUM”) of the division as at FY 2020 stood at RM10.9 billion with a total net lettable area (“NLA”) of approximately 11.6 million square feet. These assets generate stable recurring income for the Group.

**LEISURE**

Through its two signature theme parks, Sunway Lagoon in Sunway City Kuala Lumpur, and Sunway Lost World of Tambun in Sunway City Ipoh, Perak, the Leisure division provides the entertainment component in the Group’s business model.

The Leisure component remains a top draw, attracting local and foreign guests and collaborates with other business divisions to offers various synergistic potential.

Spanning 88 acres and boasting over 90 attractions across six uniquely designed parks, Sunway Lagoon has attracted over 30 million visitors since its inception in 1992 and is internationally recognised as one of Asia’s best theme parks. It is also one of the most sought-after concert and events venue in the region.

Sunway Lost World of Tambun is strategically located within 260 million-year-old limestone hills and verdant jungle scenery as well as natural hot springs. It offers 40-acres of theme park attractions as well as a zoo park with a night safari.

**HOSPITALITY**

The Hospitality division operates 11 hotels and resorts in Malaysia, Cambodia and Vietnam, cumulatively providing over 3,400 guestrooms, suites and villas. The hotel portfolio comprises 5, 4 and 3-star hotels to cater to a wide target market and many are adjoined to leisure and retail facilities.

These hotels also include facilities for Meetings, Incentives, Conferences and Exhibitions (“MICE”) and the division’s hotels are preferred venues for a wide range of functions and events.

CORPORATE PROFILE

**CONSTRUCTION**

Re-listed on the Main Board of Bursa Securities since 2015, Sunway Construction Group Berhad (“SunCon”) is Malaysia’s largest pure play construction company, whose track record includes some of Malaysia’s most transformative infrastructure projects. SunCon is also well regarded in India as a highway builder and continues to establish its brand name within the country.

As a turnkey contractor, SunCon provides a full scope of construction services comprising building, civil and infrastructure engineering works, foundation and geotechnical engineering, mechanical, electrical and plumbing services (MEP), sustainable energy services, to the manufacture and sale of precast concrete products.

**HEALTHCARE**

The Healthcare division was established in 1999 through Sunway Medical Centre, which is the division’s flagship hospital in Sunway City Kuala Lumpur. Progressively, the division has set up more healthcare facilities across the country and in Singapore, with each becoming preferred healthcare provider among the local communities. These include Sunway Medical Centre Velocity in Cheras, Kuala Lumpur, Sunway Specialist Centre Damansara, Sunway TCM Centre, Sunway Home Healthcare, SunMed Clinic in Sunway Pyramid and Sunway Medical Centre Singapore.

The hospitals are equipped with state-of-the-art medical equipment and technology and staffed by some of the most experienced and skilled healthcare professionals, including a wide range of specialists doctors.

The division will continue to grow its footprint with six more hospitals planned over the next 6 to 7 years within Sunway’s integrated developments in Malaysia.

**TRADING AND MANUFACTURING**

The Trading and Manufacturing division commenced operations in 1983 and over the years, has grown into a leading, international trader as a licensed distributor for various brands. It has also developed and introduced its own brands of products into the market.

The division provides a wide array of machinery and equipment for various industries. These include the construction, marine, oil and gas, mining, agriculture, manufacturing, logging and quarry sectors.

With a network of 191 agency lines over 7 countries in the region, the division offers five major product lines, namely Hoses and Fittings, Heavy Equipment Parts, Heavy Equipment, Building Materials and Industrial Hardware.

Its extensive distribution system ensures the timely delivery of products and services to meet customer satisfaction.

**QUARRY**

Since returning to quarry operations in 2005, the Quarry division continues to grow from strength to strength, driven by continued acquisitions of quarry sites and asphalt plants. Today, Sunway’s Quarry division is one of the country’s largest players with 9 quarries and 24 asphalt plants strategically placed close to highways across 19 locations in Malaysia.

The division’s products are essential for construction works and also for the construction and maintenance of roads and highways.

**BUILDING MATERIALS**

The Group’s Building Materials division comprises three core segments: Interlocking Concrete Pavers (“ICP”), Vitrified Clay Pipes (“VCP”), and Spun Piles. Through sustainable business practices and eco-friendly manufacturing processes, the division manufactures products which are Eco-Label and Green Label compliant. All manufacturing facilities are ISO accredited in Quality Management System and Environment Management Systems.

## OUR GLOBAL PRESENCE



>50  
LOCATIONS

>10,000  
EMPLOYEES UNDER  
SUNWAY BERHAD

### MALAYSIA

- Property Development
- Property Investment
- Leisure
- Hospitality
- Construction
- Healthcare
- Trading and Manufacturing
- Quarry
- Building Materials

### SINGAPORE

- Property Development
- Construction
- Healthcare
- Trading and Manufacturing

### CHINA

- Property Development
- Trading and Manufacturing
- Building Materials

### AUSTRALIA

- Property Development
- Trading and Manufacturing

### VIETNAM

- Hospitality
- Trading and Manufacturing

### THAILAND

- Trading and Manufacturing

### CAMBODIA

- Hospitality

### INDONESIA

- Trading and Manufacturing

### MYANMAR

- Construction

### PHILIPPINES

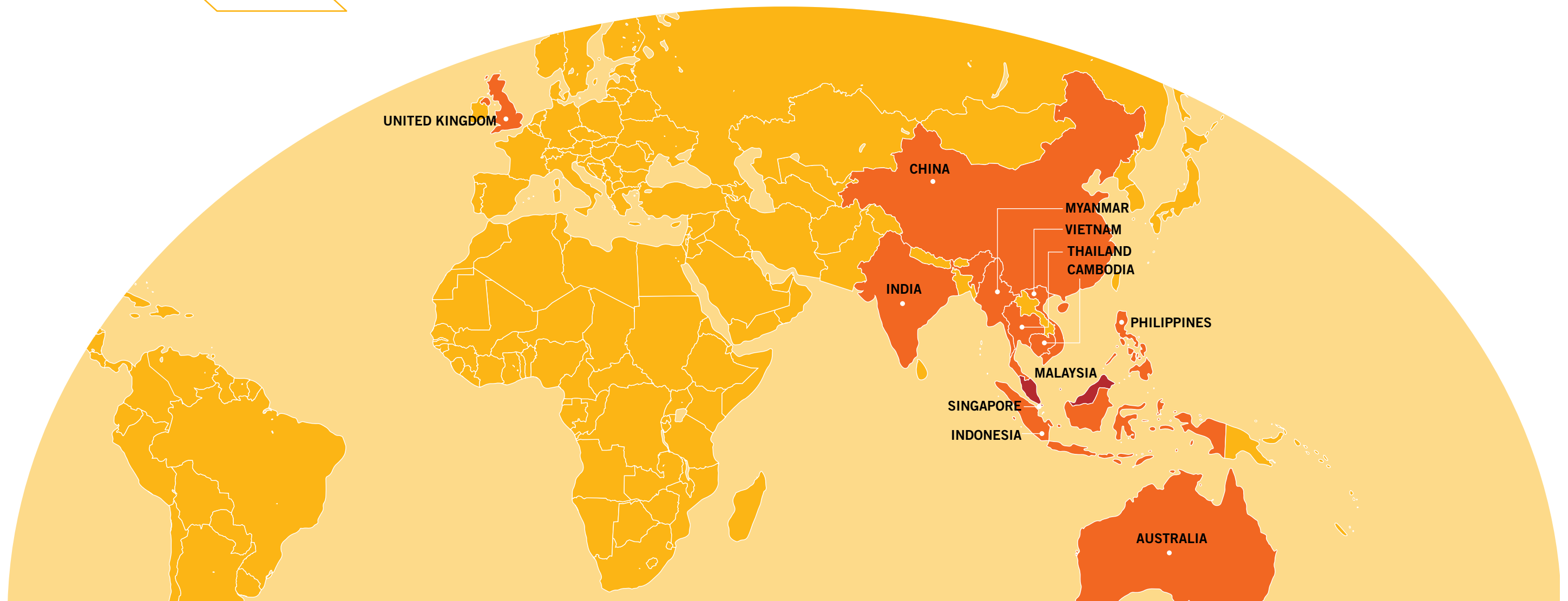
- Construction

### INDIA

- Property Development
- Construction

### UNITED KINGDOM

- Property Investment





## OUR VALUE CREATION APPROACH

### INTRODUCTION

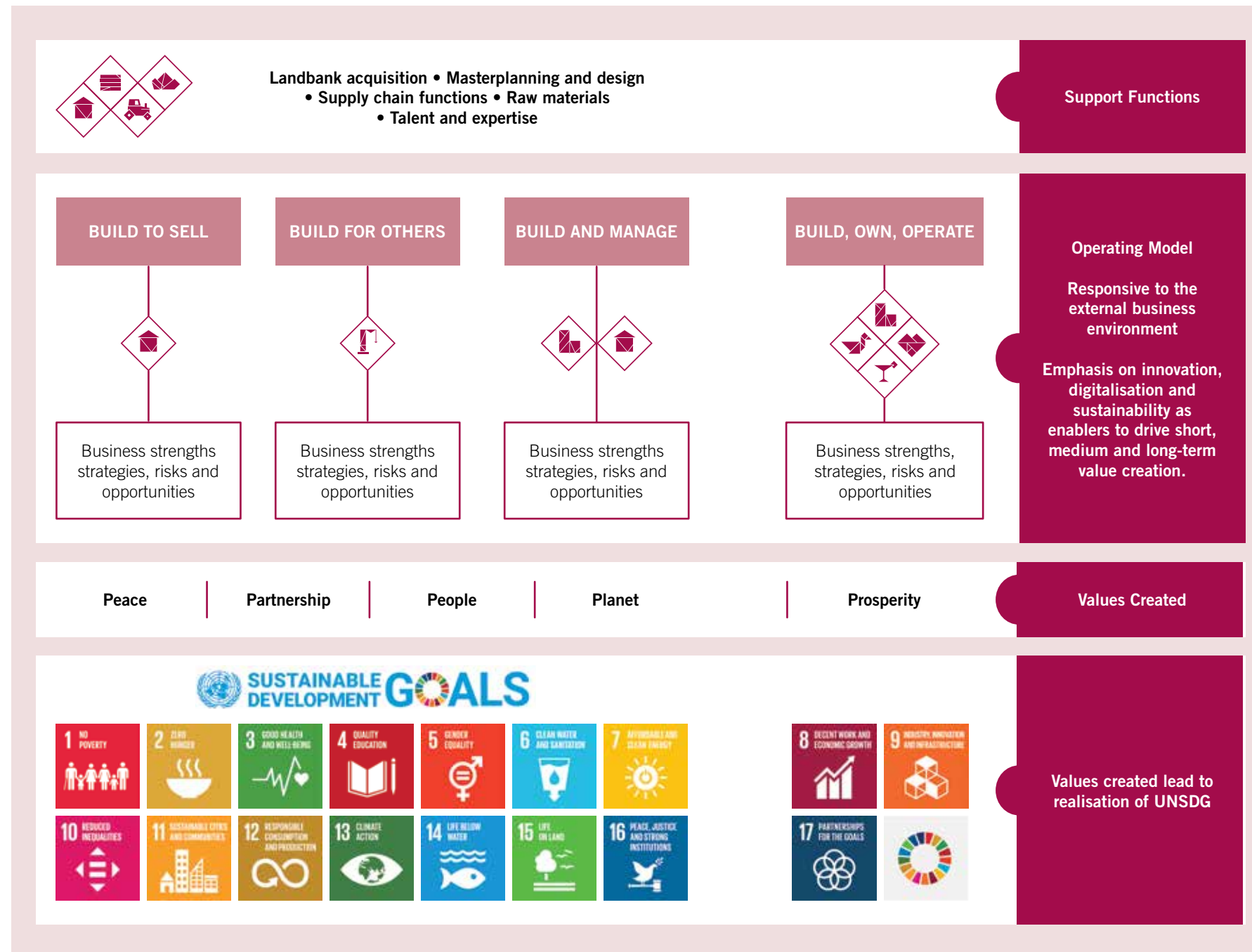
Sunway's value creation narrative begins with its Build, Own, Operate ("BOO") business model.

The BOO model entails the consumption of a wide range of resources or inputs for the development of infrastructure assets, residential and commercial properties as well as other types of built assets. While the Group can operate as a third party contractor by constructing assets for others, its primary focus is to own assets built to generate recurring income and enable the Group to expand its business presence across its chosen industries.

Assets that are owned by the Group are either outright sold for profits, or are retained for recurring income or to drive diversification into other economic sectors such as hospitality, healthcare, leisure, retail and others. This enables the Group to develop multiple income streams including recurring incomes while reducing dependence on its property development and construction operations.

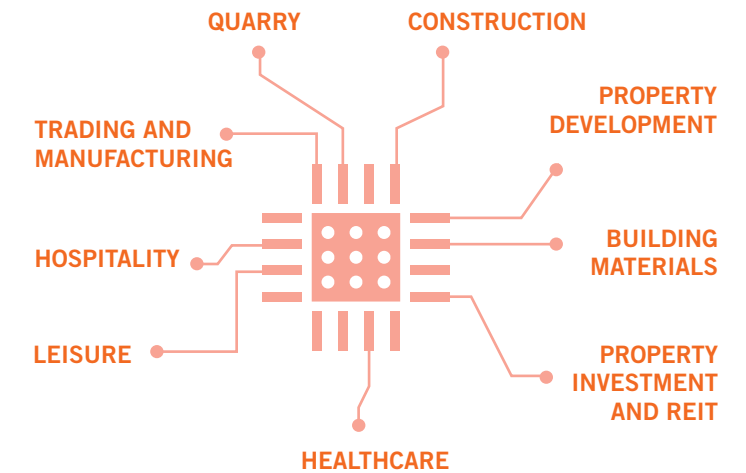
In further unlocking value, assets owned by the Group can be injected into Sunway REIT. This enables the Group to retain ownership of the assets while realising its values.

This business model enables the Group to strengthen the overall value proposition of its townships and to harness business and operational synergy.



### BUSINESS & STRATEGIC SYNERGY

The BOO approach enables a wide range of cross-functional collaborations between Sunway's various business divisions. This enables a more robust value creation model as well as other strategic benefits such as faster time to market, reduced business costs, more competitive value propositions and also retaining revenues within the Group.



### PROPERTY DEVELOPMENT

The Property Development division is able to leverage on the Construction division's strength as it is a proven quality builder for some of its projects. The Property Development division can also leverage on the Healthcare, Leisure and Hospitality divisions to strengthen its value proposition, especially in terms of developing integrated townships.

### CONSTRUCTION

The Construction division is able to tender for infrastructure projects within the Group. As at 31 December 2020, RM2.39 billion of the former's order book comprised internal projects – secured, which cushioned the impact from the pandemic crisis. Some of the projects were: Sunway International School, Sunway Belfield serviced apartments, CP2 mixed commercial development, Sunway Velocity 2 Plot B serviced apartments and Sunway Medical Centre 4.

### HEALTHCARE, LEISURE AND HOSPITALITY

Beyond cross-sharing of data and customer insights, each division may tap the unique attractions of the others to develop more customer-focused value propositions. For example, Healthcare division may take in medical travellers and offer them accommodation at one of the Hospitality division's hotels. This can be further supplemented with complimentary tickets to the Leisure division's theme parks or other promotional campaigns.

### QUARRY, TRADING AND MANUFACTURING AND BUILDING MATERIALS

The three divisions supply some of the building materials for SunCon to undertake construction projects. This provides SunCon with greater assurance of the availability of raw materials to ensure infrastructure works can proceed and be completed as scheduled.

BUILD TO SELL
Revolving around the Property Development division, where landbank is developed into townships or standalone developments.
<b>Challenges:</b> Lack of suitable landbank, sluggish economy, weaker consumer sentiment, increasing market competition, lack of financing to support buyers.
<b>Opportunities:</b> New customer experiences via digitalisation, new lifestyle concepts and products such as co-living spaces for the growing population.

BUILD FOR OTHERS
The Construction division, SunCon functions as the builder for a wide range of large scale public and private sector infrastructure projects. SunCon provides technical skills, systems, processes, labour and equipment to develop the project to completion.
<b>Challenges:</b> Lack of large scale infrastructure projects in Malaysia. Increasing competition, rising operating costs and labour shortages.
<b>Opportunities:</b> Greenfield opportunities in overseas markets, market leadership position through VDC and BIM capabilities, projects sourced from the Group.

BUILD AND MANAGE BUILD, OWN, OPERATE
Assets that are completed and owned by the Group are retained and managed to ensure better development control.
<b>Challenges:</b> Sluggish economic backdrop, weaker consumer sentiment, increasing market competition, pandemic impacts.
<b>Opportunities:</b> Ability to unlock asset value while retaining ownership with the capital generated used to acquire new assets.

## VALUE CREATION AS EXEMPLIFIED IN OUR INTEGRATED TOWNSHIP MODEL

### SUNWAY CITY KUALA LUMPUR

Sunway City Kuala Lumpur is Malaysia's first fully integrated township. Built on 800 acres of derelict mining land, the area was refurbished and recultivated to a wonderland. The different business divisions of the Group are integrated within a single urban eco-system to provide a complete value proposition that meets modern lifestyle aspirations. This smart and sustainable city is a showcase of Malaysia's iconic economic powerhouse which features residential, commercial, leisure, hospitality, retail, education, healthcare and industrial components, with seamless accessibility and connectivity as well as environmental sustainability.



Sunway City Kuala Lumpur aerial view

1

Master-planned residential homes at varying price points provide value creation to homeowners whilst meeting the nation's needs for quality housing. (Property Development, Construction)

2

Retail and commercial components provide jobs creation and stimulate business activities, both of which are vital to sustaining a vibrant community. (Property Investment and REIT)

3

Leisure elements such as Sunway Lagoon theme park is a tourist destination and provides entertainment activities for the community. (Leisure)

4

Hospitals and medical centres provide top-notch healthcare services. (Healthcare)

5

Excellent accessibility and connectivity are achieved through a network of roads and highways.

6

An industrial centre provides further job creation and economic activity to sustain the township. (Building Materials, Trading and Manufacturing)

7

Hotels complete the self-contained community / township proposition and are also essential to driving business, trade, commerce and tourism. (Hospitality)

8

Emphasis on "blue" and "green" natural environment enables nature to thrive and promotes ecological balance.



Read about the impact stories of Sunway City's journey towards TRANSFORMING OUR PORTFOLIOS TO LOW-CARBON SUSTAINABLE CITIES in our Sustainability Report 2020.

## CORPORATE MILESTONES

1978

Establishment of Sungei Way Holdings Sdn Bhd on 26 January 1978.

1982

Sunway City Berhad was formed on 13 July 1982, initially known as Sri Jasa Sdn Bhd.

1984

Listing of Sungei Way Holdings Sdn Bhd on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities") on 16 February 1984 as Sungei Way Holdings Berhad.

1996

Sunway City Berhad was listed on the Main Board of Bursa Securities on 8 July 1996.

1999

Sungei Way Holdings Berhad changed its name to Sunway Holdings Incorporated Berhad on 13 December 1999.

2007

Sunway Holdings Incorporated Berhad changed its name to Sunway Holdings Berhad.

2010

Sunway REIT was founded and listed on the Main Board of Bursa Securities on 8 July 2010.

2011

Sunway Holdings Berhad and Sunway City Berhad were consolidated to form **Sunway Berhad**, which was listed on the Main Board of Bursa Securities on 23 August 2011.

2015

Listing of Sunway Construction Group Berhad ("SunCon") on the Main Board of Bursa Securities on 28 July 2015.

2017

Sunway Berhad reclassified its listing from the Properties sector to the Trading/Services sector on the Main Board of Bursa Securities on 16 June 2017.

2018

Pursuant to Bursa Securities' revamp of the sectoral classification for companies listed on the Main Market, Sunway Berhad was reclassified from Trading/Services sector to the Industrial Products and Services sector on 24 September 2018.



## FINANCIAL CALENDAR

### ANNOUNCEMENT OF QUARTERLY RESULTS

#### DIVIDEND

#### 31 March 2021

1. Announcement of the first interim single tier cash dividend of 1.50 sen per ordinary share for the financial year ended 31 December 2020:

**Date of entitlement:**

15 April 2021

**Date of payment:**

28 April 2021

2. Announcement of the preferential dividend of 5.25% per annum (based on the issue price of RM1.00 per irredeemable convertible preference share) for the period from 3 December 2020 up to and including 31 December 2020, in respect of the financial year ended 31 December 2020:

**Date of entitlement:**

15 April 2021

**Date of payment:**

28 April 2021

### ANNUAL REPORT & ANNUAL GENERAL MEETING

2021

**27**  
MAY

Date of notice of Eleventh Annual General Meeting and date of issuance of Integrated Annual Report 2020

2021

**25**  
JUNE

Date of Eleventh Annual General Meeting

## 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

**Deputy Executive Chairman, Non-Independent Executive Director**

Tan Sri Datuk Seri Razman M Hashim

**President, Non-Independent Executive Director**

Tan Sri Dato' (Dr.) Chew Chee Kin

**Non-Independent Executive Director**
Sarena Cheah Yean Tih, *s.m.s.*
**Senior Independent Non-Executive Director**

Philip Yeo Liat Kok

*(Appointed as Independent Non-Executive Director with effect from 9 April 2020 and redesignated as Senior Independent**Non-Executive Director with effect from 21 September 2020)*

Wong Chin Mun

*(Resigned with effect from 21 September 2020)*
**Independent Non-Executive Directors**

Tan Sri Dato' Dr. Lin See Yan

Tan Sri Datuk Dr Rebecca Fatima Sta Maria

Datuk Tong Poh Keow

*(Appointed with effect from 21 September 2020)*

Tan Sri Jamaludin Bin Ibrahim

*(Appointed with effect from 3 March 2021)*

Lim Swe Guan

*(Resigned with effect from 9 April 2020)*
**AUDIT COMMITTEE**

Datuk Tong Poh Keow (Chairman)

*(Appointed with effect from 21 September 2020)*

Tan Sri Dato' Dr. Lin See Yan

Tan Sri Datuk Dr Rebecca Fatima Sta Maria

Tan Sri Jamaludin Bin Ibrahim

*(Appointed with effect from 3 March 2021)*

Wong Chin Mun (Chairman)

*(Resigned with effect from 21 September 2020)*

Lim Swe Guan

*(Resigned with effect from 9 April 2020)*
**NOMINATION AND REMUNERATION COMMITTEE**
*(Established on 21 September 2020)*

Tan Sri Datuk Dr Rebecca Fatima Sta Maria (Chairman)

Tan Sri Dato' Dr. Lin See Yan

Philip Yeo Liat Kok

Datuk Tong Poh Keow

Dato' Sri Idris Jala

*(Resigned with effect from 18 May 2021)*
**RISK MANAGEMENT COMMITTEE**

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

Tan Sri Datuk Dr Rebecca Fatima Sta Maria

Datuk Tong Poh Keow

*(Appointed with effect from 21 September 2020)*

Wong Chin Mun

*(Resigned with effect from 21 September 2020)*

Lim Swe Guan

*(Resigned with effect from 9 April 2020)*

### SUSTAINABILITY COMMITTEE

*(Established on 27 November 2020)*

Tan Sri Dato' (Dr.) Chew Chee Kin (Chairman)

Datuk Tong Poh Keow

Philip Yeo Liat Kok

Sarena Cheah Yean Tih, *s.m.s.*

### COMPANY SECRETARIES

Tan Kim Aun (MAICSA 7002988)

(SSM PC No. 202008001249)

Chin Lee Chin (MAICSA 7012347)

(SSM PC No. 202008001355)

### 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

[Registration No. 197901006377 (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 PLT

Chartered Accountants

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

### WEBSITE ADDRESS

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

### INVESTOR RELATIONS

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

Tel No : (603) 5639 9257

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 \*
- 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 Mount Sophia Pte Ltd \*\*
- Hoi Hup Sunway Sengkang Pte Ltd \*\*
- Hoi Hup Sunway Clementi Pte Ltd \*\*
- Hoi Hup Sunway Canberra Pte Ltd \*\*
- Hoi Hup Sunway Tampines J.V. Pte Ltd \*\*
- Sunway Australia Unit Trust #
- 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
- Contemporary Factor Sdn Bhd
- Prosper Revenue Sdn Bhd
- Sunway Belfield Sdn Bhd
- Sunway Artessa Sdn Bhd (formerly known as Sunway Avila Sdn Bhd) \*
- Sunway Supply Chain Enterprise Sdn Bhd
- Daksina Harta Sdn Bhd \*
- Sunway Permai Sdn Bhd
- Sunway GD Piling Sdn Bhd
- Sunway Opus International Private Limited \*\*
- Sunway MAK International Private Limited \*\*
- Sterling Paradise Sdn Bhd
- Eaglefield Sdn Bhd
- Mujurmas Sdn Bhd
- Virgo Rhythm Sdn Bhd
- Sunway Rydgeway Sdn Bhd
- Pembangunan Risjaya Sdn Bhd
- Lagoon Fantasy Sdn Bhd
- Objektif Ekuiti (M) Sdn Bhd

- Semangat Kancil (M) Sdn Bhd
- Sunway Rahman Putra 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 Property & Facility Management Sdn Bhd (formerly known as Sunway PFM Sdn Bhd)
- Sunway IFM Sdn Bhd
- Sunway Parking Services Sdn Bhd
- Sunway Big Box 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
- Sunway Orient Sdn Bhd
- Sumber Dorongan Sdn Bhd
- Sunway Nexis Parking Sdn Bhd
- Sunway Transit System Sdn Bhd
- Sunway Integrated Parking Sdn Bhd
- Sunway REM Sdn Bhd
- Sunway GEO Sdn Bhd
- Sunway Living Space Sdn Bhd
- Reptolink Sdn Bhd
- Galaxy Avenue Sdn Bhd
- Sunway Sustainability Solutions Sdn Bhd
- Sunway Leisure Sdn Bhd
- Sunway RE Capital Pte Ltd #
- Sunway RE Capital Advisors (SG) Pte Ltd #
- Sunway RE Capital Advisors (UK) Limited #
- Sunway Residence Trust #
- Sunway Residence (Guernsey) Limited #
- Elite Commercial REIT \*\*
- Elite Commercial REIT Management Pte Ltd \*\*

LEISURE

- Sunway Lagoon Sdn Bhd
- Sunway Lost World Water Park Sdn Bhd
- Sunway Lagoon Club Berhad
- Sunway Travel Sdn Bhd
- Sunway Healthy Lifestyle Sdn Bhd
- Sunway Synergy Sdn Bhd
- Pyramid Bowl Sdn Bhd \*

HOSPITALITY

- 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 #

CONSTRUCTION

- Sunway Construction Sdn Bhd
- Sunway Engineering Sdn Bhd

GROUP CORPORATE STRUCTURE

- 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
- Sunway Pekat Solar Sdn Bhd
- Sunway RNSIL MC Pte Ltd #
- Sunway RNS TJ Pte Ltd #
- Sunway Construction India Pte Ltd #

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 #
- Sunway Marketing (Vietnam) Co Ltd #
- PT Sunway Flowtech #
- PT Sunway Trek Masindo #
- PT Sunway Pacific Flow #
- PT Sunway Distribusi Indonesia #
- Sunway TotalRubber Ltd #
- Sunway TotalRubber Services Franchising Pty Ltd #
- Sunway Hydraulic Industries (Wuhu) Co Ltd #
- Sunway Trading (Shanghai) Pte Ltd #
- Sunway Daechang Forging (Anhui) Co Ltd #
- Sunway Winstar Sdn Bhd
- Sunway Saf-T-Quip Sdn Bhd
- Sunway United Star Sdn Bhd
- Sunway Coating Solutions Sdn Bhd
- Jaya DIY Mart Sdn Bhd
- Sunway Material Handling Sdn Bhd (formerly known as SMH Handling Solutions Sdn Bhd)
- Sunway Architectural Products Sdn Bhd

QUARRY

- Sunway Quarry Industries Sdn Bhd
- Sunway Quarry (Kuala Kangsar) Sdn Bhd
- Sunway Quarry Industries (Melaka) Sdn Bhd
- Twinners (Malaysia) Sdn Bhd
- Dolomite Granite Quarry Sdn Bhd
- Blacktop Industries Sdn Bhd
- Blacktop Lanchang Sdn Bhd \*
- Can Technical Services Sdn Bhd

BUILDING MATERIALS

- Sunway Paving Solutions Sdn Bhd
- Sunway Paving Solutions (Sabah) 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
- SunMed Velocity Sdn Bhd
- Sunway Specialist Centre Sdn Bhd
- Sunway Medical Centre (Singapore) Pte Ltd #
- Alliance Parade Sdn Bhd
- Paradigm Fairview 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 Management Services 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 \*\*
- Sunway City (S'pore) Pte Ltd #
- Sunway Real Estate (China) Limited #
- Eastern Glory Enterprises Limited #
- Sunway REIT Holdings Sdn Bhd
- Sunway Treasury Sdn Bhd
- Sunway Treasury Sukuk Sdn Bhd
- Sunway Investment Management Consultancy (Shanghai) Co. Ltd #
- 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
- Sunway Money 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 Brands Sdn Bhd
- Sunway Pharma Sdn Bhd
- Sunway PopBox Sdn Bhd
- Monumental Productions Sdn Bhd \*
- Sun Sea Capital 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 Quantum Sdn Bhd
- Sunway (Tianjin) Management Consultancy Co. Ltd. #
- Sunway Land Pte Ltd #
- Sunway City India Private Limited #
- SunCity Vietnam Sdn Bhd
- Konsep Objektif (M) Sdn Bhd
- Bidara Cahaya Resources Sdn Bhd
- Sunway iLabs Accelerator Sdn Bhd
- Sunway Little Sunshine Child Care Centre Sdn Bhd
- Laudable Generations Sdn Bhd
- Petikan Tropika Sdn Bhd
- Anggaran Salju Sdn Bhd
- Sunway Finpro Sdn Bhd (formerly known as Sunway Properties Services Sdn Bhd)
- Credit Bureau Malaysia Sdn Bhd
- Sunway Services Sdn Bhd
- Sun SEA I Sdn Bhd (formerly known as I Star Electrical Sdn Bhd)
- TKM Sdn Bhd
- Sunway Organic Garden Sdn Bhd

Notes:

This Group Corporate Structure excludes dormant companies.

\* Overseas company

^ Public listed company

\* Associated company / Joint venture company



## GROUP CORPORATE STRUCTURE

### HEALTHCARE



### INVESTMENT HOLDINGS AND OTHERS



### PROPERTY DEVELOPMENT



### PROPERTY INVESTMENT AND REIT



### CONSTRUCTION



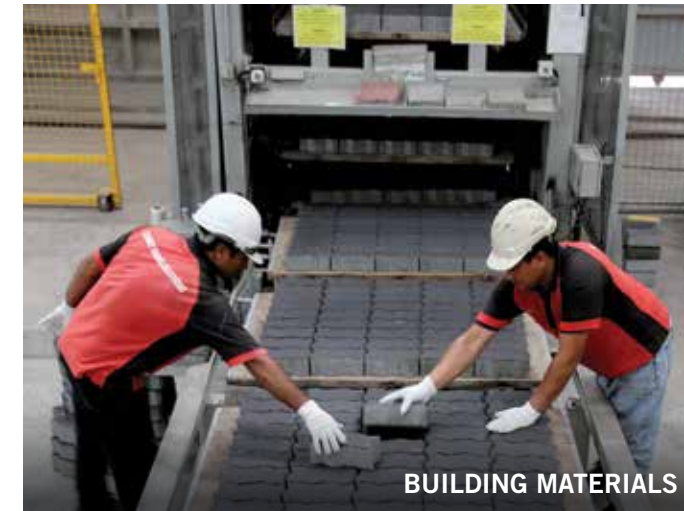
### TRADING AND MANUFACTURING



### LEISURE



### BUILDING MATERIALS



### QUARRY

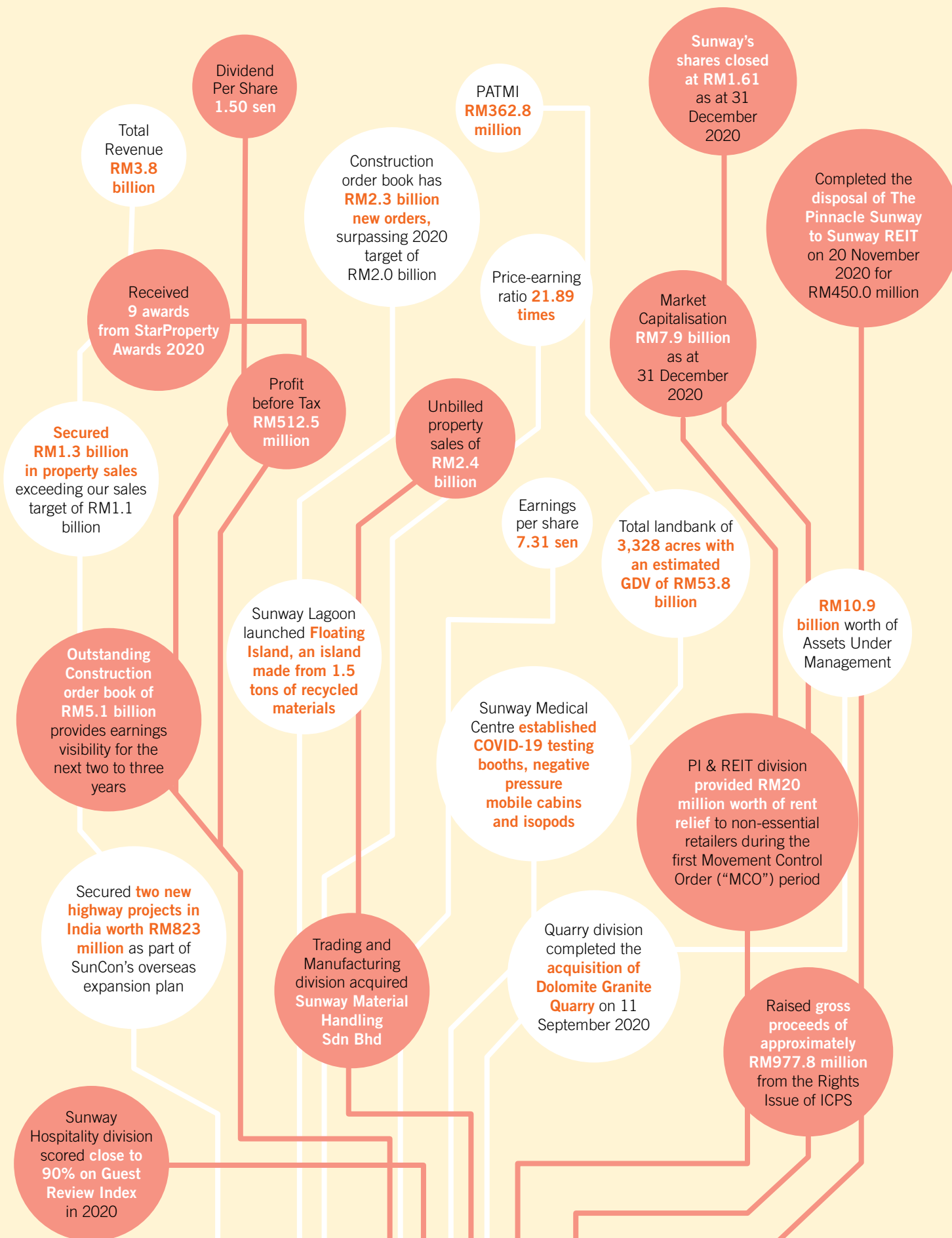


### HOSPITALITY

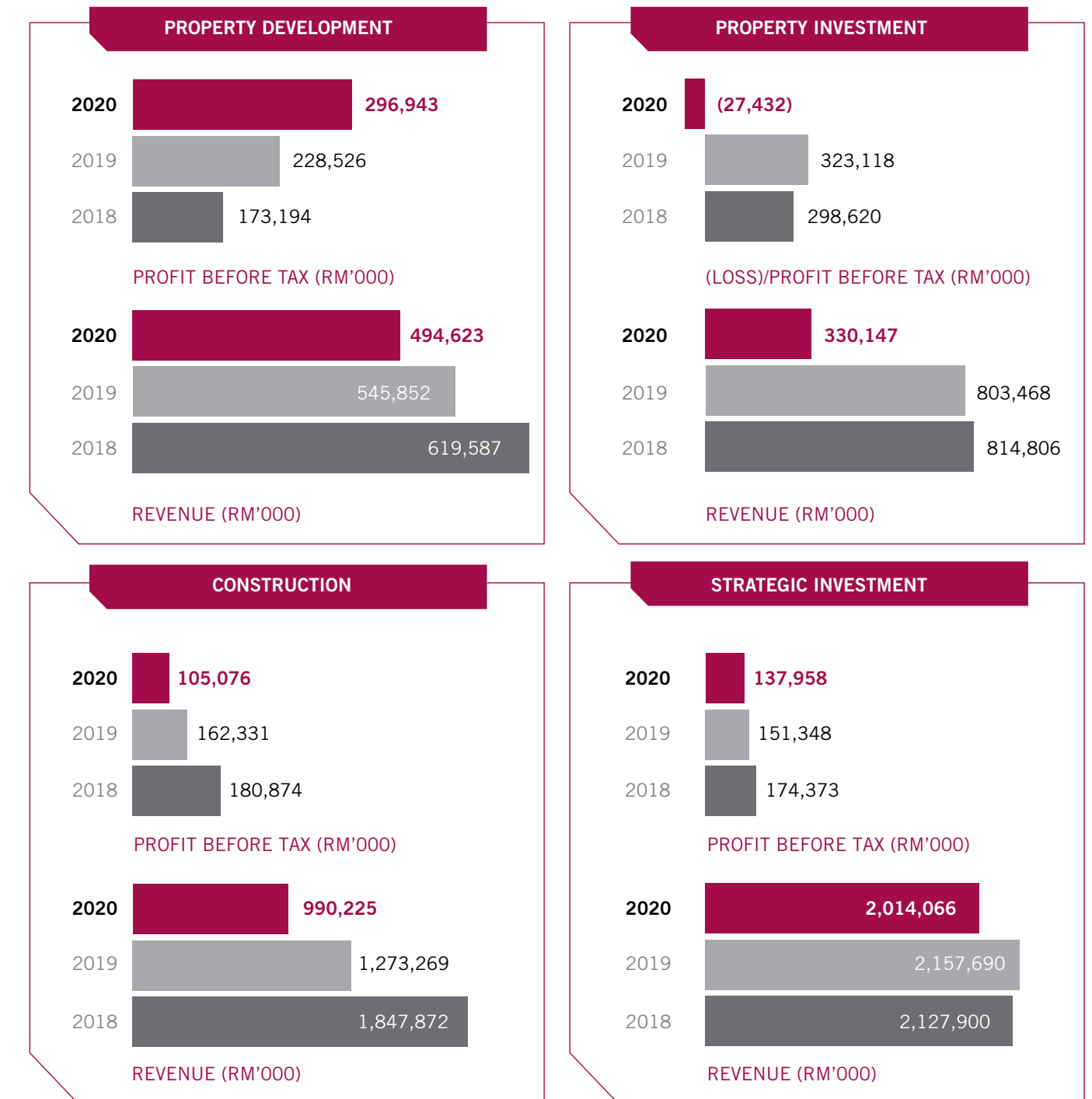




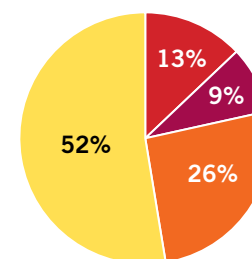
## FINANCIAL & BUSINESS HIGHLIGHTS



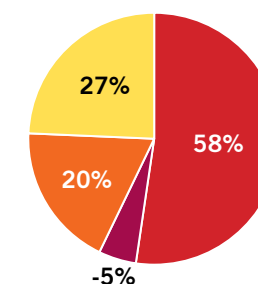
## SEGMENTAL PERFORMANCE



REVENUE 2020



PROFIT BEFORE TAX 2020



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



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



## FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

	Financial Year Ended				
	2020 RM'000	2019 RM'000 (Restated)	2018 RM'000 (Restated)	2017 RM'000 (Restated)	2016 RM'000 (Restated)
<b>OPERATING RESULTS</b>					
Revenue	3,829,061	4,780,279	5,410,165	5,239,281	4,655,592
Profit before tax	512,545	865,323	827,061	879,136	858,915
Income tax expense	(101,971)	(78,429)	(121,441)	(149,357)	(140,394)
Profit net of tax	410,574	786,894	705,620	729,779	718,521
Non-controlling interests	47,747	77,729	69,852	102,311	132,639
Profit attributable to owners of the parent	362,827	709,165	635,768	627,468	585,882
<b>KEY BALANCE SHEET DATA</b>					
Property, plant and equipment	2,620,747	2,749,044	2,627,664	1,522,895	1,879,930
Investment properties	2,033,400	2,327,617	1,942,744	2,066,760	2,798,405
Rock reserves	5,342	5,605	5,868	6,132	6,395
Land held for property development	1,795,500	1,674,576	1,671,311	1,682,127	1,191,517
Investments in associates and joint ventures	4,352,349	4,085,074	3,390,661	3,628,602	3,229,935
Goodwill	325,435	311,808	313,893	311,814	311,841
Deferred tax assets	59,589	66,722	110,342	100,828	70,758
Trade receivables	179,713	140,071	63,838	1,304,832	49,760
Derivatives	-	-	-	34,181	164,710
Other non current assets	2,684,248	1,928,532	2,292,030	61,955	34,102
Current assets	7,064,751	8,205,522	6,720,523	6,461,035	6,831,385
Assets of disposal group classified as held for sale	-	-	486,128	294,283	-
<b>Total assets</b>	<b>21,121,074</b>	<b>21,494,571</b>	<b>19,625,002</b>	<b>17,475,445</b>	<b>16,568,739</b>
Long term borrowings	1,649,973	872,563	1,230,226	1,593,110	1,646,996
Perpetual sukuk	600,000	400,000	400,000	-	-
Deferred tax liabilities	122,489	130,304	146,907	121,331	94,561
Hire purchase and lease liabilities	325,262	768,204	810,389	234	1,126
Derivatives	1,665	187	36	4,496	3,644
Other long term liabilities	134,713	59,414	128,993	258,013	340,183
Current liabilities	7,948,465	9,830,340	8,324,485	6,986,024	6,249,000
<b>Total liabilities</b>	<b>10,782,567</b>	<b>12,061,012</b>	<b>11,041,036</b>	<b>8,963,208</b>	<b>8,335,510</b>
<b>Total equity</b>	<b>10,338,507</b>	<b>9,433,559</b>	<b>8,583,966</b>	<b>8,512,237</b>	<b>8,233,229</b>
Non-controlling interests	797,837	1,044,290	619,106	621,521	763,506
<b>Shareholders' equity</b>	<b>9,540,670</b>	<b>8,389,269</b>	<b>7,964,860</b>	<b>7,890,716</b>	<b>7,469,723</b>
<b>FINANCIAL RATIOS</b>					
Profit before tax margin (%)	13.39	18.10	15.29	16.78	18.45
Basic earnings per share (sen)*	7.31	14.55	13.05	13.04	12.85
Diluted earnings per share (sen)*	7.31	14.55	13.04	13.00	12.74
Closing share price as at end of period (RM)*^	1.61	1.80	1.47	1.63	1.29
Price-earning ratio (times)	21.89	12.52	11.39	12.78	10.67
Return on capital employed (ROCE) (%)	3.80	7.32	6.99	7.42	7.68
Return on equity (ROE) (%)	4.32	8.90	8.06	8.40	8.93
Net gearing ratio (times) @	0.51	0.61	0.52	0.40	0.41
Net tangible assets per share (sen)*	186.15	163.20	154.89	153.65	147.88
Net assets per share (sen)*	193.37	170.03	161.74	160.43	155.17
Share capital (RM'000)	5,393,667	5,393,666	5,379,437	5,370,606	2,063,067
Number of ordinary shares ('000)	4,933,932	4,933,931	4,924,402	4,918,491	2,063,067

Notes:

1) Following the reassessment of the Group's investments in the wholesale funds, the financial statements for FY 2016 to FY 2019 have been restated via prior year adjustments retrospectively.

2) The financial statements for FY 2019 (Restated) and FY 2018 (Restated) are prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") including the effects of MFRS 16 Leases which was adopted in the previous financial year. The financial statements for FY 2017 is prepared in accordance with MFRS and has not been restated to include the effects of MFRS 16.

3) The financial highlights for FY 2016 above does not reflect the effects of MFRS 9 Financial Instruments, MFRS 15 Revenue from Contracts with Customers and prior year restatements arising from the Group's reclassification of its investment in Sunway Velocity Mall Sdn. Bhd. from investment in subsidiaries to investment in joint ventures in FY 2018.

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

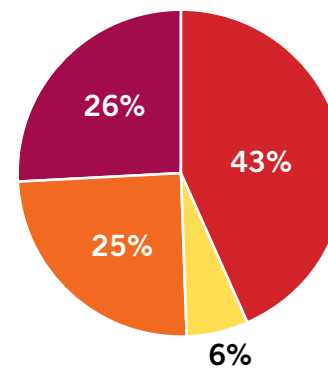
^ Source: Bloomberg

@ Net gearing ratio calculations exclude cross currency swap.

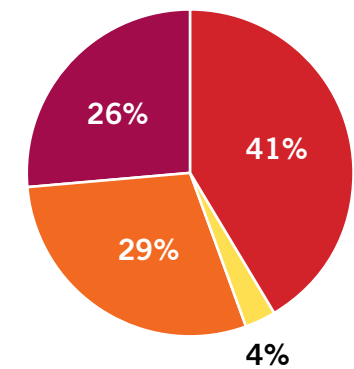
## VALUE ADDED STATEMENT

FINANCIAL YEAR ENDED	2020 RM'000	2019 RM'000 (Restated)
<b>Value Added</b>		
Total turnover	3,829,061	4,780,279
Purchases of goods and services	(2,399,766)	(2,795,252)
<b>Value Added by the Group</b>	<b>1,429,295</b>	<b>1,985,027</b>
Share of profits of associates	63,171	192,755
Share of profits of joint ventures	170,199	68,468
Net (loss) / gain on revaluation of investment properties	(2,077)	37,139
<b>Total Value Added</b>	<b>1,660,588</b>	<b>2,283,389</b>
<b>Reconciliation:</b>		
Profit for the year	410,574	786,894
Add: Depreciation and amortisation	236,539	233,580
Finance cost	140,439	168,420
Staff costs	723,318	938,337
Taxation	101,971	78,429
Minority Interests	47,747	77,729
<b>Total Value Added</b>	<b>1,660,588</b>	<b>2,283,389</b>
<b>Value Distributed</b>		
Employees		
Salaries and other staff costs	723,318	938,337
Government		
Corporate taxation	101,971	78,429
Providers of capital		
Dividends	220,562	421,759
Finance costs	140,439	168,420
Minority interest	47,747	77,729
Reinvestment and growth		
Depreciation and amortisation	236,539	233,580
Income retained by the Group	190,012	365,135
<b>Total Distributed</b>	<b>1,660,588</b>	<b>2,283,389</b>

VALUE DISTRIBUTED 2020



VALUE DISTRIBUTED 2019

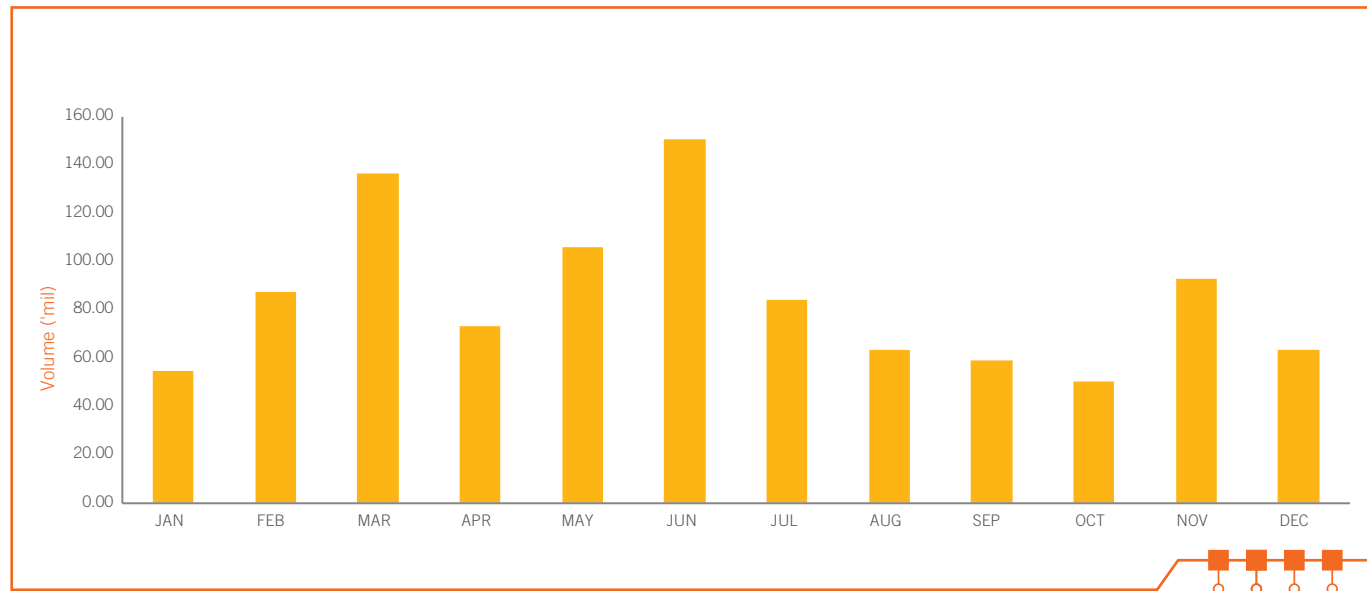
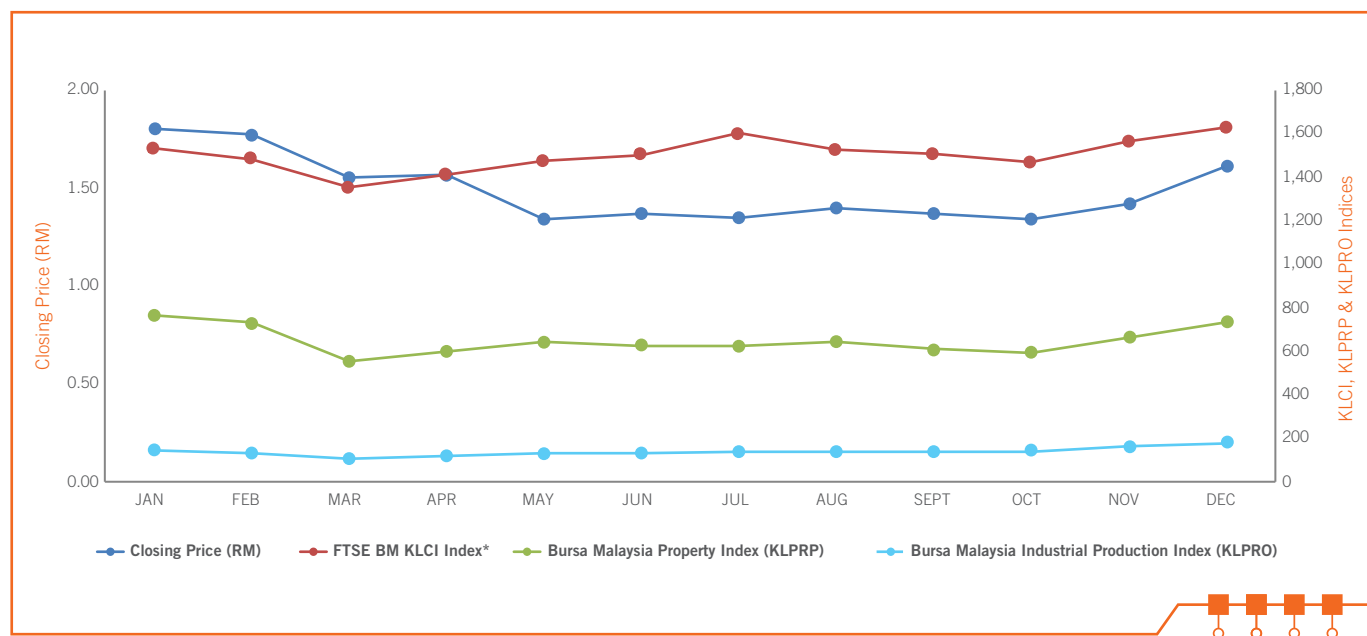


● EMPLOYEES ● GOVERNMENT ● PROVIDERS OF CAPITAL ● REINVESTMENT AND GROWTH

## SHARE PERFORMANCE

2020	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Closing Price (RM)	1.80	1.77	1.55	1.57	1.34	1.37	1.35	1.40	1.37	1.34	1.42	1.61
Volume ('mil)	54.57	86.91	135.85	73.55	105.30	150.03	84.32	63.75	59.06	50.40	92.38	63.38
FTSE BM KLCI Index*	1,531.06	1,482.64	1,350.89	1,407.78	1,473.25	1,500.97	1,603.75	1,525.21	1,504.82	1,466.89	1,562.71	1,627.21
Bursa Malaysia Property Index (KLPRP)	764.30	731.72	552.37	599.56	641.05	621.94	622.26	644.24	609.49	592.02	664.31	734.69
Bursa Malaysia Industrial Production Index (KLPRO)	143.31	132.80	107.60	120.44	130.06	133.66	141.13	136.50	136.85	141.14	160.66	178.11

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



# SUNWAY IN THE NEWS





## CALENDAR OF SIGNIFICANT EVENTS

JAN

2020

16

Sunway's annual Back-to-School programme saw a team of Sunway volunteers distributing school supplies to some 400 students from B40 households in SMK Yaacob Latif, Cheras. The students received supplies comprising a school bag, water bottle, writing supplies and food container to alleviate their family's financial loads to prepare their children for school.



FEB

15

Sunway celebrated Chinese New Year in a Muhibah spirit by giving back to 222 underserved beneficiaries from the B40 group. In an effort to promote inclusiveness, this year's #SunwayforGood CNY Cheer was celebrated with various multiracial families, who were also beneficiaries of Great Heart Charity Association.

Initiated in 2000, #SunwayforGood Festive Cheer is an annual initiative to reach out and touch the lives of the underserved, and to create a sustainable impact in improving the lives of the community, especially during major festive seasons.



18

Sunway Group donated RM1 million to set up the #SunwayforGood Anjung Kasih Yayasan Kebajikan Negara ("YKN") Hospital Seberang Jaya in Penang. The #SunwayforGood Anjung Kasih YKN Hospital Seberang Jaya is a building providing 80 beds as a temporary accommodation for family members from underserved community group who are accompanying patients receiving treatments at the government hospitals.



26

Sunway Medical Centre Velocity organised a CSR School Programme on cardiopulmonary resuscitation ("CPR") and automated external defibrillator ("AED") and held behavioural health talks for youths and educators respectively in realising the importance of life-saving skills and mental health well-being. The programme was in line with Sunway Group's effort towards promoting the UNSDG.



MAR

26

Sunway Construction Group Berhad ("SunCon") announced its acceptance of a Letter of Award ("LOA") from the National Highways Authority of India ("NHAI") worth approximately RM508 million (or Rs864.51 crore). The project is awarded to Sunway Construction Sdn. Bhd. – RNS Infrastructure Limited, a consortium formed by Sunway Construction Sdn. Bhd. and RNS Infrastructure Limited. The project consists of developing a new road and widening of the existing road to four lanes on a 36.75km highway stretch in the state of Tamil Nadu, India.

APR

1

Sunway Hospitality division partnered with Malaysian CARE, a local non-profit organisation committed to serving the poor and needy, to provide 1,500 bars of Soapful repurposed soaps to juvenile inmates at Pusat Koreksional Puncak Alam from 1 April until June 2020.

The repurposed soaps are made of approximately 1,000 kilograms ("kg") of leftover soaps collected from the Hospitality division, namely Sunway Resort, Sunway Pyramid Hotel, Sunway Clio Hotel, Sunway Putra Hotel, Sunway Velocity Hotel, Sunway Hotel Georgetown and Sunway Hotel Seberang Jaya.

The Soapful project was launched in December 2018, a collaboration with Ecolab Sdn. Bhd., Kinder Soaps Sdn. Bhd. and Selangor Youth Community, to benefit the environment and the community.



## CALENDAR OF SIGNIFICANT EVENTS

APR

2020

18

Sunway is proud to have hosted the medical professionals brought in by the Chinese Embassy in helping Malaysia fight the pandemic as a nation. The eight medical professionals from the Guangdong province arrived in Kuala Lumpur on 18 April 2020 and were accommodated at Sunway Resort for two weeks.

An important meeting was held between the medical team of Sunway Healthcare division and the eight medical professionals who shared their experiences on COVID-19 preventive measures, treatment, management and research to help combat the pandemic.



24

Sunway Berhad, via its wholly-owned subsidiary, Sunway Holdings Sdn. Bhd., acquired a 51% stake in Credit Bureau Malaysia ("CBM"). Upon completion of the acquisition, Credit Guarantee Corporation Malaysia Berhad ("CGC") and Sunway Holdings will be the two shareholders of CBM. The move is part of Sunway Group's exercise to diversify into financial technology ("FinTech") ecosystem and offer finance related services to small and medium enterprises. The acquisition was completed in June 2020.

MAY

1

Sunway kick-started its month-long #SunwayforGood Raya Cheer programme to bring cheer to various communities in need. Taking a new approach this year, Sunway extended its Raya Cheer to reach out to frontline healthcare workers and essential service staff in acknowledgement of their tireless service to the nation during the MCO period.

The initiative saw Sunway delivering a total of 6,500 packets of specially prepared bubur lambuk to the frontline healthcare workers, essential service staff and B40 families nationwide.



15

Sunway started discussions with the University of Cambridge for potential collaboration opportunities to fight the pandemic. The University of Cambridge's main response team against the COVID-19 pandemic is led by over 150 scientists and clinicians, who are working at the Cambridge Institute of Therapeutic Immunology and Infectious Disease. They are housed at the Jeffrey Cheah Biomedical Centre, which is located on the Cambridge Biomedical Campus, the largest biotech cluster outside the United States ("US").



27

Sunway Berhad proposed to undertake a renounceable rights issue of up to 1,112,777,962 new irredeemable convertible preference shares ("ICPS") in Sunway at an issue price of RM1.00 per ICPS on the basis of one ICPS for every five existing ordinary shares in Sunway Berhad held by the ordinary shareholders of Sunway.

The proposed issuance of ICPS is to raise the required funds for repayment of borrowings, capital expenditure to expand and develop hospitals, property development and property investment expenditure as well as defrayment of estimated expenses for the corporate exercise.

JUN

9

Sunway Construction Sdn. Bhd., a wholly-owned subsidiary of SunCon and ENGIE South East Asia signed a memorandum of understanding ("MoU") to set up a joint venture ("JV") company to boost the country's environmental sustainability effort through the expansion of district cooling technology. ENGIE South East Asia is part of the ENGIE Group, the European leader in energy and value-added energy solutions with a global presence.

The JV company will engineer, finance, construct, develop, operate and maintain district cooling systems for greenfield and brownfield urban development projects, including some of Sunway's portfolio of office buildings, retail malls, educational institutions, medical centres, hotels, resorts, theme parks and factories. The partnership will accelerate the adoption of district cooling technology in Malaysia, which will contribute towards the nation's environmental sustainability goals.



## CALENDAR OF SIGNIFICANT EVENTS

JUN

2020

25

Tan Sri Dr Jeffery Cheah was appointed Permanent Member to the National Council of Agriculture and Food Industry by the Ministry of Agriculture and Food Industry.

The council would act as the highest advisory body to the ministry in identifying issues related to food security as well as the agriculture and food industry sector, providing appropriate intervention measures and proposing the sector's new direction in line with current developments and needs, comprehensively and holistically.

29

Sunway Integrated Properties Sdn. Bhd. and Sunway Pinnacle Sdn. Bhd., both of which are wholly-owned indirect subsidiaries of Sunway, entered into a conditional sale and purchase agreement ("SPA") with RHB Trustees Berhad, being the trustee of Sunway Real Estate Investment Trust, for the disposal of The Pinnacle Sunway for a cash consideration of RM450.0 million.

The disposal was completed in accordance with the terms and conditions of the SPA on 20 November 2020.

JUL

9

Sunway, Celcom Axiata Berhad ("Celcom") and Huawei Technologies (Malaysia) Sdn. Bhd. ("Huawei") sealed a MoU to explore Malaysia's first tripartite collaboration towards advancing smart township solutions encompassing Internet of Things ("IoT") and Artificial Intelligence, with the fifth-generation ("5G") connectivity.

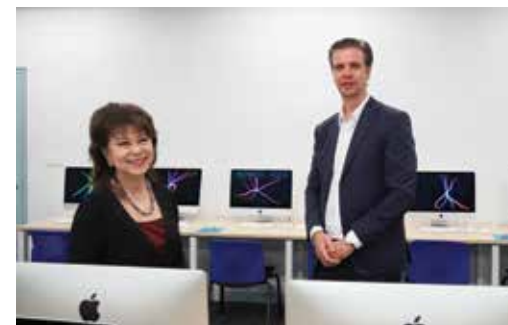
The MoU aims to explore the potential for Celcom and Huawei to be the 5G technology enabler for Sunway Group. Sunway City Kuala Lumpur will be the "launch pad" of this ground-breaking partnership. All three parties will explore the possibility to facilitate and support one another within the digital eco-system to promote technological adoption to enrich people's lives.



23

In a collaborative effort between Sunway iLabs, Sunway Education Group and Malaysia Digital Economy Corporation ("MDEC"), 42KL was launched marking the world-renowned and revolutionary coding school's opening in Malaysia.

A groundbreaking coding school with a disruptive educational model as it has zero tuition fees, zero teachers and zero traditional classrooms, 42 is the first in the world to offer peer-to-peer learning and is completely merit-based. 42KL is the Malaysian campus of 42 situated within the FutureX building in Sunway City Kuala Lumpur and will operate with 42's innovative model. The first 42 campus was established in Paris, France and the second in Silicon Valley, USA. The 42 campus in Sunway City Kuala Lumpur is one of the first such campuses in South East Asia.



28

Sunway Berhad's subsidiary, Sunway Medical Centre Kota Bharu Sdn. Bhd. has entered into a SPA with Liziz Standaco Sdn. Bhd. for the acquisition of a leasehold land of 99 years expiring on 20 August 2102 in Kota Bharu, Kelantan for a purchase consideration of RM28.7 million.

The land measuring approximately 3.811 hectares will be developed into a 200-bed hospital, strategically located in a rapidly developing area of Kota Bharu and is within 1 kilometre from amenities such as Aeon Mall Kota Bharu, Platinum Wholesale Mall and Tesco Kota Bharu. A large catchment population is expected with the upcoming developments in the vicinity which include residential properties, commercial properties and corporate offices.

AUG

17

Sunway Group President Chew Chee Kin has been conferred the Darjah Kebesaran Panglima Setia Makhota (P.S.M.), carrying the title of "Tan Sri", by Yang di-Pertuan Agong Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah in conjunction with His Majesty's birthday. The conferment took place in a ceremony at Istana Negara.

## CALENDAR OF SIGNIFICANT EVENTS

AUG

2020

28

In an effort to raise awareness on food security in Malaysia, Sunway Group kick started its #SunwayforGood Food Bank programme, the largest food bank drive by a conglomerate in Malaysia. The programme pledged to collect 40,000 kg of food, with the aim to surpass that target by end-2020 which will feed 25,000 individuals in B40 families, worst hit during the pandemic. As at 31 December 2020, the initial target was surpassed as the program collected more than 58,000 kg of groceries which benefited more than 32,000 individuals.

These individuals were identified by non-governmental organisations ("NGO") including the Development of Human Resources for Rural Areas Malaysia, the Food Aid Foundation and The Lost Food Project and the collected food was delivered to the needful families on a monthly basis.



SEPT

2

In light of the COVID-19 pandemic and as part of the safety measures and control for the well-being of the shareholders of Sunway Berhad, the 10<sup>th</sup> Annual General Meeting ("AGM") and the Extraordinary General Meeting ("EGM") were conducted on a fully virtual basis through live streaming and online remote voting using the Remote Participation and Voting Facility ("RPV"). This is in line with the Guidance Notes and FAQs on the Conduct of General Meetings for Listed Issuers as issued by the Securities Commission Malaysia.

11

In June 2019, Sunway Berhad's wholly-owned subsidiary, Sunway Holdings Sdn. Bhd. had entered into a Share Sale Agreement with Dolomite Industries Company Sdn. Bhd., a subsidiary of Dolomite Corporation Berhad, to acquire 100% of the total issued and paid-up share capital in Dolomite Granite Quarry Sdn. Bhd. together with 4 parcels of leasehold lands and plants and machinery for RM125 million. The acquisition was completed on 11 September 2020.

21

In response to charity homes hit hard by the MCO, contributions from the Sunway staff through its #SunwayforGood Fund, have channelled close to RM130,000 to foot electricity bills up to six months, for 16 charity homes nationwide.

The 16 selected homes which received the utility bill aid are located in Selangor, Kuala Lumpur, Penang and Johor. They are Rumah Pengurusan Al-Firdaus, Rumah Kasih Harmoni Paya Jaras, Pusat Jagaan Anbe Sivam, Pertubuhan Kebajikan Ehsan As-Shakur, Pertubuhan Anak Yatim & Miskin Pinang Klang, Johor Cheshire Home, Pertubuhan Kebajikan Puspanesam, Rumah Sinar Kebahagiaan, Shammah Children Home, Pusat Jagaan Sinar Ceria, Rumah Sejahtera Permatang Tinggi, Pertubuhan Rumah Sinar, House of Hope, Pusat Jagaan Rumah Juara Puchong, Pertubuhan Kebajikan Anak-anak Yatim dan OKU Mesra and Rumah Hope.

OCT

14

Sunway embarked on its Food for Thought campaign to distribute packed meals to the urban poor in the Klang Valley needing nutritional support during the Conditional Movement Control Order ("CMCO") period.

The campaign was first undertaken upon the announcement of the re-enforcement of CMCO in Kuala Lumpur, Selangor and Putrajaya from 14 to 27 October with a target distribution of 4,050 packs of food. Subsequently, Sunway doubled its commitment and delivered 8,100 packs in response to the extension of the CMCO until 9 November 2020.

The food packs were provided by Sunway's malls in the Klang Valley, namely Sunway Pyramid, Sunway Velocity Mall and Sunway Putra Mall. Sunway worked with NGOs Kechara Soup Kitchen and Adab Youth Garage to distribute the food packs.





## CALENDAR OF SIGNIFICANT EVENTS

**OCT** **2020**

**28** SunCon announced its acceptance of four LOA from NHAI and F&N Group of Companies ("F&N") worth RM333.1 million in total.

The first LOA from NHAI is to develop a 31.5km two-lane highway with paved shoulder in the state of Tamil Nadu, India for a total contract sum of approximately RM315 million (Rs553.83 Crore). The LOA also includes a 15-year Operations and Maintenance Contract worth approximately RM850,000 (Rs1.5 Crore) per annum. The project will be operated under the Hybrid Annuity Mode (HAM) for a concession period of 15 years plus 2-year construction period.

SunCon, through its indirect subsidiary Sunway Engineering Sdn. Bhd., has also secured three LOA from F&N. The LOA comprises external solar photovoltaic system projects in Malaysia for the construction of solar roof-tops in Shah Alam, Pulau Indah in Selangor and Karak in Pahang. The combined contract sum is valued at RM18.1 million.

**NOV**

**6** In conjunction with the Festival of Light, Sunway Group, via its #SunwayforGood Deepavali Cheer initiative brought some goodwill and joy by providing food aid to a total of 10,155 beneficiaries in the Klang Valley, Perak and Johor.

In Johor and Perak, Sunway partnered with The National Committee for Community Services & Health Malaysian Red Crescent, to reach out to the B40 communities. In the Klang Valley, Sunway partnered with FFM Berhad who donated 5,089.2 kg of food products worth RM80,000.

The #SunwayforGood Deepavali Cheer is part of the #SunwayforGood Food Bank programme that aims to end hunger, aided by public donations, which is crucial during the COVID-19 pandemic.



**DEC**

**8** The proposed Rights Issue of ICPS has been completed following the listing and quotation of 977,779,351 ICPS and 39,555,548 additional Warrants on the Main Market of Bursa Securities on 8 December 2020. The gross proceeds raised by Sunway from the Rights Issue of ICPS was approximately RM977.8 million.

**16** Sunway Group founder and chairman Tan Sri Dr Jeffrey Cheah joined His Holiness Pope Francis, the 8<sup>th</sup> United Nations Secretary General Ban Ki-moon, UNESCO Director General Audrey Azoulay and other world leaders in launching Mission 4.7 on the first day of the 7<sup>th</sup> annual Vatican Youth Symposium.

Mission 4.7 brings together leaders from government, academia, civil society and business to accelerate the implementation of education for sustainable development worldwide and highlight the critical importance of education in achieving the sustainable development goals.

## AWARDS & ACCOLADES

### SUNWAY BERHAD

- **Corporate Social Responsibility Malaysia Awards 2020**
  - Company of the Year in the Industrial Product and Services Category
- **Minority Shareholder Watchdog Group - ASEAN Corporate Governance Awards 2019**
  - Industry Excellence Award in the Industrial Products and Services Category - 1<sup>st</sup> runners-up
  - Top 100 Companies for Corporate Governance disclosure - 20<sup>th</sup> place
  - Top 100 Companies for Overall Corporate Governance & Performance - 22<sup>nd</sup> place
- **National Annual Corporate Report Awards (NACRA) 2020**
  - Silver Excellence Awards for companies with market capitalisation of RM2 billion to RM10 billion
- **FTSE4Good Index Series Constituent for the Sixth Consecutive Year since 2014**
- **FinanceAsia's 2020 Asia's Best Companies Survey**
  - Best Investor Relations category - 1<sup>st</sup> place
  - Most Committed to Social Causes category - 3<sup>rd</sup> place
  - Best Managed Company - 3<sup>rd</sup> place
- **Asia Sustainability Reporting Awards (ASRA) 2020**
  - Asia's Best Sustainability Report (Digital) - Gold

### TAN SRI DR JEFFREY CHEAH AO

- Listed in **Malaysia Tatler's Impact List 2020** for his philanthropy work towards nation-building through quality education and research.
- **Islamic Excellence Awards 1441H/2020AD**
  - first non-Muslim recipient of the Hunayn Ibn Ishaq Unity Award
- Conferred **Honorary Doctorate of Social Enterprise** by University of Cambodia
- Appointed as one of the **Permanent Members of the National Agricultural Council** by the Ministry of Agriculture and Food Industries

### PROPERTY DEVELOPMENT

- **StarProperty National Awards 2020**
  - StarProperty All-Stars Award, Best Overall Champion
  - StarProperty All-Stars Award, Exceptional Community Builder
  - The Proximity Award, Best Integrated Transit Oriented Development (Excellence) - Sunway Velocity TWO
  - The Proximity Award, Best Integrated Development (Excellence) - Sunway Citrine
  - The Long Life Award (Honours) - Sunway GEOLake Residences
  - The Southern Star Award (Excellence) - Sunway City Iskandar Puteri
  - The Luxury Series Award (Honours) - Sunway Emerald Residence
  - The Holiday Home Award (Excellence) - Sunway Onsen Suites
  - The Northern Star Award (Honours) - Sunway Onsen Suites

- **The Edge Malaysia Property Excellence Awards 2020**
  - Top 10 Property Developers' Award
  - Best in Qualitative Attributes
- **FIABCI World Prix d'Excellence Awards 2020**
  - World Gold Winner in Residential (Mid Rise) Category - Sophia Hills
- **iProperty Development Excellence Awards 2021**
  - Community CSR Award
- **Malaysia Green Building Council's Leadership in Sustainability Awards 2020**
  - Special Awards on Sustainable Development Goals - Sunway Iskandar
  - Best Green Product & Technology - Sunway Iskandar
- **Putra Brand Awards 2020**
  - Bronze in the Property Development Category
- **PropertyGuru Asia Property Awards 2020**
  - Malaysia Real Estate Personality of the Year - Sarena Cheah, Managing Director of Property Development Division
- **Malaysia Book of Records**
  - Property Customisation System category - Sunway GRID
- **MSC Malaysia Cybercentre status by Malaysia Digital Economy Corporation (MDEC)**
  - Sunway Velocity & Sunway Velocity TWO

### PROPERTY INVESTMENT / REIT

- **National Annual Corporate Report Awards (NACRA) 2020**
  - Gold Excellence Awards for companies with market capitalisation of RM2 billion to RM10 billion - Sunway REIT
- **Malaysian Investor Relations Association (MIRA) Awards 2020**
  - Best Investor Relations Professional for mid-market capitalisation category - Sunway REIT
- **Best Non-IPO Share Placement 2020 by The Edge - Sunway REIT**
- **Asia Sustainability Reporting Awards (ASRA) 2020**
  - Asia's Best Integrated Report (Design) - Bronze - Sunway REIT

### LEISURE

#### SUNWAY LAGOON

- **TripAdvisor Travellers' Choice Award 2020**
  - Top 10 Water Parks in Asia - 6<sup>th</sup> place
- **Putra Brand Awards 2020**
  - Gold in Entertainment Category
- **2019 Themed Entertainment Association**
  - Top 20 Water Parks Worldwide
  - Top 20 Water Parks Asia Pacific

#### SUNWAY LOST WORLD OF TAMBUN

- **2019 Themed Entertainment Association**
  - Top 20 Water Parks Asia Pacific
- **TripAdvisor Travellers' Choice Award 2020**
  - Top 10% of attractions worldwide

## AWARDS & ACCOLADES

### HOSPITALITY

- **EdgeProp Malaysia's Best Managed & Sustainable Property Awards 2020**
  - Editor's Choice Awards - Malaysia's Outstanding Sustainable Resort 2020 - The Banjaran Hotsprings Retreat
- **Loved By Guests 2020 by Hotels.com**
  - Sunway Resort - 8.6
  - Sunway Pyramid Hotel - 8.4
  - Sunway Clio Hotel - 9
  - Sunway Velocity Hotel - 8.6
  - Sunway Putra Hotel - 8.4
  - Sunway Hotel Seberang Jaya - 8.6
  - Sunway Hotel Georgetown - 8.4
  - Sunway Hotel Hanoi - 8.6
  - Sunway Hotel Phnom Penh - 8.6
- **TripAdvisor Travellers' Choice Hotel Awards 2020**
  - Sunway Pyramid Hotel, Sunway Clio Hotel, Sunway Putra Hotel, The Banjaran Hotsprings Retreat, Sunway Hotel Georgetown and Sunway Hotel Seberang Jaya
- **Muslim Friendly Accommodation Recognition (MFAR) 2020**
  - Sunway Resort, Sunway Pyramid Hotel, Sunway Clio Hotel, Sunway Putra Hotel, Lost World Hotel, Sunway Hotel Georgetown and Sunway Hotel Seberang Jaya
- **Muslim-Friendly Tourism Product and Package (MFPropack) Certificate**
  - Sunway Velocity Hotel
- **Best Hotels of 2020 by KAYAK**
  - Sunway Putra Hotel with a 91.8% KAYAK award score
- **"Clean & Safe Malaysia" certificate by Bureau Veritas**
  - Sunway Hotel Georgetown and Sunway Hotel Seberang Jaya
- **Recognition by Penang State Exco for Tourism, Arts, Culture and Heritage under the Penang Lawan COVID-19 campaign**
  - Sunway Hotel Georgetown and Sunway Hotel Seberang Jaya
- **Agoda Customer Review Awards 2020**
  - Sunway Hotel Phnom Penh - 8.3
- **2020 Gold Circle Award Winner**
  - Sunway Hotel Phnom Penh

### CONSTRUCTION

- **Minority Shareholder Watchdog Group - ASEAN Corporate Governance Awards 2019**
  - Industry Excellence Award in the Construction Category - 1<sup>st</sup> runner-up
  - Top 100 Companies for Overall Corporate Governance & Performance - 10<sup>th</sup> place
  - Top 100 Companies for Corporate Governance disclosure - 22<sup>nd</sup> place
- **Asia Sustainability Reporting Awards (ASRA) 2019**
  - Asia's Best Sustainability Report (within Annual Report) - Bronze

- **2019 ASEAN Corporate Governance Scorecard Award**
  - Asset Class Award
- **The Asset ESG Corporate Awards 2020**
  - Gold Award
- **The Edge Billion Ringgit Club Awards 2020**
  - Highest Return on Equity Over Three Years in the Construction Sector for the second consecutive year
- **National Annual Corporate Report Awards (NACRA) 2020**
  - Excellence Awards for Companies With Less Than RM2 Billion In Market Capitalisation - Platinum
- **Leadership on Area Based Demarcation (LeAD) Programme**
  - Best Area Champion (Onshore Construction) - Petronas Leadership Centre Project
- **Construction Industry Development Board 5 Star SCORE Rating for 2020**
  - Sunway Construction Sdn Bhd

### HEALTHCARE

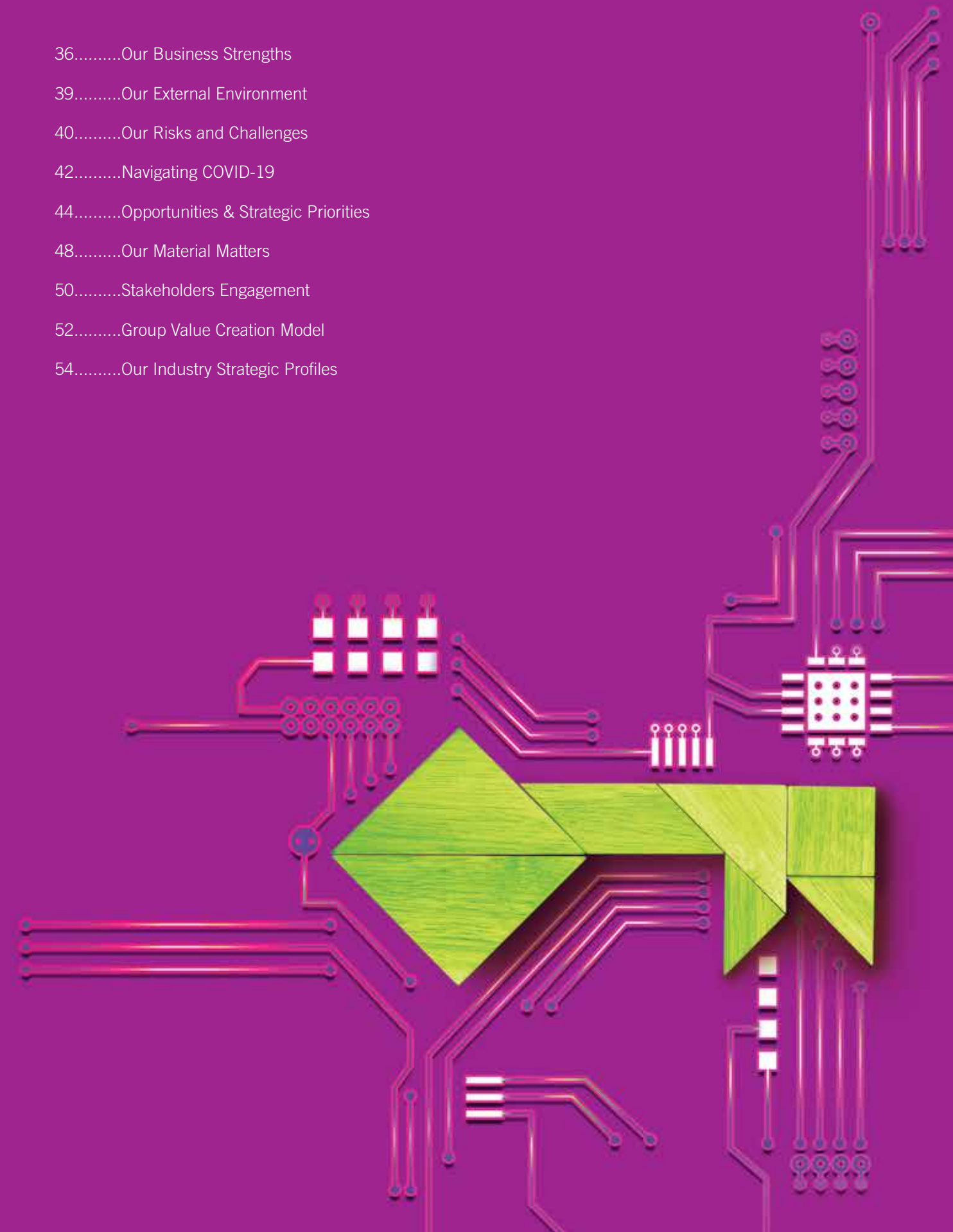
- **Global Health & Travel Awards 2020 Asia Pacific Healthcare and Medical Tourism Award**
  - Medical Tourism Hospital of the Year - Sunway Medical Centre
  - Fertility Hospital of the Year in Asia Pacific - Sunway Fertility Centre
  - Oncology (Radiation) Service Provider of the Year in Asia Pacific - Sunway Cancer and Nuclear Medicine Centre
  - Paediatric Ophthalmology Service Provider of the Year in Asia Pacific - Sunway Eye Centre
  - Ambulatory Medical Centre of the Year in Asia Pacific - Sunway Specialist Centre Damansara
- **International Medical Travel Journal (IMTJ) Medical Travel Awards 2020**
  - International Fertility Clinic of the Year - Sunway Fertility Centre
  - International Eye Clinic of the Year - Sunway Eye Centre
- **MY AMCHAM CARES 2020 Recipients for Excellence in Corporate Social Responsibility by American Malaysian Chamber of Commerce**
- **CHT Pursuit of Excellence National Award 2020**
  - Healthcare category
- **Sin Chew Health & Wellness Award 2019**
  - Best Private Hospital and Cancer Centre category

### BUILDING MATERIALS

- **Systematic Occupational Health Enhancement Level Programme by Department of Occupational Safety and Health ("DOSH")**
  - Level 5 under Excellent category in the National Level

# OUR STRATEGY

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- 39.....Our External Environment
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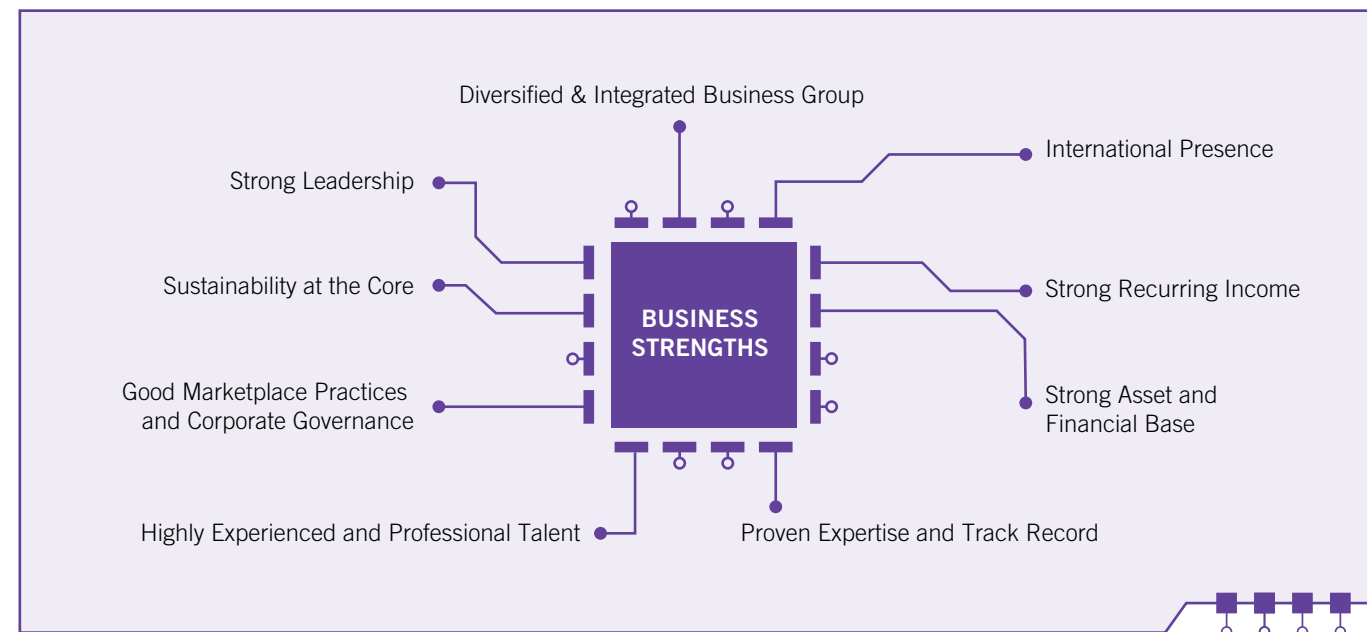
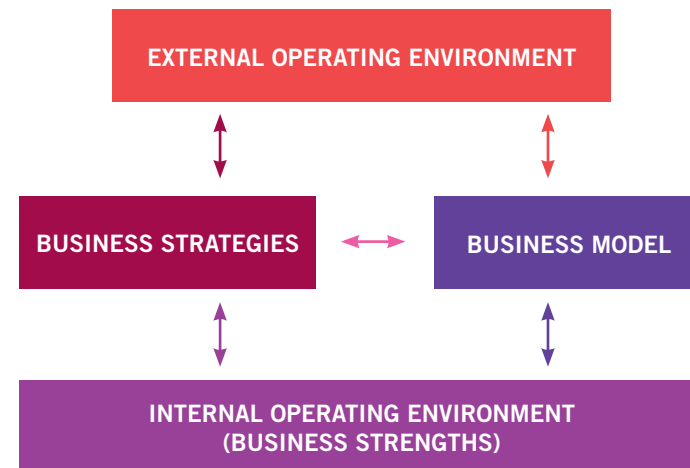


## OUR BUSINESS STRENGTHS

Sunway's business model enables the Group to derive a selection of business strengths or competitive advantages. The identification of these business strengths is important as strengths form a key component of the strategic quartet that also includes the external operating environment, the business model and business strategies. At any given time, any of the identified factors from the strategic quartet may influence the other directly or indirectly.



Business strengths may influence the choice of implemented strategies by the Group or any particular business division as Sunway chooses to leverage on its inherent advantages to optimise value creation. Trends and developments in the external environment may necessitate changes to the business model or business strategies. Such developments may alter the Group's overall business strengths.

At the same time, business strategies may serve as the catalyst for enhancements to be made to the business model in response to the external environment.




BUSINESS STRENGTHS	DESCRIPTION	STRATEGIES TO LEVERAGE ON STRENGTH
<b>Diversified &amp; Integrated Business Group</b>	<p>Sunway's diversified business operations provide the Group with exposure to a large number of industries and economic sectors, while the business divisions are leading players in their respective industries.</p> <p>The conglomerate approach reduces dependence on a single industry, which may be prone to cyclical downturns. This also enables the advantage of deriving multiple income streams, comprising recurring and non-recurring revenues.</p> <p>Diversity and integration of businesses in the Group's portfolio allows for greater dynamics in products and services offered and allows for easier penetration into other emerging business opportunities.</p> <p>The diversified portfolio enables the Group to explore opportunities across other continents, where selected businesses can be tailored to suit various business environments abroad.</p>	<p>The Group's business divisions continue to collaborate to enable cost and operational efficiencies and stronger project management.</p> <p>Collaboration also enables the cross-functional sharing of ideas, best practices and talents, and by leveraging on the capabilities of different business units, the ability to harness strategic synergy to develop more compelling value propositions and competitive advantage.</p> <p> Please refer to the Opportunities and Strategic Priorities on pages 44 to 47 for more information.</p>

## OUR BUSINESS STRENGTHS

BUSINESS STRENGTHS	DESCRIPTION	STRATEGIES TO LEVERAGE ON STRENGTH
<b>International Presence</b>	<p>The Group has a diversified geographical presence in multiple countries/markets. Beyond providing revenue diversification, an international business presence enables exposure to new ideas and technologies and reduces reliance on the Malaysian market space.</p>	<p>Through its business divisions, Sunway pursues selected expansion opportunities both locally and abroad.</p> <p>The Construction and Trading and Manufacturing divisions in particular, remain active in growing their international business operations.</p> <p>Other divisions such as the Leisure and Hospitality divisions continue to be driven by local market opportunities, given the present restriction on international travel due to the pandemic.</p> <p> Please refer to Our Risks and Challenges on pages 40 to 41 for more information.</p>
<b>Strong Recurring Income</b>	<p>Several of Sunway's business units such as Property Investment and REIT division provide the Group with a steady base of recurring incomes and earnings.</p>	<p>The Group looks to inject more strategic assets into its Property Investment and REIT division.</p> <p> Please refer to the Management Discussion and Analysis from pages 74 to 103 for more information.</p>
<b>Strong Asset and Financial Base</b>	<p>Despite the effects of the COVID-19 pandemic, Sunway managed to retain a robust balance sheet. The Group has access to both internally generated funds and external financing.</p>	<p>Leveraging on its robust financial position, Sunway is able to undertake large capital expenditure projects or move quickly to capitalise on acquisition opportunities.</p>
<b>Proven Expertise and Track Record</b>	<p>The Sunway brand remains a reliable marque with stakeholders and continues to enjoy the trust of its target market. The brand has more than 40 years' track of quality, excellence and innovation and remains a preferred industry name in the markets it operates in.</p>	<p>The strong brand equity in the Sunway marque has enabled the Group's divisions to adopt a high market visibility approach with aggressive branding and marketing campaigns.</p> <p>The high trust level has also enabled Sunway to retain consumers and market share, even during the present pandemic period.</p> <p>The Property Development division launched RM1.9 billion of new properties with over RM1.3 billion sold. The Construction division successfully realised its order book replenishment target of RM2.3 billion and expanded its order book to RM5.1 billion.</p> <p>The Hospitality division launched various campaigns to entice guests. Efforts continue to be made to develop the Sunway brand in international markets.</p>

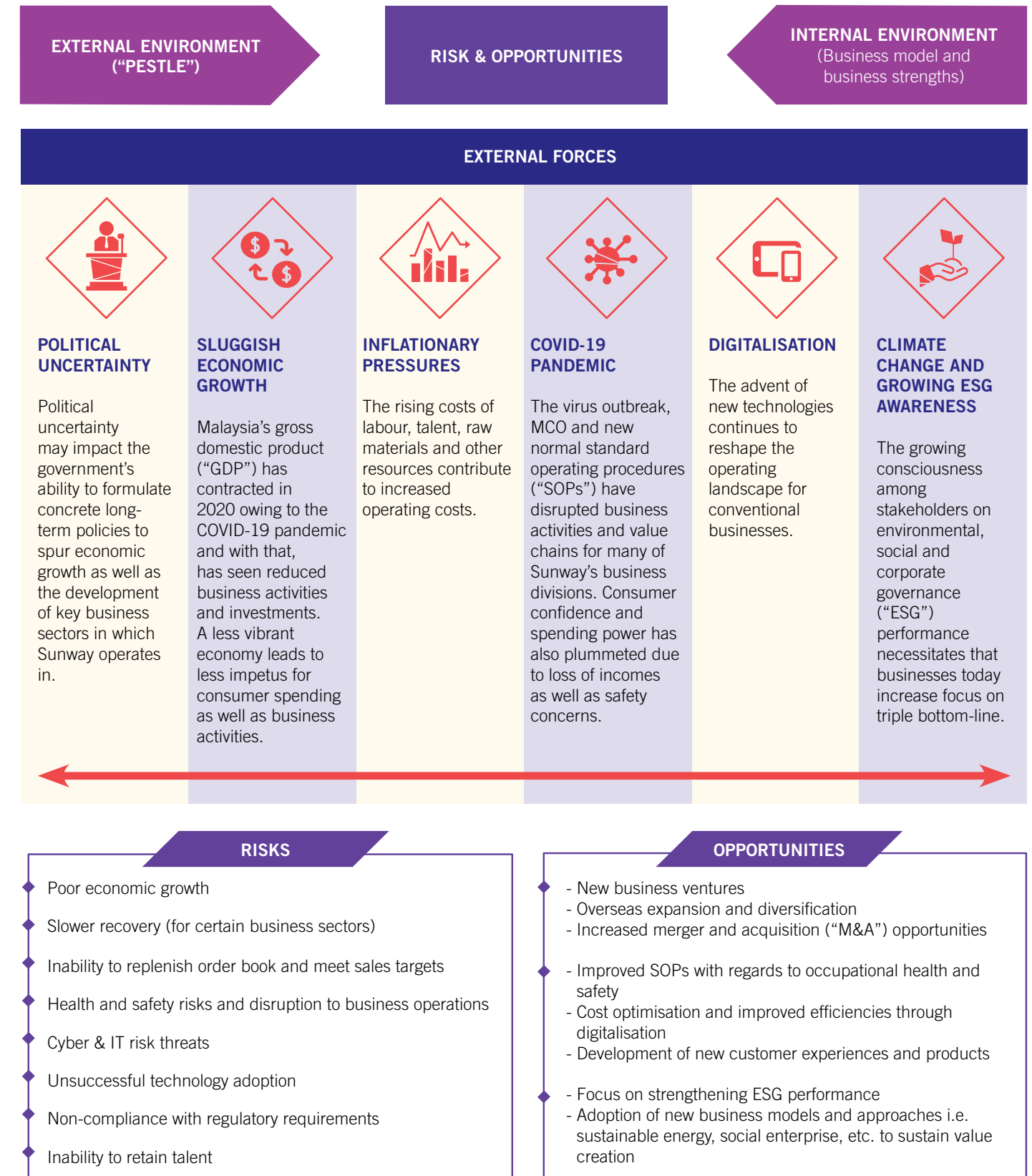
## OUR BUSINESS STRENGTHS

BUSINESS STRENGTHS	DESCRIPTION	STRATEGIES TO LEVERAGE ON STRENGTH
<b>Highly Experienced and Professional Talent</b>	<p>Sunway's 10,111 strong workforce provides the Group with the required skills, competences and technical qualities to enable delivery of products and services.</p> <p>The large and diverse talent pool provides for a rich reservoir of ideas, knowledge and experiences that can be tapped to drive business growth and to deliver the best strategic response, especially during the current pandemic period.</p>	<p>In 2020, given the pandemic period, the Group's divisions have continued to reskill and upskill its employees, while also providing intra-division or inter division job rotation opportunities.</p> <p>The large talent pool also enables a more effective leadership succession plan as there are more potential candidates for grooming to fill leadership roles going forward.</p>
<b>Good Marketplace Practices and Corporate Governance</b>	<p>Sunway's strong commitment to accountability, transparency and good governance provides the Group with the necessary internal controls for mitigating financial and non-financial risks.</p> <p>The Group-wide governance framework enables a faster and proactive response to market forces and ensures strong oversight over all material topics across an EESG perspective.</p>	<p>In 2020, good governance has been the basis for strengthening a wide range of policies, processes and business practices.</p> <p>New and strengthened policies include the Anti-Bribery and Corruption ("ABC") Policy.</p> <p> Please refer to the Corporate Governance Overview Statement on pages 131 to 147 for more information.</p>
<b>Sustainability at the Core</b>	<p>Sunway continues to review closely how its ability to create value is influenced by environmental and social issues. In doing so, Sunway has emerged as an industry leader for sustainability, which is at the core of the Group's business model.</p> <p>By placing sustainability at the heart of its business model, the Group creates enduring value that results in positive outcomes.</p>	<p>The Construction division continues to develop its sustainable energy business segment, with several successful solar photovoltaic ("PV") installations in FY 2020.</p> <p>Various business divisions have also looked to improve their environmental performance, by recycling waste, reducing energy and resource consumption and improving health and safety aspects of their operations (in light of the COVID-19 pandemic as well as a commitment to ensure a safe workplace and environment for staff and stakeholders.)</p>
<b>Strong Leadership</b>	<p>At the Group or business unit level, Sunway is helmed by proven industry captains with diverse capabilities and proven track records for excellent performance and results, led by the Group founder and Chairman, Tan Sri Dato' Seri Dr. Jeffrey Cheah.</p>	<p>Sunway's well-functioning leadership team formulates business strategies to ensure the Group's continual growth.</p>

## OUR EXTERNAL ENVIRONMENT

Sunway continues to review its external or macro-operating environment as emerging trends and developments could significantly impact the Group's business model and its ability to create value.

The Group assess how political, economic, social, technological, legal and environmental ("PESTLE") factors may lead to present or future impacts. The impact may be positive or negative or at times, akin to a double-edged sword, offer both negative and positive impacts. Negative impacts are categorised as risk factors while positive impacts are identified as business opportunities.



Please refer to Our Risks and Challenges on pages 40 to 41 for more information on risk factors, including mitigation measures undertaken. Please refer to the Opportunities and Strategic Priorities on pages 44 to 47 for more information.



OUR RISKS AND CHALLENGES

The relationship between Sunway’s internal (business model) and its external environment leads to the clear identification of the Group risk factors as well as prevailing opportunities for value creation.

An efficient risk management system is in place and has been endorsed by Sunway’s Board of Directors. Group Risk Management Department (“GRMD”), a dedicated corporate function leads the strategic management of risk and reports to the Board’s dedicated Risk Management Committee.

Beyond assessing risks at the Group level, GRMD also works closely with the respective Business Units to develop risk management strategies. Ultimately, the inherent owners of risks are the respective Business Units. Business Units continue to formalise and improve business strategies to remain resilient against these risks with GRMD’s strategic support.

IDENTIFIED RISKS	IMPACT TO BUSINESS MODEL / BUSINESS PROCESSES	RISK MITIGATION STRATEGY / BUSINESS MODEL ADAPTION IN RESPONSE TO RISK
Poor economic growth	Global and local economic uncertainties caused by COVID-19 and other factors may lead to prolonged dampened economic growth.	Pursuit of geographic diversification as well as further expansion into non-cyclical businesses to strengthen the resiliency of revenue streams.
	Failure to pro-actively navigate amidst a languid national economy may severely affect the achievement of goals and objectives set for various business divisions.	Developing new niche market propositions to suit the current market trends.
Slower recovery (for certain business sectors)	The continued dual impacts of the pandemic and negative economic growth may cause a slower than anticipated recovery in momentum, which will impact several business sectors, which are key growth engines for the nation.	<p>Focus on harnessing greater costs and operational efficiencies and to increasingly operate on a lower cost base approach.</p> <p>Sunway Group proactively activated its Business Continuity Plan which provides a clear guide to the company and all employees during the crisis. This also involves reviewing of the weaknesses and threats to the organisation in advance, anticipate and plan to manage threats and disruptions to ensure Business Sustainability as well as communicate and provide assurance to management, employees and stakeholders.</p>
Inability to replenish order book and meet sales targets	The lacklustre economic environment and other factors may lead to reduced demand for large-scale infrastructure development as well as reduced desire or inability of consumers to buy properties.	<p>Business divisions continue to employ and innovate new strategies to drive consumption of products and services.</p> <p>Innovation on cost and operational efficiency and intergroup synergies are continuously developed to offer more holistic products and services to gain competitive advantage over industry players.</p>
	Retail consumption comprising shopping, healthcare and entertainment will also likely be on a downtrend. This would impact the ability of several business divisions to meet their respective financial (and non-financial) targets.	
Health and safety risks and disruption to business operations	The business operations across any value chain can be disrupted by health and safety incidents. This would affect productivity, revenue performance and also public confidence.	The Group continues to ensure compliance to all standards set by the relevant government authorities and agencies. Implementation of proactive measures is of top priority to ensure the safety and health of employees and stakeholders.

OUR RISKS AND CHALLENGES

Where necessary, changes are adopted to the business model and business strategies i.e. allocation of capitals to effectively address risk factors. These changes may occur at Group level or at the business unit level and will depend on the likelihood and severity of the risk factors.

The full details of Sunway’s risk management framework encompassing the Group’s Internal Control System, policies and procedures, audits, risk management and key performance indicators and internal controls are provided in the Statement on Risk Management and Internal Controls section of the IAR2020.

IDENTIFIED RISKS	IMPACT TO BUSINESS MODEL / BUSINESS PROCESSES	RISK MITIGATION STRATEGY / BUSINESS MODEL ADAPTION IN RESPONSE TO RISK
Cyber & IT risk threats	<p>As the Group increases its adoption of digitalisation towards facilitating greater efficiency and productivity, there is increased possibility of exposure to data theft, hacked systems and other information and communication technology (“ICT”) risks.</p> <p>Any attack on the Group’s ICT infrastructure and systems may cause a breach in customer data or disruptions to business operations.</p>	The Group continues to harden its ICT systems towards reducing potential risk of attack. The risk of cyber threats will not deter Sunway from increasing its adoption of digitalisation.
Unsuccessful technological adoption	While the Group embarks on its digitalisation agenda, the selection of inappropriate technology or systems, misestimating the learning curve of the adopted technology, prolonged gestation period before returns on investment (“ROI”) is achieved may render the adoption less than effective.	A comprehensive digitalisation strategy has been mapped which includes conducting due diligence prior to adopting any particular technology as well as tests or pilot periods before embarking on full rollout of the new technology.
Non-compliance with regulatory requirements	Any incident of non-compliance may lead to censures, fines or even a temporary shutdown on operations due to social or environmental violations.	Where relevant, business divisions continue to ensure that all business processes are consistent with regulatory requirements through periodic monitoring of changes or updates to health, safety, labour and environmental requirements.
Inability to retain talent	Loss of talent in a competitive market and the challenge of recruiting highly skilled and competent employees.	<p>Together with Group Human Resources (“HR”), the respective Business Units continuously improve and enhance talent management strategies and plans.</p> <p>These include employee engagement surveys, team building exercises, training and development as well as internal and external reviews of the Group’s remuneration and compensation benefits for employees.</p> <p>Other focus areas include leadership effectiveness, employer brand, decision-making, career development, talent and rewards and recognition.</p>



Information on the Group’s opportunities and future prospects as well as strategies are provided in the Opportunities and Strategic Priorities section of the IAR2020.

## NAVIGATING COVID-19

When the COVID-19 pandemic hit the shores of Malaysia and resulted in a nation-wide lockdown in March 2020, Sunway responded swiftly to minimise disruptions to its business operations. A Business Continuity Plan ("BCP") was promptly rolled out, and a management team was established to oversee and manage the implementation of the plan. The Group also reached out to support vulnerable communities whose incomes were affected and to the overworked healthcare frontliners to mitigate the adverse effects of the health crisis.

### PREVENTION, PREPAREDNESS, RESPONSE & RECOVERY



- Ensured full compliance with SOPs from the relevant authorities and Sunway Group's Crisis Management Response and Recovery Team
- Leveraged cloud storage and digitalisation to enable work from home
- Implemented duty rosters to allow only essential staff to be on duty in the head office, offices and project sites
- Required all staff on duty to wear face masks
- Minimised face-to-face meetings and leveraged online tools for communication and meetings
- Identified high-risk staff and ensured those who were not well stayed at home
- Anyone who had close contact with positive cases had to undergo a COVID-19 test
- Conducted periodic COVID-19 tests for all staff
- Implemented physical segregation of staff
- Employees were required to declare their travel plans and travel history including any close contacts with positive cases
- Held daily briefings on SOP awareness at workplace
- Restricted non-employees from visiting workplace

### SUNWAY SAFE STAY



For more information on Sunway Safe Stay, please visit [www.sunwayhotels.com](http://www.sunwayhotels.com)

Sunway's hotels rolled out the Sunway Safe Stay programme to enhance safety protocols and ensure business continuity during the pandemic. The programme was anchored on the following five pillars of safety and hygiene:

- **Pillar 1**  
Guest Contact – Ensuring guests and front desk staff complied with the safety protocols and guidelines from the Ministry of Health of Malaysia ("MOH")
- **Pillar 2**  
Hygiene Protocols – Ensuring guests' luggage and high touchpoint areas were sanitised regularly
- **Pillar 3**  
Food Safety & Events – Ensuring compliance with the Food Safety Management System (FSMS) policy while special meeting and event packages were introduced to adapt to the new normal
- **Pillar 4**  
Booking & Cancellation Policy – Guests were offered the flexibility to cancel or change their reservations until 31 December 2020 without having to pay extra charges
- **Pillar 5**  
Workplace Safety Protocol – Sunway Group's Crisis Management Response and Recovery Team stood ready to activate the relevant protocols and cooperate with the local health authorities in the event of a positive case at the workplace

## BUSINESS CONTINUITY PLAN

### ENSURING HYGIENE AT WORK



- Regular checks on office building ventilation system
- Regular cleaning and sanitising of common touchpoints such as door handles and lift buttons
- Increased awareness on handwashing and sanitising. Hand sanitisers and soap were replenished daily
- Ensured social distancing in confined spaces such as lifts, meeting rooms and queueing areas by placing visible markers
- Installed thermal cameras and body temperature screening facilities at entrances and exits in malls and offices
- Ensured recording of personal details through QR code scanning or logbooks for contact tracing

### REACHING OUT TO THE COMMUNITIES



Read about our COVID-19 Community Care and CSR initiatives in the Sustainability Report 2020.

#### Medical Aid

- Contributed medical supplies to government hospitals and pledged up to RM12 million to cover the cost of subsidising treatments of non-COVID-19 patients from public health facilities
- Donated two ventilators to MOH in Sabah
- Donated face masks to communities in Sabah during their second wave of the COVID-19 pandemic

#### Designated quarantine hotels

- Sponsored more than 26,000 room nights worth about RM2.9 million for quarantined persons under surveillance from 13 April to 14 May 2020

#### Nourishing the Communities

- Collaborated with Yayasan Kebajikan Negara Malaysia ("YKN") and various NGOs to nourish B40 families

#### #kitasupportkita

- Supported Sunway's mall tenants in mitigating the impacts of the pandemic

#### Mask for a mask

- Raised funds to donate hygiene essentials to the underprivileged

#### Tokens of Appreciation

- Provided a 'Thank You Pack' to frontliners for their sacrifice and contribution to the nation

#### #SunwayforGood Fund

- The #SunwayforGood fund raised RM793,022. The funds were used to pay for:
  - 5,664 stay safe packs
  - Groceries for 200 B40 families in Ipoh worth RM50 each
  - 16 homes' electricity bills for six months (July-December 2020)
  - Aeon vouchers for 2,787 B40 community members: 2,051 Sunway community dwellers received RM50 Aeon vouchers and 736 B40 students received RM100 Aeon vouchers

#### Food Pantry for Staff

- Sunway Putra Hotel provided free food for staff and contract workers who lost their jobs as a result of the pandemic





## OPPORTUNITIES & STRATEGIC PRIORITIES

While the operating environment ahead appears challenging due to the aforementioned external trends and developments and risk factors, Sunway retains a measure of cautious optimism, as opportunities for business growth and sustainable value creation remain.

The Group has developed necessary mitigation plans for its potential and actual risk factors. At the same time, it looks to capitalise on the emerging positives which 2021 presents.

Granted some business divisions will continue to be more impacted by the prolonged pandemic and related effects and recovery in momentum may take a longer period. Others are better placed for a quick rebound once vaccines are introduced and the national socio-economic situation can revert to a pre-COVID scenario.

However, all of the business divisions have exemplified resilience and demonstrated strong fundamentals. Having made the necessary changes to a leaner, nimbler and cost-efficient business model, the business divisions are better positioned to strive and continue delivering stakeholder value in 2021.

For the Group's strategic priorities and business opportunities, similarly to risks, strategic changes may be implemented to enable the Group or its respective business units to capitalise on the emerging trends, developments and benefits to enhance value creation.

Beyond its conventional businesses, Sunway looks to explore new ventures, which are emerging to the fore. Sunway Ventures has been established to seek out these new business models, which are often driven by digitalisation and new technologies.

Strategic Priorities for individual business divisions are provided in their respective Strategic Profiles in Our Industry Strategic Profiles section of the IAR2020.



## OPPORTUNITIES & STRATEGIC PRIORITIES

### OVERSEAS EXPANSION

Sunway remains focused on expanding its business footprint in its chosen overseas markets where exciting growth opportunities remain. While the Group is committed to Malaysia as its primary operating base, Sunway intends to tap potentials in both developed and developing markets for many of the Group's business divisions.

On the back of the highway contract wins in India, SunCon is well placed to further entrench its position in the subcontinent, where demand for highways, bridges and large-scale infrastructure projects remains strong.

The Property Development and Hospitality divisions also have a successful presence in multiple geographical markets. This can be leveraged upon to grow its overseas project portfolio.

The Healthcare division has successfully expanded into Singapore in 2019 and having gained a niche foothold in this competitive but affluent marketplace, is well poised to explore new prospects. Ultimately, through synergy, the presence on one division in a foreign country can be leveraged to enable the expansion of other divisions into that particular market.

### BUSINESS AND OPERATIONAL SYNERGY

While synergy has been harnessed by the Group's business divisions in various capacities and models, there remains far more synergistic potential at the strategic, operational and tactical levels.

Beyond cross-sharing of information, talent and best practices, synergy can be harnessed to bring to market, new value propositions or enhanced business models. This includes new products or services, or new technologies that leads to market disruption and first mover advantage.

Synergy also supports revenue performance. In addition to pursuing external contracts from both local and overseas, construction projects from within the Group also helps to provide bedrock projects for SunCon to replenish its order book. In return, Sunway's other business divisions' benefit from SunCon's stable track record of quality assurance and project expertise.

The Healthcare, Leisure and Hospitality divisions continue to explore the development of synergistic packages and services that would cater to local tourists, healthcare travellers and those seeking entertainment.

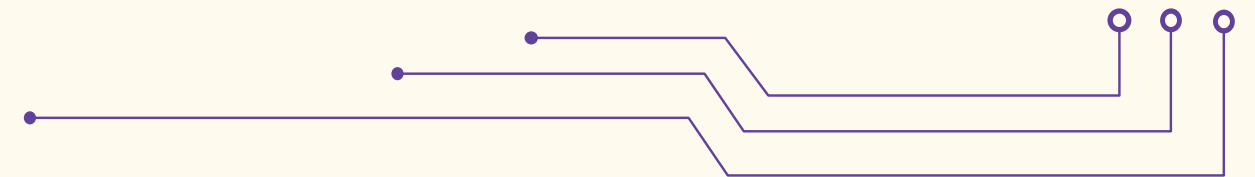
The opportunities for synergy are abundant and one of the 2021 priorities is to continue to uncover, and create even more such opportunities going forward.

### TALENT MANAGEMENT

Talent has, and will continue to remain a priority for Sunway. Talent is perhaps the most fundamental aspect of the Group's business model. It is the principal driver and catalyst for the Group's business model.

Skilled, experienced, motivated employees are the backbone of the Group and hence, there is continued emphasis on recruiting, training, retaining and rewarding staff and developing a conducive organisational culture that leads to job satisfaction and a desire to stay and grow their careers within Sunway.

Various strategic efforts to attract and retain talents continued to be undertaken, spearheaded by Group HR with Senior Management and the Board of Directors having oversight on the talent management agenda. The Group continues to invest in knowledge management towards optimising its employees' intellectual capital.



## OPPORTUNITIES & STRATEGIC PRIORITIES

### DIGITALISATION

Ongoing efforts to adopt digital technologies will be intensified in FY 2021. The pandemic has shown the importance of digitalisation in removing redundancies and inefficiencies within the value chains of all business divisions.

Social distancing has led to physical barriers and other difficulties. Digitalisation along with the aforementioned talent management remain pivotal to ensuring a flexible organisation that can respond swiftly and appropriately to the changing norms of customer engagement and business operations.

With costs increasingly becoming a key factor in the value proposition, digitalisation will enable reduced costs in the medium and long-term. It will enable us to continue reaching out to customers, both locally and abroad. However, in the short-term substantial investments are required in technological acquisition, training of staff and the deployment of systems. There may also be a learning curve before optimum productivity can be achieved.

Our tripartite collaboration with Celcom and Huawei to develop Smart Township Solutions with 5G connectivity as an enabler for Sunway Group, is an example of how Sunway is tapping digitalisation to drive business strength and deliver enhanced value creation.

While Sunway has made tremendous technological progress over the last 20 years, the Group intends to accelerate its digitalisation adoption towards enhancing its BOO business model and in further realising the aspirations of sustainable, smart city development that leads to the achievement of the UNSDG.

### SUSTAINABLE AND SMART CITIES

Sunway has been consolidating data from all business divisions to contribute to the realisation of the Malaysia Smart City Framework. Several stages have already been implemented across Sunway City Kuala Lumpur township. These include smart parking, magic mirror, urban farming, intelligent urban transportation and more.

#### REINVENTING URBAN TRANSPORTATION

Among the Group's key focus areas is the implementation of the sustainable intelligent transport eco-system ("SITE"), which enables reduction in carbon emissions and more efficient energy consumption for urban mobility.

In essence, the system is designed to provide comfortable, convenient and smarter daily travel within Sunway's cities. It will encompass traffic management, a focus on public transportation and other modes of transports such as walking and cycling instead of private cars and more.

### URBAN FARMING

Urban farming is also another focus area via Sunway FutureX Farm, an initiative helmed by Sunway iLabs to promote urban farming towards making communities food sufficient.

The approach is based on a farm to fork approach, where the community is able to generate its fresh food and produce to meet its immediate needs. It strengthens local food supply chains and contributes to food security. Other benefits include:

- Optimisation of underutilised spaces such as rooftops to generate sustainable food.
- Increase food production to reduce the national food import bill.
- Decentralises farming and reduces logistical issues associated with transportation of produce.



Read more about our initiatives towards a sustainable and smart city in our Sustainability Report 2020.

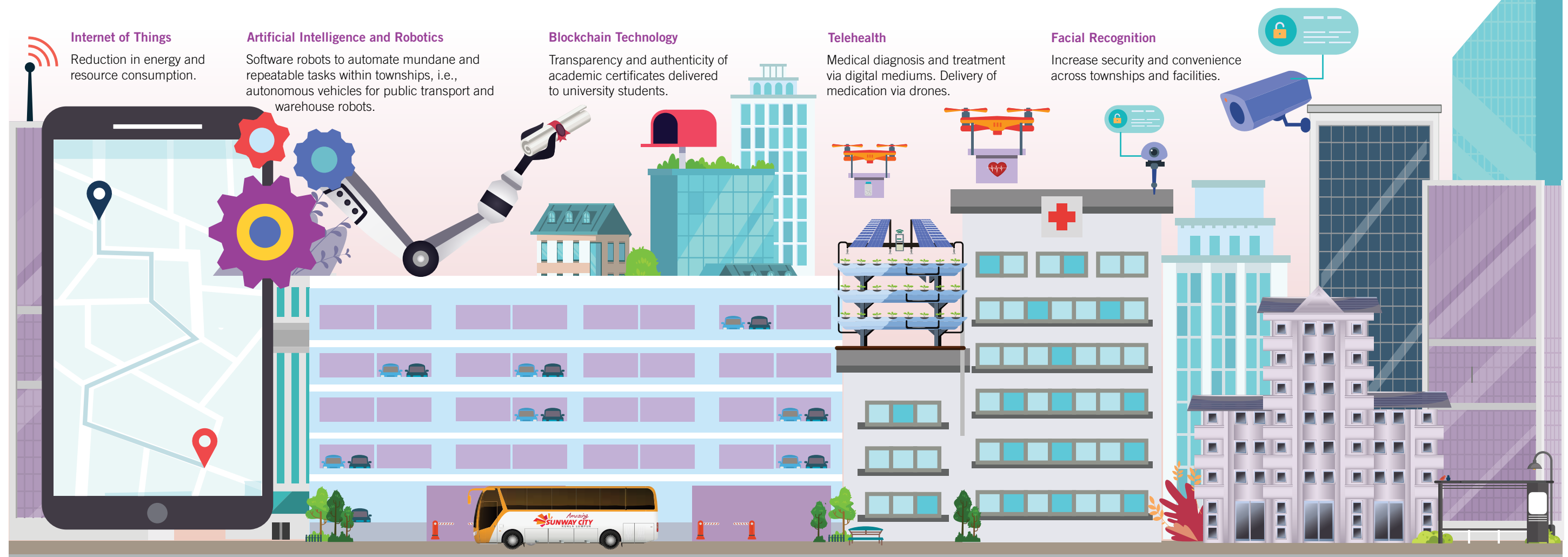
### GOVERNANCE

The continued emphasis on practicing good corporate governance is necessary towards mitigating against financial and non-financial risks and to ensure a well-managed conglomerate that is truly driven by value creation aspirations.

Through oversight and the implementation of appropriate control mechanisms and processes, Sunway and its business divisions have a shared sense of accountability, responsibility and conduct its business in a responsible and equitable manner that leads to mutually beneficial shareholder value creation.

While strategy, people, business processes and external trends and development are all vital to value creation, a robust and comprehensive governance structure that provides the necessary oversight is essential.

Sunway's Board of Directors and Senior Management will look to continue strengthening corporate governance within the organisation and cascading the same to all business divisions. Good governance is to be a way of life within Sunway's organisational culture and mindset.





# OUR MATERIAL MATTERS

Materiality assessments are integral to Sunway's value creation journey as they enable the Group to identify and assess key risks and opportunities to ensure long-term sustainable growth. A thorough materiality assessment will help Sunway further engage with its stakeholders and improve its understanding on the material matters that are most important to the Group and its stakeholders. In 2020, Sunway engaged an external consultant to conduct a comprehensive materiality assessment.

## THE PROCESS OF SUNWAY BERHAD'S MATERIALITY ASSESSMENT

### STEP 1 Identification of objectives and scope

First, we identified the objectives and scope of our materiality assessment.

### STEP 2 Identification and categorisation of material issues

After identifying and categorising our sustainability matters according to economic, environmental, social and governance, we identified 24 issues that were material to our organisation and stakeholders.

### STEP 3 Stakeholder engagement through online surveys and focus group discussions

Next, we held an online materiality survey among internal and external stakeholders, where we also gathered opinions from selected stakeholder groups such as analysts and bankers, the media and NGOs. Focus group discussions among the C-suite of each business division were also held to gather insights and refine the material issues. We received 1,485 responses from the survey.

### STEP 4 Prioritisation of material issues

The information and feedback gathered from the survey and discussions enabled us to narrow down the list and prioritise top 10 issues.

### STEP 5 Validation

To ensure we align with industry peers locally, regionally and globally, we conducted a desktop validation review and took into consideration global megatrends and top risks. As a result, we added four environmental material matters to address the pressing need for mitigating environmental impacts and to reflect our commitment to adapting to climate change.

### STEP 6 Endorsement

Finally, the results of the materiality assessment and the 14 sustainability issues were approved and endorsed by the Board Sustainability Committee.

#### STAKEHOLDER GROUPS:

##### INTERNAL

C-Suite of Business Divisions

Sunway Employees

##### EXTERNAL

Analysts & Investors

Bankers

Customers

Media

NGOs

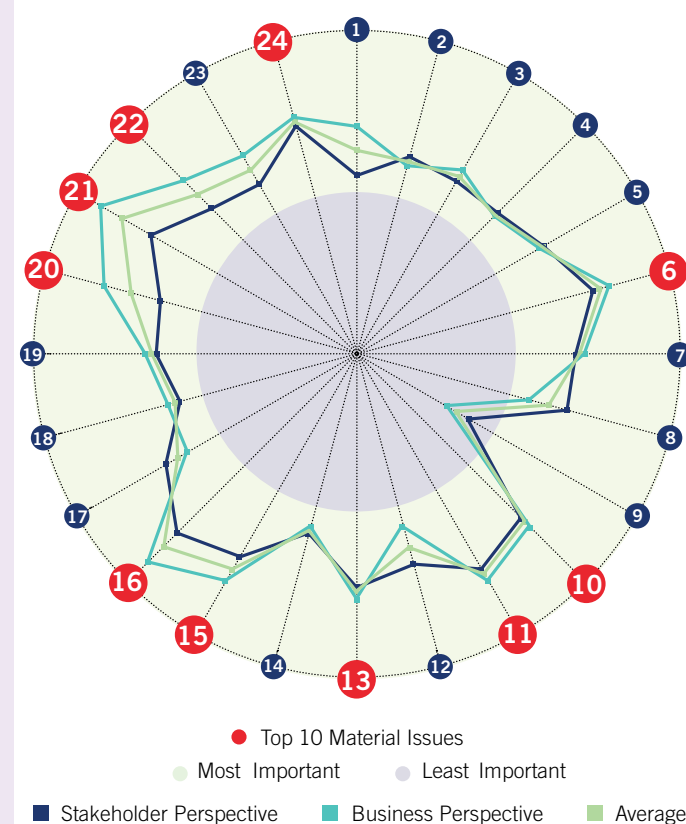
Suppliers

Students

#### LIST OF 24 MATERIAL ISSUES

- Ecological Impacts
- Waste and Hazardous Materials Management
- Water and Effluents Management
- Physical Impacts of Climate Change
- Energy Management
- Training and Education
- Employee Engagement
- Diversity and Inclusion
- Freedom of Association
- Labour Practices
- Employee Health and Safety
- Human Rights
- Community
- Product Design and Lifestyle Management
- Customer Welfare
- Product Quality and Safety
- Access & Affordability
- Selling Practices and Product Labelling
- Supply Chain Management
- Innovation
- Business Ethics
- Systematic Risk Management
- Business Model Resilience
- Economic Performance

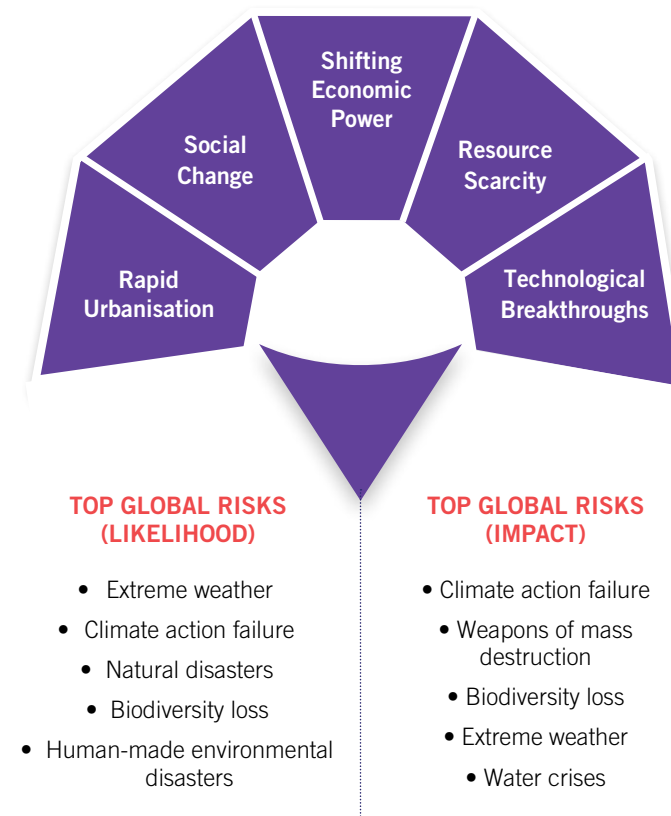
#### SUNWAY BERHAD'S MATERIALITY MATRIX



#### TOP 10 MATERIAL ISSUES

- PRODUCT QUALITY AND SAFETY 16
- BUSINESS ETHICS 21
- EMPLOYEE HEALTH AND SAFETY 11
- TRAINING AND EDUCATION 6
- CUSTOMER WELFARE 15
- INNOVATION 20
- ECONOMIC PERFORMANCE 24
- LABOUR PRACTICES 10
- COMMUNITY 13
- SYSTEMATIC RISK MANAGEMENT 22

#### GLOBAL MEGATRENDS



#### MATERIAL ISSUES RELATED TO GLOBAL TRENDS & RISKS

- ENERGY MANAGEMENT
- WATER AND EFFLUENTS MANAGEMENT
- WASTE AND HAZARDOUS MATERIALS MANAGEMENT
- PHYSICAL IMPACTS OF CLIMATE CHANGE

#### PRIORITISED MATERIAL ISSUES FROM OUR MATERIALITY ASSESSMENT

- PRODUCT QUALITY AND SAFETY
- BUSINESS ETHICS
- EMPLOYEE HEALTH AND SAFETY
- TRAINING AND EDUCATION
- CUSTOMER WELFARE
- INNOVATION
- ECONOMIC PERFORMANCE
- LABOUR PRACTICES
- COMMUNITY
- SYSTEMATIC RISK MANAGEMENT

## STAKEHOLDERS ENGAGEMENT

Sunway defines its stakeholders as groups where the business has a significant impact on and those with a vested interest in its operations. The Group believes that active engagement and collaboration with stakeholders are crucial in addressing their key priorities and material concerns. The table below illustrates the engagement methodology with each stakeholder group, frequency of engagements, their expectations and the manner in which Sunway addresses their expectations. In addition, stakeholders' engagement enables the Group to identify its risks and opportunities along with the corresponding mitigating plans and strategies.

STAKEHOLDER GROUPS	ENGAGEMENT METHODS	FREQUENCY	MATERIAL MATTERS	RESPONSE
CUSTOMERS				
Sunway values its customers and aims to use the best of its abilities and resources to provide superior quality and services	• Materiality study	Annually	• Product quality and safety • Innovation • Customer welfare • Ecological impacts • Training and education • Waste and hazardous waste management • Water and effluents management	• Sunway places innovation at the forefront as one of the strategic growth pillar. The various divisions strive towards innovation, product quality & safety and customer service excellence in order to maintain their competitive advantage as well as accelerating customer’s engagement during the pandemic. • The Sustainability Report addresses environmental impact in a comprehensive and transparent manner. • Cybersecurity system is put in place to mitigate cyberattacks and protect the data privacy of stakeholders. • To ensure that employees are well-equipped with the knowledge and skills to meet customer’s expectation. Sunway recorded an average of 20.2 training hours per employee in 2020.
	• Customer satisfaction surveys • Events and activities • Loyalty programmes	Throughout the year		
EMPLOYEES				
Sunway builds an inclusive workforce and prioritise employees’ welfare. Sunway believes that employees are enablers to achieve transformational goals for the organisations, in the communities that Sunway builds, owns, manages and serves as well as the world at large	• Materiality study	Annually	• Employee engagement • Employee health and safety • Training and education • Labour practices	• To future-proof its workforce, Sunway provides holistic and structured training and development programmes that help employees achieve their personal goals and the Group’s collective goals as an organisation. • Sunway employees enjoy a wide range of benefits, varying from childcare subsidies to staff discounts to be part of the communities they serve, live, learn, play and stay healthy in. • Sunway ensures a safe and conducive workplace by developing a five-year (2021-2025) strategic Occupational Health and Safety plan. Sunway targets to achieve a zero fatality rate among workers and contractors at worksites by 2030.
	• Employee engagement programmes, training and town hall sessions • Employee engagement survey • Kelab Sosial Sunway activities	Throughout the year		
GOVERNMENT & INDUSTRY AFFILIATES				
Sunway works closely with the government, DOSH and industry affiliates to progress in sustainable development and nation-building	• Materiality study	Annually	• Business ethics • Ecological impacts • Economic performance • Employee health and safety • Labour practices	• Sunway upholds good corporate governance through robust policies such as the Code of Conduct and Business Ethics and ABC Policy to ensure regulatory compliance. • Support the government’s Nationally Determined Contribution (“NDC”) as Sunway progresses towards low-carbon sustainable cities through sustainable development, innovation and technology. • Support Ministry of Housing and Local Government’s recommendations on Smart and Sustainable Cities. • Support, collaborate and play active roles in industry affiliations to steer policy changes and industry initiatives to contribute to nation building and economic prosperity.
	• Meetings • Project site visits • Site inspections • Technical committees	When necessary		
	• Engagement sessions • Report submissions • Site visits and audits • Trainings, seminars and demonstrations	Throughout the year		
	• Dialogues session	Ongoing		

STAKEHOLDER GROUPS	ENGAGEMENT METHODS	FREQUENCY	MATERIAL MATTERS	RESPONSE
LOCAL COMMUNITIES & NGOS				
Sunway invests in the communities in which it operates in order to create long term values and enrich the livelihood of the communities	• Materiality study	Annually	• Business model resilience • Community • Physical impacts of climate change • Waste and hazardous materials management • Water and effluents management	• Sunway recorded 18,474 man-hours of employee volunteerism in #SunwayforGood and CSR programmes. • Undertook proactive measures to respond to COVID-19 impacts and contributed to frontliners, the underprivileged as well as tenants in the retail malls whose businesses were adversely impacted by the pandemic. • Collaborate with communities to advocate waste reduction and improvement in their livelihoods.
	• Community engagement through social activities and #SunwayforGood initiatives • Corporate advertisements	Throughout the year		
SHAREHOLDERS / INVESTORS / ANALYSTS				
Sunway maintains prudent risk management, ensures transparent reporting, timely communication and strive to maximise shareholders' returns	• Annual general meeting • Materiality study	Annually	• Business model resilience • Business ethics • Systematic risk management • Economic performance • Ecological impacts	• Implement strategies to enhance business and financial resilience. • Embedded the recommendation of the Task Force on Climate-related Financial Disclosures (“TCFD”) to bolster the Group’s risk management in climate change. • Active investor relations programme and activities to engage the investment community and retail investors.
	• Extraordinary general meeting	When required		
	• Corporate website • Investor relations enquiry platforms • One-on-one meeting • Group meeting • Investors’ non-deal roadshows • Site visits	Throughout the year		
SUPPLIERS / VENDORS				
Suppliers are required to adhere to Sunway’s Sustainable Procurement Policy and Supplier Code of Conduct, which emphasise on environmental protection, business and social ethics	• Materiality study • Supplier feedback forms	Annually	• Economic performance • Employee health and safety • Human rights • Labour practices • Training and education	• Developed a Sustainable Procurement Policy to set guidelines for suppliers and vendors in adopting sustainability practices in their business dealing with Sunway. • Practise equal access to purchasing opportunities and ensure a transparent tender and bidding process in the procurement value chain. • Procurement registration form and terms & conditions are made available in the corporate website at <a href="http://www.sunway.com.my">www.sunway.com.my</a> . • Utilise the Esker software to ease the approval process and eliminate hardcopy submissions from suppliers to maintain a systematic archive and improves customer experience. • Sunway is committed to respecting human rights as set out in the UN Guiding Principles on Business and Human Rights and UN Global Compact Principles. The Group also recognises the International Labour Organisation’s eight fundamental conventions concerning freedom of association and the right to collective bargaining, and the elimination of forced labour, child labour and discrimination in the workplace.
	• Tender and bidding process	When necessary		
	• Day-to-day support engagements • Meetings	Ongoing		

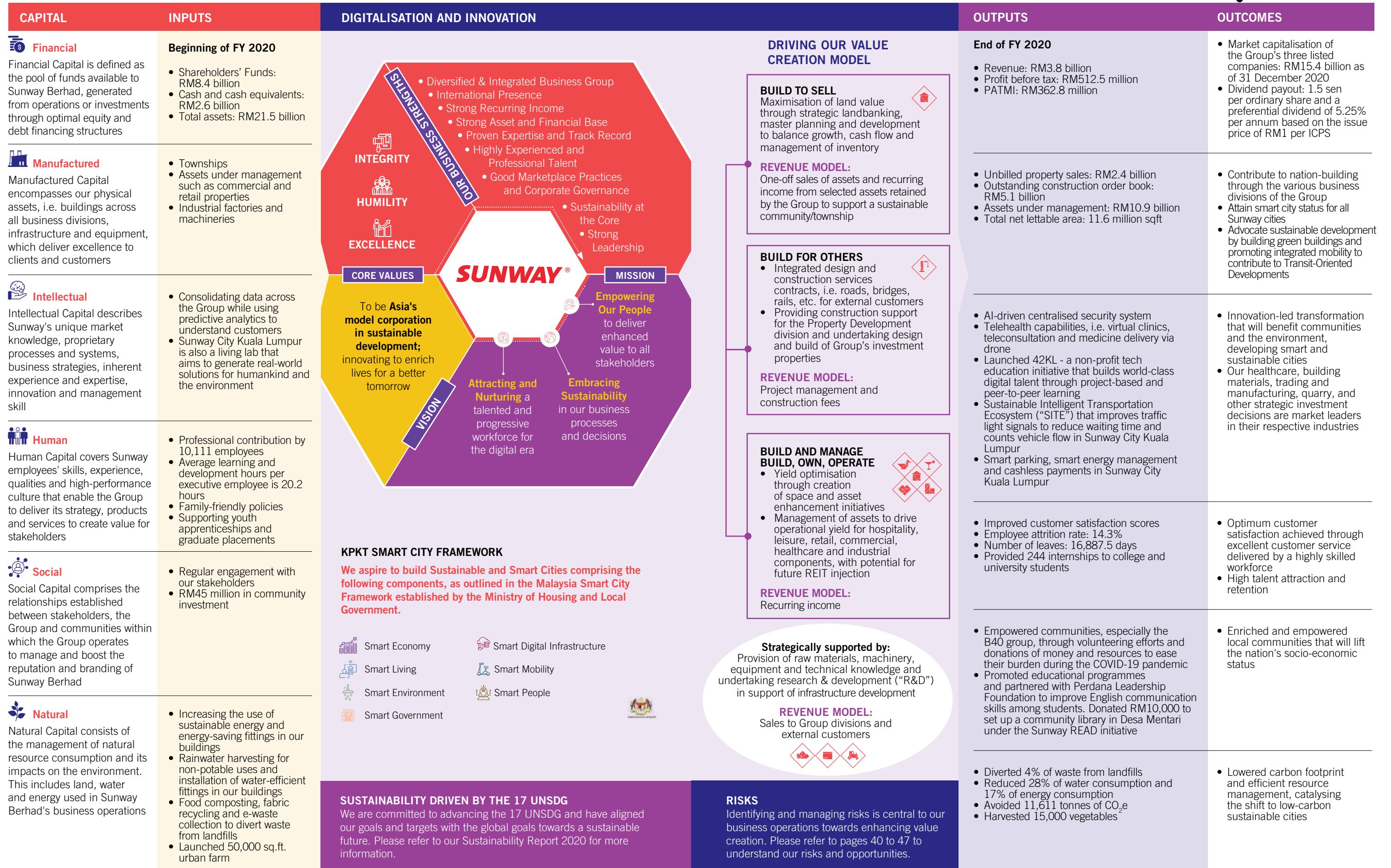


ESG strategies and initiatives for the Group are discussed in the Sustainability Report 2020.



## GROUP VALUE CREATION MODEL

### DETERMINING HOW WE CREATE VALUE



## OUR INDUSTRY STRATEGIC PROFILES

### PROPERTY DEVELOPMENT

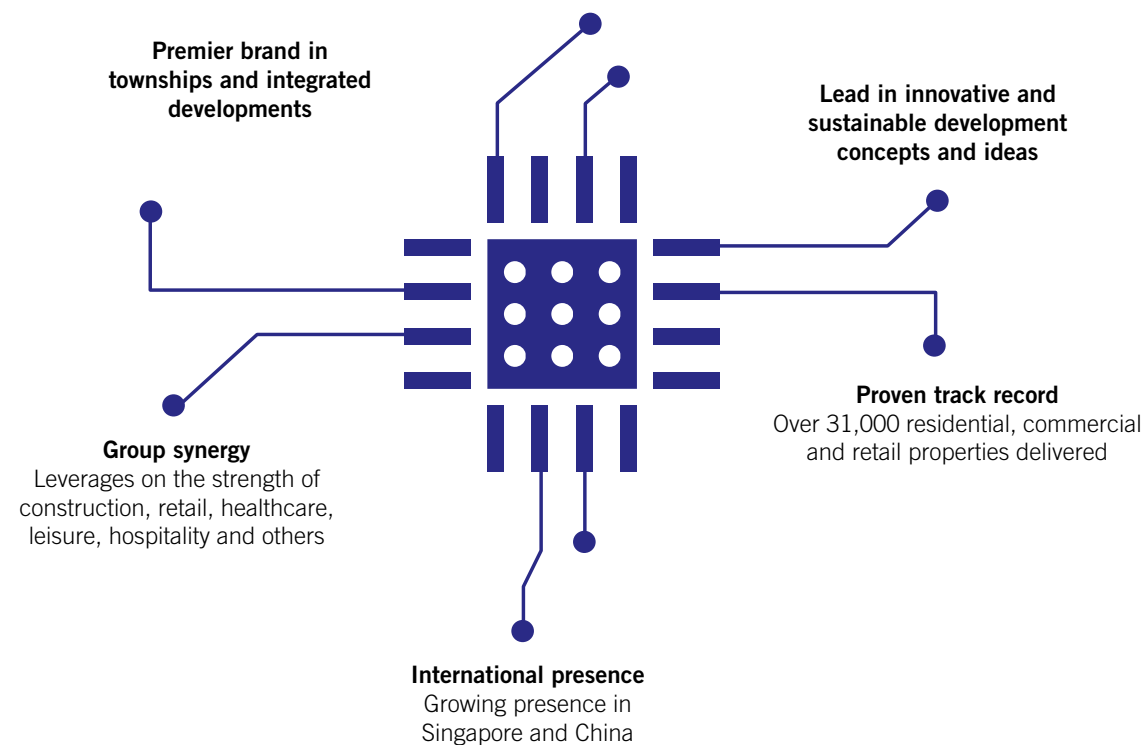
The Property Development division has a well-defined value chain that enables the division to create value at every stage of the property development project cycle. From landbanking to delivery of vacant possession of units to buyers, the division strives to create value for its stakeholders.

The division leverages on the strengths and capabilities of other business divisions within the Group, i.e. the Construction and Building Materials divisions to achieve optimum efficiency and productivity across the value chain. This allows for the division to design, build and deliver properties that continue to set the industry benchmark for quality, innovation and customer satisfaction.

Sunway's Build, Own, Operate ("BOO") model, uniquely demonstrates the synergistic value creation between the division and the Group to seamlessly transition between builder, developer, and manager of sustainable townships. The model assures quality consistency throughout the entire lifecycle of our properties.

YEAR	LAUNCHES	SALES	UNBILLED SALES	LANDBANK
2016	RM650 million	RM1.2 billion	RM1.5 billion	3,292 acres
2017	RM1.1 billion	RM1.2 billion	RM1.0 billion	3,305 acres
2018	RM2.1 billion	RM1.9 billion	RM2.1 billion	3,283 acres
2019	RM1.2 billion	RM1.6 billion	RM2.7 billion	3,347 acres
2020	RM1.9 BILLION	RM1.3 BILLION	RM2.4 BILLION	3,328 ACRES

### BUSINESS STRENGTHS



## OUR INDUSTRY STRATEGIC PROFILES

### PROPERTY DEVELOPMENT

STRATEGIC SNAPSHOT			
BUSINESS STRATEGIES	HIGHLIGHTS & ACHIEVEMENTS	RISKS & CHALLENGES	IDENTIFIED OPPORTUNITIES & STRATEGIC PRIORITIES
<ul style="list-style-type: none"> <li>• <b>Group Synergy</b> <ul style="list-style-type: none"> <li>- Leverage on Sunway integrated development ecosystem as a value proposition to market properties</li> <li>- Harness greater operational efficiency across the value chain to increase productivity and reduce costs</li> </ul> </li> <li>• <b>Accelerate Digital Adaptation</b> <ul style="list-style-type: none"> <li>- Accelerate digital adaptation to enhance sales and customer service level</li> <li>- Virtual sales galleries and show units, live chatbot and social media to drive sales during the pandemic period</li> <li>- Emergence of online platforms to assist property owners to lease and manage properties</li> <li>- Tap on big-data driven customers insights and analytics to strengthen the value chain, from development planning to after-sales services</li> </ul> </li> <li>• <b>Customer Satisfaction</b> <ul style="list-style-type: none"> <li>- Elevate customers' loyalty to induce repeat buyers and referral niche market</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Property launches: RM1.9 billion Property sales: RM1.3 billion</li> <li>• Digital marketing helped to secure online bookings of RM200 million when sales galleries were forced to closed during MCO in March 2020</li> <li>• Successfully handed over 1,783 units of properties</li> <li>• Ranked Top 3 in The Top 10 Property Developers Award 2020 and Best in Qualitative Attributes for 2020 in The Edge Malaysia's Property Excellence Awards 2020</li> <li>• Received 9 awards from StarProperty Awards 2020</li> </ul>	<ul style="list-style-type: none"> <li>• Sluggish property market in the short-term</li> <li>• Weak consumer sentiment</li> <li>• Stringent bank / lending policies</li> <li>• Continued overhang of supply affecting sentiment and demand for properties</li> <li>• Prolonged COVID-19 pandemic and lockdowns affecting operations and financials</li> <li>• Lack of strategic land parcels and high asking price by vendors</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Strategic Landbanking</b> <ul style="list-style-type: none"> <li>- Continue strategic landbanking activities, especially in the Klang Valley</li> <li>- Diversify revenue streams through launch of innovative products and through overseas expansion</li> </ul> </li> <li>• <b>New Products</b> <ul style="list-style-type: none"> <li>- Continue focusing on Transit-Oriented Developments / integrated developments</li> <li>- Explore the industrial development segment in tandem with increasing demand for e-commerce and warehousing facilities</li> <li>- Optimise Home Ownership Campaign ("HOC") and Penjana incentives to drive sales, especially among first time home buyers</li> <li>- Target foreign buyers with the lifting of the price threshold for foreign purchases</li> </ul> </li> <li>• <b>Digital Adaptation</b> <ul style="list-style-type: none"> <li>- Utilise more digital platforms to strengthen customer reach and marketing</li> <li>- Improve speed to market through customer data analytics and product standardisation</li> </ul> </li> </ul>



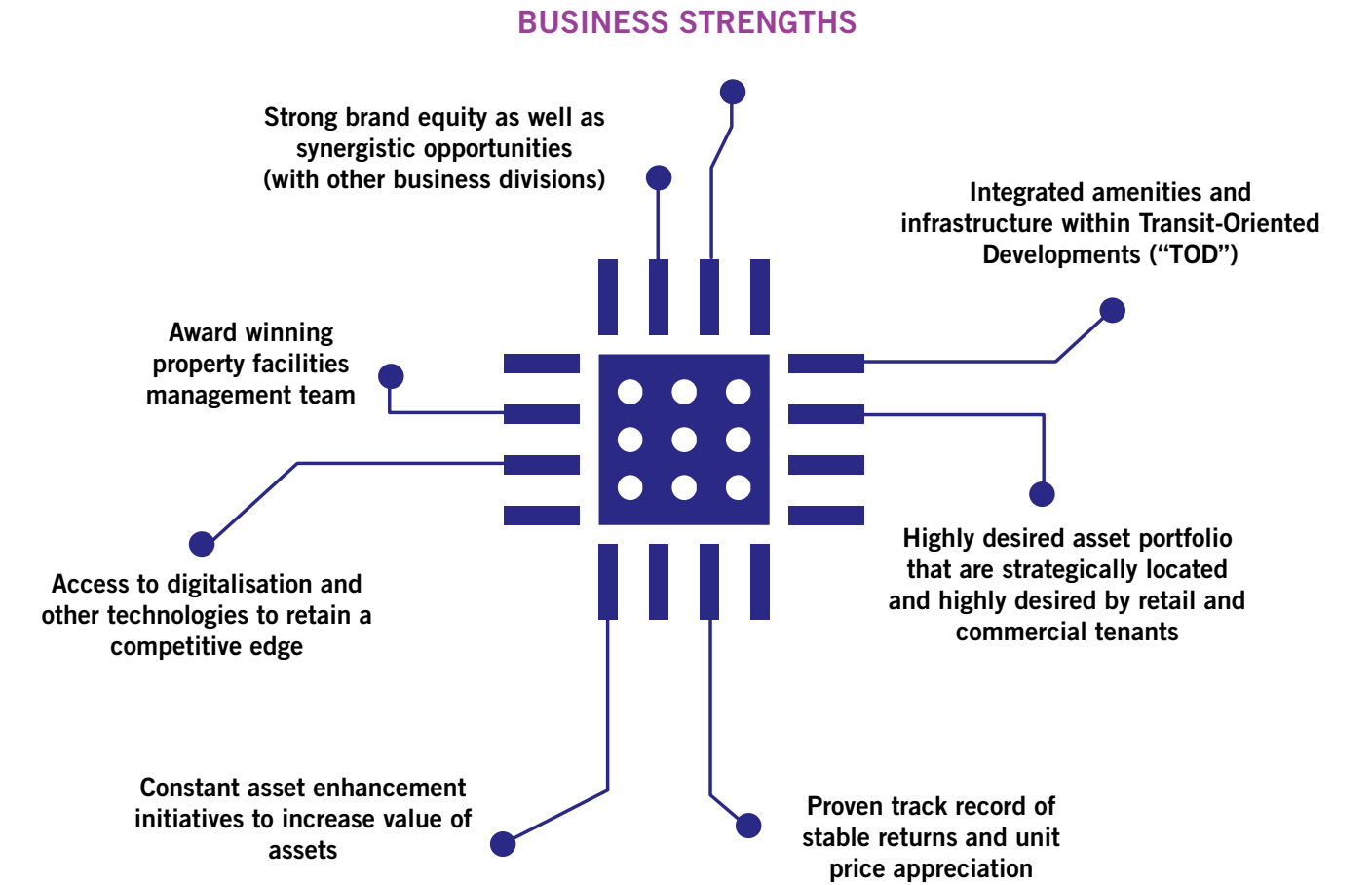
OUR INDUSTRY STRATEGIC PROFILES

PROPERTY INVESTMENT AND REIT

The Property Investment and REIT division drives the own and operate aspects of Sunway’s BOO business model. These portfolio of investment properties are primarily located within the integrated townships and developments of Sunway, allowing the Group to manage its own properties. Matured retail and commercial assets such as malls and office buildings owned by the Group are subsequently injected into a REIT vehicle. This enables Sunway to unlock the value of its property assets, recycle its capital and still retain control of the same. The Group is able to actively manage and develop its property value chain and enables REIT unit holders to participate in the wealth creation potential of Sunway’s properties.

Revenue and earnings are derived from rental income, which are distributed to unit holders. The model completes the BOO loop and provides the stability of recurring income from a stable asset portfolio.

YEAR	ASSET UNDER MANAGEMENT (“AUM”)	TOTAL NET LETTABLE AREA (“NLA”) (SQ FT)
2016	RM8.8 billion	9.3 million
2017	RM9.4 billion	10.0 million
2018	RM9.9 billion	10.2 million
2019	RM10.7 billion	11.3 million
2020	RM10.9 BILLION	11.6 MILLION



OUR INDUSTRY STRATEGIC PROFILES

PROPERTY INVESTMENT AND REIT

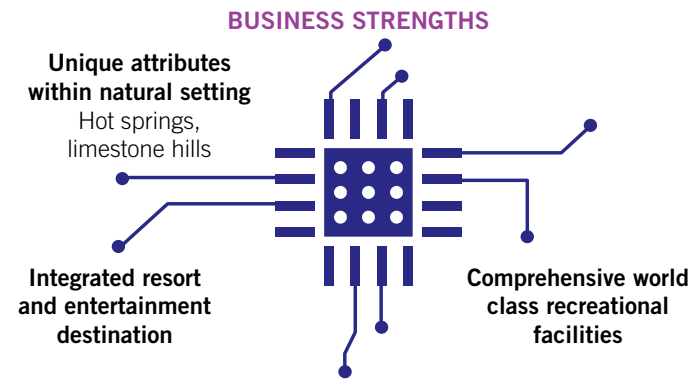
STRATEGIC SNAPSHOT			
BUSINESS STRATEGIES	HIGHLIGHTS & ACHIEVEMENTS	RISKS & CHALLENGES	IDENTIFIED OPPORTUNITIES & STRATEGIC PRIORITIES
<ul style="list-style-type: none"><li>Implemented Business Continuity Plan to address financial and non-financial impacts</li><li>Implemented “Your Safe Space, Our Safe Space” with 82 safety &amp; health measures</li><li>Leveraged on Group synergy by working with other business divisions to proactively retain tenancy rates and grow market share. This included jointly developing product bundling strategies i.e. “Ke Sana Ke Sini Ke Sunway” campaign</li><li>Instilled greater customer and tenant confidence through the Sunway brand name</li><li>Established marketing support programme to assist tenants</li><li>Launched online mall and Order &amp; Collect services to provide alternative channel / platform for tenants to boost sales</li><li>Targeted renowned international and regional brands to open flagship stores into Sunway’s malls</li></ul>	<ul style="list-style-type: none"><li>Successfully maintained an average occupancy rate of 93%</li><li>Maintain occupancy rate of close to 100% at Sunway Pinnacle and Menara Sunway</li><li>Successfully injected The Pinnacle Sunway into Sunway REIT for RM450 million</li><li>Opening of 200 new outlets across Sunway’s malls during the year</li><li>Rolled out the License Plate Registration system, turning Sunway Pyramid’s car park into a ticketless and cashless experience</li><li>Channelled RM500,000 to 12,000 retail frontliners for their continued hard work in serving customers</li></ul>	<ul style="list-style-type: none"><li>Continued oversupply of retail and office space, exacerbated by the downturn impacts of COVID-19</li><li>Incoming new supply of retail and office space which further increases the existing glut</li><li>Changes in consumer preferences towards serviced offices, virtual offices and even work from home alternatives</li><li>Technological disruptions such as virtual meeting technologies and e-commerce may reduce demand for office and retail spaces going forward</li><li>Reduction in demand for space as tenants move into omni-channel retailing, hence requiring smaller or no retail space</li><li>Continued consumer apprehension and weak sentiments post COVID-19. This may lead to contraction in retail footfall and retail sales</li><li>Weak economic growth due to weak sentiment and outflow of foreign direct investment (“FDI”), which impacts tenants’ business performance</li><li>Risk of COVID-19 cluster outbreaks at any of its properties</li></ul>	<ul style="list-style-type: none"><li>Explore new market opportunities in tandem with evolving business landscape and changing market trends i.e. online mall, showroom</li><li>Tap technology to deliver new services and improved efficiency and productivity for both customers and tenants</li><li>Continued enhancement of existing services and offerings across all retail and commercial properties and enhance in-mall experiences to drive customer footfall</li><li>Launch E-Sunway Malls to drive sales for retailers</li><li>Increase synergistic collaborations with other Sunway business divisions</li><li>Explore alternatives for vacant office space i.e. Co-Living and Co-Working spaces</li><li>Continued demand generation and cost management strategies to ensure business continuity and growth</li></ul>

## OUR INDUSTRY STRATEGIC PROFILES

## LEISURE

Sunway's Leisure division operates the Group's two signature theme parks: Sunway Lagoon in Sunway City Kuala Lumpur and Sunway Lost World of Tambun in Sunway City Ipoh, Perak. Both parks are internationally renowned as top attractions and provide the entertainment component within their respective townships.

YEAR	TOTAL PARK SIZE	VISITORSHIP
2016	128 acres	2.2 million
2017	128 acres	2.3 million
2018	128 acres	2.4 million
2019	128 acres	2.5 million
2020	128 ACRES	0.6 MILLION



## STRATEGIC SNAPSHOT

BUSINESS STRATEGIES	HIGHLIGHTS & ACHIEVEMENTS	RISKS & CHALLENGES	IDENTIFIED OPPORTUNITIES & STRATEGIC PRIORITIES
<ul style="list-style-type: none"> <li>• <b>Capitalise on Group Synergy</b> <ul style="list-style-type: none"> <li>- Leveraged on Sunway's integrated development ecosystem in formulating synergistic promotional packages that appeal to the domestic market</li> </ul> </li> <li>• <b>Increase Customer Confidence</b> <ul style="list-style-type: none"> <li>- Implemented enhanced safety measures to ensure smooth resumption of operations during the CMCO and Recovery Movement Control Order ("RMCO") periods</li> <li>- Elevate customer confidence and experience by providing assurance of park safety and offered extended expiry dates for tickets and annual passes</li> </ul> </li> <li>• <b>Increase Digital Marketing Opportunities</b> <ul style="list-style-type: none"> <li>- Increased utilisation of digital channels to expand market reach and presence</li> </ul> </li> <li>• <b>Product Differentiation</b> <ul style="list-style-type: none"> <li>- Drive alternative revenue streams via theme park merchandise and food delivery by Sunway Lagoon's Beach Bistro</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Secured several industry awards and accolades including: <ul style="list-style-type: none"> <li>- Gold in Entertainment Category for Putra Brand Awards 2020</li> <li>- 2020 Travellers' Choice Award – Top 10% of attractions worldwide (Sunway Lost World of Tambun)</li> <li>- 2019 Themed Entertainment Association Attendance - Top 20 Water Parks Worldwide (Sunway Lagoon) and in Asia Pacific (Sunway Lagoon &amp; Sunway Lost World of Tambun)</li> </ul> </li> <li>• Generated profit in a 4-day Passport Roadshow post-MCO due to overwhelming public confidence in Sunway Theme Parks brand</li> <li>• Successful research efforts on sun bear conservation with Sunway University</li> <li>• Launched Floating Island, an island made from 1.5 tons of recycled material at Sunway Lagoon</li> </ul>	<ul style="list-style-type: none"> <li>• Prolonged pandemic period and continued disruption to the operating environment</li> <li>• Lack of consumer confidence (due to COVID-19 safety concerns)</li> <li>• Increasing competition due to new theme park entrants</li> <li>• Weather conditions i.e. haze and rain</li> <li>• Talent attrition</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Targeted Marketing</b> <ul style="list-style-type: none"> <li>- Maintaining focus on driving domestic visitorship</li> </ul> </li> <li>• <b>State of Play</b> <ul style="list-style-type: none"> <li>- Continued dissemination of park SOPs to instil consumer confidence</li> </ul> </li> <li>• <b>Showcase Unique Attributes and Attractions</b> <ul style="list-style-type: none"> <li>- Launch new park attractions and theme park promotions post MCO in 2021</li> </ul> </li> </ul>

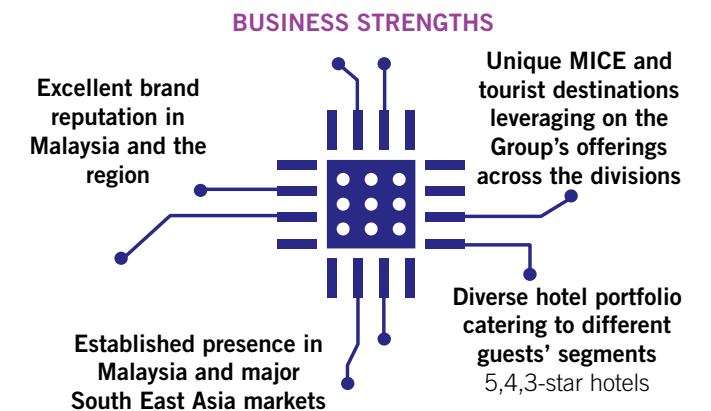
## OUR INDUSTRY STRATEGIC PROFILES

## HOSPITALITY

The Hospitality division plays a vital role within Sunway's townships as well as other cities within Malaysia and the region. The division thrives as Meetings, Incentives, Conferences and Exhibitions ("MICE") venues, tourist destinations and feeder of retail footfall to the malls.

By working in tandem with other components such as retail, leisure, education and healthcare, Sunway's Hospitality division unlocks synergy that spurs the local economy of Sunway's integrated townships as well as the other locations which our hotels operate in.

YEAR	NUMBER OF HOTELS AND RESORTS MANAGED	NUMBER OF GUESTROOMS
2016	10	3,017
2017	11	3,386
2018	11	3,386
2019	11	3,386
2020	11	3,424



## STRATEGIC SNAPSHOT

BUSINESS STRATEGIES	HIGHLIGHTS & ACHIEVEMENTS	RISKS & CHALLENGES	IDENTIFIED OPPORTUNITIES & STRATEGIC PRIORITIES
<ul style="list-style-type: none"> <li>• <b>Optimise Downtime</b> <ul style="list-style-type: none"> <li>- Implemented Contagious Disease Protocol and Business Continuity Plan to ensure safety of all stakeholders, with strict hygiene protocols in all areas including for back operations</li> <li>- Undertook cost rationalisation measures for productivity efficiency, asset maintenance and refurbishment activities during subdued periods</li> </ul> </li> <li>• <b>Product Differentiation</b> <ul style="list-style-type: none"> <li>- Developed unique travel and stay packages targeted for domestic guests</li> </ul> </li> <li>• <b>Digitalise Processes</b> <ul style="list-style-type: none"> <li>- Leveraged on digitalisation for back-end processes and marketing activities and enabled online food orders for F&amp;B outlets</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• The division scored close to 90% on Guest Review Index in FY 2020</li> <li>• Launched "Ke Sana Ke Sini Ke Sunway" packages and successfully sold over 18,000 room nights</li> <li>• Registered various awards and accolades from TripAdvisor Travellers' Choice Hotel Awards 2020, Islamic Tourism Centre and EdgeProp across the hotels</li> <li>• Installation of rainwater harvesting systems at Sunway Hotel Georgetown</li> <li>• Obtained "Clean &amp; Safe Malaysia" certification from Bureau Veritas and certification by Penang state EXCO for Tourism Development, Arts, Culture and Heritage office ("PETACH"), under the Penang Lawan COVID-19 campaign</li> </ul>	<ul style="list-style-type: none"> <li>• Prolonged pandemic effects</li> <li>• Cautious business confidence leading to slow recovery in the MICE sector</li> <li>• Soft consumer sentiment which lead to cautionary consumer spending</li> <li>• Continued travel restrictions and closure of international borders</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Domestic Market</b> <ul style="list-style-type: none"> <li>- Focus on domestic market as international borders remain closed</li> <li>- Participation in virtual tradeshows to increase brand awareness</li> </ul> </li> <li>• <b>New Products and Offerings</b> <ul style="list-style-type: none"> <li>- Opening of the Gordon Ramsay Bar &amp; Grill and Aquaventure Playland at Sunway Resort in 2021</li> <li>- Collaborations with other business divisions to develop unique value propositions and promotions</li> </ul> </li> <li>• <b>Digital Technology</b> <ul style="list-style-type: none"> <li>- Increase digital branding and marketing activities to optimise distribution reach and maximise direct bookings through <a href="http://www.sunwayhotels.com">www.sunwayhotels.com</a></li> </ul> </li> </ul>



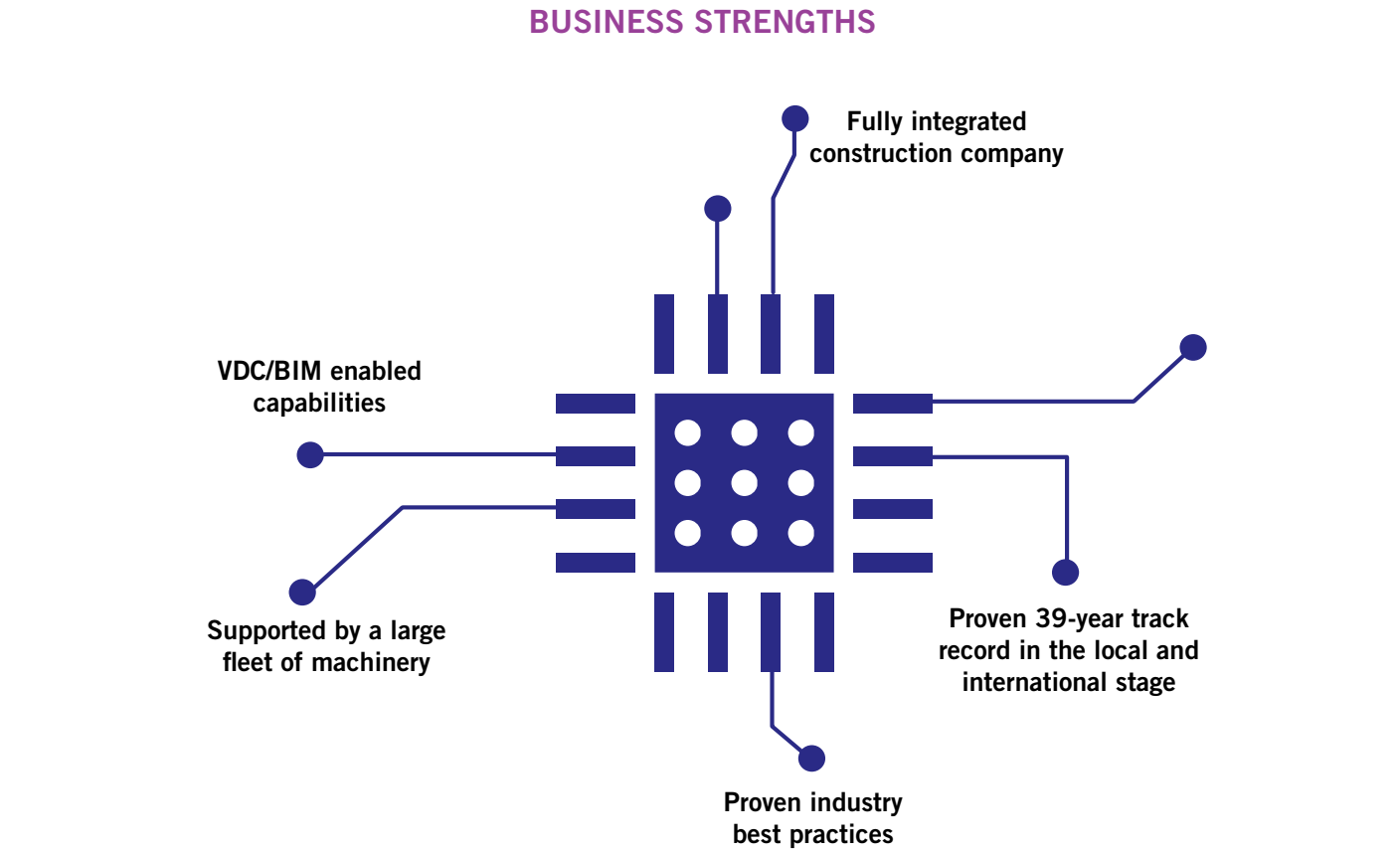
OUR INDUSTRY STRATEGIC PROFILES

CONSTRUCTION

As the largest pure play construction company in Malaysia, Sunway Construction Group Berhad (“SunCon”) contributes to nation-building and socio-economic development with its construction projects. SunCon operates based on the premise of sustainable development, looking to mitigate its environmental and social impacts as it creates sustainable, long-term value.

SunCon also leverages on construction projects from within the Group, providing its design and build expertise to support the infrastructure requirements of other Sunway divisions such as Property Development, Hospitality and Healthcare.

YEAR	NEW CONTRACTS SECURED	OUTSTANDING ORDER BOOK
2016	RM2.7 billion	RM4.8 billion
2017	RM4.0 billion	RM6.1 billion
2018	RM1.6 billion	RM5.2 billion
2019	RM1.8 billion	RM5.2 billion
2020	RM2.3 BILLION	RM5.1 BILLION



OUR INDUSTRY STRATEGIC PROFILES

CONSTRUCTION

STRATEGIC SNAPSHOT			
BUSINESS STRATEGIES	HIGHLIGHTS & ACHIEVEMENTS	RISKS & CHALLENGES	IDENTIFIED OPPORTUNITIES & STRATEGIC PRIORITIES
<ul style="list-style-type: none"><li>Establishing Business Continuity Plans and Post-MCO Safe Working Procedures to sustain operations and productivity</li><li>Accelerated digitalisation and cost management initiatives</li><li>Deployed Chatbot technology to streamline construction site processes and enhance safety</li><li>Continued regional business development within Asia, specifically ASEAN</li><li>Expand BIM capabilities from 4D to 6D towards enabling increased cost control and more effective project delivery</li><li>Increase Sustainable Energy footprint in Malaysia</li></ul>	<ul style="list-style-type: none"><li>Strong outstanding order book of RM5.1 billion</li><li>RM2.3 billion in new contracts secured in FY 2020. Succeeded in exceeding order book replenishment target</li><li>Secured two highway contracts in India</li><li>Completed the MRT V201 project</li><li>MoU with ENGIE South East Asia for district cooling systems for greenfield and brownfield urban development projects</li><li>Significant progress made for the sustainable energy segment by securing multiple solar PV projects</li></ul>	<ul style="list-style-type: none"><li>Lack of large-scale public and private infrastructure expenditure in Malaysia due to the pandemic</li><li>Highly competitive sector with a small market of projects</li><li>Lack of skilled VDC/BIM personnel</li><li>Geopolitical and foreign exchange risks</li><li>External factors such as pandemics and lockdown which may impact project completion</li></ul>	<ul style="list-style-type: none"><li><b>New Projects</b><ul style="list-style-type: none"><li>Tap expected strong rebound in projects post pandemic in overseas markets</li><li>Tap recovery in precast demand post COVID-19</li><li>Tap local infrastructure projects i.e. MRT3, Penang Transport Master Plan, JB-Singapore Rapid Transit System</li><li>Expand further overseas opportunities via JV partnerships</li></ul></li><li><b>New Revenue Stream</b><ul style="list-style-type: none"><li>Increase solar PV portfolio amidst growing market interest for sustainable energy and to pursue diversification into biomass and hydroelectric plants</li></ul></li><li><b>BIM Leadership</b><ul style="list-style-type: none"><li>Reinforce SunCon’s position as the industry leader in BIM and VDC applications</li></ul></li></ul>

## OUR INDUSTRY STRATEGIC PROFILES

### HEALTHCARE

Sunway's Healthcare division is one of Malaysia's leading private healthcare providers. The division was established in 1999 with the inception of the flagship hospital, Sunway Medical Centre at Sunway City Kuala Lumpur. Having developed Sunway Medical Centre into a strong and reputable brand, the Group decided to focus on healthcare as one of its future core businesses. The Healthcare division embraced a hub and spoke model to grow its network of hospitals and healthcare services to become one of the leading healthcare networks in Malaysia and Singapore.

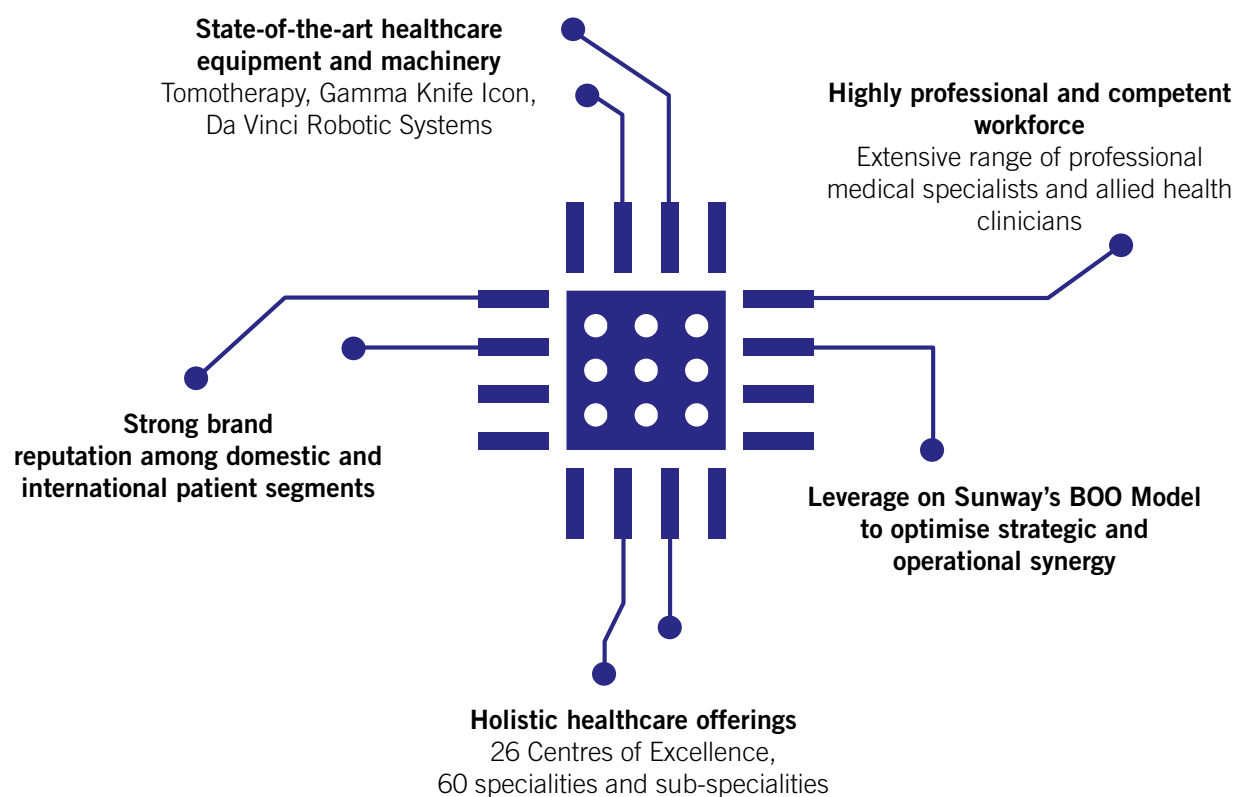
Currently, the Healthcare division's network include Sunway Medical Centre Velocity in Cheras Kuala Lumpur, Sunway Specialist Centre Damansara, Sunway Traditional and Complementary Medicine ("TCM") Centre in Sunway City Kuala Lumpur, Sunway Home Healthcare, SunMed Clinic in Sunway Pyramid and Sunway Medical Centre (Singapore).

Aside from offering international standard healthcare services and providing excellent clinical outcomes, the division provides highly skilled jobs opportunities and supports the growth of the healthcare sector in Malaysia. It's renowned for its team of specialist doctors as well as cutting-edge breakthrough medical technology. The division has 26 Centres of Excellence with more than 60 specialities and sub-specialities.

The division complements the Sunway township value proposition by providing the essential healthcare component. It is a strategic part of the Group's overall approach to creating financial and non-financial value to stakeholders.

YEAR	NUMBER OF SPECIALIST CONSULTATION SUITES	NUMBER OF OPERATING THEATRES	NUMBER OF LICENSED BEDS
2016	130	12	373
2017	180	12	533
2018	180	12	636
2019	226	17	741
2020	237	19	740

### BUSINESS STRENGTHS



## OUR INDUSTRY STRATEGIC PROFILES

### HEALTHCARE

STRATEGIC SNAPSHOT			
BUSINESS STRATEGIES	HIGHLIGHTS & ACHIEVEMENTS	RISKS & CHALLENGES	IDENTIFIED OPPORTUNITIES & STRATEGIC PRIORITIES
<ul style="list-style-type: none"> <li>Implemented Business Continuity Plan to manage costs and resources</li> <li>Undertook stringent precautionary measures to ensure hospital environment is safe comprising COVID-19 testing and disinfection, quarantine procedures, infection control, etc.</li> <li>Proactive collaborations with governmental bodies and internationally renowned healthcare organisations</li> <li>Continuous collaboration with world class educational institutions, i.e. Harvard Medical School, Royal College of Physicians and University of Cambridge</li> <li>Accelerate adoption of digitalisation strategies</li> <li>Recruitment of skilled doctors and talents</li> <li>Continued brand building activities and expansion of healthcare services locally and abroad</li> </ul>	<ul style="list-style-type: none"> <li>Bestowed with reputable awards and accolades, most notably Medical Tourism Hospital of the Year 2020 by Global Health &amp; Travel</li> <li>Established COVID-19 testing booths, negative pressure mobile cabins and isopods at Sunway Medical Centre Sunway City</li> <li>Launch of Sunway Medical Centre Velocity Neuro Centre, Heart &amp; Lung Centre and Weight Management Centre</li> <li>Sunway Specialist Centre Damansara expanded its services to introduce two new specialities: digestive and liver health</li> <li>&gt;2,500 Staff strength</li> <li>Established branch office in Kuching, Sarawak</li> </ul>	<ul style="list-style-type: none"> <li>Rising cost of PPE, increased sanitisation measures and mobilisation of more healthcare workers at the frontline and falling census may lead to diminishing profit margin</li> <li>Uncertainties induced by prolongation of COVID-19 pandemic</li> <li>Closure of International and interstate borders coupled with MCO impacting the number of patients seeking treatments at the hospitals</li> <li>Fear of contracting COVID-19 caused patients to postpone or delay their treatments</li> <li>Staff attrition to local and overseas</li> <li>Potential gestation period before achieving targeted ROI for new hospitals</li> <li>Reputational and brand equity risk due to poor service levels</li> </ul>	<ul style="list-style-type: none"> <li><b>New Market</b> <ul style="list-style-type: none"> <li>Establish partnerships and branch offices at states outside of Klang Valley</li> <li>Continued geographic expansion, within Malaysia and abroad</li> </ul> </li> <li><b>New Service Offering</b> <ul style="list-style-type: none"> <li>Mobilise healthcare through home nursing, rehabilitative services and consultations</li> <li>Implemented pandemic driven initiatives i.e. COVID-19 Drive Thru testing, Paeds-Stop Vaccination and others</li> <li>Continued investment in state-of-the-art medical technology</li> <li>Digitisation in healthcare services. e.g. telemedicine</li> </ul> </li> <li><b>Synergistic Partnership</b> <ul style="list-style-type: none"> <li>To seek further opportunities for partnerships with the government, MOH, NGOs and the other private sectors</li> </ul> </li> <li><b>Centre of Excellence</b> <ul style="list-style-type: none"> <li>Focus on the key areas of Cancer &amp; Radiosurgery, Women Health, Children Health, Neuroscience, Digestive Health, Heart &amp; Lung and Bone &amp; Joint</li> </ul> </li> <li><b>Talent Development</b> <ul style="list-style-type: none"> <li>Continue to develop a steady talent pool to meet future expansion</li> </ul> </li> <li><b>Shared Services</b> <ul style="list-style-type: none"> <li>Consistent branding and quality services supported by a team of experts to manage the market expectations</li> <li>Establishment of group functions and shared services across the growing healthcare group to ensure coherence among all units</li> </ul> </li> </ul>



OUR INDUSTRY STRATEGIC PROFILES

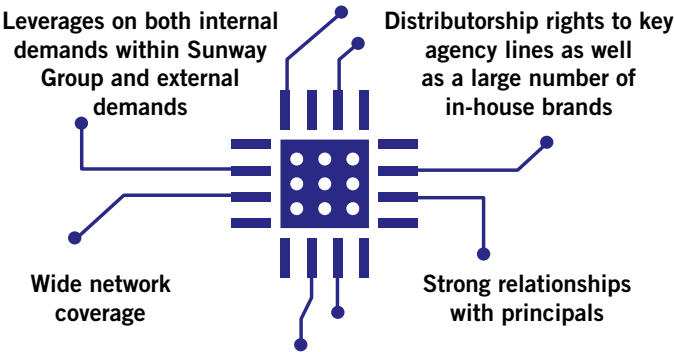
TRADING AND MANUFACTURING

The Group’s Trading and Manufacturing division provides a wide array of hoses and fittings, heavy equipment parts, heavy equipment, building materials and industrial hardware for various industries. These industries include the construction, marine, oil and gas, mining, agriculture, manufacturing, logging and quarry sectors. The division currently has 191 agency lines and holds distributorship rights to leading brands such as Furukawa, SANY, CASE, Unic, Airman, Lonking and Weichai for heavy equipment; FP Diesel and DCF Trek for heavy equipment parts; Finn-Power, SEL Eaton and KLAU for hoses and fittings; and 3M, Bosch, Stanley and Bahco for industrial hardware, while also having developed various in-house brands such as Sunflex, Suntrak, TotalRubber, Nietz and Picasaf.

By sourcing and providing a wide range of products, Trading and Manufacturing division plays a strategic role in supporting Sunway’s other business divisions as well.

YEAR	REGIONAL PRESENCE	AGENCY LINES
2016	6 countries	154
2017	6 countries	150
2018	6 countries	168
2019	7 countries	181
2020	7 COUNTRIES	191

BUSINESS STRENGTHS



STRATEGIC SNAPSHOT			
BUSINESS STRATEGIES	HIGHLIGHTS & ACHIEVEMENTS	RISKS & CHALLENGES	IDENTIFIED OPPORTUNITIES & STRATEGIC PRIORITIES
<ul style="list-style-type: none"><li>Implemented Business Continuity Plan at all sites to ensure a safe and productive working environment for staff, customers and other stakeholders</li><li>Implemented cost savings measures to manage expenditure</li><li>Continued expansion of product lines and distribution network to increase market share</li><li>Wide adoption of IT as an enabler to manage the operations across the region</li><li>Increased adoption of digital technologies including Warehouse Management System (“WMS”) to drive value chain efficiency</li><li>Continued development of overseas business to achieve more balanced revenue streams from domestic and international operations</li></ul>	<ul style="list-style-type: none"><li>Acquired Sunway Material Handling Sdn Bhd</li><li>ISO 45001, 14001 and 9001 certifications achieved by Australian subsidiary, Total Rubber Limited</li><li>Commenced online sales of products through various shopping platforms</li></ul>	<ul style="list-style-type: none"><li>Loss of distributorship rights</li><li>Foreign market risks including foreign exchange exposure risks</li><li>Lack of skilled industry talent and continued talent attrition</li></ul>	<ul style="list-style-type: none"><li><b>New Market</b><ul style="list-style-type: none"><li>Expansion into regional markets</li><li>Continue to explore strategic M&amp;A to grow the division</li><li>Capacity expansion to cater for demand growth</li></ul></li><li><b>New Product Offerings</b><ul style="list-style-type: none"><li>Expand existing product lines to offer more products</li></ul></li><li><b>Digital Innovation</b><ul style="list-style-type: none"><li>Further adoption of digitalisation across the business process and value chain to deliver operational efficiencies and faster time to market</li></ul></li></ul>

OUR INDUSTRY STRATEGIC PROFILES

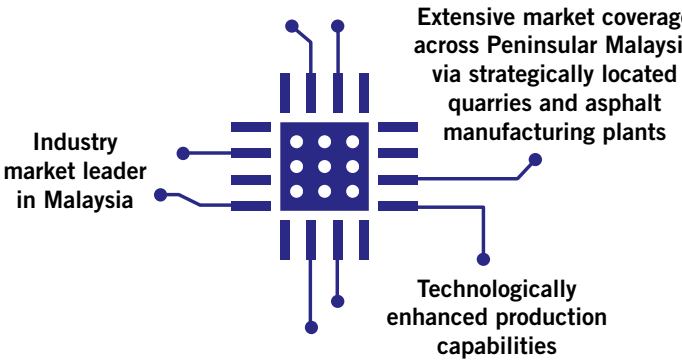
QUARRY

The Quarry division supplies raw materials for public infrastructure works such as road and highway construction projects. One of the division’s business strengths is its network of quarry sites and asphalt manufacturing plants, which are strategically located adjacent to, or close to major highways. This enables ease of access to customers and increased efficiency of its supply chain.

The division produces a comprehensive range of single sized and blended aggregates for ready mixed concrete and construction activities as well as asphalts for the paving of roads and highways.

YEAR	NUMBER OF QUARRIES	NUMBER OF ASPHALT PLANTS
2016	8	12
2017	6	13
2018	6	13
2019	8	24
2020	9	24

BUSINESS STRENGTHS



STRATEGIC SNAPSHOT			
BUSINESS STRATEGIES	HIGHLIGHTS & ACHIEVEMENTS	RISKS & CHALLENGES	IDENTIFIED OPPORTUNITIES & STRATEGIC PRIORITIES
<ul style="list-style-type: none"><li>Strengthened market leadership position through acquisition of quarries and asphalt plants</li><li>Optimised cost saving measures via reviewing its business processes and streamlining its manpower, contracts and capital expenditures</li><li>Increased adoption of technology and digitalisation to improve operational efficiency</li></ul>	<ul style="list-style-type: none"><li>Completion acquisition of Dolomite Quarry</li><li>Successfully implemented the Business Information Management Dashboard system</li><li>Replaced Light Fuel Oil with Natural Gas for improved environmental performance and cost efficiency</li></ul>	<ul style="list-style-type: none"><li>Regulatory compliance and stringent enforcement from authorities</li><li>Lack of public and private sector expenditure on infrastructure development and road maintenance</li></ul>	<ul style="list-style-type: none"><li><b>New Market</b><ul style="list-style-type: none"><li>Continue to expand asset base of quarries and asphalt plants in Peninsular Malaysia</li></ul></li><li><b>Product Innovation</b><ul style="list-style-type: none"><li>Increase efforts to yield cost and operational efficiencies by reviewing processes across the value chain</li></ul></li><li>Implement Business Information Management Dashboard and implement Integrated Management System (“IMS”) for ISO 9001:2015 and ISO 45001:2018</li><li>Continued transition to more environmentally friendly fuels at more operational sites</li></ul>

## OUR INDUSTRY STRATEGIC PROFILES

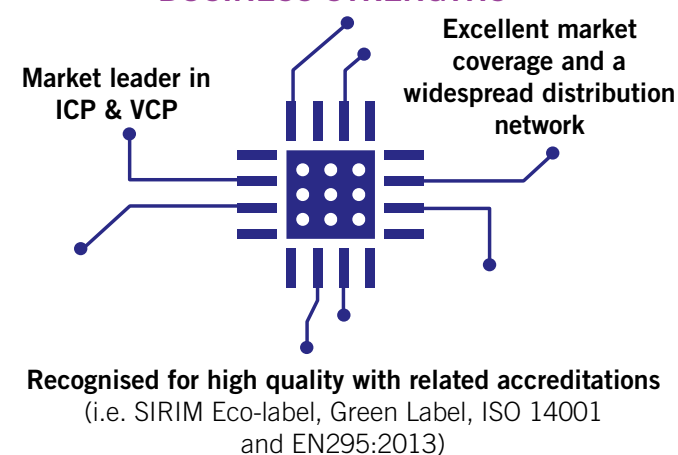
### BUILDING MATERIALS

The Group's Building Materials division produces three core products. These are Interlocking Concrete Pavers ("ICP"), Vitrified Clay Pipes ("VCP"), and Spun Piles, all of which are required as basic inputs for construction, property development, infrastructure development and pavement and road works.

The building materials products are essential to the value chain of many industries and economic sectors. The division's products are Eco-Label and Green Label compliant and its manufacturing facilities are ISO accredited in Quality Management System and Environment Management System.

YEAR	NUMBER OF MANUFACTURING FACILITIES
2016	7
2017	7
2018	8
2019	9
2020	9

### BUSINESS STRENGTHS



### STRATEGIC SNAPSHOT

BUSINESS STRATEGIES	HIGHLIGHTS & ACHIEVEMENTS	RISKS & CHALLENGES	IDENTIFIED OPPORTUNITIES & STRATEGIC PRIORITIES
<ul style="list-style-type: none"> <li>Implement Business Continuity Plan to manage business disruptions and streamline business processes</li> <li>Austerity drive to manage cash flows and working capitals</li> <li>Increase stakeholder engagement to drive sales and business development among customers, suppliers and internal employees</li> <li>Intensify R&amp;D to enhance product quality and designs</li> <li>Adoption of digital technology to streamline processes</li> </ul>	<ul style="list-style-type: none"> <li>Strong sales volume recovery in Q4 2020 for ICP and VCP</li> <li>Sunway Paving Solutions and Sunway Spun Pile commenced solar project at Batang Kali plant with expected completion in 1H 2021</li> <li>Compliance to the "Specification and Guidelines for Interlocking Concrete Paving Blocks" published by JKR in January 2021</li> <li>First Malaysian manufacturer to achieve international standard specification EN295:2013 for vitrified clay pipes</li> </ul>	<ul style="list-style-type: none"> <li>Disruption by COVID-19 pandemic as businesses adapt to the challenges posed by the new normal</li> <li>Impact to the economy due to the current political uncertainty</li> <li>Continued negative economy growth may cause slowdown in infrastructure development / construction activities, which impacts demand for building material products</li> <li>Increased competition and margins erosions due to price wars</li> <li>Increased entrance of substitute products</li> </ul>	<ul style="list-style-type: none"> <li>Maintain cost and operational optimisation efforts</li> <li>Increase sales through overseas markets focus and continue stakeholder engagement</li> <li>Increase R&amp;D efforts</li> <li>Tap digitalisation to derive greater value chain efficiencies</li> <li>Introduce new products and variants to maintain brand leadership and customer interest</li> <li>Focus on branding over price competition. Secure new customers via conversion</li> </ul>

# PERFORMANCE REVIEW

68.....Chairman's Statement

74.....Management Discussion and Analysis





## CHAIRMAN'S STATEMENT

### DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present Sunway Berhad's Integrated Annual Report for the financial year ended 31 December 2020 ("FY 2020"). The year 2020 had been a challenging year due to the COVID-19 pandemic as this global public health crisis not only affected lives and livelihoods but shut down economies worldwide. Sunway was not spared the brunt of the storm as the pandemic presented us with unprecedented challenges. We have been prudent and measured in our response to the pandemic, taking this opportunity to reinvent our existing businesses and to adopt measures and strategies to accelerate recovery across all our business divisions in the latter half of the year. I am proud to share that Sunway remains resilient during these trying times.

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

### PUTTING THE PANDEMIC'S IMPACT IN PERSPECTIVE

The impact of the COVID-19 pandemic on our world, our nation and our company has had far-reaching consequences beyond the spread and containment of the virus itself, affecting every sector of the global economy and redefining the definition of 'normal'. Even with the rollout of accommodative fiscal and monetary policies as well as stimulus packages introduced by central banks and governments worldwide, the global gross domestic product ("GDP") and that of Malaysia's contracted by 4.4% and 5.6% respectively in 2020.

Most industries were adversely affected, particularly tourism, hospitality, leisure, aviation and retail, followed by sectors such as property development and construction as a result of tightened spending and general uncertainty that dampened consumer demand. Sectoral performance in Malaysia varied following the implementation of various phases of MCO throughout 2020. The nation had appeared to progress towards recovery in the second half of the year, until a resurgence of COVID-19 infections in the last quarter of 2020 that led to the re-imposition of CMCO.

## CHAIRMAN'S STATEMENT



*EcoWalk at Sunway City Kuala Lumpur*

### SUNWAY RISES TO THE CHALLENGE

Considering the extraordinary circumstances of the operating environment in 2020, I am pleased to say that Sunway has performed commendably during the year. Leveraging our legacy, our inherent capabilities and the sound fundamentals of our sustainability-driven strategies, we have demonstrated our resilience through our ability to respond, reinvent and recover from this adversity.

As with most businesses, the pandemic caused significant disruptions in our operations. Sunway was able to respond swiftly as a result of our business continuity plans we had in place to mitigate the impact and repercussions of crises, which we enhanced to adapt to the current situation. This includes the extensive and industry-leading digital transformation we embarked on in 2000. Sunway had already been moving steadily towards digitalisation even before the pandemic struck and we constantly invest in resources and infrastructure to ensure that our employees have the right tools to work efficiently and productively anytime and anywhere. This has allowed us to experience seamless migration of our operations from a physical to a virtual space when the work-from-home orders were implemented during the MCO. We have since accelerated our digital transformation efforts across the Group to ensure that we remain agile in a dynamically changing landscape. It is clear that the future will become more data-driven and digitally connected, so it is imperative for us to continue our investment in technology enablers, digital platforms and infrastructures, as well as digital businesses as a fundamental part of Sunway's business ecosystem.

Our preparedness served us well as Sunway entered the year of the pandemic on a strong footing to face the multi-fold challenges of the pandemic in terms of our balance sheet, talent strength, corporate infrastructure and business stability. At the start of the pandemic,

we were quick to implement cost containment and productivity improvement measures in anticipation of the fallout, which helped the Group weather the COVID-19 crises and supported the recovery across our business divisions. We then took this opportunity to strengthen our capital base and embarked on strategic investments, which allow us to capitalise on growth when the economy eventually recovers.

We formed a comprehensive internal crisis management response and recovery task force comprising doctors, security personnel, communications experts, facility managers, cybersecurity representatives and more, to guide us as we navigate through the challenges of the COVID-19 landscape. Within days of MCO 1.0, the #SunwayforGood Fund was swiftly set up with full consent and support of our senior management and in collaboration with Jeffrey Cheah Foundation, to collect donations from all Sunway employees. The funds were channelled to aid frontline healthcare workers who had been working tirelessly since the COVID-19 outbreak and those in the essential and critical services across Sunway businesses, as well as the B40 communities in the vicinity of Sunway townships nationwide who needed the most help during these trying times.

All in all, Sunway Group had committed more than RM34 million in total that helped more than 40,000 Malaysian beneficiaries amid the COVID-19 pandemic. But even more commendable is the unwavering dedication, commitment and contribution of our employees, some who had to work doubly hard during critical periods of the pandemic, as well as those who had to serve on the frontlines. The true spirit of Sunway shone through in all their efforts, sacrifices and generosity during the pandemic. I am deeply humbled and immensely proud of all our "Sunway Heroes".



## CHAIRMAN'S STATEMENT

### DELIVERING SHARED SUSTAINABLE VALUE

This pandemic has tested our unity and strength, and has further reinforced our belief in the Sunway vision and mission, in the immense potential of this organisation that we have built together, and in the ability of our future leaders of the company to continue creating shared value for all of our stakeholders. We are all in this together, and only together will we prevail.

As a testament to our commitment to support our stakeholders in good times and bad, our malls under the Property Investment division established a rental support programme to waive rental payments for affected tenants of Sunway's malls during the first 14 days of MCO 1.0, the first owner and mall operator in the country to make such a call. From the medium to longer term perspective, the decision was made on the principles of shared responsibility central to building trust among our stakeholders and nurturing sustainable relationships. In every business decision we make, we are guided by our core values of Integrity, Humility and Excellence – values that have stood us in good stead over the years, particularly in times of crises, and will continue to guide our way as we expand and grow the Sunway brand.

The Group recorded a decline in revenue of 19.9% from RM4.8 billion in FY 2019 to RM3.8 billion in FY 2020. Though most of our business segments recorded lower revenue in FY 2020, particularly the Hospitality and Leisure businesses under the Property Investment segment being the hardest hit, the Group's diverse businesses helped cushion the fallout. Profit after tax and minority interest ("PATMI") also suffered a temporary setback of 48.8% declining from RM709.2 million in FY 2019 to RM362.8 million in the current year caused by the pandemic and the resulting operations disruptions.

The adverse financial impact was cushioned by the recognition of the balance of the development profits from the Group's Rivercove Residences project in Singapore and Sunway Gardens project in Tianjin, China which were completed and successfully delivered in the last quarter of 2020 amounting to RM182.5 million.

To strengthen our capital base, we have embarked on a corporate exercise of a renounceable rights issue of Irredeemable Convertible Preference Shares ("ICPS") to issue up to 1,112,777,962 ICPS at an issue price of RM1.00 per ICPS on the basis of one ICPS for every five existing shares in Sunway Berhad. On 8 December 2020, we completed the corporate exercise successfully with the listing and quotation of 977,779,351 ICPS and 39,555,548 additional Warrants on the Main Market of Bursa Securities. The gross proceeds raised from the Rights Issue of ICPS was approximately RM977.8 million. We believe the additional funds raised will provide the company with greater financial flexibility to seize any mergers and acquisitions ("M&A") opportunity arising from the pandemic.

Subsequently, Sunway's warrants issued in FY 2017 as part of the Group's bonus issue corporate exercise were also adjusted accordingly. The warrants are subject to fixed annual step-down exercise price adjustments on each anniversary date. In FY 2020, the exercise price of the warrants after the fixed annual step-down exercise price adjustments and issuance of the ICPS was further reduced from RM1.72 to RM1.56.

In light of the challenging operating scenario for the Group in FY 2020, the Board declared a cash dividend of 1.50 sen per ordinary shares for the financial year ended 31 December 2020. In addition, the Group has also declared a preferential dividend of 5.25% per annum (based on the issue price of RM1.00) per ICPS for the period from 3 December 2020 up to and including 31 December 2020. Rest assured, Sunway remains committed to delivering sustained returns for our shareholders and rewarding them for their continued support through these trying times. The Board believes it is prudent to ensure that we remain well-positioned financially to proactively respond to the emerging trends and challenges in the wake of the ongoing COVID-19 crisis.



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

### BUSINESS ACHIEVEMENTS AMIDST CHALLENGING OPERATING ENVIRONMENT

Sunway achieved encouraging key milestones despite the highly challenging landscape. Despite the subdued residential property market sentiment, total new property launches for the year stood at RM1.9 billion and the Property Development division logged new property sales of RM1.3 billion against a RM1.1 billion target.

Our Construction division secured RM2.3 billion new construction orders, outstripping its 2020 target of RM2.0 billion. During the year, SunCon was awarded two highway construction projects in India for approximately RM508.0 million and RM315.0 million respectively, under the Hybrid Annuity Model ("HAM") approach. These projects marked SunCon's 8<sup>th</sup> and 9<sup>th</sup> highway projects in India to date since its maiden venture into India in 2001. Suncon's hallmark use of Virtual Design and Construction ("VDC") and Building Information Modelling ("BIM") had also led to one of its construction project, The Petronas New Leadership Centre, being first project in Malaysia and South East Asia certified by British Standards Institution ("BSI") with ISO 19650.

I am pleased to inform that the Quarry division completed the acquisition of both Blacktop Industries Sdn Bhd and Dolomite Granite Quarry Sdn Bhd during the year. With the enlarged portfolio of quarries and asphalt plants, Sunway will be able to expand our market share in the quarry business.

Notably, our Property Investment division successfully raised an additional RM450.0 million via the disposal of The Pinnacle Sunway to our associate, Sunway REIT.

We continued to make headway in our robust expansion plan for our Healthcare division, which has been identified as one of the fastest growing divisions of the Group moving forward. In July 2020, Sunway acquired a leasehold land measuring 9.41 acres for RM28.7 million in Kota Bharu earmarked for a 200-bed hospital. This is in line with the division's overall strategy to expand its network of tertiary hospitals, in particular to locations where private healthcare is underserved. The expansion into Kota Bharu will be the Healthcare division's maiden expansion into the East Coast Region and will further add to its brand visibility as a provider of high quality healthcare services.

In September 2020, the Group has appointed Maybank Investment Bank Berhad to explore strategic investment options for its healthcare portfolio, in line with the Group's objective to enhance shareholders' value as the Group continues to explore and evaluate various options for all its businesses.

The Healthcare division has six new hospitals in the pipeline that will increase its capacity to more than 2,000 beds in the next six to seven years, reinforcing its position as the leading private healthcare provider in Malaysia.

## CHAIRMAN'S STATEMENT

### AT THE FOREFRONT OF DIGITALISATION

Over the years, Sunway has invested significantly in digitalisation as a driver of growth in the Group, including efforts towards improving our internal business and operational processes, enhancing customer-facing initiatives, and implementing private cloud for the Group's shared services and big data analytics into our systems. Being at the forefront of digitalisation has helped Sunway stay ahead of the competition and market trends. This has enabled us to swiftly identify new opportunities within the sector such as the utilisation of robotic process automation.

In 2020, Sunway accelerated the pace of digital adoption in various business divisions, especially in engaging our customers, ensuring business continuity, and exploring new channels and platforms that offer promising potential. In July 2020, Sunway entered into a tripartite collaboration with Celcom and Huawei towards advancing smart township solutions encompassing Internet of Things ("IoT") and Artificial Intelligence ("AI") using 5G technology in areas such as public safety and security, telehealth, e-learning, hospitality, leisure and retail experience.

We also partnered with Ecole 42, a revolutionary French computer programming school that offers peer-to-peer learning with zero tuition fees, to introduce Ecole 42 KL – a sister campus housed in Sunway City Kuala Lumpur, that is set to produce a stream of digital talents with the skills and aptitude to meet the requirements of the 21<sup>st</sup> century and thrive in the age of the New Normal.

These developments will further strengthen our lead at the forefront of the nation's urbanisation and digitalisation thrust, support our mission of nation building as well as advancing the sustainable development agenda in the Asian region.

### SHAPING SMART SUSTAINABLE CITIES OF THE FUTURE

Beyond financial performance and profits, Sunway embraces the principles of sustainability in all our decision-making processes and business practices. We pride ourselves as responsible stewards of the planet and custodians of today, promoting sustainable socio-economic goals to ensure that future generations inherit a better tomorrow.

This vision is realised in part through Sunway City Kuala Lumpur, which has evolved over the years from a barren land of disused and abandoned tin mining pools, into one of Malaysia's most iconic integrated township and a model smart sustainable city. It was developed with all the fundamental building blocks within the ecosystem, ensuring the township's ability to flourish into a sustainable integrated city with smart capabilities.

Sunway City Kuala Lumpur is set to be the launchpad for the smart township solutions and 5G technology collaboration. It is also a "living laboratory" that serves to generate real-world, sustainable solutions for future urban spaces, led by our innovation arm, Sunway iLabs. Sunway iLabs has brought together researchers, experts and members of academia to generate and incubate ideas to address the challenges facing humanity that will be tested within the living ecosystem of Sunway City Kuala Lumpur towards the betterment of the environment and humankind.



Launch of FutureX Farm, our first step towards food security

Among the initiatives launched in FY 2020 is the innovative Sunway FutureX Farm, which will be Malaysia's first-ever skills building hub for urban farming innovations and our inaugural venture into the agrifood-tech sector. It marks our first step in contributing to Malaysia's food security by establishing decentralised farms and production centres that are closer to where people live. This is an especially timely development given the need to address issues in global food supply chains amid the pandemic, which will help reduce the carbon footprint generated from the logistics of conventional food supply models.

We aim to replicate these smart sustainable initiatives across all our other townships, namely Sunway City Ipoh and Sunway City Iskandar Puteri in Johor, and lead the urban transformation agenda in this part of the world.

### PRACTICING SUSTAINABILITY IN GOVERNANCE

Our commitment to sustainability naturally extends to how we govern our organisation as well, leading by example through sound policies espousing anti-corruption, health and safety, workplace diversity, talent development, climate change mitigation and others. This is evidenced by our continued commitment to the adoption and advancement of the 17 UNSDG – a commitment that we have renewed in 2020 for another 5 years to 2025 through the extension of partnership between Jeffrey Cheah Foundation and United Nations Sustainable Development Solutions Network ("UNSDSN"). As part of our strategy for the Group's long-term success and economic value, we have aligned our material ESG issues with the UNSDGs, and have become among the first corporation in Malaysia to support the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

I am proud that Sunway City Kuala Lumpur has been selected as one of three overarching UNSDSN centres alongside New York and Paris, which will oversee continent-wide sustainability initiatives for Asia, the Americas, and Europe/Africa respectively. The UNSDSN centre for Asia housed at Sunway University will also host the head office of the SDG Academy, the education arm of the UNSDSN.



## CHAIRMAN'S STATEMENT



Malaysia Real Estate Personality of the Year by PropertyGuru



Sunway's Healthcare division, an award-winning healthcare service provider



CSR Malaysia Awards 2020

## RECOGNITION FOR OUR CONTRIBUTION TO PROGRESS

I am pleased to see our flagship Property Development division bring home the Best Overall Champion and Exceptional Community Builder recognitions in the StarProperty All-Stars Award category, as well as seven other excellence and honour awards for its property projects at The Star Property Awards 2020.

Sunway's Property Development division was also one of the winners in the Top Property Developers Awards and Best in Qualitative Attributes sub-award at The Edge Malaysia Property Excellence Awards 2020. Our leadership in the property sector is further cemented by Sunway Property Managing Director Sarena Cheah's recognition as the 2020 Malaysia Real Estate Personality of the Year, the first woman to receive the honour.

Representing Sunway's Healthcare division, Sunway Medical Centre has emerged as the exclusive titleholder for Medical Tourism Hospital of the Year in Asia Pacific at the Global Health and Travel Asia Pacific Healthcare & Medical Tourism Award 2020. The division continues to be recognised in various fields of specialisation having received numerous accolades at the same award event for Fertility Hospital of the Year, Oncology (Surgical) Service Provider of the Year and Paediatric Ophthalmology Service Provider of the Year. Our Sunway Specialist Centre Damansara, which only opened in 2019, received Ambulatory Medical Centre of the Year award, demonstrating our expertise in providing quality healthcare.

Our incessant efforts towards helping our community have culminated in Sunway clinching the CSR Malaysia Awards 2020, in the Company of the Year (Industrial Product and Services) category. The award aims to honour outstanding corporations that have excelled in their role as change agents towards the socio-economic transformation of the country. This award is endorsed by the national sustainability body – *Pertubuhan Amal Tanggungjawab Kemapanan and Korporat Malaysia* (The Welfare Society for Corporate Responsibility and Sustainability Malaysia).

Sunway Berhad has also remained as a constituent of FTSE4Good Bursa Malaysia Index for demonstrating good environmental, social and governance practices since the launch of the index in 2014. In addition, Sunway Berhad is ranked first for the Best Investor Relations category, third in the Most Committed to Social Causes category, and third in the Best Managed Company category in FinanceAsia's 2020 Asia's Best Companies Survey.

On a personal level, I am deeply humbled to be conferred an Honorary Doctorate of Social Enterprise by University of Cambodia, and becoming the first non-Muslim recipient of the Hunayn Ibn Ishaq Unity Award at the Islamic Excellence Awards 1441H/2020AD. I dedicate these accomplishments to all Sunwayians, whose dedication and commitment to realise our vision and mission have made this possible.

## CHAIRMAN'S STATEMENT

## POISED FOR RECOVERY PROSPECTS

While we have managed to ride out the pandemic year with relative success, we know that there is never time to rest on our laurels as the current and coming years bring new challenges and will continue to put our mettle to the test, albeit with markedly improved sentiment.

With the arrival of the vaccines, 2021 offers a silver lining to the dark clouds of 2020. The COVID-19 vaccine rollouts across the world and the expected widespread vaccination by the end of 2021 offers hope that global travel restrictions will be eased, reducing the pandemic's impact on the economy. Policy makers remain committed to limiting the spill overs and will likely maintain the accommodative fiscal and monetary policies in 2021.

Although uncertainties remain, Sunway is on a strong strategic footing to continue weathering the storms of early 2021 while positioning ourselves to respond in the recovery landscape of latter 2021. The changes implemented in FY 2020 have strengthened the business models of our various divisions to be leaner, nimbler and cost efficient to tap the potentials of the new operating normal.

On a strategic level, we will continue to accelerate digitalisation as one of our key priorities, leveraging it to break physical divides and connect us with our target customers and markets. We see tremendous potential for our Property Development division to continue incorporating smart city elements to leapfrog Sunway City's status as a world class connected smart and sustainable city, strengthening our market position as a regional development leader. Technology will also be an enabler to help us harness and integrate the synergies of our business divisions, with investments channelled to build on our digital infrastructure and provide employees training to familiarise them with new systems while we pursue new opportunities in both the digital and analogue spheres.

In a rapidly evolving environment, Sunway will continue reinventing our existing businesses as we respond to shifts in global megatrends reshaping the economy and market demand. We are keen to explore new business ventures in emerging areas of the industries where we operate, such as co-living and rent-to-own schemes for our Property Development division and Industrialised Building Systems for our Construction division, as well as forays into new sectors such as fintech.

We remain highly committed to continuously strengthen synergies of our diversified businesses, supporting each other through information, talent and knowledge sharing as well as strategic collaborations that have served us well through the recent challenges, and we look forward to continue uncovering such opportunities in the future.

For over four decades, Sunway has proven that our fundamentals are strong and we as a Group live by the values and tenets we espouse. We are well prepared, well placed and well managed to capitalise on emerging growth opportunities as the world begins its recovery from this pandemic. We are definitely expecting exciting times ahead of us and I am pleased to have you with us in realising these goals.

## APPRECIATION AND ACKNOWLEDGEMENTS

In closing, I would like to express my appreciation to my fellow Board members, the management teams and our employees, for their tremendous efforts and contribution during this difficult time. As a Group, we are also grateful to our customers, shareholders, investors, financiers, business partners, suppliers and government authorities, for their continued support.

On behalf of the Board, I would like to thank Mr. Wong Chin Mun, for his invaluable contribution as a member of this Board. He has retired as our Senior Independent Non-Executive Director after 9 years of cumulative service. In his place, we have welcomed Datuk Tong Poh Keow as the new Independent Non-Executive Director of the Company, who brings a wealth of industry experience to advise the Group through our next course of growth. We are also pleased to welcome Tan Sri Jamaludin Ibrahim, who has joined the Board of Sunway as Independent Non-Executive Director with effect from 3 March 2021. He has more than 40 years of experience especially in the field of information technology and telecommunications which is crucial to propel Sunway towards the new digital space.

With a solid foundation, robust strategy and dynamic team as the driving force of Sunway, we are poised to respond, reinvent and lead the region towards an era of recovery and sustainability, together with you!

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



## MANAGEMENT DISCUSSION AND ANALYSIS

### INTRODUCTION

Sunway Berhad is one of the leading conglomerates in Malaysia with a portfolio of synergistic businesses, including Property Development, Property Investment, REIT, Leisure, Hospitality, Construction, Healthcare, Trading and Manufacturing, Quarry and Building Materials.

FY 2020 has been a challenging year for the Group. The COVID-19 pandemic, its resulting MCO, CMCO and RMCO enforced by the Government to contain the spread of COVID-19 since 18 March 2020 have caused significant disruptions and financial impact to the Group's operations, particularly on the Leisure and Hospitality divisions which were either not allowed to operate during these periods or could only operate under stringent social distancing environment.

All our business operations were suspended during MCO except for the healthcare and the mall operations which provided limited activities to cater to retail tenants offering essential products and services. Although most of the other businesses of the Group have resumed operations during the CMCO and RMCO from 4 May 2020, the recovery rates of our business segments were varied due to the different adaptations and compliance requirements imposed by the authorities for the different economic sectors. The performance of the various businesses of the Group is discussed below.

### FINANCIAL REVIEW

#### Group Financial Performance

The Group recorded revenue of RM3,829.1 million and profit before tax of RM512.5 million in FY 2020 compared to revenue of RM4,780.3 million and profit before tax of RM865.3 million in FY 2019, representing a decrease in revenue of 19.9% and profit before tax of 40.8%. Revenue in the current year was lower due to lower contributions from most business segments except Healthcare division.

Profit before tax was lower due to lower profit contributions from most business segments except Property Development and Others divisions. It should be noted that the balance of the development profits on one of the Group's Singapore and China property development projects, which were earlier deferred due to adoption of MFRS 15, were recognised in the last quarter of 2020.

During the current financial year, following the reassessment of the Group's involvement in its investments in wholesale funds, the Group determined that its placement in wholesale funds are in substance, structured entities under its control in accordance with MFRS 10 Consolidated Financial Statements. Accordingly, the Group has consolidated these wholesale funds in the financial statements of the Group for the financial year ended 31 December 2020 and the Group has restated its comparatives via prior year adjustments retrospectively.

As a result of the abovementioned reassessment, the Group is in a net current liabilities position of RM883.7 million as at 31 December 2020. However, the Group has significant positive cash flows from its overall business operations and has adequate undrawn credit facilities available to meet its operational and funding requirements. As the net current liabilities position is mainly due to the short term bank borrowings, the Group plans to reduce its quantum and refinance it with longer term bank loans and longer dated corporate bonds in the near term.

#### Segmental Financial Performance

##### Property Development

The Property Development division reported revenue of RM494.6 million and profit before tax of RM296.9 million in FY 2020 compared to revenue of RM545.9 million and profit before tax of RM228.5 million in FY 2019, representing a decrease in revenue of 9.4% and increase in profit before tax of 29.9%.

The lower revenue for the current year was mainly due to lower sales and progress billings from local development projects, which were impacted by the COVID-19 pandemic. However, profit before tax for the current year was higher due to the full recognition of the balance of the development profits on one of the Group's Singapore and China property development projects which amounted to RM182.5 million and a gain on land disposal of RM7.7 million in the fourth quarter of FY 2020.

##### Property Investment

The Property Investment division reported revenue of RM330.1 million and loss before tax of RM27.4 million in FY 2020 compared to revenue of RM803.5 million and profit before tax of RM323.1 million in FY 2019, representing a decrease in revenue of 58.9% and higher loss before tax of 108.5%.

The MCO which commenced from 18 March 2020 has adversely impacted the Group's hospitality and leisure businesses, as well as our associate, Sunway REIT's rental income from its retail segment. The resulting adverse financial impact from the disruptions of the business operations were compounded by higher share of fair value loss from the revaluation of Sunway REIT properties and our investment properties. The fair value loss from the revaluation exercise was however, largely offset by a remeasurement gain of leases as per MFRS 16 and disposal gain from the sale of The Pinnacle Sunway building. Further, it should be noted that the profit before tax of the previous financial year recorded a disposal gain of Sunway University assets of RM37.7 million.

##### Construction

The Construction division reported revenue of RM990.2 million and profit before tax of RM105.1 million in FY 2020 compared to revenue of RM1,273.3 million and profit before tax of RM162.3 million in FY 2019, representing a decrease in revenue of 22.2% and profit before tax of 35.3%. The financial performance in the current year was lower due to lower progress billings caused by stop work orders by the authorities due to the COVID-19 pandemic.

Notwithstanding, the division closed the year with an order book replenishment of RM2.3 billion and an outstanding order book of RM5.1 billion.

##### Healthcare

The Healthcare division reported revenue of RM620.3 million and profit before tax of RM17.4 million in FY 2020 compared to revenue of RM584.8 million and profit before tax of RM61.5 million in FY 2019, representing an increase in revenue of 6.1% and decrease in profit before tax of 71.7%. Revenue in the current year was higher due to higher contribution from Sunway Medical Centre Velocity which commenced operations in September 2019. Profit before tax in the current year was lower mainly due to the COVID-19 pandemic which resulted in a sharp drop in the number of admissions and outpatient treatments at Sunway Medical Centre during the first half of FY 2020. However, it should be noted that the performance of both Sunway Medical Centre and Sunway Medical Centre Velocity recovered steadily in the second half when more patients resumed their visits to seek medical treatments from the hospitals.

## MANAGEMENT DISCUSSION AND ANALYSIS

	REVENUE (RM'000)		PROFIT/(LOSS) BEFORE TAX (RM'000)	
	2020	2019 (Restated)	2020	2019 (Restated)
Property Development	<b>494,623</b>	545,852	<b>296,943</b>	228,526
Property Investment (comprises Property Investment, REIT, Leisure and Hospitality)	<b>330,147</b>	803,468	<b>(27,432)</b>	323,118
Construction	<b>990,225</b>	1,273,269	<b>105,076</b>	162,331
Healthcare	<b>620,302</b>	584,833	<b>17,405</b>	61,491
Trading and Manufacturing	<b>812,079</b>	959,762	<b>24,481</b>	30,022
Quarry	<b>321,389</b>	348,114	<b>14,777</b>	16,134
Building Materials	<b>135,717</b>	166,657	<b>7,338</b>	(27,419)
Others	<b>124,579</b>	98,324	<b>73,957</b>	71,120
<b>Total</b>	<b>3,829,061</b>	4,780,279	<b>512,545</b>	865,323

##### Trading and Manufacturing

The Trading and Manufacturing division reported revenue of RM812.1 million and profit before tax of RM24.5 million in FY 2020 compared to revenue of RM959.8 million and profit before tax of RM30.0 million in FY 2019, representing a decrease in revenue of 15.4% and profit before tax of 18.5%. The financial performance was lower in the current year mainly due to lower sales amidst the challenging market conditions and the suspended operation during the earlier MCO period caused by the COVID-19 pandemic.

##### Quarry

The Quarry division reported revenue of RM321.4 million and profit before tax of RM14.8 million in FY 2020 compared to revenue of RM348.1 million and profit before tax of RM16.1 million in FY 2019, representing a decrease in revenue of 7.7% and profit before tax of 8.4%. The financial performance of this division was lower mainly due to the disruptions caused by the MCO. Further, the profit before tax was impacted by a fair value loss on revaluation of a piece of quarry land of RM2.2 million in the fourth quarter of FY 2020.

##### Building Materials

The Building Materials division reported revenue of RM135.7 million and profit before tax of RM7.3 million in FY 2020 compared to revenue of RM166.7 million and loss before tax of RM27.4 million in FY 2019, representing a decrease in revenue of 18.6% and increase in profit before tax of 126.8%. The revenue of the division was lower mainly due to disruptions caused by the MCO which resulted in lower sales volume for its products. It should be noted that the profit before tax in the previous year recorded a provision for impairment of assets of RM36.4 million for its spun pile operation under MFRS 136: Impairment of Assets.

### STATEMENT OF FINANCIAL POSITION

The Group's total borrowings decreased from RM8.3 billion in FY 2019 to RM7.5 billion in FY 2020. Cash and bank balances also experienced a decline from RM2.6 billion in FY 2019 to RM2.2 billion in FY 2020. As a result, net borrowings in FY 2020 was RM5.3 billion, which is lower than the net borrowings in FY 2019 of RM5.7 billion.

Total assets decreased slightly from RM21.5 billion in FY 2019 to RM21.1 billion in FY 2020. This was mainly attributable to the decrease in cash and bank balances and receivables.

Share capital increased to RM6.4 billion in FY 2020 compared to the previous financial year of RM5.4 billion. The increase was due to the issuance of 977,779,351 Irredeemable Convertible Preference Shares ("ICPS") pursuant to the completion of ICPS exercise during

the year. The gross proceeds raised from the rights issue of ICPS was approximately RM977.8 million of which RM597.0 million was utilised for the repayment of borrowings.

### STATEMENT OF CASH FLOW

#### Operating Activities

Net cash generated from operating activities was RM777.2 million in FY 2020 compared to RM689.0 million generated in FY 2019. The amount generated from operating activities in FY 2020 was higher mainly due to decrease in cash utilised for working capital purposes for the year.

#### Investing Activities

The Group utilised RM826.4 million for investing activities in FY 2020 compared to RM1,359.9 million in FY 2019. The amount utilised in the current year was lower mainly due to higher proceeds from disposal of investment properties and other investments, lower acquisition of investment properties and investment properties under construction and lower advances to associates and joint ventures.

#### Financing Activities

Net cash from financing activities decreased from an inflow of RM499.0 million in FY 2019 to an outflow of RM134.3 million in FY 2020. This was mainly due to lower overall net borrowings and funding from financial institutions and the local bond market, offset by the gross proceeds raised from the rights issue of ICPS and issuance of perpetual sukuk of RM200.0 million in FY 2020.

Hence, as at 31 December 2020, cash and cash equivalents of Sunway stood at RM2.2 billion, a decrease from the preceding year's balance of RM2.4 billion.

### DIVIDENDS DECLARED

The Group declared a first interim cash dividend for FY 2020 of 1.5 sen per share to be distributed in April 2021. In addition, a preferential dividend of 5.25% per annum based on the issue price of RM1.00 per ICPS, for the period from 3 December 2020 (being the issue date) up to and including 31 December 2020 was also declared.

The lower dividend paid in FY 2020 is to provide a greater margin of safety to ensure the sustainability of Sunway's cash flow in line with reduced profits for the year and the continued uncertainty of the global economic outlook caused by the COVID-19 pandemic. The Group remains committed to providing reliable returns to its shareholders, who are the bedrock of Sunway's sustained success.



## MANAGEMENT DISCUSSION AND ANALYSIS

### CAPITAL MANAGEMENT

Sunway practices prudent financial management with an efficient capital structure that accords the Group a level of flexibility to ensure optimal operational performance and liquidity to fund the Group's investment requirements.

Sunway's capital management strategy is underscored by the maintenance of a robust balance sheet to secure favourable financing terms. The diversified funding mix and a well-balanced borrowing profile in terms of maturity serves to mitigate interest rate and liquidity risks. This is overseen by Sunway's centralised treasury operation that actively monitors and manages these risks and the Group's hedging strategies.

This includes entering into cross currency swap contracts when the financing terms are favourable to manage the Group's exposure in foreign currency risk arising from foreign currency borrowings, while taking advantage of lower effective interest rates compared to local Ringgit borrowing rates. The Group's interest rate exposures are reviewed periodically to ensure an optimal mix of fixed and floating rate borrowing is achieved.

Malaysian Rating Corporation Berhad ("MARC") performed an annual review on the credit rating of the Group's private debt securities programmes during the year. In recognition of the Group's financial strength, the credit rating assigned by MARC was maintained at MARC-1/AA-, with a stable ratings outlook in view of the current challenging economic conditions.

### RISK MANAGEMENT

The Group remains cognisant of its risk factors and continues to closely monitor its various financial, business, operational and strategic risks. The Group has developed effective mitigation action plans for each of these identified risks as part of its comprehensive approach towards risk management.

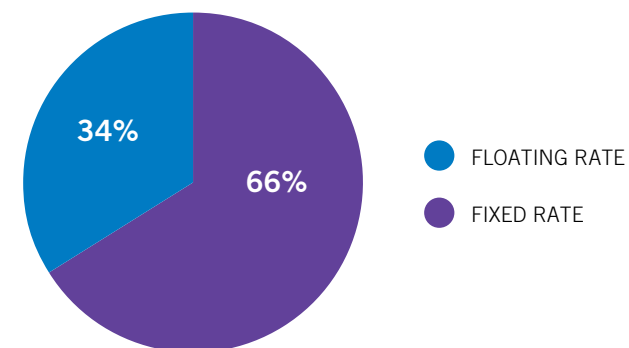
The Group's risk management framework is benchmarked against the ISO31000:2018 Risk Management – Guidelines and is designed to embed Enterprise Risk Management ("ERM") into key activities, initiatives and processes of the Group. This enables the Group to identify, evaluate, mitigate and monitor risks that may prevent the Group from achieving its objectives. In doing so, the stakeholders are assured that their interest is protected.

For further information on the Group's risk management structure and processes, kindly refer to the Statement on Risk Management and Internal Control on pages 154 to 158 of this IAR2020. For strategic information on identified risks, mitigation plans and the linkage between strategies and risks, please refer to Our Strategy section on pages 36 to 66 of this IAR2020.

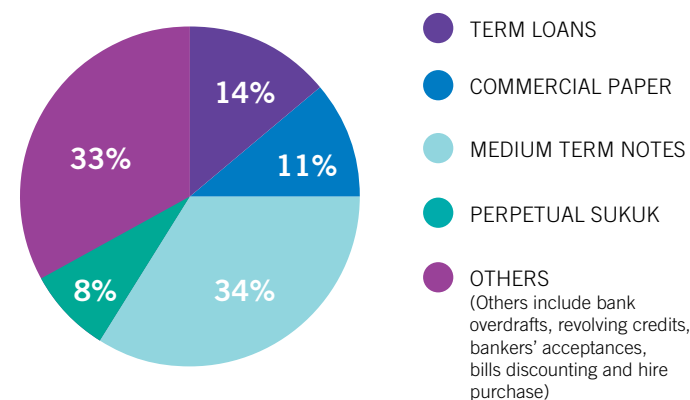
RM MILLION	FY 2020	FY 2019 (Restated)
Gross borrowings	<b>7,511.8</b>	8,298.6
Cash and bank balances	<b>2,238.4</b>	2,554.7
Net borrowings	<b>5,273.4</b>	5,743.8
Gross gearing ratio (times)	<b>0.73</b>	0.88
Net gearing ratio (times) *	<b>0.51</b>	0.61
Shareholders' fund	<b>9,540.7</b>	8,389.3
Net assets per share (sen)	<b>193.37</b>	170.03

\* Net gearing ratio calculations exclude cross currency swap.

### FIXED VS FLOATING RATE BORROWINGS



### SOURCES OF BORROWINGS



## MANAGEMENT DISCUSSION AND ANALYSIS

### OPERATIONS REVIEW

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

	2020	2019	2018	2017	2016
<b>Property Development</b>					
Launches	<b>RM1.9 bil</b>	RM1.2 bil	RM2.1 bil	RM1.1 bil	RM650 mil
Sales	<b>RM1.3 bil</b>	RM1.6 bil	RM1.9 bil	RM1.2 bil	RM1.2 bil
Unbilled Sales	<b>RM2.4 bil</b>	RM2.7 bil	RM2.1 bil	RM1.0 bil	RM1.5 bil
Landbank	<b>3,328 acres</b>	3,347 acres	3,283 acres	3,305 acres	3,292 acres
<b>Property Investment and REIT</b>					
Assets Under Management	<b>RM10.9 bil</b>	RM10.7 bil	RM9.9 bil	RM9.4 bil	RM8.8 bil
Total Net Lettable Area	<b>11.6 mil sqft</b>	11.3 mil sqft	10.2 mil sqft	10.0 mil sqft	9.3 mil sqft
<b>Leisure</b>					
Total Park Size	<b>128 acres</b>	128 acres	128 acres	128 acres	128 acres
Visitorship	<b>0.6 mil</b>	2.5 mil	2.4 mil	2.3 mil	2.2 mil
<b>Hospitality</b>					
Number of Hotels and Resorts Managed	<b>11</b>	11	11	11	10
Number of Guestrooms	<b>3,424</b>	3,386	3,386	3,386	3,017
<b>Construction</b>					
New Contracts Secured	<b>RM2.3 bil</b>	RM1.8 bil	RM1.6 bil	RM4.0 bil	RM2.7 bil
Outstanding Order Book	<b>RM5.1 bil</b>	RM5.2 bil	RM5.2 bil	RM6.1 bil	RM4.8 bil
<b>Healthcare</b>					
Number of Specialist Consultation Suites	<b>237</b>	226	180	180	130
Number of Operating Theatres	<b>19</b>	17	12	12	12
Number of Beds	<b>740</b>	741	636	533	373
<b>Trading and Manufacturing</b>					
Regional Presence	<b>7 countries</b>	7 countries	6 countries	6 countries	6 countries
Agency Lines	<b>191</b>	181	168	150	154
<b>Quarry</b>					
Number of Quarries	<b>9</b>	8	6	6	8
Number of Asphalt Plants	<b>24</b>	24	13	13	12
<b>Building Materials</b>					
Number of Manufacturing Facilities	<b>9</b>	9	8	7	7

## MANAGEMENT DISCUSSION AND ANALYSIS

## PROPERTY DEVELOPMENT



Artist's impression of Parc Central, Singapore

## OPERATING ENVIRONMENT

The Property Development division continued to experience a challenging operating environment in 2020, brought on by a generally weaker economy due to COVID-19 pandemic. This has prompted potential purchasers to be critically selective over the properties available or some may even defer high-value expenditures such as property purchase due to the economic uncertainty.

This is compounded by existing challenges in the property market, such as the high property overhang in Malaysia, change in government policies on foreigner thresholds, difficulty in securing mortgage loans albeit the lower interest rates, and increasing preference among younger population to rent over purchasing a property.

To incentivise property sales among locals, the government has extended the Home Ownership Campaign ("HOC") to 31 May 2021 as part of the nation's Short-Term Economic Recovery Plan ("PENJANA") to stimulate the nation's economy. Benefits include full stamp duty exemption up to RM1 million and partial exemption up to RM2.5 million, and further stamp duty exemption on the Instrument of Securing Loan. Buyers also enjoy a minimum 10% reduction on the listed property price for eligible properties under this scheme.

In terms of trends in the industry, there is a growing preference for Malaysians to live in transit-oriented developments ("TOD") and integrated developments to reduce carbon footprint. This has increased the competition for landbanks within established neighbourhoods and/or near public transportation amenities like MRT/LRT.

The younger population of buyers are also more comfortable with technological changes, which sees the corresponding increased adoption of virtual sales galleries and show units among developers. The emergence of online platforms to help property owners lease and manage their properties goes hand in hand with the changing preferences of this demographic.



Sunway House Waterfront Residence

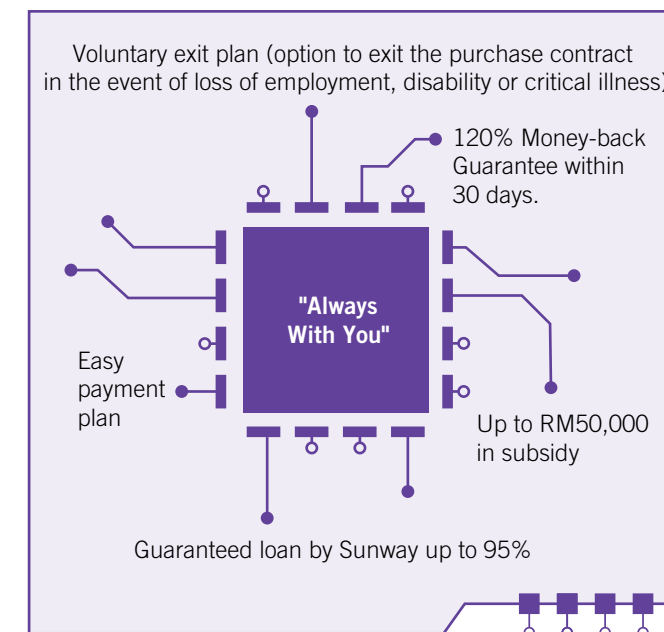
## MANAGEMENT DISCUSSION AND ANALYSIS

## STRATEGIC RESPONSE

The division responded to the challenges of 2020 with perseverance and innovation, leveraging on the strengths of its synergistic property value chain and sustainability-driven brand positioning.

Although sales were impacted as a result of the economic downturn and soft market sentiment, and the closure of sales galleries during the MCO, the division responded by leveraging its established digital infrastructure to interact with potential customers virtually and deploying innovative digital marketing and home ownership campaigns to secure sales. Customers were able to view and examine the properties in virtual 360° tours of the show units hosted on the division's websites, while Facebook Live and chatbots on its websites helped the team address customers' queries virtually.

Sunway's Property Development division also launched the "Always With You" digital campaign towards the end of April 2020 until June 2020 in response to feedback from people who were keen to own a home but were hesitant and cautious due to the uncertain economic conditions. Perks of the campaign included:



Please see pages 54 to 55 for more information on the Property Development division's strategic profile.

The campaign was successful in securing RM200 million online bookings during the lockdown period which is a testament to the reputation and trust built by Sunway Property Development division over the years. With the success of the "Always With You" campaign and extension of the Home Ownership Campaign ("HOC") by the Government, Sunway Property Development division extended its irresistible deals with "Always With You 2.0" campaign until 31 August 2020 which garnered additional RM213 million bookings.

Operationally, the division's construction progress was affected due to the lockdowns and implementation of social distancing measures at construction sites, leading to some delays for launches and revenue recognition of ongoing projects in Malaysia. Property launches were also scaled and staggered to reflect the change in market appetite due to the downturn. Launches delayed in 2020 have been carried forward to early 2021, with new launches in 2021 focusing mainly on TODs within close proximity to amenities like retail, education and healthcare.

While the lockdown was in effect, the division focused its efforts on planning to ensure that progress can be expedited once MCO is lifted, allowing the division to catch up on construction progress. With the inevitable slowdown in construction affecting operational cost and sales for the year, the division has reduced its non-essential expenses and placed greater emphasis on cost containment measures in 2020.

Unbilled sales stood at RM2.4 billion as at 31 December 2020 which provides earnings visibility for the division, while the division has 3,328 acres of landbank remaining for future development.



## HIGHLIGHTS AND ACHIEVEMENTS

In 2020, the division has successfully completed and handed over 1,783 units for vacant possession, bringing the cumulative number of delivered units to over 31,000 to-date. Included in the units completed and handed over for vacant possession are the Rivercove Residences executive condominium in Singapore and Sunway Gardens condominiums Phase 2 in China, which has helped to boost the performance of the Property Development division for the year.

Key launches in 2020 include Sunway Velocity TWO Tower C in Malaysia, Parc Canberra and Ki Residences in Singapore, with a total GDV of RM1.9 billion. All three projects are expected to be completed in 2023. Take-up rates of these new properties have been varied. For Parc Canberra in Singapore which was launched in February 2020, the executive condominium received an impressive 90% take up as at end of 2020. For Sunway Velocity TWO Tower C Kuala Lumpur and Ki Residence Singapore which was only launched towards the end of the year, their take up rates were encouraging at 40% and 28% respectively. The launches for the year reflect the division's business diversification strategy to expand its portfolio and geographic range as a means to diversify revenue streams. Total sales secured for the year amounted to RM1.3 billion.

The division also unveiled its first Rent-to-Buy scheme via a co-living product to tap on the trend of renters and create a pipeline of potential Sunway's property purchasers. Located in Sunway City Kuala Lumpur, Co-living @ Sunway House Waterfront Residence offers the best of both worlds with its Rent-to-Buy proposition, where 25% of the residents' rental are accumulated as Rent-to-Buy credits which can be used as down payment to purchase a Sunway's property of their choice in the future.

On the awards front, 2020 was another successful year for the Group's Property Development division, securing 9 recognitions in the StarProperty Awards 2020 and various accolades for its properties as well as corporate, sustainability and leadership achievements. Significantly, the division continued to rank amongst the Top 3 developers in Malaysia at The Edge Malaysia's Top Property Developer Awards 2020 and garnering recognition for being the Best in Qualitative attributes developer, which takes into account the division's product quality, innovation, value creation, image and expertise.



## MANAGEMENT DISCUSSION AND ANALYSIS

### FUTURE ORIENTATION

Barring a prolonged COVID-19 pandemic and further lockdowns, the management is of the opinion that 2021 will be a better year for the division than 2020. The expected rebound of the economy, coupled with the Government's re-initiation of the HOC scheme and the timely PENJANA initiatives, will likely drive the return of property sales volume closer to pre-pandemic level. The demand will be further supported by the low interest rate regime. However, affordability factor continues to be a top priority in homebuyers' mind.

In line with this outlook, the division has planned 6 exciting property launches for 2021 across Malaysia, Singapore and China with a total GDV of RM2.8 billion.

In Malaysia, the property launches comprise a mix of developments in prime locations such as Sunway Belfield in Kuala Lumpur, Transit-Oriented Development like Sunway ARTESSA in Wangsa Maju, leafy suburb like Sunway D'Hill in Kota Damansara, and affordable homes like Jernih Residence @ Kajang, that will cater to every segment of Malaysian property buyers. The launches will be supported with more digital initiatives such as a unified Sunway Property application, virtual show units and the use of social media channels such as Facebook Live to drive sales.

Meanwhile, the recent launch of Parc Central Residences, an executive condominium in January 2021 has garnered strong interests which saw close to 60% of the units sold at launch, given the relatively resilient property market in Singapore.

The division also plans to launch its Phase 3 of Sunway Gardens residential property project in Tianjin, China in 2021 after successfully winning the tender to acquire the leasehold land in September 2019. The project which consists of seven blocks of condominiums has a GDV of more than RM780 million.

Going forward, Sunway's Property Development division is exploring further diversification of its product offerings, such as new co-living products and rent-to-buy schemes to cater to changing customer needs and trends in the property market, and exploring new sectors like industrial, which is seeing an increase in demand riding on the booming e-commerce. Landbank-wise, the division plans to rebalance its landbank profile by divesting non-core land and acquiring new fast turnaround landbank to complement its existing township landbank. The division will continue to improve its speed to market through product standardisation, and leveraging on better customer data analytics and understanding of customer expectations to tailor its product offering such as supporting chic and modern lifestyles, being close to amenities like cafes and retail; and promoting healthy and active lifestyle while being located near green lungs.



Artist's impression of Sunway ARTESSA

## MANAGEMENT DISCUSSION AND ANALYSIS

### PROPERTY INVESTMENT AND REIT



Sunway Velocity Kuala Lumpur

### OPERATING ENVIRONMENT

The Property Investment and REIT division experienced a challenging year due to the COVID-19 pandemic. Retail segment was adversely affected by the implementation of MCO and CMCO. According to figures by Retail Group Malaysia, 2020 had been the worst period for retailers in Malaysia since 1987. The industry suffered a decline of 16.3% in 2020, being the worst performance in the last two decades. Encouraging recovery was evident during the RMCO stage, however it was short lived due to reinstatement of CMCO in October 2020. Despite the difficult operating landscape, retail malls within the Property Investment and REIT division demonstrated high resilience in maintaining healthy average occupancy rates.

The commercial segment on the other hand, though challenging, was largely stable. Economic headwinds led to the deferment of tenants' expansion plans as well as consolidation in business operations. The average occupancy rate within the office portfolio of the Group was well supported by the vibrancy and synergistic benefits of the townships which are located in strategic TOD locations.

The division continued to operate under stringent standard operating procedures to ensure the safety of all stakeholders. Against the backdrop of reduced rental income for the year, the division was also faced with higher operating costs due to implementation of preventive measures and high level of sanitisation on premises. The higher cost was partially mitigated by lower utility cost during the year due to lower utilisation of the premises during MCO and CMCO.

Technological adaptation has leapfrogged due to consumer behavioural change since the implementation of MCO in March 2020. In the absence of physical presence, technological disruption platforms such as online retailing and video conferencing platforms have gained prominence. In the commercial segment, working-from-home experience has led to organisations rethinking of the future of office space requirements which may potentially lead to higher demand for collaborative office space. These consumer behavioural change presents opportunities to Sunway's malls and offices to evolve along with these emerging trends.

Furthermore, the division contends with cumulative supply of retail and office spaces in the Klang Valley as at 2H 2020<sup>1</sup> at approximately 62.44 million square feet and 109.5 million square feet respectively. In order to avoid being homogenous in the products and services offerings, malls owners need to create differentiation in the tenancy mix to appeal to consumers and establish its niche to capture the relevant market share. In the office segment, the oversupply situation is exacerbated by lack of FDI in Malaysia. Despite that, the commercial segment presents pockets of opportunities in strategically located integrated townships and TODs.

Government fiscal initiatives provided under the Economic Stimulus Package, various PRIHATIN packages, as well as the Economic Recovery Plan, have provided a degree of relief for the industry, subsidising wages for affected tenants and making available more disposable income to stimulate the retail market. These measures, coupled with the transition towards a relaxation of restrictions in the RMCO, have contributed to a gradual recovery for retail malls in the second half of 2020, which reversed upon the resurgence of COVID-19 in the final quarter.



OVER 82 MEASURES FOR PANDEMIC PREVENTION INTRODUCED UNDER SUNWAY'S MALLS' "YOUR SAFE SPACE, OUR SAFE SPACE" CAMPAIGN

<sup>1</sup> Knight Frank's Real Estate Highlights 2H 2020 Research Report



## MANAGEMENT DISCUSSION AND ANALYSIS

### STRATEGIC RESPONSE

In FY 2020, the division placed high priority in ensuring the appropriate COVID-19 preventive measures were implemented in all its premises to provide a safe and healthy environment for the building occupants as well as its visitors. This includes frequent sanitisation, increased disinfection of frequently touched surfaces, installation of hand sanitisation dispensers, installation of temperature thermal scanners and increased fresh air intake. Stringent social distancing measures, holistic education and training for all employees and tenants, and enhanced screening and safety checks were also carried out.

In total, over 82 measures have been put in place under Sunway's malls' "Your Safe Space, Our Safe Space" campaign to inculcate confidence amongst tenants, employees and shoppers to stay, work and shop at Sunway's malls. The measures are necessary not just to protect lives, but to minimise the risk of transmission on premises and strengthen confidence in Sunway's facilities management capabilities.

Sunway's Property Investment and REIT division focused its efforts on various cost containment measures to counter the negative impact on its bottom line by revisiting agreements with the vendors and optimising energy consumption for common area lightings and air-conditioning during low periods of building occupancy. The division also took this opportunity to reassess and deferred non-critical asset enhancement initiatives, repairs and maintenance to preserve cash flow to face an unprecedented economic situation.



Please see pages 56 to 57 for more information on Property Investment and REIT division's strategic profiles.

Another key thrust of the division for the year is to manage tenants' attrition, thereby ensuring a strong relationship with tenants and sustainable business continuity as it continues to grow its asset portfolio over the longer run. Sunway's malls have committed to support its tenants during the difficult period through the establishment of a rental and marketing assistance programme. Besides offering a 14-day rent-free during the first MCO period for all Sunway's malls, additional support for retail tenants were considered and granted on a case-to-case and needs-basis.

In an environment of subdued retail businesses, marketing and promotional activities were also ramped up to drive footfall and sales for retailers, with the introduction of additional shoppers' programme and incentives to stimulate consumer spending and safeguard the businesses of Sunway's retail partners.

For the commercial spaces, the facilities management team proactively engaged its tenants and also seek to diversify its office tenant's profile across different business sectors to cushion against sectoral economic impact and reduce tenant's concentration risk.

Sunway REIT continued to pursue its diversification strategy to capitalise on emerging sectors opportunities while reducing the risk of its asset portfolio and lessening the focus on assets in COVID-19 affected sectors. To that end, Sunway REIT has accelerated into segments that generate steady recurring income stream. It aims to diversify up to 25% of the trust's total asset value into sunrise assets such as logistics warehouses and industrial properties, which has remained resilient despite the cyclical nature of the industry, as well as education, healthcare, e-commerce and data centres.



The Pinnacle Sunway

## MANAGEMENT DISCUSSION AND ANALYSIS

### HIGHLIGHTS AND ACHIEVEMENTS



#### RETAIL SEGMENT

Sunway's malls came together for the year 2020 to manage the pandemic together. It's the first mall operator in Malaysia to offer up to RM20 million 14-day rent-free to retailers providing non-essential products and services for the first MCO period in March 2020, providing relief for tenants operating in Sunway Pyramid Mall, Sunway Velocity Mall, Sunway Carnival Mall, Sunway Putra Mall, Sunway Big Box Retail Park, Sunway Giza Mall and Sunway Citrine Hub.

The division's malls also announced a flexible operating hours option for its retail tenants, allowing for better optimisation of human resource management to enable its retailers to contain operating costs amidst low footfall in the malls.

To assist its retail tenants in marketing and promotional activities, an online mall platform was established to facilitate its retailers to continue to operate during MCO especially for the smaller retailers, while providing a safer, more secure avenue for its customers. An "Order and Collect" station was also set up outside the malls, where customers can call their favourite participating vendors to place their orders and collect it at the designated drive-through pickup point without having to enter the mall, keeping contact at the bare minimum.



Order and Collect

The marketing and promotional campaigns continued throughout 2020 to generate activities and publicity for the malls. This includes social media marketing and online sales events organised to stimulate consumer spending. Sunway Pyramid held its first 72-hours flash sales in May 2020 while Sunway Velocity Mall held its first-ever interactive Facebook live event on New Year's Eve, where shoppers can redeem up to RM32,000 instant cash rebates, as well as prizes, gifts and vouchers worth up to RM20,000 during the live sessions.

On top of that, Sunway's malls also introduced the #kitasupportkita campaign where a total of RM500,000 worth of retail vouchers were distributed to Sunway's malls' 12,000 retail frontliners, to be redeemed at the retailers' respective stores as a gesture of appreciation for their continued hard work in serving customers during these challenging times.

As a leading retail player in Malaysia, Sunway's malls championed industry thought leader initiatives to discuss and strive to address key issues confronting the retail industry.

In May 2020, a Facebook Live virtual roundtable discussion was initiated with its business partners to discuss industry best practices in managing safety and hygiene measures to ensure safety of the public and regain shoppers' confidence to embrace new retail experience under the new normal. The video was well received, garnering over 21.4k views in a week. Another video of the re-opening of Sunway's malls under "Your Safe Space, Our Safe Space" campaign, garnered over 2 million views collectively on Facebook.

Synergistic efforts to drive commercial sales with Sunway's other business divisions, such as the "Ke Sana Ke Sini Ke Sunway" staycation campaign, which was held at Sunway City Kuala Lumpur in collaboration with Sunway Pyramid Hotel, Sunway Clio Hotel and Sunway Lagoon, as well as the "Stay, Screen, Shop" promotion at Sunway Velocity offering a staycation, health screening and retail therapy package at Sunway Velocity's hotel, medical centre and mall respectively, were well received.

The proactive and innovative measures to assist retailers' sales during the highly challenging pandemic year helped Sunway's malls achieved an average occupancy rate of 93%. During the year, Sunway's malls located in 7 locations across Klang Valley, Penang and Johor attracted 200 new outlets opening across its malls, driven by demand from acceleration of growing Asian retail brands presence in Malaysia.

The successful roll out of the License Plate Recognition system in tandem with Group-wide digitalisation initiatives has turned Sunway Pyramid's car park into a ticketless and cashless experience, placing Sunway's malls at the forefront of the retail evolution.

#### COMMERCIAL SEGMENT

Sunway's commercial portfolio continues to appeal to its tenants. Menara Sunway has achieved a 99% occupancy rate, while The Pinnacle Sunway secured 100% occupancy. Sunway Visio Tower which was launched in 2019 achieved 66% occupancy rate, with 34% of the occupancies secured in FY 2020. Leasing activities for V Office Tower is still ongoing at a commendable pace given the current economic environment.

In the last quarter of 2020, Sunway Monash-U Residence 2, a 20-storey and an 8-storey blocks of student hostels were completed in Sunway City Kuala Lumpur with a NLA of approximately 482,000 square feet.

Digitalisation of the segment's operations continued with the introduction of its Property Management Application with an e-Service Requests portal that has garnered over 8,000 office users, introduction of the Ticketless Parking System combining the License Plate Recognition and Parking application, as well as the establishment of a virtual tour for leasing activities. The division is committed to continue to bring in the latest technological advances to enhance overall tenants' experience.

In line with the Group's strategy to unlock value of its assets through injection into Sunway REIT, during the year, The Pinnacle Sunway was disposed of to Sunway REIT for RM450 million. The disposal was completed in November 2020.



## MANAGEMENT DISCUSSION AND ANALYSIS

### FUTURE ORIENTATION

#### RETAIL SEGMENT



Artist's impression of V Office Tower

Uncertainties persist in the immediate term in light of the ongoing pandemic. Although the financial and employment outlook remain steady for FY 2021, consumption may continue to be cautious as the public remain prudent in their expenditure, especially for large ticket items.

Hence, the path to recovery for the retail segment is expected to be gradual in the first half of FY 2021. The financial performance for the retail segment will be hampered by subdued footfall during the MCO period in the first quarter of 2021. Nevertheless, the positive development and rollout of nationwide vaccinations beginning in February 2021 may improve consumer sentiments to be in public spaces and bodes well for retail malls' footfall. As vaccinations progress in the coming months, coupled with gradual relaxation of the restriction measures, the segment is expected to return to a sense of normalcy towards the second half of the year.

The supply of retail space is expected to increase by an additional 1.93 million square feet by 1H 2021<sup>1</sup>, with seven retail malls and supporting components coming on-stream, increasing competition for occupancy. Leading retail malls that have demonstrated high level of resilience in managing attrition rates will see a measure of stability in occupancy, being more attractive with new domestic and international retailers entering the market.

The retail industry will likely see the continued acceleration of digital adaptation strategies with the convergence to omni channels retailing to continue engaging with consumers in both physical premises and virtual platform. Innovative retail concepts will be a key differentiating factor for offline retail to remain competitive, and Sunway will continue to offer unique value proposition of creating experiential and destination based tenancy mix to drive footfall in its physical malls.

Refreshment of tenancy mix is pivotal to appeal to the evolving consumers' lifestyle trends. Sunway's malls have seen good traction from the F&B segment, beauty brands and certain fashion categories. Challenges remain for cinema operators and travel-related goods retailers, who are contending with lack of content and capacity restrictions, and border closure respectively. Retailers that are proceeding with new store openings this year are doing so because they will be in a better position to capture the market when the economy recovers and the retail landscape resets.

Encouraged by the experience of Sunway Pyramid's online marketplace which was piloted in 2020, the division is slated to launch "e-Sunway Malls" in the second quarter of 2021, catering to the continuous growth of online shopping and food delivery to drive Sunway tenants' sales on digital platform. The group will continue its ongoing brand building efforts to attract more emerging brands to excite the retail and F&B offering at Sunway's malls.

At the same time, efforts to build customer confidence in the safety, health and hygiene practices at the malls will also continue to be a priority to strengthen consumers' confidence level to be in the malls.

In Seberang Jaya Penang, Sunway Carnival Mall is scheduled to open its 350,000 square feet new wing extension in the latter part of 2021.

#### COMMERCIAL SEGMENT

Moving forward, the future office space dynamics continues to shift to adapt to the growing acceptance of work-from-home arrangements coupled with potential further consolidation of business, particularly the SMEs industries. Despite expectation of shrinkage in demand for office space, physical distancing practices may also lead to larger space requirements.

In response to this shift, the division plans to allocate collaborative space in the workplaces to accommodate companies that exploring flexible office space. Vacant units in the buildings under management could potentially be converted for other usage, such as Co-Living and Co-Working spaces.

## MANAGEMENT DISCUSSION AND ANALYSIS

### LEISURE



Malayana Rainfortress at Sunway Lost World of Tambun

#### OPERATING ENVIRONMENT

Leisure activities for the year has been severely dampened by the restrictions imposed in the fight against the COVID-19 pandemic in FY 2020 and the general fear faced by the public of transmission at public places.

The knock-on effect of the weaker economy and cut-backs by businesses in troubled sectors further dampened the public's appetite for leisure expenditure, leading to declining numbers of visitorship to theme parks in Malaysia. The decline in visitorship was further exacerbated by international travel restrictions since MCO.

Continued national border closures as well as interstate and inter-district travel bans at various points throughout the year effectively limited the available customer pool for leisure destinations even when the division was allowed to operate, leaving park operators in a vulnerable position with substantially lesser visitors and drastically reduced income.

#### STRATEGIC RESPONSE

Given the restrictions imposed, the theme parks under the Group, namely Sunway Lagoon in Sunway City Kuala Lumpur, and Sunway Lost World of Tambun in Sunway City Ipoh, effectively operated for only six months out of the whole year.

Leveraging on the financial support of Sunway Group, the Leisure division focused its operations on preparing itself for the eventual recovery of the segment post-pandemic, as well as putting enhanced safety measures in place to welcome visitors in the interim that are a step-up from expectations and well above MOH recommendations. To provide the safest environment for visitors, Sunway's theme parks have introduced an improved automatic chlorination system, disinfection of high-touchpoint surfaces every two hours, and made a deliberate decision to operate at a 30% maximum capacity instead

of the government's 50% requirement to ensure that physical distancing can be practiced in a safer manner at both the Sunway Lagoon and Sunway Lost World of Tambun theme parks. The division introduced a unified SOP Campaign themed "State of Play" for both Sunway Lagoon and Sunway Lost World of Tambun to highlight the heightened SOP practices at the theme parks and instil customers' confidence to visit the parks when it reopens.

While the theme parks were restricted from operating for much of the year, the downtime during the MCO provided the opportunity to upgrade employees' capability through training to improve productivity and work performance. During these periods, the theme



"Aqua Blaster" Sanitising Chamber



## MANAGEMENT DISCUSSION AND ANALYSIS

parks had also undertaken facilities improvement initiatives, such as park maintenance and refurbishment works, in line with the division's commitment to consistently provide the best experiential value to its guests. All the rides in the facilities were repainted and props from previous campaigns and festivities have been refurbished and improved, giving both parks a refreshing face lift in anticipation of the reopening. Despite the downtime, the team continued to test its rides on a daily, weekly and monthly basis as part of its maintenance, keeping them operating in optimal conditions.

A plan to introduce a night-time theme park was also set in motion, leveraging an 80-acre land area it owns to create an evening outdoor attraction to entice more visitors once Sunway Lagoon reopens. The division's team set about reimagining the idea of play in the vast outdoor space, as well as new rides and experiences for the existing parks. Various talents were redeployed into constructing new attractions and beautifying both the Sunway Lagoon and Sunway Lost World of Tambun theme parks. The latter will see an improved glamping experience amid the growing popularity of its staycation packages.

Both theme parks' teams have also strived to be more innovative in finding new ways to serve customers in the new normal and have adapted its promotional strategies and packages to mirror market sentiments. Towards this end, an automatic extension of all tickets and annual pass expiry dates were granted in view of the unexpected pandemic, priming visitors for a return when the outbreak ends. The marketing teams have also taken advantage of the closed borders to capture the pent-up demand in the domestic market, promoting vacations and staycations in the country, on its own, and in collaboration with Sunway Pyramid Hotel, Sunway Clio Hotel and Sunway Pyramid Mall in the "Ke Sana Ke Sini Ke Sunway" campaign. Tactical promotional tie-ups with third parties also continued during FY 2020 to enhance the attractiveness of its campaigns.

These efforts support the division's aim to ride the eventual recovery of the leisure segment towards becoming the leading theme park player in the region. In the meantime, the Leisure division has placed a strong emphasis on cost reductions in response to the extreme challenges faced, restructuring the unit to be leaner and more efficient. Staff strength was downsized as necessary, with remaining employees trained to multi-task to achieve higher productivity and efficiency.



Please see page 58 for more information on the Leisure division's strategic profile.



Upcycled Floating Island

### HIGHLIGHTS AND ACHIEVEMENTS

#### SUNWAY LAGOON

During Chinese New Year in January 2020, Sunway Lagoon carried out a "A Mouse's Tale" Chinese New Year Campaign sponsored by Huawei, featuring the theme park's Captain Quack & Friends in ushering the new year with the introduction of the new and enhanced Zambezi River ride. This was followed by its Valentine's Day Promotion offering free add-on value of experiences such as free bungee jump, scuba diver, go-kart and photography for couples who purchase the promotional package, provided by Digiphot, Bungee Malaysia, G-ForceX and Titan Scuba.

Sunway Lagoon reopened in July with the new SOPs enforced. In August, Sunway Lagoon's Passport Roadshow held at Sunway Pyramid achieved RM1.08 million worth of sign-ups over 4 days, reflecting the public's eagerness to continue enjoying its theme park attractions.

Sunway Lagoon has also inked a collaboration with Sunway University in August for their research project on sun bears in Malaysia. Sunway Lagoon's sun bear population in its wildlife park will be studied by the researchers from Sunway University while both teams collaborate to create conservation educational programmes for sun bears as part of their shared commitment towards the realisation of UNSDG.

Sunway Lagoon's reimagined attractions during the unexpected off-season was launched in September, with a new premium event area named Monkey Island, overseeing its surf beach, which offers personalised services catered for high end groups looking for a private space for their enjoyment.

As a testament to the division's commitment towards cost reduction and support for the SDG Goal 15 to 'protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss', the theme park launched its Floating Island – a new man-made floating island crafted from some 1.5 tonnes of upcycled waste material, now housing Pinky the gibbon. This eco-friendly floating island will serve to educate visitors on the importance of reducing, reusing and recycling waste.

Towards the year's end, a crossover Halloween Christmas festive celebration campaign was conceptualised, titled Season's Screaming featuring Day.Light.Fright, where visitors can Swim, Scream and Slide at the various haunted houses, haunted theatre, Halloween-themed Instagram worthy spots and over 90 attractions across 6 parks.

Despite its short months of operations during the pandemic, Sunway Lagoon continue to be a preferred leisure destination, being named in the latest 2019 Themed Entertainment Association's report as one of the Top 20 Water Parks Worldwide in terms of attendance growth from 2018 to 2019. Sunway Lagoon at Sunway City Kuala Lumpur also won the 2020 Traveller's Choice Award, cementing its place as one of the top themed attractions in the region and the world.



## MANAGEMENT DISCUSSION AND ANALYSIS

### HIGHLIGHTS AND ACHIEVEMENTS

#### SUNWAY LOST WORLD OF TAMBUN

Sunway Lost World of Tambun ringed in 2020 with its Barbie & Hot Wheels Lucky New Year campaign in January, with lion dance performances and its capybara, the world's largest rodent, serving as attractions to welcome the Lunar Year of the Rat. A massive Hotwheels-themed dirt track and Barbie-themed doll house was set up in the theme park, and a real-life Barbie performing at a daily Barbie Rock Star mini concert.

During the CMCO period in May, Sunway Lost World of Tambun rolled out the "Play with Confidence" and "Stay with Confidence" video campaign, projecting the new SOPs introduced at its theme park in collaboration with Sunway Lost World Hotel to instil visitors' confidence in its pandemic precaution measures.

In June last year, the team rolled out its Zootastic Escape where visitors can enjoy a day of edutainment with the theme park's animals. The theme park launched its Malayana Rainfortress in July, a brand-new double level water park water slides and tiered pools.

To continuously provide exceptional entertainment for its guests, Sunway Lost World of Tambun unveiled the first cinematic tube ride in Southeast Asia and a one-of-a-kind experience where myth meets the latest technology in exploring the adventure river, Dragon's Lair Adventure 4D cinematic water tunnel. With a new original story and theme song, the latest state-of-the-art concept will take guests on a journey inside the tunnel of the unpredictable world of Dragon's Lair Adventure, drifting away in a giant rubber tube along a 660-metre adventure river and beach garden surrounded by 20-foot twin waterfalls, ancient limestone hills, and greenery for a fully immersive experience.

Sunway Lost World of Tambun joined Sunway Lagoon theme park to introduce its unified "State of Play" SOP Campaign to bring the public's attention and revive confidence to the stringent COVID-19 pandemic precautionary measures introduced at both theme parks.



More information on the division's rides and attractions are provided in the respective theme parks' website at <https://sunwaylagoon.com/> and <https://sunwaylostworldoftambun.com/> respectively.



### FUTURE ORIENTATION

With the COVID-19 pandemic projected to ease gradually towards the second half of 2021 with the ongoing vaccines rollout since February 2021, the Leisure division is expected to remain subdued during the first half of 2021 amid the ongoing travel restrictions. The theme park sector will likely be among one of the last economic sectors to recover from this crisis as its visitor base is largely pegged against the larger tourism economy. With the pandemic still ongoing and borders remained closed, domestic tourism is providing the much needed boost to help sustain local destinations and tourism businesses including Sunway Lagoon and Sunway Lost World of Tambun theme parks. This will continue to be a key driver of recovery for the division in the short to medium term as evidenced by the uptick in domestic tourism activities in the middle of 2020 due to displacement from international travel restrictions.

To counter the near-term effects, the division will continue to focus on cash conservation and optimising operational efficiency. The team is also expanding the brand by introducing a brand lifestyle retail product such as Sunway Lagoon's First Draw Soy Sauce and Sunway Lost World of Tambun's Ipoh White Coffee. These products will be marketed via online web store, in-park and supermarkets, leveraging commodity sale to supplement the division's income, with the line of products set to expand in 2021.

The division has since shifted its focus towards the domestic market to increase the number of visitors, expanding of its marketing tools to target domestic segmentation based on sound understanding of market sentiment and the deployment of roadshows events nationwide to this target market while borders remain closed. Meanwhile, the division will continue its brand building efforts regionally and internationally to keep the Sunway brand at the top of mind, encouraging plans for a must-visit destination once the pandemic ends. During this period, the division will also continue revamping and innovating its rides and attractions to bring the "Best Day Ever" experience and "Awesome Moments" to Sunway Group's theme parks.



Dragon's Lair Adventure 4D Cinematic Water Tunnel



## MANAGEMENT DISCUSSION AND ANALYSIS

## HOSPITALITY



Artist's impression of Sunway Resort

## OPERATING ENVIRONMENT

The hospitality industry's business performance in FY 2020 was closely linked to the pandemic's progress. The first case of COVID-19 in the country was detected on 25 January 2020 and continued its gradual onslaught on Malaysia, leading to the implementation of the first MCO on 18 March 2020 and various phases of restrictions from then on.

Operating amid a raging pandemic in FY 2020, the hospitality industry was severely affected by COVID-19's impact on the tourism and aviation industries, with hotels temporarily shuttered amid suspension of international travels and the cancellation of Visit Malaysia 2020 campaign. To stay afloat, industry players have put in place extensive cost management measures with an adaptive strategy for a lean and agile operations while maximising the use of governmental incentives and stimulus to cushion the blow.

During the resumption of interstate travels in June 2020, local hospitality businesses saw a surge in local holidaymakers after a period of lockdowns coupled with attractive tactical promotional packages being launched in the market. The luxury resort segment has enjoyed strong demand and benefitted from the international travel restriction as domestic travellers are homebound. To boost domestic tourism activities, the government announced a personal income tax relief of RM1,000 on domestic tourism and hotel accommodation expenditure that was later made claimable until 31 December 2021. A service tax exemption on accommodation and related services was also announced under the National Economic Recovery Plan by the Government of Malaysia, allowing hotel rates to be quoted nett in Ringgit Malaysia inclusive of 0% service tax. A separate exemption of tourism tax for foreigners was also introduced to entice international visitors, in force until 30 June 2021. Efforts to establish green lanes to facilitate cross-border travel were derailed by the disparate timing of outbreaks and mismatch of SOPs with partner countries.

The Meetings, Incentives, Conferences and Exhibition ("MICE") segment was also crippled as a result of COVID-19 pandemic. Suspension of international travel globally wiped out demand for convention and exhibition spaces while prolonged intermittent restrictions on large gatherings also affected bookings for meetings and banquets.

Though the appeal of traditional physical events remains, virtual events offer exhibitors and speakers a more cost-effective and time-saving means to reach a wider audience without the need for participants to travel. This may likely result in a broader range of events offering a remote attendance option in the future, particularly as the global population becomes more familiar with online communications software, live-streaming technologies and the cost-saving aspects of remote meetings.

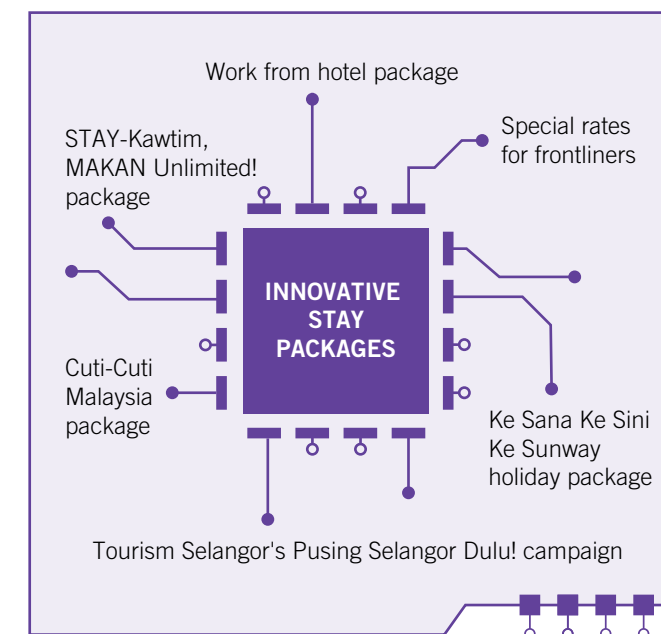


Artist's impression of Gordon Ramsay Bar &amp; Grill

## MANAGEMENT DISCUSSION AND ANALYSIS

## STRATEGIC RESPONSE

In light of the immediate challenges impacting occupancy rates, Sunway's Hospitality division continues to diversify its product offering and source for alternative business opportunities in order to continue to generate revenue for the division. Innovative stay packages were also conceptualised to create new demand amid the pandemic. Leveraging on the synergy of Sunway's integrated townships and developments, the division launched several promotional packages which is unique to Sunway such as "Ke Sana Ke Sini Ke Sunway" and "STAY-Kawtim, MAKAN Unlimited!" packages. The "Ke Sana Ke Sini Ke Sunway" campaign was a collaborative effort with Sunway Lagoon and Sunway Pyramid Mall, offering an exhilarating stay, play and retail experience in Sunway City Kuala Lumpur. The campaign received overwhelming take-up of over 18,000 room nights sold between 6 to 20 July 2020.



Strict hygiene and safety protocols were implemented in all aspects of the hotels' operations to ensure the safety of employees and hotel guests. Over 30 safety and hygiene protocols were put in place under the Sunway Safe Stay programme, with heightened cleaning and sanitisation practices for greater assurance, comfort and well-being standards, providing each guest with a peace of mind when they stay with Sunway hotels.



Details on the Sunway Safe Stay protocol at  
<https://www.sunwayhotels.com/sunway-safe-stay>

Foreseeing the pandemic's impact on the occupancy, revenue and profit, the division operated in austerity mode with cost containment initiatives implemented across the hotels by tightening expenditure and reviewing existing business processes to be more agile and lean. To rein in operational cost, staff at all hotels were put on rotational schedule as the manning requirements of the hotels decreased. Employees were also upskilled to facilitate multitasking, with deployment and secondment to other Sunway Business Units to strengthen employees' capabilities in operations.



Sunway Safe Stay programme with over 30 safety and hygiene protocols

With the unexpected forced closure during MCO and low occupancy environment for the rest of the year, the division took the opportunity to undertake asset enhancement initiatives and preventive maintenance to refresh its hotel assets to ride on the post-pandemic rebound. Sunway Resort (formerly known as Sunway Resort Hotel & Spa) is earmarked for a tantalising transformation, with approximately RM248.3 million (USD60 million) invested for the flagship hotel in Sunway City Kuala Lumpur. Aside from aesthetic remodelling, the refurbishment will unveil cutting-edge technology and sustainable features to further establish the hotel as a premier tourist destination and Asia's leading integrated resort complex and tourism hub. The hotel is scheduled to re-open in phases from the third quarter of 2021, in time to celebrate its 25<sup>th</sup> year of operations.

Sunway Putra Hotel upgraded its rooms with additional amenities such as smoke detectors, USB and international power sockets and new pantry flooring to enhance guests' experience in the hotel. Further upgrades are planned in 2021 to prepare the hotel for the post-pandemic demands. Upgrading and restoration works were also carried out at the other Sunway hotels during these lull periods.

The Hospitality division also launched its new hotel website, [www.sunwayhotels.com](https://www.sunwayhotels.com) on 14 May 2020 with a refreshed user journey and functionalities. The new website will allow guests to book their rooms directly with the hotels.



Please see page 59 for more information on  
the Hospitality division's strategic profile.



## MANAGEMENT DISCUSSION AND ANALYSIS

### HIGHLIGHTS AND ACHIEVEMENTS

Sunway's Hospitality division as a whole received an improved scoring on Guest Review Index, with an average of close to 90%.

#### SUNWAY RESORT, SUNWAY PYRAMID HOTEL AND SUNWAY CLIO HOTEL, SUNWAY CITY KUALA LUMPUR

Due to the MCO and CMCO operations closure imposed to curb the spread of COVID-19 nationwide, hotel operations were suspended from March until June 2020. In the second half of the year, Sunway Resort was fully closed for refurbishment while adjacent Sunway Pyramid Hotel and Sunway Clio Hotel continued operating when permitted.

Aside from competitively priced room rates, special pandemic bundles such as work from hotel package, special rates for frontliners and MICE packages with social distancing set-ups, were also offered by the hotels. The "Pusing Selangor Dulu!" campaign was also rolled out, taking advantage of the heightened health awareness amid the pandemic to offer health screenings at Sunway Medical Centre bundled with hotel rooms for healthful staycations.

The hotels also participated in various virtual and physical travel shows, wedding exhibitions and consumer shows organised by Tourism Malaysia and other business partners targeting the local, Middle East and East Europe markets which helps to provide a ready audience for subsequent promotional efforts.

Although occupancy rates for the year is markedly lower compared to previous years, all three hotels ranked highly as "Loved by Guests" in 2020 by Hotels.com. TripAdvisor also named Sunway Pyramid Hotel and Sunway Clio Hotel for their Travellers' Choice Hotel Awards 2020. The trio of hotels also received the Muslim Friendly Accommodation Recognition ("MFAR") Certification during the year.

To diversify the division's revenue, the hotels expanded on its F&B offerings, implementing new menus to reach out to the market with take-aways and delivery options for The Resort Café in addition to the stricter safety and hygiene-prioritised in-house dining experience. Promotions were ramped up especially for festive periods such as Ramadan and the year end celebration, proving popular with commendable demand.

#### SUNWAY PUTRA HOTEL, KUALA LUMPUR

Sunway Putra Hotel has traditionally been a popular choice for the MICE segment. However, the corporate meetings segment was essentially negligible in 2020, with most companies opting for virtual summits. During the CMCO and RMCO periods when meetings were permitted, Sunway Putra Hotel saw higher traction of events, meetings and residential meetings from the government sectors than the private sectors, but overall demand remained low.

With the unfavourable prevailing conditions, Sunway Putra Hotel managed to stimulate the sluggish market with various domestic room promotional packages such as the highly successful STAY-Kawtim, MAKAN Unlimited! Package. Its first ever all-inclusive staycation package at an incredible 50% discount off its actual value features a 2D1N stay in a Superior Room for a family of

4, inclusive of breakfast, a 9-hour eat-all-you-can dining spree, and RM100 in cash vouchers and additional discounts from participating tenants at the adjacent Sunway Putra Mall. More than 2,000 packages were sold during the promotional period from August to September 2020.

The proactive response by Sunway Putra Hotel translated into overwhelming guests' satisfaction from their experiences at the hotel, scoring 91.4% on its Guest Review Index. Positive reviews were further affirmed by the various web booking portals such as Hotels.com, TripAdvisor, Traveloka and Agoda. More awards and accolades for the hospitality division is disclosed in page 34.

Sunway Putra Hotel was also a recipient of the MFAR Certification, and was selected as the "Hotel Mesra Keluarga Pilihan" (Family-Friendly Hotel Choice) of 2020 by Majalah Pa & Ma.

#### SUNWAY HOTEL GEORGETOWN AND SUNWAY HOTEL SEBERANG JAYA, PENANG.

In the year under review, Sunway Hotel Georgetown and Sunway Hotel Seberang Jaya recorded Guest Review Index of 86.1% and 87.6% respectively. This was achieved on the back of strong efforts to mitigate the impact of the pandemic, with an emphasis on product diversification and differentiation based on market demand for stringent health and safety protocols, as well as their austerity measures.

Both hotels obtained "Clean & Safe Malaysia" certification from Bureau Veritas in a campaign supported by the Malaysian Association of Hotels, as well as the recognition from Penang state Exco for Tourism Development, Arts, Culture and Heritage office ("PETACH") under "Penang Lawan COVID-19" campaign. These, combined with the #SunwaySafeStay campaign, helped to create a unique selling point during the pandemic period, positioning these hotels as the ideal choice for customers' peace of mind.

As part of the hotel's pandemic mitigation action plan, Sunway Hotel Seberang Jaya shifted to a room-only model to provide a no-frills accommodation for its guests at affordable prices. Meanwhile, Sunway Hotel Georgetown partnered with a nearby theme park to diversify its product offering by creating a "Stay, Swim and Splash" package for its guests and create shared demand.

#### OTHERS HOTELS

The Banjaran Hotsprings Retreat achieved a rating of 94.6% in Guest Review Index for 2020 and brought home the TripAdvisor Travellers' Choice Hotel Awards 2020. Other hotels in the group such as Sunway Velocity Hotel, Sunway Hanoi Hotel and Sunway Phnom Penh continued operating amid the challenging operating environment.

## MANAGEMENT DISCUSSION AND ANALYSIS



### HIGHLIGHTS AND ACHIEVEMENTS

#### GIVING BACK TO THE COMMUNITY

Despite the challenges, Sunway's Hospitality division rallied to offer support to the community during the pandemic, donating over 4,000 repurposed bars of soap in its Soapful project to underprivileged families, aid organisations, juvenile centres, prisons and many others. This campaign serves to ensure that everyone, regardless of their social status, can practice personal hygiene to protect themselves from the pandemic while preventing the soap from ending up in landfills unnecessarily.

The division also channelled the spirit of Ramadan to cook and distribute 4,500 packets of bubur lambuk in Klang Valley and 2,000 packets in Penang to frontline workers, essential services staff, police officers and members of the B40 community back in May 2020. In October 2020, Sunway Putra Hotel also donated 5,000 eggs to the Kechara Soup Kitchen to support their food aid out-reach in line with the Group's commitment towards UNSDG Goal 2: Zero Hunger.



Sunway Putra Hotel's eggs donation to underserved communities

### FUTURE ORIENTATION

Forecasts for Malaysia's tourism market remains lacklustre as travel bans and border restrictions remain in force amid vaccine rollout in the first quarter of 2021, with the return of travellers' confidence expected to be slow. Hence, the Hospitality division will still be focusing on domestic travellers in the near term while remaining agile to adapt its strategies as and when the market changes.

Sunway Resort will unveil an immaculate refurbished hotel to drum up interest as it sets a new benchmark for business and leisure experience in the region. The revamped hotel will be introducing exhilarating product differentiation for different target segments, new and refreshed components of meeting, dinner and wedding packages, new destination-based packages with components from the cluster of hotels in Sunway City Kuala Lumpur, as well as the Gordon Ramsay Bar & Grill, the world-renowned multi-Michelin starred chef's first restaurant in Malaysia. With its range of digital and technology upgrades, the hotel aims to capture millennials and other tech-savvy guests, while realigning its business model to be more mindful of the resources it consumes with increased sustainability awareness.

Going into 2021, the division's hotels will continue to adjust their business offering and SOPs for the new normal, continuing on the path of austerity in containing cost while maintaining lean operations. Strategic investment in maintenance and enhancement initiatives, including adoption of new technological solutions, will continue to be implemented as planned to prepare the division for the travel segment's eventual rebound. More educational programmes and training will be provided to staff to help them adapt to the requirements of the new normal and the era of Industrial Revolution 4.0.

Other strategic priorities for the division include driving room bookings directly under the Group's website, strengthening the hotels' processes and teams, and continued investment in new implements to enrich consumer travel experience, such as the installation of self check-in kiosks in Sunway Hotel Seberang Jaya and Sunway Hotel Georgetown by first half of 2021.

Meanwhile, the Group will continue to work closely with the Government and travel and hospitality associations to establish safe travel bubbles and heightened SOPs to drive demand amid an air of continued COVID-19 caution. The Hospitality division will continue to explore and build upon synergistic strength of Sunway Group to offer packages in collaboration with Sunway's various divisions, and leverage the size and scale of the Group to negotiate for the best savings with efficient sourcing and procurement practices.



## MANAGEMENT DISCUSSION AND ANALYSIS

## CONSTRUCTION



Klang Valley Mass Rapid Transit Package V201

## OPERATING ENVIRONMENT

During the year, the construction industry was impacted by the various phases of lockdowns under the MCO, CMMCO and RMMCO measures to contain the spread of COVID-19 virus. Construction activities across the country was brought to a standstill due to the virus containment measures. Although construction sites in the country were allowed to resume operations in May 2020, many construction sites faced challenges to restart.

For Sunway Construction Group Berhad ("SunCon"), operations were impacted by project site shutdowns and reduced productivity on the sites when operational due to the strict pandemic SOPs in place. Among the main challenges faced during this period were disruptions in supply chain, lack of labour availability, and adhering to stringent safety protocols for its workers to prevent infection.

Amid the pandemic, the delay in roll out and shelving of mega infrastructure projects due to government's financial constraints have also impacted the construction industry performance in 2020. Scarcity of projects in this softer market has created an over-competitive environment for the local construction sector.



Please see page 60 to 61 for more information on SunCon's strategic profile.

## STRATEGIC RESPONSE

To mitigate the immediate fallout from COVID-19 containment measures, SunCon responded effectively by establishing a Business Continuity Plan to steer the division through the crisis and to protect the long-term value of its business. Prioritising safety and the well-being of the division's employees, the team implemented a Post-MCO Safe Working procedures in line with the authorities' safety protocols. SunCon required all its construction workers to undergo COVID-19 screening and must be tested negative prior to their return to work, while continuing to monitor developments and mitigate risks related to the pandemic and the impact on its projects, operations, supply chain, and most importantly the health and safety of its employees.

On the back end, digitalisation initiatives were accelerated for implementation to facilitate the division's business transformation and various cost management initiatives were established to optimise business performance. The focus remains on ensuring smooth project execution and delivery, while expanding its core businesses in line with its growth strategy. Regional expansion through securing more overseas projects and potential joint venture partnerships with countries in South East Asia and India were on the agenda, while also exploring opportunities in the sustainable energy sector such as solar panels.

Despite the challenging environment, SunCon was successful in tendering for more in-house projects from the Sunway Group's development projects. The steady flow of jobs have helped to cushion the impact and translated to a more resilient performance for FY 2020. As at 31 December 2020, SunCon exceeded its order book replenishment target with RM2.3 billion in new orders with RM51 million from new precast contracts.

## MANAGEMENT DISCUSSION AND ANALYSIS

## HIGHLIGHTS AND ACHIEVEMENTS

## ORDERBOOK HIGHLIGHTS

SunCon continued to make good progress on project execution and remains on track to deliver its projects on time and within budget. The team have completed the MRT V201 project, also known as the Putrajaya Line, which is set to be operational by 2H 2021. The Nippon Express Warehouse project in Shah Alam constructed on a joint venture with Taisei Corporation of Japan has also been completed in the year under review.

Other key projects in its portfolio, including the construction of TNB HQ Campus Phase 2 project in Bangsar, the Petronas New Leadership Centre project in Bangi, and the LRT GS07&08 project in the Klang Valley are progressing steadily. The contract sum for the LRT GS07&08 project however, has been revised to RM1.295 billion with remodelled scope of works following the project's cost rationalisation exercise.

SunCon was also successful in its efforts to secure more construction projects regionally with the award of two highway construction projects in India for approximately RM508.0 million and RM315.0 million respectively, under the Hybrid Annuity Model ("HAM") approach. The first project is the construction of four-laning Thorapalli Agraharam to Jittandahalli section of National Highway (NH-844) from Km. 23.350 to Km. 60.100 under Bharatmala Pariyojana Phase-I (National Corridor) in the state of Tamil Nadu, India. The second project involves construction of a two-lane road with paved shoulder of the Meensurutti (Km. 98.433) to Chidambaram (Km. 129.965) section of NH-227 of the Bharatmala Pariyojana Phase-I in Tamil Nadu, India. These projects were awarded to its joint venture consortium with RNS Infrastructure Ltd, established since SunCon's maiden venture into India in 2001, marking SunCon's 8<sup>th</sup> and 9<sup>th</sup> highway projects in India to date.

Projects secured from Sunway Group during the year totalled RM1.37 billion in value, which include the Sunway International School, Sunway Belfield service apartments, CP2 mixed commercial development project at Sunway South Quay, Sunway Velocity TWO Plot B serviced apartments and retail, and Sunway Medical Centre Phase 4, with work commencing at all 5 projects.



Petronas New Leadership Centre

## INTEGRATED CONSTRUCTION PREFABRICATION HUB

Construction of SunCon's fully-automated Integrated Construction Prefabrication Hub ("ICPH") facility in Singapore was delayed due to the 3-month circuit breaker halt in Singapore that led to a standstill in most construction activities as a result of manpower disruption and movement restrictions in foreign worker dormitories. Construction has been resumed and is expected to be completed in 2022, while the plant is set to be fully operational in the same year to begin meeting the rising demand for precast components in Singapore with its 75,000m<sup>3</sup> of production capacity.

## SUSTAINABLE ENERGY VENTURES

On 9 June 2020, SunCon entered into a memorandum of understanding ("MoU") with ENGIE South East Asia Pte Ltd, a member of European energy solutions leader ENGIE Group, to set up a joint venture company in exploration of district cooling systems for greenfield and brownfield urban development projects. With this collaboration, SunCon will be able to leverage on the expertise and experience from ENGIE South East Asia as well as explore opportunities to expand the district cooling technology in Malaysia to build a sustainable future together.

Furthermore, the division made significant inroads on its sustainable energy play with the award of 3 external solar photovoltaic ("PV") system projects from F&N Group of companies for its factories in Shah Alam and Klang in Selangor, and Karak, Pahang, with a combined contract value of RM18.1 million. On top of that, Universiti Sains Malaysia ("USM") had also awarded SunCon the rooftop Power Purchase Agreement ("PPA") solar project at USM's Engineering Campus in Nibong Tebal, Penang. These projects will be carried out in 2021 and are expected to be completed in the same year.

## UPHOLDING QUALITY STANDARDS

SunCon continued to leverage its hallmark use of Virtual Design and Construction ("VDC") systems and Building Information Modelling ("BIM") to enhance the quality of its design and build. The construction of TNB HQ Campus project and Petronas New Leadership Centre ("PNLC") project were implemented with VDC and BIM to Level of Detail 500, which represents accurate and field verified elements after construction. The PNLC project was the first project in Malaysia and South East Asia to be certified by British Standards Institution ("BSI") to ISO 19650. Implementation of VDC and BIM are ongoing at Sunway's in-house building projects as well.

All of SunCon's project sites are also certified to ISO 14001:2015 Environmental Management System, with a commitment to continue adopting a systematic approach to minimise its environmental footprint.

PNLC PROJECT BECAME THE 1<sup>ST</sup> PROJECT IN SOUTH EAST ASIA TO BE CERTIFIED BY BSI TO ISO 19650



## MANAGEMENT DISCUSSION AND ANALYSIS

### FUTURE ORIENTATION

The construction sector in Malaysia is expected to rebound in the latter half of 2021 with the gradual normalisation in economic activities and labour market conditions upon vaccines rollout. However, the landscape remains challenging on the back of the soft economic landscape that is still reeling from pandemic shocks and the ongoing political uncertainty.

As part of the Malaysian Government's economic recovery plans, RM15 billion in funds has been allocated for mega-infrastructure projects such as the MRT3, Penang Transport Master Plan and JB-Singapore Rapid Transit System to spur the rebound of the construction sector. As a leading player in the industry, SunCon will be looking to capture the opportunities arising from these development plans while pursuing other local commercial development projects through competitive bidding. Apart from that, SunCon will also be supporting Sunway Group's expansion plans with its planned construction of healthcare facilities, providing a steady stream of opportunities for SunCon to grow its orderbook and cement its position in the construction landscape.

SunCon's robust, diversified order book value of RM5.1 billion is going to tide the division over for two to three years while the economy rebounds and the industry looks forward to more infrastructure pump priming efforts from the Government.

In the meantime, SunCon will keep pushing its regional expansion overseas, to India, Philippines, Indonesia and Singapore in particular, as a measure to mitigate any slowdown of the local construction sector. Leveraging on the success the division has made in the recent India highway projects, SunCon is poised to capitalise on opportunities arising from India's national growth plans.

The sustainable energy sector remains strong on SunCon's agenda, offering bright prospects with SunCon's successful solar PV track record and Malaysia's anticipated increase in sustainable energy generation to 20% of its mix by 2025. Likewise, district cooling systems present an attractive avenue to grow SunCon's business and will continue to feature in the division's plans, as will its efforts to automate and digitalise processes through VDC to improve all aspects of project life cycles.

With clear strategic priorities and efficient management, SunCon is cautiously optimistic of its ability to continue posting positive performance in the year ahead while steering through the challenging and uncertain construction landscape of 2021.



Sunway Big Box Hotel



Sunway Medical Centre solar PV project

### DIGITAL TRANSFORMATION

As a leading construction group, SunCon is always looking to enhance its capabilities with progressive technologies and adoption of digitalisation and automation as key enablers of its business transformation. Following the successful delivery of the first and the largest BIM-Facility Management ("FM") project in Malaysia at the Parcel F, Putrajaya project in 2019, SunCon continued to accelerate its advancement in this area with the introduction of BIM-FM solutions in Sunway City as part of the Group's commitment to UNSDG, with over RM40 million invested in the integration of BIM in its daily operations.

Another key step in its digital transformation was realised in FY 2020 with the deployment of its open-source Chatbot technology to streamline construction site processes and support project operations and implementation of safety measures – achieving another first in the local construction industry.

SunCon is set to continue leveraging on Industrial Revolution 4.0 technologies to provide further value-added services to its clients and achieve business excellence.

**1<sup>ST</sup> CONTRACTOR IN MALAYSIA**  
TO DEPLOY CHATBOT TECHNOLOGY TO  
STREAMLINE CONSTRUCTION SITE PROCESSES

## MANAGEMENT DISCUSSION AND ANALYSIS

### HEALTHCARE



Sunway Medical Centre, Sunway City Kuala Lumpur

### OPERATING ENVIRONMENT

The emergence of COVID-19 infections in Malaysia has forced a disruptive shift across most industries and sectors, including the healthcare sector. To curb the spread of the virus, the Government implemented various stages of MCO across the whole nation since March 2020. Fortunately, during the MCO period, healthcare operations were able to continue as it falls within the purview of essential services.

As a result of the MCOs which closed the international borders and imposition of interstate travel restrictions, the medical tourism segment was further affected with the deferment of the "Malaysia Year of Healthcare Travel 2020" campaign by the Malaysia Healthcare Travel Council.

The calamitous turn of events affected the financial performance of private healthcare sector as patients and doctors deferred their elective medical procedures. This has resulted in a sharp drop in the number of admissions and outpatient treatments, stemming from the international border closures which caused a decline in medical tourists' visits and interstate travel restrictions making it difficult for patients to travel from out of state. Further, due to the general fear of contracting the virus, private healthcare as a whole saw a decline in patients opting to postpone appointments or delay their treatments.

The implementation of stringent infection control protocols and the scarcity of pandemic related protection kits have led to higher operating costs for healthcare institutions. Manpower deployment and allocation of more resources to the frontlines has also caused a strain to the whole healthcare sector.

With restrictions on patients' mobility, the medical industry is seeing the trend transitioning from conventional face-to-face consultations to a more digitally-driven service model.

### STRATEGIC RESPONSE

#### MOBILISING COVID-19 RESPONSE

To manage the outbreak and ensure the highest standards of safety and quality of care for all its patients, visitors, doctors, and healthcare employees, the hospitals have taken stringent precautionary measures to ensure that the hospital environment is safe.

At Sunway Medical Centre Sunway City Kuala Lumpur, the number of entrances to the hospital was limited and a special triage was set up to screen all visitors entering the hospital, as well as providing a dedicated waiting area for all suspected cases. It also established COVID-19 testing booths, negative pressure mobile cabins and isopods as part of its COVID-19 response. The healthcare division had invested in UV Hyperlight Robotic System for effective sanitisation of the hospital environment.

The Healthcare division activated its Business Continuity Plan as a precautionary measure during the health crisis to manage its costs and resources. Administrative staff were reassigned and deployed to frontline roles such as the triage at entrances. Procurement of personal protective equipment ("PPE") was undertaken at the Group level to gain economies of scale and efficient cost saving advantages.

At the height of the pandemic, when PPEs such as masks, gloves and sanitisers were in shortage, the division resorted to making its own PPE and hand sanitisers to ensure effective infection prevention to keep patients, staff and doctors safe.



Please see pages 62 to 63 for more information on the Healthcare division's strategic profile.



## MANAGEMENT DISCUSSION AND ANALYSIS

### SUPPORTING PUBLIC HEALTHCARE SYSTEM

Sunway's Healthcare division stepped up to help alleviate the pandemic burden on the public healthcare infrastructure by developing a Public-Private Partnership ("PPP") with Ministry of Health and Selangor State Health Department to accept non-COVID-19 cases from public hospitals dedicated to the fight the virus, while freeing up public hospitals' capacity that can be allocated for COVID-19 treatment. Under the arrangement, Sunway secured a contract from Hospital Kuala Lumpur to receive referrals for patients needing MRI scans.

A Government Referral Programme was also established to tap into the increasing interest of consultants from public hospitals to refer their patients to Sunway's healthcare centres for elective surgeries, which also saw Sunway receiving referrals from other private hospitals.

### STIMULATING REVENUE GROWTH

The division capitalised on the needs of pandemic mitigation, such as COVID-19 screening services and molecular lab services to generate new revenue streams. Sunway Medical Centre is certified by the Ministry of Health ("MOH") to provide a range of COVID-19 screening services including Antibody Test, RTK-Antigen Test and RT-PCR Test, with drive-through services available. The popularity of the drive-through services spurred the creation of a separate "Paeds Stop" paediatric vaccination promotion at Sunway Medical Centre Velocity, operating on the Jab-and-Go concept to ensure the continuity of young patients' vaccination programmes.

With the drop in demand for non-critical healthcare services during the pandemic and restrictions limiting visits, a first step towards maintaining patients' access to the Healthcare division's range of healthcare services was with the setting up of teleconsultation services, mobile healthcare services and delivery of prescription medicine to patients to make healthcare more accessible.

Efforts were also made to highlight the stringent precautionary measures at its facilities to position Sunway's Healthcare division as innovative, safe and COVID-19-free to encourage patients to resume clinical visits and treatments. This included fast-tracking the adoption of innovative digital solutions to minimise physical contact at its facilities, such as the implementation of online pre-registration for outpatients.



COVID-19 testing booth

### HIGHLIGHTS AND ACHIEVEMENTS

Amid the pandemic, Sunway's Healthcare division continues to record achievements for its healthcare services. One of the most notable awards was being the sole winner for 2020 Asia Pacific Healthcare and Medical Tourism Award for Medical Tourism Hospital of the Year by Global Health and Travel. The Healthcare division's proficiency in specialised areas of fertility, oncology, paediatric ophthalmology and ambulatory care also racked up a host of awards.

### SUNWAY MEDICAL CENTRE VELOCITY

Sunway Medical Centre Velocity which commenced operations in September 2019 has achieved notable milestones within its first year of operations. The hospital passed stringent application process to be listed as a panel hospital with all major insurance and third party administrator, as well as successfully achieved positive EBITDA in the last quarter of FY 2020.

During the year, the hospital has expanded the range and scope of its healthcare services with the launch of a Neuro Centre, Heart & Lung Centre and a Weight Management Centre within its hospital.

### SUNWAY SPECIALIST CENTRE DAMANSARA

The healthcare division's ambulatory care centre, Sunway Specialist Centre Damansara ("SSCD") continued to build on its strengths and introduce two new specialities as part of its healthcare offerings, namely digestive and liver health. More than 10 highly skilled and experienced visiting consultants specialising in the fields of obstetrics and gynaecology, paediatrics, digestive and liver health, maternal fetal medicine, and ear, nose and throat health were also recruited throughout 2020.

### RESEARCH AND EDUCATION

Sunway Medical Centre Sunway City continued to lead collaboration efforts with world class educational institutions, such as the Royal College of Physicians and University of Cambridge through Continuous Medical Education Taster Webinar series during the pandemic in place of the usual physical meetings.

In May 2020, Sunway Medical Centre and Sunway Traditional and Complementary Medicine ("TCM") joined forces with medical experts visiting from China to discuss treatments, management and preventive measures for COVID-19. The healthcare division has also partnered with Sungai Buloh hospital, Ministry of Health Malaysia and Shanghai University of Traditional Chinese Medicine Alumni Malaysia to work on a research initiative on treatment options for COVID-19.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FUTURE ORIENTATION

The first half of 2021 remains challenging with the resurgence of COVID-19 cases in the country. The implementation of stricter MCO restrictions since 18 January 2021 have successfully brought down COVID-19 infection numbers from a high of over 5,000 new infections daily towards the end of January 2021 to under 2,000 new infections in March 2021.

The outlook of the private healthcare sector hinges on the pace of COVID-19 vaccination rollout which started in February 2021 and is expected to reach the needed 80% of population threshold for herd immunity within a year. The effectiveness of continued control measures to keep infections at a manageable level to eventually reopen international borders and resume regular healthcare activities in the latter half of the year will also boost the demand for more healthcare services.

### RESOURCES FOR COVID-19 TREATMENT

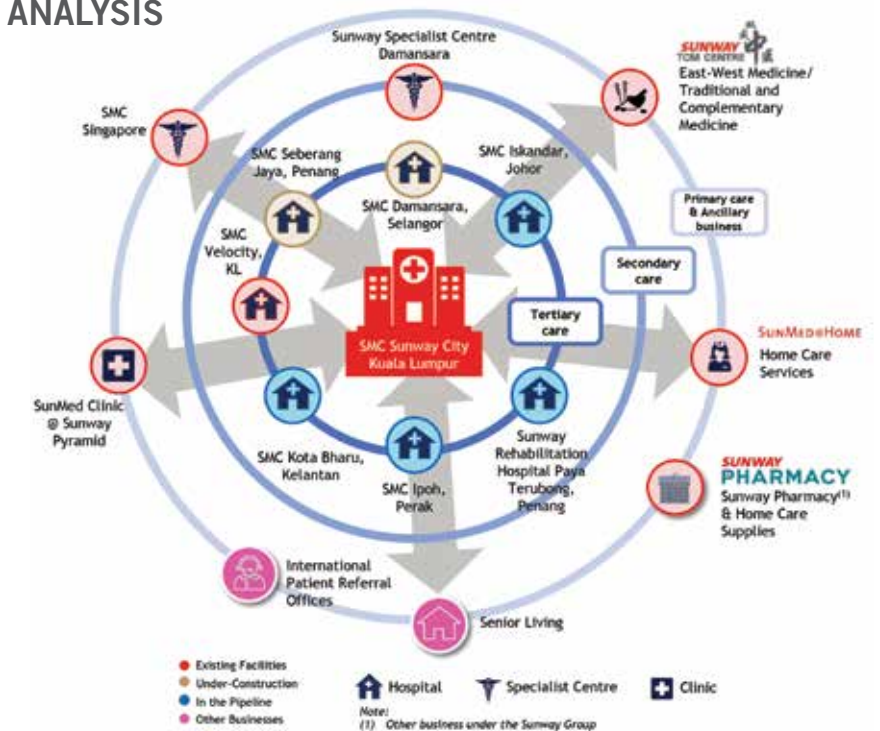
As part of the emergency effort to curb the spread of COVID-19, both public hospitals and participating private hospitals will operate in a "hybrid cluster" under the Malaysian government's COVID-19 Integrated Control Centre to treat both COVID-19 and non-COVID 19 patients.

The Healthcare division has dedicated a separate section of its Sunway Medical Centre hospital complex to ward COVID-19 patients. Investments have been made to restructure the hospital, setting aside dedicated teams and outfitting facilities to enable the hospital to safely handle COVID-19 cases that may come in, without compromising the safety of its non-COVID-19 patients. This includes a dedicated and well-trained team of medical professionals and housekeeping staff, as well as special sealed-off wards with separate entrances and lifts for separate access. These wards are also equipped with separate Air Handling Units ("AHUs") and negative pressure facilities surrounding the rooms and wards to prevent infectious particles from escaping.

### DIGITAL HEALTH INVESTMENT

The division's proactive digitisation of healthcare services led it to become the first private hospital in the country to establish telemedicine services. Beginning with teleconsultation in March 2020, the effort has now progressed to become a Telemedicine Command Centre at Sunway Medical Centre, operating 24/7 via calls, emails, and social media platforms to provide first level healthcare advisory services to patients.

Since 1 January 2021, Sunway Medical Centre's Telemedicine Command Centre has begun operating 24/7, manned by certified medical officers and nurses, including medical specialists, clinical psychologists, speech therapists and audiologists, allowing for patient-doctor consultations through virtual clinics without worrying about infection risks.



Leverage on the Hub & Spoke Model

### EXPANSION ON TRACK

The Healthcare division is actively pursuing its expansion strategy by building 6 new hospitals and medical facilities across Sunway's developments and townships in Malaysia such as Penang, Johor and the East Coast over the next 6 to 7 years. The construction of two new hospitals in Seberang Jaya, Penang, and Kota Damansara in the Klang Valley are currently in progress and expected to be completed by 1H 2022 and 2H 2023 respectively. The current operating hospitals at Sunway City and Sunway Velocity are also expanding their facilities at the hospitals to cater for more specialised medical care.

In September 2020, the Group has appointed Maybank Investment Bank Berhad to explore strategic investment options for its healthcare portfolio, in line with the Group's objective to enhance shareholders' value.

In preparation for an increasingly ageing nation, the division is also embarking on a maiden project of a purpose-built assisted-living and independent-living tower with senior-friendly features located next to its flagship hospital, Sunway Medical Centre in Sunway City Kuala Lumpur.

The division remains optimistic of the long-term growth potential of the healthcare industry. To maintain its lead as one of the foremost private healthcare providers in the country, the division will continue to diversify and deepen its range of services for a more comprehensive healthcare offering that is at the cutting edge of the medical field.



Radixact-X9 Tomotherapy



## MANAGEMENT DISCUSSION AND ANALYSIS

## TRADING AND MANUFACTURING



Warehouse at USJ1, Subang Jaya

## OPERATING ENVIRONMENT

With the pandemic impacting every sector of the economy, the Trading and Manufacturing division was no exception, exposed to the growth or decline in the economy of each country it operates in and the industries it serves.

Business operations was halted briefly when MCO was first implemented in Malaysia, forcing a migration towards online management of the operations with minimal sales transacted locally due to the shutdown of most industries. There was also slowdown in demands in some of the international markets such as during Singapore's circuit breaker pandemic control measure and Indonesia's partial lockdown implementation. As China was able to suppress the COVID-19 pandemic early, the division's China operations managed to capitalise on the fiscal stimulus implemented and thus were able to achieve even better results than pre-COVID periods.

Fluctuation in commodity prices, such as lower coal and oil prices, have also lowered demand for the division's heavy equipment and heavy equipment parts sales in Indonesia and East Malaysia.

## STRATEGIC RESPONSE

The diversity of the Trading and Manufacturing division's customer profiles and geographic spread helped to cushion and stagger the impact to the business performance as the pandemic unfolded.

In response to the pandemic, the division activated its business continuity plans, with staff arranged to work in alternate teams and efforts underway to enhance the division's IT infrastructure to facilitate working from home. Stringent COVID-19 SOPs were put to in place at the workplace to prevent transmission within the division, while cost savings measures were implemented to rein in expenditures.

Due to the COVID-19 restrictions implemented worldwide, the division has seen a growing acceptance of online sales for Sunway Winstar's retail business - a trend prevalent in the current digital age, with more brands and businesses setting up online platforms, bridging geographic gaps and increasing competition for traditional brick and mortar setups.



CASE Skid Steer Loader

## MANAGEMENT DISCUSSION AND ANALYSIS

## HIGHLIGHTS AND ACHIEVEMENTS



The division's Industrial Hardware company, Sunway Winstar, took the opportunity to set up digital sales channels for its retail subsidiary, Jaya DIY. By setting up virtual shops on shopping platforms like Shopee and Lazada, Jaya DIY began online trading for some of its hardware and safety products, particularly healthcare products such as 3-ply disposable face masks and hand sanitisers, which was in high demand during the pandemic and gradually expanded its online product list.

A new product line was added to the division's portfolio with the acquisition of a distributor of material handling equipment in Subang Jaya, now known as Sunway Material Handling Sdn. Bhd. ("SMH"). SMH is a sole distributor of well-known brands such as Tailift forklifts (wholly owned by Toyota Industries Corporation, Japan), Antwell attachments, Kumakai forklift tyres and the division's own in-house brand, Metta for warehouse trucks. Besides providing sales and after-sales services, SMH is a solutions provider and one-stop centre for both warehousing and material handling equipment needs in the market. SMH also cater to short- and long-term customer needs by providing forklift trucks rental service.

Meanwhile, the division continues to strengthen its operational performance throughout the pandemic, which sees its Australian subsidiary, Total Rubber Limited acquiring ISO 45001, ISO 14001, and ISO 9001 certifications in 2020. Additional agencies were also acquired during the year, an increase from a total of 181 in 2019 to 191 in 2020, further fortifying the division's reputation as a one-stop centre for the region's growing trading and manufacturing needs.

Among the optimisation initiatives implemented was the adoption of the Warehouse Management System ("WMS") at its Rawang outpost, which has increased the efficiency and quality of our warehouse operations.



Tailift forklift



Sunflex hydraulic hoses

## FUTURE ORIENTATION

With enforced public health emergency restrictions, the COVID-19 pandemic was initially showing incremental signs of improvement in Malaysia and an overall downward trend in the region amid vaccine rollout in February 2021. However, uncertainty persists as the recent spike of infections has placed the country into another round of movement restriction orders. Its impact is currently difficult to predict, though the world is cautiously optimistic of a post pandemic future likely in the latter half of 2021.

Meanwhile, the external environment of the division's operating climate remains challenging with weak economic sentiments, putting a dampener on FDI and weakening the Ringgit. However, the division remains optimistic on its China market growth which is set to perform favourably in 2021 with the Far East nation's expected economic boom.

Other factors likely to impact performance in 2021 and beyond includes the continued competition from manufacturers and e-commerce platforms for a share of the trade volume, an industry-wide shortage of freight containers raising logistic costs and staff retention in the challenging economic environment.

In an effort to manage these risks, the division has established limits for its working capital levels, while putting in place plans to further achieve economies of scale and increase operational efficiency among its operating units.

In 2021, the Trading and Manufacturing division has earmarked capital expenditure to increase its production capacity of the factories in Wuhu, China in anticipation of a growth in demand upon the sector's eventual recovery. Further, the division will continue to source for new geographical expansion via strategic acquisitions and joint ventures, as well as procure new products and agency lines towards becoming the leading Trading and Manufacturing player in ASEAN, China and Australia.

The division will continue to strengthen its IT systems for greater efficiency and reliability to support its wide network of operations.



Please see page 64 for more information on the Trading and Manufacturing division's strategic profile.



## MANAGEMENT DISCUSSION AND ANALYSIS

## QUARRY



Quarry site in Rawang

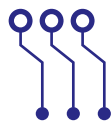
## OPERATING ENVIRONMENT

The COVID-19 pandemic and implementation of MCO in March 2020 imposed to curb the spread of the virus has delayed construction projects. The quarry industry was also impacted during this period. All quarries and asphalt plants were shut down for a duration of 7 weeks during the MCO, with continued challenges plaguing the sector throughout the year such as restrictions on the operating capacity, labour issues, as well as transportation and supply chain challenges. Inhibition of overall economic activities and reduction of construction projects affected demand for the division's quarry products, resulting in lower sales volume for both aggregates and premix products, on top of the loss incurred from the MCO halts.

Existing challenges of the industry such as licensing renewal and environmental impact remain an ongoing concern, though with less prominence in 2020.



Please see page 65 for more information on the Quarry division's strategic profile.



## STRATEGIC RESPONSE

The Quarry division took this opportunity to implement several cost optimisation measures by reviewing its business processes and streamlining its manpower, contracts and capital expenditures to mitigate the reduction in sales during MCO while still continuing to incur fixed costs.

The slower economy also allowed the division to continue with its strategic plan to explore expansion opportunities via greenfield developments or acquisition of existing sites in order to grow the market coverage in Malaysia.

Due to COVID-19 pandemic, the division has activated its Business Continuity Plan to minimise the consequential business impacts and this has accelerated the use of technology to improve its business efficiency and effectiveness. The Business Information Management Dashboard was implemented in June 2020 to allow for real time business information to be accessible via its cloud-based dashboard.

## MANAGEMENT DISCUSSION AND ANALYSIS

## HIGHLIGHTS AND ACHIEVEMENTS

The division's strategic plan to continue to explore expansion opportunities is strengthened with the completion of its acquisition of Dolomite Granite Quarry Sdn. Bhd. together with 4 parcels of leasehold lands and plants and machinery in September 2020. The completion of the acquisition bolstered the division's asset strength to a total of 9 quarries. Located in Hulu Langat, the Dolomite quarry site is one of the largest quarry in Klang Valley with approximately 784 acres in land areas and huge rock reserves which will contribute positively to the division's financial performance. Its close proximity to the bulk of infrastructure development and construction projects in vibrant Klang Valley will help to lower transportation costs and provide better earning margins for the division.

In line with the Group's sustainability ambition, the division continued to ensure that its operation processes are carried out responsibly to minimise potential impacts on the environment. Among the environmentally sustainable practices completed during the year was the replacement of the burning source from Light Fuel Oil ("LFO") with Natural Gas at the Sungai Bakap asphalt manufacturing plant in July 2020. This will help the division in achieving cost-savings while significantly reducing harmful carbon emissions as substituting LFO with Natural Gas will help to reduce 45% less CO<sub>2</sub> emission per ton.

## FUTURE ORIENTATION

The outlook for the quarry industry remains fluid and uncertain, with prospects of economic activity recovery pegged to the effectiveness of pandemic control and vaccines rollout. Barring any unforeseen circumstances, the division anticipates the quarry business to experience a strong rebound alongside the recovery of the domestic economy.

Venturing into 2021, the division's strategic priorities for the year remains on track to maintain its market leader position as the top asphalt manufacturing and aggregates operator in the country. The division will continue to explore opportunities to expand its market reach in Malaysia through new quarry sites or strategically located asphalt manufacturing plants.

Maintaining its steadfast commitment to sustainability, the Quarry division has put in place plans to explore hydro seeding at one of its quarry sites to protect the rockface slope and greenery surrounding the quarry. Efforts are also underway to explore the use of renewable energy in its operations by replacing the existing electrical floodlights with solar floodlights for a lower carbon footprint and higher cost savings in the long run.

Aside from these growth drivers, the division also aims to kickstart its Integrated Management System ("IMS") for ISO 9001:2015 and ISO 45001:2018 process during the year. The IMS will help the division meet all the standards' requirements with an integrated set of policies and procedures for better efficiency and effectiveness.



Quarry operation in Semenyih





## MANAGEMENT DISCUSSION AND ANALYSIS

## BUILDING MATERIALS



Cobblepave 2.0

## OPERATING ENVIRONMENT

Against the pandemic backdrop and the resulting MCO to curb its spread, there were consequential delays and deferments in infrastructure and property projects in view of the weak consumer sentiments and economic environment. This have reduced the demands for building materials in 2020, further compounded by the developers' low stock keeping practice to maintain liquidity.

The Building Materials division has seen an increase in competition in this tougher environment, with competitors aggressively retaining and expanding their customer base.

## STRATEGIC RESPONSE

The Building Materials division activated its Business Continuity Plan ("BCP") to ensure minimal disruption to its business. With the BCP activated, the division took this opportunity to review and restructure its business processes. Workflows were reviewed and enhanced for better efficiency, with teams reorganised to allow for multitasking. During the MCO lockdown, essential functions continue to operate while the sales team continue to engage customers and potential customers remotely.

Financially, the division operated in austerity mode in FY 2020 to manage cash flows and working capitals, by deferring large capital expenditure in view of the weak market demands. The Building Materials division was also more discerning in the types of projects it targeted, putting in stronger effort to engage more comprehensive supply and lay projects as opposed to supply-only jobs (for interlocking concrete pavers projects). This is to ensure that the quality of completed jobs is done in accordance to high standards and deliver better value to the customers.

The division has intensified efforts into research and development ("R&D") to enhance product integrity and deliver high-value products in keeping a step ahead of competitors. This includes the expansion of product portfolio for its pavers, offering new designs and specifications to better meet the needs of the market. Furthermore, the sales team continued its engagement efforts with stakeholders, introducing its products to potential customers through product knowledge sharing to communicate the higher quality and better value of the division's building materials.

One of the core strategic priorities of the division is to tap on digitalisation to derive greater value chain efficiencies. With the use of digital technologies, the division were able to enhance its business model, create new revenue streams and in the process, collect data to establish trends for better business decisions. The division is also actively looking to improvise its processes for further cost reduction through Artificial Intelligence ("AI") and Internet of Things ("IoT").

The division will continue its efforts to grow its market share for Spun Pile products with strong product integrity, high engagement with its current and potential customers and synergy effect on Sunway Group's strength and branding.



Please see page 66 for more information on the Building Materials division's strategic profile.

## MANAGEMENT DISCUSSION AND ANALYSIS



## HIGHLIGHTS AND ACHIEVEMENTS

The division's strategies proved fruitful with favourable results for its Interlocking Concrete Pavers ("ICP") and Vitriified Clay Pipes ("VCP") businesses. Sales volume for ICP especially, has been encouraging, recovering to pre-MCO levels in the fourth quarter of FY 2020. Well-managed cash flows, working capitals and lower overheads helped the division to recover its profitability in the last quarter of 2020.

Meanwhile, the Building Materials division's ICP segment and VCP segment continued to lead the market with its product accreditations. The division's ICP products complied to the recently published "Specification and Guidelines for Interlocking Concrete Paving Blocks" by JKR in January 2021, while the division was the first Malaysian manufacturer to achieve International Standard Specification EN295:2013 for its vitriified clay pipes, which further acknowledged its product integrity and enhanced its competitiveness, opening the ICP and VCP segment to new export markets and opportunities.

As part of its support towards realising UNSDG goals, the division has embarked on incorporating sustainable energy in its business. After the successful installation of rooftop Photovoltaic ("PV") solar panels at its VCP plant in 2019 which contributed positively with reduction in energy consumption and cost, the division embarked on the installation of the PV solar panels at its spun piles Batang Kali plant in the fourth quarter of 2020. The project is progressing well and is expected to be completed in the first half of 2021. This will see the reduction of at least 178,933kg of CO<sub>2</sub> footprint and a 19.51% in annual electricity consumption savings benefitting the division.



Batang Kali plant rooftop PV solar panels

## FUTURE ORIENTATION

The outlook for the building materials industry hinges on the efficient deployment and efficacy of COVID-19 vaccine in driving the recovery of the construction sector, and political stability and the current government policies to restore confidence in the country amid the challenging times for businesses to thrive again. The potential lift on travel restriction would allow the division to aggressively extend its reach to overseas markets.

Barring further industry shocks, the Building Materials division expects a gradual recovery in the business post MCO as construction resumes without the threat of interruption and more projects are put back in motion amid improved market sentiment.

With increased digitalisation as part of the new normal, this has opened up opportunities for the division to tap into new markets, especially regionally to expand sales, with the help of digital enablers. The fast pace of change forced by the pandemic has also reinforced the importance of faster adoption of emerging technologies. To ensure the division remains at the forefront of the building materials evolution, the team will continue to invest time and effort into R&D on products and manufacturing processes to enhance its competitiveness and provide new and exciting products of higher quality at greater manufacturing cost efficiency. These combined with a commitment to continue pursuing new untapped market of product conversion through engagement with potential and existing customers, will be the key strategic thrusts of the division going into 2021 and onwards.



Flexipave Plus



Sunway City Kuala Lumpur has been blessed with abundant natural water resources in our very own backyard. At the very heart of the city we have two lakes – one at Sunway South Quay and another at Sunway Lagoon. The lakes serve as water catchment areas for the city with many local drains leading directly into the lakes. With our very own water treatment plant which was built and commissioned in 2019, the lakes supply 8.5 million litres of water a day to selected commercial buildings within Sunway City Kuala Lumpur. The lakes are also important natural assets in Sunway City Kuala Lumpur and have allowed flora and fauna to thrive in the area.



# EXEMPLARY LEADERSHIP

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## PROFILE OF BOARD OF DIRECTORS

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

**EXECUTIVE CHAIRMAN,  
NON-INDEPENDENT  
EXECUTIVE DIRECTOR**

**MALAYSIAN,  
AGE 76, MALE**

**Date of Appointment:**

22 November 2010

**Membership of Board  
Committee(s):**

Nil

**Academic/Professional  
Qualification(s):**

- Business and Accounting graduate of Victoria University in Melbourne, Australia

**Present Directorship(s):**

**Public company(ies):**

- Jeffrey Cheah Foundation
- Razak School of Government
- Perdana Leadership Foundation

**Private company(ies) and  
other organisation(s)**

- Active Equity Sdn Bhd and Group (Non-Executive Director)
- Jef-San Enterprise Sdn Bhd (Non-Executive Director)
- Sunway Education Group Sdn Bhd and Group (Non-Executive Director)



Tan Sri Dr. Jeffrey Cheah AO is the Founder and Chairman of Sunway Group, a leading Malaysian conglomerate with core interests in real estate, construction, hospitality, retail, education and healthcare. He is also the founding trustee of Malaysia's largest education-focused social enterprise, Jeffrey Cheah Foundation ("JCF").

His lifelong dedication to sustainable development is evident in the host of thriving communities throughout Sunway's integrated developments and townships which collectively span across more than 5,000 acres across Malaysia. He has also shown magnanimous philanthropy through the JCF, in making quality education and research accessible to all deserving students.

Sunway's sustainable and fully-integrated green township developments have transformed the way thousands of people live, learn, work and play in a healthy, safe and connected environment. The flagship Sunway City Kuala Lumpur was transformed from a tin-mining wasteland into a wonderland with first-rate facilities and amenities, and remains an epitome of rehabilitation and restoration.

## PROFILE OF BOARD OF DIRECTORS

Sunway City Ipoh was built upon the principles of preservation and conservation cradled by 260-million-year-old limestone hills and pristine forests. Sunway City Iskandar Puteri, dubbed as Nature's Capital City, offers world-class city living in harmony with nature. As an archetype for sustainable development in Malaysia, Sunway remains in its townships as the largest stakeholder through a unique "Build-Own-Operate" business model, thus ensuring constant value-creation and the continued growth of its communities.

As a strong advocate of quality education and research as well as sustainable development, Tan Sri Dr. Jeffrey Cheah continues to fulfil his personal life philosophy of "aspiring to inspire before I expire". He had transferred, in perpetuity, the equity and rights of Sunway Education Group's ("SEG") educational institutions, worth several billion Ringgit, into the JCF. Rooted in his conviction of the power of education in breaking the cycle of poverty and in raising standards of living, the JCF has disbursed scholarships exceeding RM538 million to date, touching and transforming the lives of thousands of future leaders and global citizens. It is Tan Sri Dr. Jeffrey Cheah's personal aim to award more than RM1 billion worth of scholarships in his lifetime.

Tan Sri Dr. Jeffrey Cheah's vision of evolving SEG as the intellectual and cultural hub of the East has seen the JCF establishing academic ties with some of the world's preeminent universities including Harvard, Cambridge and Oxford. The appointment of Jeffrey Cheah Professors at each of these universities aim to facilitate a two-way flow of scholars and researchers between the world-class institutions and this part of the world. He was also the mastermind behind the establishment of the Jeffrey Cheah Institute on Southeast Asia ("JCI"), the first public policy think tank based in a private university in Malaysia, to conduct and promote joint research and teaching on the economies, societies, politics and cultures in Southeast Asia to create broad-ranging impact for the 600-million strong populace throughout the ASEAN region.

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") led by Professor Jeffrey D. Sachs, a world renowned economist and champion of sustainable development, towards implementing the United Nations Sustainable Development Goals ("SDGs") and developing the global expertise needed to move Malaysia and Southeast Asia forward in the area of sustainable development.

The partnership saw the establishment of the Jeffrey Sachs Center on Sustainable Development at Sunway University to create and deliver the world's best academic and executive programmes on

sustainable development. The Center will also be a regional hub for research and policy practice, creating world-class programmes to train a new generation of students, practitioners and policy leaders; and develop linkages with major Malaysian and international universities in joint problem-solving around the SDGs. The Center also serves as the host for SDSN Malaysia, chaired by Tan Sri Dr. Jeffrey Cheah. SDSN Malaysia which was launched in 2013 aimed at elevating awareness and implementation of sustainable solutions in Malaysia and beyond.

As a reflection of Sunway's full embrace of the sustainability agenda and commitment to advancing the SDGs in the Asian region, Sunway City Kuala Lumpur has been selected as one of the three overarching United Nations Sustainable Development Solutions Network (UNSDSN) centres alongside New York City and Paris to coordinate continent-wide sustainability initiatives for Asia, the Americas and Europe as well as Africa respectively.

Tan Sri Dr. Jeffrey Cheah is also the co-chair of global initiative Mission 4.7, which was launched by Pope Francis alongside world leaders namely UN Sustainable Development Solutions Network President Professor Jeffrey Sachs, UNESCO assistant director-general for education Ms. Stefania Giannini and Marcelo Sánchez Sorondo, Chancellor of the Pontifical Academies of Sciences and Social Sciences at the Vatican in 2020. Mission 4.7 aims to accelerate the implementation of SDG Target which calls upon governments to ensure that learners acquire the knowledge, skills, values and attributes needed to achieve the SDGs.

Tan Sri Dr. Jeffrey Cheah is a member of the Economic Action Council ("EAC"), appointed by the Prime Minister of Malaysia and a member of the National Agricultural Advisory Council ("MPPN"), appointed by the Ministry of Agriculture and Food Industry in 2020. He is also the founding trustee of the Razak School of Government, a distinctive leadership development institution to propel the advancement of Malaysia's senior public sector leaders across all service sectors.

Besides being conferred 11 honorary doctorates by leading universities worldwide, he has also been recognised thrice as Forbes Asia Hero of Philanthropy in 2009, 2015 and 2019 respectively. He was appointed Council Member of UNSDSN in 2013; a member of Harvard's Global Advisory Council in 2014 and a member of the Committee of University Resources at Harvard in 2015. He was also appointed Officer of the Order of Australia ("AO") by the Prime Minister of Australia for his contribution in building bilateral relations between Malaysia and Australia through education, among a long-growing list of accomplishments. In 2018, he was also conferred Malaysian Institute of Management's ("MIM") Court of Emeritus Fellow.

**As a strong advocate of quality education and research as well as sustainable development, Tan Sri Dr. Jeffrey Cheah continues to fulfil his personal life philosophy of "aspiring to inspire before I expire".**

He had transferred, in perpetuity, the equity and rights of Sunway Education Group's (SEG) educational institutions, worth several billion Ringgit, into the JCF. Rooted in his conviction of the power of education in breaking the cycle of poverty and in raising standards of living, the JCF has disbursed scholarships exceeding RM538 million to date, touching and transforming the lives of thousands of future leaders and global citizens. It is Tan Sri Dr. Jeffrey Cheah's personal aim to award more than RM1 billion worth of scholarships in his lifetime.





## PROFILE OF BOARD OF DIRECTORS

### OTHER ACHIEVEMENTS AND APPOINTMENTS OF TAN SRI DR JEFFREY CHEAH INCLUDE:

#### 2020

- Appointed committee of Economic Action Council (“EAC”).
- Appointed committee of National Agricultural Advisory Council (“MPPN”).
- Awarded Hunayn Ibn Ishaq Unity Award, the first non-Muslim recipient at the Islamic Excellence Awards 1441H/2020AD.
- Conferred Honorary Doctorate of Social Enterprise by University of Cambodia.

#### 2019

- Appointed chairman of SDSN Malaysia chapter.
- Awarded Lifetime Achievement Award by Sin Chew Education Awards.
- Awarded the Asian Leadership Award by Asian Association of Management Organisations (“AAMO”).
- Named Malaysia’s Exemplary Leader of Sustainable Development 2019 at EdgeProp Malaysia’s Best Managed Property Awards.
- Awarded UK-Malaysia Personality Award by British Malaysia Chamber of Commerce (“BMCC”).
- Awarded Asia’s Lifetime Achievement Award 2019 by Fortune Times, Singapore.
- Named Forbes Asia Heroes of Philanthropy for the third time (2009, 2015 and 2019).

#### 2018

- Awarded Malaysian Institute of Management (“MIM”) Court of Emeritus Fellow.

#### 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.

## PROFILE OF BOARD OF DIRECTORS

### DATO’ SRI IDRIS JALA

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

**MALAYSIAN,  
AGE 62, MALE**

#### Date of Appointment:

11 August 2017

#### Membership of Board Committee(s):

- Nil

#### Academic/Professional Qualification(s):

- Masters Degree in Industrial Relations from Warwick University
- Bachelor Degree in Development Studies and Management from University Sains Malaysia

#### Present Directorship(s):

#### Public company(ies):

- Heineken Malaysia Berhad
- Jeffrey Cheah Foundation

#### Private company(ies) and other organisation(s):

- Sunway University Sdn Bhd (Non-Executive Director)
- PEMANDU Associates Sdn Bhd (President & Chairman)
- Perintis Akal Sdn Bhd (Chairman)



Dato' Sri Idris Jala is the President and Chief Executive Officer (“CEO”) of PEMANDU Associates. Previously, he was Advisor to the Prime Minister, National Transformation Programme and the Managing Director of Big Fast Results (“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 from 2009 to 2015.

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.

He 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, he 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, he 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 Group, rising up the ranks to hold senior positions including Vice President, Shell Retail International and Vice President Business Development Consultancy, based in the United Kingdom. This included successful business turnarounds in Malaysia and Sri Lanka.

## PROFILE OF BOARD OF DIRECTORS

### TAN SRI DATUK SERI RAZMAN M HASHIM

**DEPUTY EXECUTIVE CHAIRMAN, NON-  
INDEPENDENT EXECUTIVE DIRECTOR**

**MALAYSIAN,  
AGE 81, MALE**

**Date of Appointment:**  
17 June 2011

**Membership of Board Committee(s):**  
Nil

**Academic/Professional Qualification(s):**  
• Member of Australian Institute of Bankers

**Present Directorship(s):**

**Public company(ies):**

- Jeffrey Cheah Foundation
- Marine & General Berhad
- Mycron Steel Berhad
- Perdana Leadership Foundation  
(Alternate Trustee to Tan Sri Dato' Seri  
Dr Jeffrey Cheah Fook Ling)

**Private company(ies) and other  
organisation(s):**

- Sunway Education Group Sdn Bhd  
and Group (Non-Executive Director)
- MC Farren Supercars Sdn Bhd  
(Non-Executive Director)



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.

## PROFILE OF BOARD OF DIRECTORS

### TAN SRI DATO' (DR.) CHEW CHEE KIN

**PRESIDENT, NON-INDEPENDENT  
EXECUTIVE DIRECTOR**

**MALAYSIAN,  
AGE 75, MALE**

**Date of Appointment:**  
17 June 2011

**Membership of Board Committee(s):**  
Sustainability Committee (Chairman)

**Academic/Professional Qualification(s):**

- Attended Program in Management  
Development at Harvard Business  
School
- Bachelor of Economics (Honours)  
Degree from University of Malaya

**Present Directorship(s):**

**Public company(ies):**

- Gopeng Berhad
- Sunway Construction Group Berhad

**Private company(ies) and other  
organisation(s):**

- Sunway Education Group Sdn Bhd  
and Group (Non-Executive Director)



Tan Sri Dato' (Dr.) Chew started his career as a Trainee Executive in UMW (Malaya) Sdn Bhd in 1974. Prior to joining Sunway Group, he was the General Manager of UMW (Malaya) Sdn Bhd. He joined Sunway Group in 1981 as 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.



PROFILE OF BOARD OF DIRECTORS

**SARENA CHEAH YEAN TIH, S.M.S**  
**EXECUTIVE DIRECTOR,  
NON-INDEPENDENT EXECUTIVE DIRECTOR**  
**MALAYSIAN,  
AGE 46, FEMALE**  
**Date of Appointment:**  
18 November 2010  
**Membership of Board Committee(s):**  
Sustainability Committee (Member)  
**Academic/Professional Qualification(s):**  
• Member of the Australian Society of Certified Practising Accountants (“ASCPA”)  
• Masters in Business Administration from Melbourne Business School  
• Bachelor of Commerce (Accounting and Finance) from the University of Western Australia  
• Capital Markets Services Representative’s Licence (“CMRSL”) holder  
**Present Directorship(s):**  
**Public company(ies):**  
• SunREIT Capital Berhad  
• SunREIT Unrated Bond Berhad  
• SunREIT Perpetual Bond Berhad  
• Institute of Corporate Directors’ Malaysia  
• Yayasan Raja Muda Selangor  
**Private company(ies) and other organisation(s):**  
• Active Equity Sdn Bhd and Group (Non-Executive Director)  
• Jef-San Enterprise Sdn Bhd (Non-Executive Director)  
• Sunway Education Group Sdn Bhd and Group (Non-Executive Director)  
• Bendera Teliti (M) Sdn Bhd (Non-Executive Director)  
• Excelvagent Sdn Bhd (Non-Executive Director)  
• Excelvagent Care Sdn Bhd (Non-Executive Director)  
• Excelvagent Education Services Sdn Bhd (Non-Executive Director)  
• Progressive Venture Sdn Bhd (Non-Executive Director)



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 is a Board Member of Sunway REIT Management Sdn Bhd, the Manager of Sunway Real Estate Investment Trust as well as a member of the National Committee of Real Estate and Housing Developers Association Malaysia (“REHDA”).

PROFILE OF BOARD OF DIRECTORS

**PHILIP YEO LIAT KOK**  
**SENIOR INDEPENDENT  
NON-EXECUTIVE DIRECTOR**  
**SINGAPOREAN,  
AGE 74, MALE**  
**Date of Appointment:**  
9 April 2020  
**Membership of Board Committee(s):**  
• Nomination and Remuneration Committee (Member)  
• Sustainability Committee (Member)  
**Academic/Professional Qualification(s):**  
• Master in Business Administration from Harvard University  
• Master of Science (Systems Engineering) from University of Singapore  
• Honorary Doctor of Engineering from University of Toronto, Canada  
• Bachelor of Applied Science (Industrial Engineering) from University of Toronto, Canada  
**Present Directorship(s):**  
**Public company(ies):**  
• Jeffrey Cheah Foundation  
• City Developments Limited  
• Kerry Logistics Network Limited  
• Baiterek National Managing Holding JSC  
• Accuron Technologies Limited (formerly Singapore Precision Industries 2000 Pte Ltd)  
• St. Joseph’s Institution Foundation for the Lasallian Mission Ltd  
**Private company(ies) and other organisation(s):**  
• MTIC Holdings Pte Ltd (Non-Executive Chairman)  
• P\*YEO Investments Pte Ltd (Executive Director)  
• Hexagon Development Advisors Pte Ltd (Non-Executive Chairman)  
• Singapore Aerospace Manufacturing Pte Ltd (Non-Executive Chairman)  
• IGlobe Partners (II) Pte Ltd (Non-Executive Chairman)  
• IGlobe Platinum Fund Limited (Non-Executive Chairman)  
• IGlobe Platinum Fund II Limited (Non-Executive Chairman)  
• IGlobe Platinum Fund III Limited (Non-Executive Director)  
• Economic Development Innovations Singapore Pte Ltd (Executive Chairman)  
• Advanced MedTech Holdings Pte Ltd (formerly Advanced Materials Technologies Pte Ltd) (Executive Chairman)  
• Dornier Medtech GmbH (Munchen) (Non-Executive Chairman)  
• Symbiosis Ventures Management Sdn Bhd (Non-Executive Director)  
• Jobtech Pte Ltd (Non-Executive Director)  
• Biopolis Ventures (S) Pte Ltd (Non-Executive Director)  
• OnSponge Pte Ltd (Non-Executive Director)  
• AtumRa Therapeutics Pte Ltd (Non-Executive Director)  
• AbAsia Biolabs Pte Ltd (Non-Executive Director)  
• Sunway University Sdn Bhd (Non-Executive Director)



Mr Philip Yeo is currently the Chairman of the Board of Directors of Economic Development Innovations Singapore (“EDIS”) Private Limited. Established in 2013, EDIS is an economic development management services company founded by Mr Yeo that provides strategic advice and undertakes the development and management of integrated industrial and urban areas. In addition, he is also the Chairman of Accuron Technologies Limited, Advanced MedTech Holdings and i-Globe Partners. Accuron Technologies Limited is a global precision engineering and technology group headquartered in Singapore with operations in major markets in Asia, Europe and the USA and serving the aerospace and industrial markets. Advanced MedTech Holdings is a high growth medtech company in Southeast Asia and a global medical technology leader with a core focus in urology devices and services. As for i-Globe Partners, it is a Singapore-based private venture capital fund.

He sits in the Board of City Developments Ltd, Singapore’s largest property developer, Kerry Logistics Network Ltd which is listed in Hong Kong and Supervisory Board of Directors of Baiterek National Managing Holding JSC of Kazakhstan.

His previous appointments included serving in the Singapore Administrative Service from June 1970 to 31 March 1999. From June 1970 to December 1985, he served in various appointments in the Ministry of Defence (“MINDEF”), including Permanent Secretary for logistics, defence research & development and defence industries (September 1979 to December 1985). He left MINDEF to assume the appointment of Executive Chairman of Economic Development Board (“EDB”) in January 1986. He also served as the Founding Chairman of the National Computer Board (now known as Infocomm Media Development Authority) of Singapore from 1981 to 1987.

He played a leading role in formulating and championing Singapore’s first national computerisation plan to evolve the nation into the information age.

He was the Executive Chairman of the Agency for Science, Technology and Research (“A\*STAR”) from February 2001 to March 2007. A\*STAR is a Singapore government agency focused on building up public scientific research capabilities. He then assumed the position of Chairman of Standards, Productivity and Innovation for Growth, Singapore (Spring Singapore) from April 2007 to 31 March 2018. He was also appointed the Senior Adviser for Science and Technology to the Ministry of Trade and Industry from April 2007 to September 2008. In his role as Special Adviser for Economic Development in the Prime Minister’s Office from April 2007 to August 2011, he assisted the Prime Minister’s Office in establishing new economic links with foreign governments who value Singapore’s development experience, and provide strategic inputs to establish strategic partnerships and open up opportunities with other fast-growing economies.

He was a member of World Health Organization Expert Working Group on Research & Development Financing from January 2009 to January 2010. He was a member of the United Nations Committee of Experts in Public Administration (“CEPA”), established by the Economic and Social Council (“ECOSOC”) from 2010 to 2013.

## PROFILE OF BOARD OF DIRECTORS

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

#### INDEPENDENT NON-EXECUTIVE DIRECTOR

**MALAYSIAN,  
AGE 81, MALE**

**Date of Appointment:**  
18 March 2015

#### Membership of Board Committee(s):

- Risk Management Committee (Chairman)
- Nomination and Remuneration Committee (Member)
- Audit Committee (Member)

#### Academic/Professional Qualification(s):

- Distinguished Fellow of the Institute of Strategic and International Studies
- Fellow of Malaysian Institute of Management and Malaysian Economic Association
- Fellow of Malaysian Insurance Institute (Hon.)
- Fellow of Malaysian Institute of Bankers
- Fellow of Royal Statistical Society (London)
- Eisenhower Fellow and a Fellow of the IMF Institute (Washington DC)
- Pro-Chancellor and Research Professor of Sunway University
- Pro-Chancellor of Universiti Teknologi Malaysia
- British Chartered Scientist
- Three post-graduate degrees, including a PhD in Economics from Harvard University
- Chartered Statistician

#### Present Directorship(s):

#### Public company(ies):

- Wah Seong Corporation Berhad
- IGB REIT Management Sdn Bhd (Manager for IGB REIT)
- Jeffrey Cheah Foundation
- Ancom Berhad
- Nylex (Malaysia) Berhad
- Tun Ismail Ali Foundation (PNB)
- Harvard Club of Malaysia Foundation
- Malaysian Economic Association Foundation

#### Private company(ies) and other organisation(s):

- Sunway University Sdn Bhd (Non-Executive Director)



Tan Sri Dato' Dr. Lin is a corporate strategy and financial consultant. He 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. He was advisor to all the past Prime Ministers and Ministers of Finance.

Tan Sri Dato' Dr. Lin continues to serve the public interest after his retirement, some current appointments include Member of key Steering Committees at the Ministry of Higher Education as well as 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. He serves as an expert on some UN and World Bank Groups on sustainable development.

In addition, he is a Trustee of 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 is also an author and columnist.

## PROFILE OF BOARD OF DIRECTORS

### TAN SRI DATUK DR REBECCA FATIMA STA MARIA

#### INDEPENDENT NON-EXECUTIVE DIRECTOR

**MALAYSIAN,  
AGE 63, FEMALE**

**Date of Appointment:**  
1 March 2018

#### Membership of Board Committee(s):

- Nomination and Remuneration Committee (Chairman)
- Risk Management Committee (Member)
- Audit Committee (Member)

#### Academic/Professional Qualification(s):

- Ph.D from the University of Georgia in Athens
- M.S. (Counselling) from Universiti Pertanian Malaysia (now known as University Putra Malaysia)
- Bachelor of Arts (Honours) in English Literature from the University of Malaya
- Postgraduate Diploma in Public Administration from the National Institute of Public Administration ("INTAN"), Malaysia

#### Awards:

- Malcolm Knowles Award for the best PhD dissertation in the field of Human Resource Development by the American Academy of Human Resource Development in 2000
- Professional Achievement Awards by School of Education, University of Georgia (2013)

#### Present Directorship(s):

#### Public company(ies):

- RHB Bank Berhad
- Hartalega Holdings Berhad
- Eco World International Berhad
- MyKasih Foundation
- Yayasan Hartalega

#### Private company(ies) and other organisation(s):

- Institute for Democracy and Economic Affairs (Director)
- APEC Secretariat (Executive Director)



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.

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 (2015) as well as the ASEAN High Level Task Force for Economic Integration (Jan 2011- June 2016).

She was the Chair of the Institute for Democracy and Economic Affairs ("IDEAS") and the EU-Malaysia Chamber of Commerce and Industry till 31 December 2018.

Tan Sri Dr Rebecca currently serves on the Board of Trustees of MyKasih Foundation, and Yayasan Hartalega as well as Director of IDEAS, and took office as an Executive Director of Asia-Pacific Economic Cooperation ("APEC") Secretariat on 2 January 2019.



## PROFILE OF BOARD OF DIRECTORS

### TAN SRI JAMALUDIN BIN IBRAHIM

#### INDEPENDENT NON-EXECUTIVE DIRECTOR

**MALAYSIAN**  
**AGE 62, MALE**

**Date of Appointment:**  
3 March 2021

#### Membership of Board Committee(s):

- Audit Committee (Member)

#### Academic/Professional Qualification(s):

- Master in Quantitative Methods from Portland State University, Oregon, United State of America ("USA")
- Bachelor of Science in Business Administration and a minor in Mathematics from California State University, USA

#### Present Directorship(s):

##### Public company(ies):

- Axiata Foundation
- QSR Brands (M) Holdings Berhad

##### Private company(ies) and other organisation(s):

- Nil



Tan Sri Jamaludin has more than 40 years of experience, including about 16 years in IT and 23 years in telecommunications. Outside ICT, he has been involved in many other areas especially in education.

His last executive role was at Axiata Group Berhad where he has retired on 31 December 2020. He was the Managing Director/President & Group Chief Executive Officer for almost 13 years since its inception in 2008. Within the Group, among others, he was a Board member of Axiata Group Berhad and Chairman of Celcom Axiata Berhad. He continues to be a Board member of PT XL Axiata in Indonesia and Axiata Foundation.

Tan Sri Jamaludin joined Axiata after more than 10 years with Maxis Communications Berhad since 1997. He was made the Chief Operating Officer the same year and the Chief Executive Officer a year later until he retired in 2007.

For about four years (1993-1997), he led Digital Equipment Malaysia as its Managing Director. Prior to that, he spent about 12 years in IBM (1981-1993) – the first five years as a Systems Engineer and then in various positions in Sales, Marketing and Management.

His career began in 1980 as a lecturer in Quantitative Methods at California State University, USA. He has served as a board member of GSMA, the world's biggest Mobile Association for six two-year terms (over a period between 2003 to 2020) and was the Deputy Chairman in 2014. Tan Sri Jamaludin had also served as a director at an IT solutions provider, Heitech Padu Berhad (2000-2006).

Tan Sri Jamaludin has served the government in many roles. In March 2020, he was appointed by the Prime Minister of Malaysia as a member of the country's Economic Action Council. In November 2020, he was appointed as a member of Digital Economy Council and 4IR4 by YAB Prime Minister of Malaysia. He was involved in education in various capacities including as a board member of Universiti Tun Hussein Onn Malaysia (2006-2008) and Universiti Tun Abdul Razak (2007-2011). He had also served as a member of the Board of the government owned venture capital company, Mavcap Bhd (2001-2005) and few others.

Over the years, Tan Sri Jamaludin has earned numerous awards and accolades, by local and global organisations, in recognition for his contributions and achievements.

## PROFILE OF BOARD OF DIRECTORS

### DATUK TONG POH KEOW

#### INDEPENDENT NON-EXECUTIVE DIRECTOR

**MALAYSIAN,**  
**AGE 66, FEMALE**

**Date of Appointment:**  
21 September 2020

#### Membership of Board Committee(s):

- Audit Committee (Chairman)
- Nomination and Remuneration Committee (Member)
- Risk Management Committee (Member)
- Sustainability Committee (Member)

#### Academic/Professional Qualification(s):

- Chartered Accountant, Malaysian Institute of Accountants ("MIA")
- Chartered Accountant, Association of Chartered Certified Accountants, United Kingdom ("UK") ("ACCA")
- Chartered Secretaries and Administrators, Institute of the Chartered Secretaries and Administrators, UK ("ICSA")
- Diploma in Commerce, Kolej Tunku Abdul Rahman

#### Present Directorship(s):

##### Public company(ies):

- Velesto Energy Berhad

##### Private company(ies) and other organisation(s):

- DP Management Services Sdn Bhd (Non-Executive Director)
- Rawady Holding Sdn Bhd (Non-Executive Director)



Datuk Tong began her career as a secretarial assistant with Siva, Heng & Monteiro in 1978 and was promoted to manager of secretarial services and audit in 1980. She left the firm in 1981 to join Shapadu Holding Sdn Bhd as an accountant and company secretary until March 1983.

She joined Highlands & Lowlands Berhad in November 1983 as an accountant and assistant company secretary. In 1985, she joined Kumpulan Guthrie Berhad and has held various senior positions until her promotion to Chief Financial Officer ("CFO") in April 2003. In October 2007, post the completion of the merger of Sime Darby Berhad, she was appointed as the CFO of Sime Darby Plantation Berhad. In June 2008, she assumed the position of Group CFO of Sime Darby Berhad. She held this position for about 9 years, until her appointment as Executive Director/Group CFO of Sime Darby Property Berhad in November 2017, post the completion of the demerger of Sime Darby Berhad. She retired as Group CFO of Sime Darby Property Berhad on 31 March 2019 and as Executive Director on 31 May 2019.

Datuk Tong was named the Best CFO in Malaysia for 2014, 2015 and 2017 at the Institutional Investor Corporate Awards - Alpha Southeast Asia and Best CFO for Investor Relations (Large Cap) for 2013, 2014 and 2017 at Malaysia Investor Relations Awards.

#### 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

Mr Philip Yeo Liat Kok is a Director of City Developments Limited, a company incorporated in Singapore which principal activities 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 2020 is disclosed in the Corporate Governance Overview Statement.



Please refer to Corporate Governance Overview Statement on pages 131 to 147 for more information

## PROFILE OF SENIOR MANAGEMENT



**DATO' TAN KIA LOKE**

**SENIOR MANAGING DIRECTOR – CHAIRMAN'S OFFICE**

**MALAYSIAN, AGE 70, MALE**

**Date of Appointment:**

1 January 2015

**Academic/Professional Qualification(s):**

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

**Present Directorship(s) and Public company(ies):**

- Malaysian South-South Corporation Berhad

**Awards:**

- CEO of the Year by the Malaysian Construction Industry Excellence Award ("MCIEA") (2006)

Dato' Tan 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 Behad in August 2011. His key role was to synergise and enhance the full potential values in the Group's core property and construction collaborations. He is currently the Senior Managing Director in Chairman's Office to support the Chairman of Sunway Group in areas of new business ventures, strategic partnerships and collaborations.

He is the Honorary Advisor of Master Builders Association Malaysia.



**EVAN CHEAH YEAP SHIN**

**EXECUTIVE VICE PRESIDENT - PRESIDENT'S OFFICE;  
CHIEF EXECUTIVE OFFICER - CHINA**

**MALAYSIAN, AGE 41, MALE**

**Date of Appointment:**

1 March 2015 (Executive Vice President – President's Office)

**Academic/Professional Qualification(s):**

- Chartered Financial Analyst Charterholder
- Certified Practising Accountant
- Member of Malaysian Institute of Accountants
- Bachelor's Degree in Commerce and Bachelor's Degree in Business Systems, Monash University

**Present Directorship(s) and Public company(ies):**

- Sunway Construction Group Berhad

Mr Evan Cheah joined 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 and 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 China Corporate Office and the development of new business opportunities for 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 and 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.

## PROFILE OF SENIOR MANAGEMENT



**CHONG CHANG CHOONG**

**GROUP CHIEF FINANCIAL OFFICER**

**MALAYSIAN, AGE 62, MALE**

**Date of Appointment:**

1 July 2018

**Academic/Professional Qualification(s):**

- Member of Institute of Chartered Accountant in England and Wales
- Bachelor of Arts (Honours) in Economics and Accounting, University of Newcastle Upon Tyne, England

**Present Directorship(s) and Public company(ies):**

- Gopeng Berhad

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 and subsequently, assumed his current role as Group Chief Financial Officer.

He has more than 20 years of experience in banking, stockbroking, corporate finance and portfolio fund management.



**CHUNG SOO KIONG**

**GROUP MANAGING DIRECTOR – CONSTRUCTION DIVISION**

**MALAYSIAN, AGE 54, MALE**

**Date of Appointment:**

7 January 2020

**Academic/Professional Qualification(s):**

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

**Present Directorship(s) and Public company(ies):**

- Sunway Construction Group Berhad

Mr Chung began his career with TAISEI Corporation in 1990 where over a period of 7 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, he 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 his promotion to the position of Managing Director of Sunway Construction Group Berhad ("SunCon") in November 2015. He was further promoted to Group Managing Director of SunCon in January 2020. He has over 20 years of experience in the construction sector.



## PROFILE OF SENIOR MANAGEMENT



**LEE CHUAN SENG**

**CHIEF EXECUTIVE OFFICER - QUARRY DIVISION**

**MALAYSIAN, AGE 53, MALE**



**YEOH YUEN CHEE**

**CHIEF EXECUTIVE OFFICER – TRADING AND MANUFACTURING DIVISION**

**MALAYSIAN, AGE 60, MALE**

**Date of Appointment:**

1 February 2018

**Academic/Professional Qualification(s):**

- Chartered Accountant
- Fellow Member of Chartered Institute of Management Accountants, United Kingdom
- Member of Chartered Global Management Accountant
- Member of Malaysian Institute of Accountants
- Masters in Business Administration, Victoria University of Technology, Australia

**Present Directorship(s) and Public company(ies):**

NIL

Mr Lee has more than 23 years of experience in the quarrying industry. He was appointed as Chief Executive Officer - Quarry Division on 1 February 2018. 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 the 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.

In 2020, he has expanded the quarry and asphalt operations to a total of 8 quarries and 24 asphalt manufacturing plants in the ever changing dynamic construction market.

In order to complement his forte in the industry and the quarrying and asphalt/premix fraternity, he is also holding the current vice chairman position in the Selangor Quarry Association, Malaysia for year 2019-2021.

**Date of Appointment:**

1 January 2021

**Academic/Professional Qualification(s):**

- Bachelor of Business in Business Administration, RMIT
- University Chartered Accountant
- Fellow of the Institute of Management Specialists. United Kingdom

**Present Directorship(s) and Public company(ies):**

NIL

Mr Yeoh has more than 40 years of experience in the field of heavy equipment business. In 1978, he started his career with UMW Equipment Sdn Bhd, a leading heavy equipment distributor in Malaysia and was the Senior Manager for Products and Branch Operations before joining Sunway Group in 2006 as Assistant General Manager of Sunway Enterprise (1988) Sdn Bhd ("Sunway Enterprise"), the heavy equipment business division of Sunway Trading and Manufacturing Division.

Mr Yeoh was promoted to General Manager in 2009 and was subsequently to Senior General Manager in 2013 assuming larger responsibilities to identify new markets and business models, reputable agency lines as well as overseas expansion.

He was instrumental in transforming Sunway Enterprise from a key quarrying equipment and accessories supplier into a full fledged heavy equipment distributor and solutions provider including rental of material handling equipment through expansion of Sunway Enterprise's product portfolio via acquisition of exclusive distributorships of reputable product brands such as CASE Construction Equipment, Sany Concrete Pumping Equipment and Rotary Drilling Rigs, Lonking Wheel Loaders, Weichai Mining Trucks, HBXG Bulldozers and Tailift Forklifts owned by Toyota Industries Group of Japan.

## PROFILE OF SENIOR MANAGEMENT



**DANNY NG BOON LIANG**

**CHIEF EXECUTIVE OFFICER – BUILDING MATERIALS DIVISION**

**MALAYSIAN, AGE 61, MALE**

**Date of Appointment:**

1 May 2013

**Academic/Professional Qualification(s):**

- Bachelor of Economics (Business Administration), University of Malaya

**Present Directorship(s) and Public company(ies):**

NIL

Mr Danny Ng has 38 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.



**CHAN HOI CHOY**

**CHIEF EXECUTIVE OFFICER – SUNWAY SHOPPING MALLS AND THEME PARKS**

**MALAYSIAN, AGE 61, MALE**

**Date of Appointment:**

1 June 2009

**Academic/Professional Qualification(s):**

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

**Present Directorship(s) and Public company(ies):**

NIL

Having spent his entire 36 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 7 malls, namely Sunway Pyramid, Sunway Velocity Mall, Sunway Carnival Mall, Sunway Putra Mall, Sunway Big Box Retail Park, Sunway Giza, Sunway Citrine Hub and 2 Theme Parks, namely Sunway Lagoon and Lost World of Tambun.

He is the current Advisor of Malaysia Shopping Malls Association (PPK Malaysia) after serving a two-term presidency in advocating the industry interest at both international and national levels. He also serves as the current Advisor of Council of Asian Shopping Centres ("CASC") and sits on the Industry Advisory Board of Sunway University Business School.



PROFILE OF SENIOR MANAGEMENT



**LAU BENG LONG**  
**MANAGING DIRECTOR - HEALTHCARE DIVISION**  
**MALAYSIAN, AGE 66, MALE**

**Date of Appointment:**  
1 August 2011

**Academic/Professional Qualification(s):**

- Bachelor of Science (Hons), Universiti Sains Malaysia
- Master of Health Administration, University of New South Wales
- Master of Business Administration, Southern Cross University
- Postgraduate Diploma in Public Administration, National Institute of Public Administration (“INTAN”)

**Present Directorship(s) and Public company(ies):**

- Kasih Foundation (KL)

Mr Lau has more than 35 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 Bandar Sunway, Sunway Medical Centre Velocity and spearheading the planning and project management of new hospitals and other healthcare facilities in the major cities of Malaysia and Singapore.

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.

Currently, Mr Lau is a volunteer board member of Kasih Foundation (KL).

**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 2020.



**FOO SHIANG WYNE**  
**CHIEF HUMAN RESOURCES OFFICER – GROUP HUMAN RESOURCES**  
**MALAYSIAN, AGE 49, FEMALE**

**Date of Appointment:**  
1 January 2015

**Academic/Professional Qualification(s):**

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

**Present Directorship(s) and Public company(ies):**  
NIL

Ms Foo is an experienced Human Resources Practitioner, and a Marshall Goldsmith Certified Executive Coach, with more than 20 years’ extensive experience in various industries such as Pharmaceuticals, Medical Devices, Hospitality and Fast Moving Consumable Good.

Prior to joining Sunway, 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 South East Asia, and was 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 - Organisation Development, and assumed her current role in 2015 where she is responsible for the overall Group Human Resources and Human Resources Shared Services.

She is instrumental in formulating strategies to redefine the learning culture, and elevate talent and organisational practices at Sunway, including talent acquisition, learning & development, talent management, total rewards and performance management. She also spearheaded diversity and inclusion initiatives, strengthened employer branding through strategic collaborations with top universities, and is leading the group-wide HR Digital Transformation across all businesses within Sunway, revolutionising HR services for the Group.

SUSTAINABILITY

124.....Sustainability at Sunway





## SUSTAINABILITY AT SUNWAY

### SUSTAINABILITY AT OUR CORE

Sunway has embraced sustainability since its inception in 1974, long before sustainable development rose to its current prominence as a global agenda. The Group's founder and chairman, Tan Sri Dr. Jeffrey Cheah, made sustainability an integral component of Sunway's business and decision-making processes, culminating in the Group's embrace of the 17 UNSDG in 2015.

Sunway defines sustainability as more than just 'going green'. In line with the path charted by the 17 UNSDG, the Group adopts a holistic and comprehensive approach to ensure sustainable long-term growth by leveraging innovation and technology to future proof the Group by strengthening both tangible and intangible values to withstand any challenges. The Group's position is further solidify by upholding good governance, environmental stewardship, talent management and community investment. The goal is encapsulated in Sunway's Vision statement: "To be Asia's model corporation in sustainable development; innovating to enrich lives for a better tomorrow".

### OUR APPROACH TO SUSTAINABILITY

Sustainability is deeply rooted in the core values, vision and mission of Sunway Berhad, and has been driving the Group's direction since its establishment. We stay committed towards building a sustainable future for all as we strive to embed sustainability in our business practices, processes and daily operations in our value creation journey.

Guided by the UNSDG and TCFD, the Group reviewed its sustainability approach this year by strengthening its sustainability governance and establishing a new set of future value goals and targets to build a sustainable future.

### SUSTAINABILITY GOVERNANCE

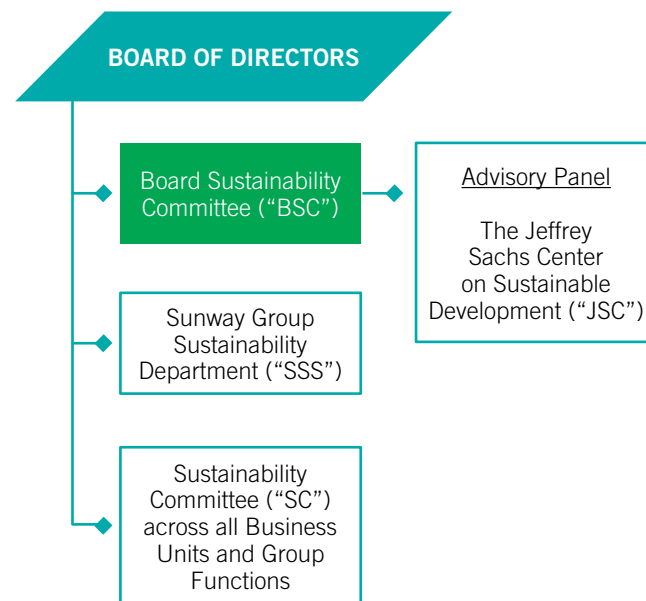
Sunway Berhad's sustainability governance is led by the Group's Board Sustainability Committee ("BSC"), which comprises four Directors from the Group's Board of Directors. The BSC was established in 2020 to review, supervise and recommend Sunway's sustainability strategy and issues, key environment, social and governance ("ESG") targets and performance, progress and scorecard to advance the Group's sustainability leadership. The BSC plans to meet at least twice a year to review Sunway's sustainability plans.

To further strengthen our sustainability strategy, the BSC is supported by the Sunway Group Sustainability Department ("SSS") and the Jeffrey Sachs Center on Sustainable Development ("JSC"), which acts as the Advisory Panel to the BSC. The JSC also supports the SSS with findings from their academic research.

Acting as the 'executive arm' of the BSC, the SSS helps the BSC to make informed decisions to integrate the Group's sustainability strategies into business operations and implement initiatives towards achieving the Group's sustainability goals. The SSS also oversees and monitors sustainability trends, governance and reporting besides overseeing key sustainability risks and opportunities, stakeholder engagement as well as materiality assessment. The SSS chairs the Sustainability Committee ("SC"), and communicates the Group's sustainability direction to the SC.

The SC comprises the business divisions Heads of Department and their line managers, who are accountable for their ESG performances that are linked to their remuneration and appraisal.

### SUSTAINABILITY GOVERNANCE STRUCTURE



Tan Sri Dato' (Dr.) Chew Chee Kin



Datuk Tong Poh Keow



Sarena Cheah Yean Tih



Philip Yeo Liat Kok

## SUSTAINABILITY AT SUNWAY

### SUSTAINABILITY POLICIES

1	<b>GROUP SUSTAINABILITY POLICY</b>
2	<b>SUSTAINABLE PROCUREMENT POLICY</b>
3	<b>GROUP OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENTAL POLICY</b>
4	<b>HUMAN RIGHTS POLICY</b>



Additional information on Sunway Group's policies can be found on the company's website at [www.sunway.com.my](http://www.sunway.com.my).

Sunway's commitment to sustainability and core values are key to Sunway's growth and expansion over the years. The very founding of the Sunway Group is based on the concept of sustainable development, beginning with the transformation of its flagship Sunway City Kuala Lumpur from a wasteland into a wonderland.

Despite the unprecedented challenges that caused significant disruptions to the businesses, Sunway's commitment to its sustainability journey remained firm. The challenges, in fact, strengthened its commitment and accelerated its sustainable development agenda, building resiliency and drive the Group towards meeting its goals.

Within the environmental pillar, tree planting, energy efficiency, renewable energy and waste management led to a reduction in CO<sub>2</sub>e emissions by 11,611 tonnes. This was mainly contributed by some of the Group's robust environmental initiatives, one of which was the installation of solar energy panels. In 2020, the solar energy contribution has increased from 1% to 3%, generated 7,408 MWh equivalent of energy.

During the year, Sunway has recorded a 28% reduction in water consumption compared to 2019 and recorded 538,706 m<sup>3</sup> of water sourced from water treatment plants. The lower water consumption was primarily due to lower business activities amidst the COVID-19 pandemic. Additionally, the Group has diverted 4% of waste from landfills through on-going food composting and recycling of e-waste initiatives.

On the social impact front, Sunway maintained a track record of zero reported incidents of human rights violations and discrimination, including forced labour and child labour. In 2020, Sunway Lagoon Theme Park was ISO 45001:2018 certified. It is the target for all business divisions, where relevant, to be certified by 2030. These certifications promote higher emphasis towards staff safety, reduce workplace risks and ensure better and safer working conditions.

In addition, Sunway empowers the local communities through its #SunwayforGood programme which is designed to cultivate entrepreneurial skills among the underprivileged to enable them to be financially independent.

In responding to the impact of COVID-19, Sunway contributed to communities in need and those whose incomes were affected by the pandemic, together with the frontliners who worked tirelessly to fight the spread of the virus. To ensure continuous access to healthcare services, Sunway Medical Centre offered selected consultation services through phone calls, virtual clinics, a medication delivery service and COVID-19 on-site testing.

Sunway advocates strong corporate governance by upholding the core value of integrity, ensuring honesty and trustworthiness amongst employees in pursuit of excellence for an exemplary organisation in Asia. Sunway employees held true to the value of Integrity and recorded zero incidents of bribery and corruption in 2020, an achievement which the Group targets to maintain.

Sunway will continue to leverage the strengths of the ecosystem and uphold its core values, as part of the endeavour to achieve the goals and targets by 2030 to build a sustainable future for all.



Please refer to the Sustainability Report 2020 for the full contents.







## SUSTAINABILITY AT SUNWAY

## SUSTAINABILITY SCORECARD

## Legend: Progress Tracking



● ○ ○ Progressing with delays, to review current approach

○ ● ○ Progressing but slightly behind targets, to increase efforts


ENVIRONMENTAL		
FUTURE VALUE GOALS	2030 TARGETS	FY 2020 PERFORMANCE
<b>GOAL 1: TRANSFORMING OUR PORTFOLIOS TO LOW- CARBON SUSTAINABLE CITIES</b> 	<ul style="list-style-type: none"> <li>To achieve green building certification for all Sunway-owned and/or managed townships and buildings completed from 2025 onwards</li> </ul>	○ ● ○ Six buildings targeted for completion in 2025 onwards are in the process of green building certification application
	<ul style="list-style-type: none"> <li>To reduce emission intensity of revenue by 10% by 2030 (Baseline year: 2025)</li> </ul>	● ○ ○ Emission intensity of revenue in 2020: 49.51 tonnes CO <sub>2</sub> e/RM (in million)
	<ul style="list-style-type: none"> <li>To achieve and maintain at least a low limit in Building Energy Intensity ("BEI") as defined by the Green Building Index for the following sectors by 2030</li> </ul>	○ ● ○ (kWh/m <sup>2</sup> /yr) <ul style="list-style-type: none"> <li>Office: 106</li> <li>Hospitality: 311</li> <li>Retail: 228</li> </ul>
	<ul style="list-style-type: none"> <li>At least 25% of electricity from renewable energy sources by 2030</li> </ul>	○ ● ○ 3% of electricity was generated from our solar panels
	<ul style="list-style-type: none"> <li>40% waste diverted from landfills by 2030</li> </ul>	○ ● ○ 4% waste diverted
	<ul style="list-style-type: none"> <li>To reduce overall water intensity from municipal potable water supply by 10% by 2030 (Baseline year: 2015)</li> </ul>	○ ○ ● 17% reduction from 2015 levels
	<ul style="list-style-type: none"> <li>All industrial property sites to be ISO 14001:2015 (Environmental Management Systems) certified by 2030</li> </ul>	○ ○ ● 6 out of 6 (100%) building materials sites have been certified with ISO 14001:2015
	<ul style="list-style-type: none"> <li>All ongoing construction sites are ISO 14001:2015 (Environmental Management Systems) compliant</li> </ul>	○ ○ ● 24 out of 24 (100%) ongoing construction sites are ISO 14001:2015 compliant
<b>GOAL 2: ADVOCATING A RESPONSIBLE VALUE CHAIN</b> 	<ul style="list-style-type: none"> <li>To record measurable reduction in environmental impact from goods and services procured from suppliers</li> </ul>	○ ○ ● 9,261 tonnes of CO <sub>2</sub> e avoided from 2015 to 2020 due to the purchase of eco-label products and reducing the purchase of single-use plastic bottles
	<ul style="list-style-type: none"> <li>All Sunway suppliers must comply with all relevant laws, regulations and standards including human rights protection and child labour. Any supplier found to have violated the law will be removed from our supply chain</li> </ul>	○ ○ ● Zero confirmed incidence of non-compliance with relevant laws, regulations and standards

## SUSTAINABILITY AT SUNWAY

○ ○ ● Progressing well and on track to achieve targets by 2030

SOCIAL		
FUTURE VALUE GOALS	2030 TARGETS	FY 2020 PERFORMANCE
<b>GOAL 3: DEVELOPING A SAFE, EQUAL AND DIGNIFIED WORKFORCE</b> 	<ul style="list-style-type: none"> <li>Zero tolerance for discrimination, harassment, violence, forced labour and child labour in the workplace</li> </ul>	○ ○ ● Zero confirmed incidence of discrimination
	<ul style="list-style-type: none"> <li>Zero tolerance for/towards avoidable incidences of fatalities for Sunway staff and contractors</li> </ul>	○ ● ○ Fatality rate: Sunway staff = 0 Contractors = 0.13
	<ul style="list-style-type: none"> <li>Zero tolerance for/towards avoidable incidences of high-consequence work-related injuries for Sunway staff and contractors</li> </ul>	○ ● ○ High-consequence work-related injury rate: Sunway staff = 0.09 Contractors = 0.03
	<ul style="list-style-type: none"> <li>Zero tolerance for/towards avoidable work-related injuries for Sunway staff and contractors</li> </ul>	○ ● ○ Recordable work-related injury rate: Sunway staff = 6.79 Contractors = 0.4
	<ul style="list-style-type: none"> <li>All business divisions (where relevant and applicable) to be ISO 45001:2018 (Occupational Health &amp; Safety Management Systems) certified by 2030</li> </ul>	● ○ ○ Sunway Lagoon Theme Park is certified with ISO 45001:2018
	<ul style="list-style-type: none"> <li>40 learning &amp; development ("L&amp;D") hours of per employee</li> </ul>	○ ● ○ 20.2 L&D hours per employee
	<b>GOAL 4: INVESTING IN COMMUNITY INCLUSIVITY</b> 	
	<ul style="list-style-type: none"> <li>To reach out and support over 1 million Malaysian communities by 2030</li> </ul>	○ ● ○ 523,959 beneficiaries (from 2015-2020)
	<ul style="list-style-type: none"> <li>To support the national Shared Prosperity Vision 2030 in addressing inequalities, wealth and income disparities by providing support and assistance to the underserved and B40 communities in particular</li> </ul>	○ ○ ● 71,415 beneficiaries from B40 communities were impacted

## GOVERNANCE

FUTURE VALUE GOALS	2030 TARGETS	FY 2020 PERFORMANCE
<b>GOAL 5: RESPECTING ETHICAL PRINCIPLES</b> 	Zero tolerance for bribery and corruption	○ ○ ● Zero confirmed incidences



For more information on the goals and targets, please read our Sustainability Report 2020.







# GOVERNANCE WITH INTEGRITY

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## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Sunway Berhad ("Company") operates within the following governance framework to fulfil its roles and responsibilities under the Companies Act 2016, Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the relevant laws and regulations for the financial year 2020. The Board has formed and empowered Board Committees to assist in providing oversight over specific aspects of the governance process in accordance with their respective terms of reference.

### CHAIRMAN AND CO-CHAIRMAN

**Executive Chairman**  
**Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling**  
 • Strategic Leadership

**Independent Non-Executive Director • Co-Chairman**  
**Dato' Sri Idris Jala**  
 • Ensuring overall Board's, Board Committees' & Individual Directors' effectiveness

### BOARD OF SUNWAY BERHAD

5 Independent Non-Executive Directors

4 Non-Independent Executive Directors

### AUDIT COMMITTEE

**Chairman : Datuk Tong Poh Keow**  
 3 Independent Non-Executive Directors

#### Key functions

- Assist the Chairman and Board in overseeing and monitoring:
  - Financial reporting and financial risk management.
  - Internal control systems.
  - Compliance with established policies and procedures.
  - Assess suitability, objectivity and the independence of both external and internal audit function.

### RISK MANAGEMENT COMMITTEE

**Chairman : Tan Sri Dato' Dr Lin See Yan**  
 3 Independent Non-Executive Directors

#### Key functions

- Ensuring sound system of risk management and internal controls.
- Ensuring structured policies and procedures on anti-corruption are in place.
- Determining and identifying key material risks with quantifiable impact to bottom line.
- Setting risk tolerance levels within the Group in achieving the Group's strategic goals.

### NOMINATION AND REMUNERATION COMMITTEE

**Chairman : Tan Sri Datuk Dr Rebecca Fatima Sta Maria**  
 5 Independent Non-Executive Directors

#### Key functions

- Evaluating Board and Board Committees' effectiveness including Independent Directors' performances and contributions.
- Ensuring Independent Non-Executive Directors' continuing independence.
- Reviewing board size, composition and training needs of Directors.
- Setting selection criteria for appointment of new Director(s) and evaluating performances of retiring Directors and recommending their re-election.
- Ensuring management succession planning.
- Reviewing performances of Executive Directors against a set of key performance indices using balanced scorecards.
- Reviewing Group Remuneration Policy to ensure competitive compensation in order to incentivise management towards achieving annual and long term sustainable growth.

### SUSTAINABILITY COMMITTEE

**Chairman : Tan Sri Dato' (Dr) Chew Chee Kin**  
 2 Independent Non-Executive Directors  
 2 Executive Directors

#### Key functions

- Review, supervise and recommend to the Board on the Group's sustainability strategies and issues, key ESG targets and performance, progress and scorecard to advance the Group's sustainability leadership.

### PRESIDENT

**Executive Director : Tan Sri Dato' (Dr) Chew Chee Kin**

#### Key functions

- Responsible for meeting the Group's business performance targets and implementing the Board's strategies and policies.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is committed to good corporate governance principles and standards in all its endeavours. Our governance framework is built on the foundation of our core values of integrity, humility and excellence. Our vision is to be Asia’s model corporation in sustainable development, innovating to enrich lives for a better tomorrow. Our mission is empowering our people to deliver enhanced value to all stakeholders, embracing sustainability in our business processes and decisions as well as attracting and nurturing a talented and progressive workforce for the digital era. The Board also places emphasis on ensuring responsible and sustainable business practices in achieving highest standards in quality, environmental, safety and health.

In addition, the Company and its subsidiaries (“Group”) is committed in achieving the United Nations 17 Sustainable Development Goals (“SDG”) by aligning its business strategies to protect the environment and to meet the needs of its communities in line with the SDG agenda. The Group’s commitment to strong Economic, Environment, Social and Governance 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 main objective is to be socially responsible in achieving good financial performance in order to fuel long term sustainable growth and thereby, enhancing shareholders’ value as well as protecting the operating environment, contributing to the community it operates and towards nation building.

Our key focus areas and future priorities in further enhancing our corporate governance practices are as follows:

1	<p><b>BOARD RENEWAL</b></p> <p>During the year under review, two of our Board members having served 9-year tenure, had resigned to make way for new Directors to be appointed. The Board was highly appreciative of the valuable contributions of Mr. Lim Swe Guan and Mr. Wong Chin Mun during their tenure as Independent Directors.</p> <p>On the recommendation of the Nomination and Remuneration Committee (“NRC”), the Board endorsed the appointment of Mr. Philip Yeo Kok Liat as Independent Director on 9 April 2020. Datuk Tong Poh Keow was nominated and subsequently appointed as additional Independent Director on 21 September 2020. Her appointment is testimonial of the Group’s commitment to enhance gender diversity and concurrently, meet the 30% women representation in the Board. The NRC further nominated Tan Sri Jamaludin Bin Ibrahim and he was subsequently appointed as an Independent Director on 3 March 2021.</p>
2	<p><b>ENHANCING QUALITY STANDARDS OF AUDIT AND INTERNAL CONTROL</b></p> <p>In a continuous effort to improve the quality of the internal audit function and to comply with the international standards, the Board has appointed an external professional consultant for the Quality Assessment Review (“QAR”). The last QAR was done in 2015. The assessment was planned to take place in 2020 but had to be postponed to 2021 due to the COVID-19 pandemic. The QAR will validate the Group’s internal audit activities whether they have conformed to the relevant internal audit standards as well as to identify key areas of improvement.</p>
3	<p><b>ANTI-BRIBERY AND CORRUPTION INITIATIVES</b></p> <p>The Board and Management had pledged to a zero-corruption culture and as such, an anti-bribery and corruption awareness programme and campaign (“ABC Programme”) had been carried out in 2020. This ABC Programme involves continuous awareness, education and commitment from all levels, including employees, suppliers, subcontractors and business partners. All parties involved were required to sign a pledge to comply with the policy. An Anti-Bribery and Corruption Compliance Officer has been appointed to lead, monitor and to take charge of the compliance.</p> <p>In addition, monitoring corruption risk has been included in the annual risk assessment and the Risk Management Committee (“RMC”) has been tasked with this oversight responsibility.</p>
4	<p><b>INDEPENDENT EXPERTS FOR BOARD ASSESSMENT</b></p> <p>A structured and regular evaluation of the Board effectiveness is an important element of good corporate governance. Besides the internal annual Board evaluation facilitated by the Company Secretary, an independent professional evaluator has been engaged to undertake a comprehensive and 360-degree review of the Board’s effectiveness for year 2021.</p>

This Corporate Governance Overview Statement (“CG Overview”) provides shareholders and investors with an overview of the corporate governance practices of the Group under the leadership of the Board during the financial year 2020. This CG Overview was prepared based on the 3 key Corporate Governance Principles as set out in the Malaysian Code on Corporate Governance (“CG Code”), which are:

- i. Board Leadership and Effectiveness;
- ii. Effective Audit and Risk Management; and
- iii. Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

Our corporate governance significantly complies with the best practices of the CG Code. This Statement is to be read together with the Corporate Governance Report (“CG Report”) of the Company which is available on the Company’s website at [www.sunway.com.my](http://www.sunway.com.my).

The CG Report provides an insight on the Company’s corporate governance framework and practices in compliance with the principles and practices set out in the CG Code and the Listing Requirements of Bursa Securities for the financial year 2020. Any deviations from the CG Code are explained in the CG Report in the Company’s website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board is responsible for creating value for the shareholders and to ensure long term sustainability of the Group. It does this by developing strategies, implementing a right business model and setting appropriate risk tolerance to achieve its long-term objectives. It also seeks to align the interests of the Board and Management with that of shareholders as well as to balance the interests of all other stakeholders.

**The Board focuses on the following responsibilities:**

- Setting the vision, mission, objectives, goals and strategic plans;
- Monitoring and reviewing the progress of execution of the Company’s strategies, budgets, plans and policies;
- Keeping track of the performance of the Group’s businesses and assesses whether they are properly managed to achieve its targeted returns;
- Setting risk appetite, identifying and monitoring principal risks. It also ensures adequate risk framework and systems are in place to mitigate and manage these risks. Through the RMC, it identifies and prioritises key material risks, and sets risks tolerance level as well as formulate risk mitigation strategies to manage and minimise impact of these potential risks;
- Considering and endorsing Management’s recommendations on key proposals such as acquisitions, divestments, corporate restructuring, funding and significant capital expenditure;
- Human resources planning and development in particular, management succession planning; and
- Reviewing the adequacy and integrity of the Group’s internal control and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

**The key matters reserved for the Board’s approval include the following:**

- Conflict of interest issues relating to substantial shareholders or Directors and senior management;
- Material acquisitions and disposals of undertakings not in the ordinary course of business;
- Material investments in capital projects;
- Material bid/tenders for projects;
- Overseas ventures;
- Annual business plan and budgets (including major capital commitments);
- Material corporate or financial exercise/ restructuring;
- Dividend policy and declaration of dividend;
- Recommendation of Directors’ fees;
- Annual audited and quarterly financial results;
- Management approval authority limits; and
- Corporate Governance issues and related policies.

In discharging its roles and responsibilities, the Board is guided by its Charter which outlines its duties and responsibilities 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 is reviewed annually with the last review done on 27 November 2020.

EXECUTIVE CHAIRMAN, INDEPENDENT NON-EXECUTIVE CO-CHAIRMAN AND PRESIDENT

There is a clear segregation of roles and responsibilities between the two Co-Chairmen i.e. between the Executive Chairman and the Independent Non-Executive Co-Chairman as well as the President in order to ensure good corporate governance 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 reports to the Executive Chairman and the Board. He focuses on the Group’s businesses and manages the day-to-day operations of the Company as well as implements the Board’s decisions.

ACCESS TO MANAGEMENT AND INDEPENDENT PROFESSIONAL ADVICE

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 constitution, Companies Act 2016, Listing Requirements, 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 are subject to the 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.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

### CONFLICTS OF INTEREST

Directors must avoid situations in which their own personal or business interests directly or indirectly conflict, or appear to conflict, with the interests of the Company. Where a Director has a conflict of interest in respect to any matter, he/she will be required to immediately disclose his/her interest at a meeting of the Directors or send a written notice to the Company containing details of his/her interest and the conflict, and recuse himself/herself from participating in any discussion and decision on the matter. Such declaration of interest will be recorded in the minutes of meeting.

In respect to mandated recurrent related party transactions, the Board was satisfied that all such transactions were audited by GIAD and independently reviewed by the Audit Committee to ensure that they complied with the Listing Requirements of Bursa Securities and the terms of the shareholders' mandate.

### SUSTAINABILITY PRACTICES

The Board places great emphasis on sustainability practices, encompassing environmental, social and good governance goals, as part of its responsibilities. Details of the sustainability programmes and initiatives are set out in the Sustainability Statement in pages 124 to 129 of this Annual Report.

### CODE OF CONDUCT, BUSINESS ETHICS & WHISTLEBLOWING POLICY, ANTI-BRIBERY & CORRUPTION POLICY AND ANTI-MONEY LAUNDERING POLICY

The Board has a formalised 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.

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](mailto:whistleblowing@sunway.com.my)

Fax: +603 5639 8027

The Group has a zero tolerance against all forms of bribery and corruption practices. It has formulated an Anti-Bribery and Corruption Policy and Procedures ("**ABC Policy**") as well as an Anti-Money Laundering Policy and Procedures ("**AML Policy**"). The ABC Policy provides procedures and guidance to all employees and business associates of the Group in complying with the policy. As for the AML Policy, all employees of the Group are required to implement measures to prevent money laundering within its businesses. Both the ABC Policy and AML Policy are under the oversight of the Risk Management Committee.

Further details of the Code of Conduct, Whistleblowing Policy and Procedures, ABC Policy and AML Policy are set out in the CG Report. The Code, Whistleblowing Policy and Procedures, ABC Policy, AML Policy and the CG Report are available at the Company's website at [www.sunway.com.my](http://www.sunway.com.my).



## II. BOARD COMPOSITION

During the year under review, there were 9 Directors (including 3 woman Directors) in the Board. The Board comprises 4 Executive Directors, 1 Senior Independent Non-Executive Director and 4 Independent Non-Executive Directors. The profiles of the Directors are set out from pages 106 to 117 of this Annual Report.

The size and composition of the Board are annually reviewed by the NRC. During the year under review, the NRC was satisfied that the size of the Board was optimal for effective discussion and decision making. The Board has diversified composition with a broad range of knowledge, skills, experiences and deep industry expertise. 30% of the Board comprised woman Directors.

It is committed to building a diverse, inclusive and collaborative culture. All Board appointments are made based on merit, in the context of skills, experience, independence and relevant knowledge which are essential to the future growth and sustainability of the Company.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### SENIOR INDEPENDENT DIRECTOR

Mr Philip Yeo Liat Kok has been appointed as Senior Independent Director to coordinate 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 the Chairman, President or Group Chief Financial Officer ("**GCFO**") has failed to resolve, or where such contact is inappropriate.

### BOARD COMMITTEES

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

The Board has set up the following committees and will periodically review their TOR and operating procedures:

- a) Audit Committee ("**AC**");
- b) NRC;
- c) Risk Management Committee ("**RMC**"); and
- d) Sustainability Committee ("**SC**").

The TORs of the Board Committees are available for reference at the Company's website at [www.sunway.com.my](http://www.sunway.com.my) under the heading of Corporate Governance.

The TORs are continuously reviewed and updated to ensure their relevance to the Company's operations as well as to comply with the relevant legislations, regulations and governance standards.

The Board Committees deliberate issues on a broad and in-depth basis before putting up any recommendation to the Board for decision. Notwithstanding the existence of the Board Committees and the relevant authorities granted to a Committee under its TOR, the ultimate responsibility for the affairs of the Company and decision-making lies with the Board. The Board keeps itself abreast of the significant matters and resolutions deliberated by each Board Committee through the reports by the respective chairman of the relevant Board Committees and the tabling of the minutes of the Board Committee meetings at the subsequent board meeting.

#### AC

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

#### NRC

The Board had on 21 September 2020, merged the Nomination Committee ("**NC**") and Remuneration Committee ("**RC**") into a single committee and renamed itself as NRC. The NRC comprises exclusively Independent Non-Executive Directors. The Chairman of the NRC was Tan Sri Datuk Dr Rebecca Fatima Sta Maria. The other members of the Committee were Tan Sri Dato' Dr Lin See Yan, Datuk Tong Poh Keow and Mr Philip Yeo Liat Kok. Dato' Sri Idris Jala has resigned as a member of NRC with effect from 18 May 2021.

The NRC is responsible for reviewing the composition, size and diversity of the Board. It ensures that the Board comprises Directors with appropriate skills, knowledge, expertise and experience as well as ensuring a proper balance between Executive Directors and Independent Non-Executive Directors. It is also responsible for advising the Board on matters relating to the remuneration of the Board and senior management in order to retain and attract the best talents in the market.

It regularly reviews the criteria to be used in the Board recruitment process. In the case of candidates proposed for appointment as Independent Non-Executive Directors, the NRC would assess the candidate's independence in accordance with Paragraph 1.01 and Practice Note 13 of the Listing Requirements of Bursa Securities as well as his/her time commitment and potential contribution.

It also undertakes the annual assessment of the Board and Board Committees. In addition, it is responsible for the succession planning of the Board and senior management.

The duties and responsibilities of the NRC are set out in its TOR which is available at the Company's website at [www.sunway.com.my](http://www.sunway.com.my).



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

NRC

During the financial year under review, the following meetings were held to deliberate on the following matters:

1 NC

- At the meeting held on 25 February 2020, the NC deliberated on the following matters:
    - The NC had interviewed and assessed Mr Philip Yeo Liat Kok, who was nominated as an Independent Non-Executive Director. Having satisfied with Mr Philip Yeo Liat Kok's qualification, industry experience, competencies and time commitment as well as his confirmation of his independence, the NC then recommended his nomination to the Board for approval. He was subsequently appointed by the Board on 9 April 2020.
    - Through various sourcing agencies, the NC reviewed a list of woman candidates for directorship in order to enhance the gender diversity and meeting the 30% female representation in the Board.
    - With the assistance of the Company Secretary, the NC had analysed and discussed the report on the effectiveness of the Board and Board Committees. The NC was satisfied that the Board was effective in discharging its statutory roles and responsibilities. As for the Board Committees, it was pleased with their effectiveness in discharging their roles and responsibilities in accordance to their respective terms of reference. The NC noted the comments and areas of improvements highlighted in the report.
    - It also undertook a comprehensive assessment of individual Independent Non-Executive Directors' performance and contribution during the board meetings. All the Board members had participated in a Director's peer review for the financial year 2019.
    - The Committee undertook an annual review of the size, structure and composition of the Board and Board Committees and found them to be appropriate.
    - The Independent Directors confirmed their continued independence in accordance with the Listing Requirements of Bursa Securities and that they would continue to act in the best interest of all stakeholders.
    - The NC was pleased that the Directors had kept themselves abreast with the latest knowledge by attending seminars/workshops in 2019.
    - The contributions and performances of retiring directors, namely Tan Sri Dato' Dr Lin See Yan and Ms Sarena Cheah were evaluated by the NC. They were due for retirement by rotation pursuant to Clause 106(1) of the Company's Constitution and had offered themselves for re-election at the Tenth Annual General Meeting ("10<sup>th</sup> AGM") of the Company held on 2 September 2020.
    - Based on the peer review of retiring directors and the retiring Executive Directors' performance scorecard, the NC then recommended their re-election to the Board and shareholders. The retiring Directors were subsequently re-elected by the shareholders at the 10<sup>th</sup> AGM.
  - At the meeting held on 7 April 2020, the NC reviewed and endorsed the NC report for 2019. Mr Wong Chin Mun upon reaching his 9th year tenure as Independent Non-Executive Director was recommended for re-election pending the appointment of a suitable replacement. He was subsequently re-elected by the shareholders at the 10<sup>th</sup> AGM.
- The NC also recommended Mr Philip Yeo Liat Kok's re-election as Director pursuant to Clause 89 of the Company's Constitution. He was re-elected by the shareholders at the 10<sup>th</sup> AGM.
- At the meeting held on 24 August 2020, the NC had met and assessed Datuk Tong Poh Keow's nomination as an Independent Non-Executive Director. The NC was of the opinion that Datuk Tong was the suitable candidate for the Board as well as chairman of the AC. Datuk Tong Poh Keow was subsequently appointed by the Board with effect from 21 September 2020.
- The NC also approved the methodology for evaluation of the effectiveness of the Board, Board Committees, Directors' Peers Review and the assessment of the Independent Non-Executive Directors for the financial year ended 31 December 2020.
- The proposed merger of the NC and RC into a single committee known as NRC was endorsed.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

NRC

2 RC

- On 25 February 2020, the RC reviewed and discussed the 2019 year-end performance appraisal of the Executive Directors. The actual results achieved were compared with their planned key performance indicators ("KPIs"). Non achievement of KPIs were explained and justified. Based on their performance scorecards and ratings, the RC then recommended their annual increments and performance bonuses for the Board's approval.
- On 25 August 2020, the RC had reviewed and discussed the achievements of mid-year KPIs and mid-year performance appraisal of the Executive Directors.

3 NRC

On 27 November 2020, the NRC met to discuss the following matters:

- The terms of reference of NRC was reviewed and updated.
  - Mr Philip Yeo Liat Kok was nominated as the Senior Independent Director.
  - The Chief Human Resources Officer presented the management succession plan for all the C-Suite and level 2 leaders. The potential successors to each key position in the organization was brought up for consideration. The NRC received assurances that all potential candidates nominated to C-suite and level 2 leaders' positions were of sufficient calibre. A leadership programme was in place to track their readiness in order to provide orderly succession. 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.
- A strategic leadership program (i.e. Excel in My Career and Leadership (ExCeL) @ Sunway) to identify the next echelon of future leaders had been conducted whereby the identified candidates were given various case studies, role play, stimulations, etc to assess their leadership capabilities. The program enables a more personalised, purposeful and focused career development journey to assist the candidates to realise their leadership potential. However, part of this program has to be postponed to 2021 due to the COVID-19 pandemic.
- An annual talent review and planning was undertaken whereby the Chief Human Resources Officer presented her talent acquisition and retention plan.
- The annual contracts of service for Tan Sri Datuk Seri Razman M Hashim and Tan Sri Dato' (Dr) Chew Chee Kin for the period from 1 January 2020 to 31 December 2020 were reviewed and recommended for the Board's approval.

## TENURE OF DIRECTORSHIP

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.

During the financial year under review, Mr Lim Swe Guan, an Independent Non-Executive Director upon reaching his 9-years tenure, had resigned from the Board on 9 April 2020. Mr Wong Chin Mun who had reached the 9-year tenure, however, remained in the Board after the resolution for his retention was approved by the shareholders at the 10<sup>th</sup> AGM. He had subsequently resigned on 21 September 2020.

## ANNUAL BOARD AND BOARD COMMITTEES EVALUATION

The NRC undertakes an annual assessment of the effectiveness of Board, the Board Committees and each Director's performance by way of self and peer evaluation. This includes a review of the desirable mix of competencies, qualification, knowledge, skills, expertise and personal traits of the Directors in order to identify any gaps that may exist in the optimum mix of skills required for the Board.

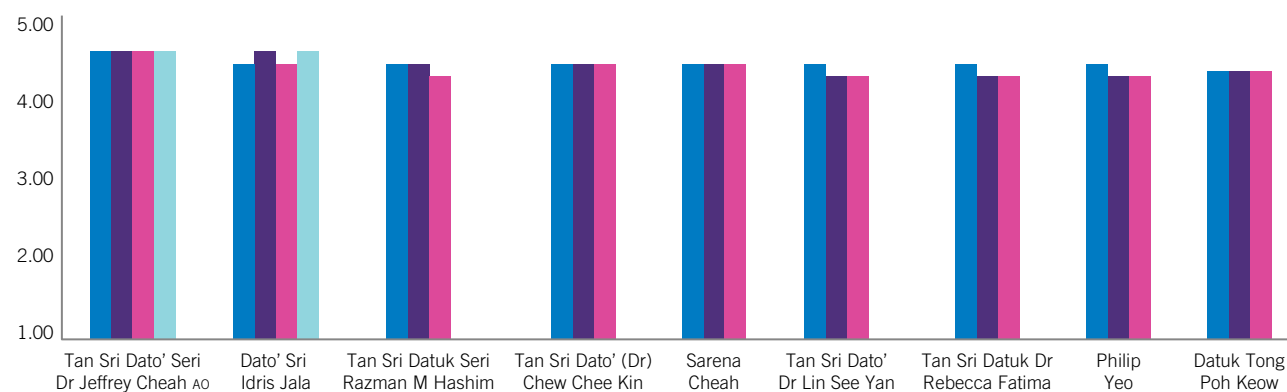
In 2020, the evaluation process was assessed internally and facilitated by the Company Secretaries. As part of the process, survey questionnaires were sent to the Directors, and the results were aggregated and reported to the NRC. All assessments carried out by the NRC were properly documented, summarised and reported to the Board. The results of the survey and recommendations of the NRC were considered by the Board and follow-up improvements were taken where necessary with a view to enhancing its effectiveness.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The assessment criteria and outcome are summarised as follows:

EVALUATION	ASSESSMENT CRITERIA
<b>Board Evaluation</b>	Board structure, Board dynamic and effectiveness, conduct of board meetings, roles and responsibilities, company performance, performance of Chairman, performance of President.
<b>Board Committee Evaluation</b>	Committee composition, quality, skills and competencies, roles and responsibilities, effective communication, qualification of chairman/chairperson.
<b>Director's Peer Evaluation</b>	Contribution to interaction, quality of input, understanding of role, Chairman's role (applicable to Chairman only).
<b>Independent Directors' Self-Assessment</b>	The criteria set under paragraph 1.01 of the Listing Requirements of Bursa Securities.
<b>Outcome and Next Steps</b> The Directors were satisfied with the effective functioning of the Board. The Director's peer review affirmed that each Director had performed their respective role and responsibilities effectively. Each member was satisfied with each other's contribution in sharing their insights and were involved in active participation in the Board and Board Committees' discussions. There was no risk of group think as each Director had freedom to express their own views. All the Board Committees were assessed to be effective in discharging their roles and responsibilities in accordance to the approved terms of reference.  All the Board members had shown their time commitment by attending all the meetings. The Board planned to engage independent experts to facilitate its annual assessment in the next financial year.	

The results of the Directors' peer evaluation for the financial year ended 31 December 2020 which was presented to the NRC and Board at the meetings held on 25 February 2021 were as follows:



Note: The results were based on average rating as indicated below of all participating Directors

### Contribution to Interaction

Sharing of information of insights, participation in board activities, works constructively with peers, takes strong constructive stands at board or committee meetings, encourages feedback from the Board, encourages meetings to focus on the agenda and confronts conflicts and participate in finding resolutions.

### Quality of Input

Providing logical honest opinions on issues presented; provides unique insight to issues presented; has valuable skills, prioritise context of issues to be in line with objectives; motivates others to get things done, is decisive and action-oriented; provides realism and practical advice to board deliberations; and applies analytical and conceptual skills to the decision-making process; as well as communicates persuasively in a clear and non-confrontational manner.

### Understanding of Role

Contributes value add to board meetings; attends meeting well prepared; takes initiative to request for more information; ensures that individual contribution is relevant and up-to-date with developments; focuses on accomplishing the objectives; assess and link short-term issues to the long term strategy; as well as ensures performance of financial and human capital, keeping in mind the strategic plan when making investment decisions.

### Chairman's Role

Chairman's ability to lead the Board effectively; encouraging contribution from all members and that the Chairman and President have a good working relationship and they understand their respective roles.

### RATING INDICATORS

5	4	3	2	1
Excellent	Good	Satisfactory	Needs Improvement	Significant Improvement Needed

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### MEETING ATTENDANCE

Majority of the Directors have given their full commitment by attending all the Board and Board Committees' meetings held during 2020. Their meeting attendances are set out in the table below.

DIRECTORS	BOARD	AC	NC^	RC^	NRC^	RMC
<b>Executive Directors</b>						
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO	7/7	N/A	N/A	N/A	N/A	N/A
Tan Sri Datuk Seri Razman M Hashim	7/7	N/A	N/A	N/A	N/A	N/A
Tan Sri Dato' (Dr) Chew Chee Kin	7/7	N/A	N/A	N/A	N/A	N/A
Sarena Cheah Yean Tih, S.M.S.	7/7	N/A	N/A	N/A	N/A	N/A
<b>Independent Non-Executive Directors</b>						
Philip Yeo Liat Kok (Appointed w.e.f 9 April 2020)	4/4*	N/A	1/1*	1/1	1/1	N/A
Dato' Sri Idris Jala	7/7	N/A	3/3	2/2	1/1	N/A
Tan Sri Dato' Dr. Lin See Yan	7/7	5/5	3/3	2/2	1/1	5/5
Tan Sri Datuk Dr Rebecca Fatima Sta Maria	7/7	4/5	3/3	2/2	1/1	4/5
Datuk Tong Poh Keow (Appointed w.e.f 21 September 2020)	1/1*	1/1*	N/A	N/A	1/1	1/1*

The Board has a policy that each Director must not hold more than five (5) directorships in public listed companies. This is to ensure that they have sufficient time to fulfil their duties effectively. This policy has been incorporated into the Board Charter which requires a Director to seek prior consent from the Board Chairman 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 its meetings.

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

^The NC and RC had merged into a single committee known as NRC on 21 September 2020.

### RMC

The RMC has oversight on the Company's risk management framework and policies. It comprises exclusively Independent Non-Executive Directors, with Tan Sri Dato' Dr Lin See Yan as Chairman. The other members include Tan Sri Datuk Dr Rebecca Fatima Sta Maria and Datuk Tong Poh Keow as members for the financial year 2020. Mr Lim Swe Guan and Mr Wong Chin Mun had resigned as members on 9 April 2020 and 21 September 2020 respectively.

The Company's overall risk management process is the responsibility of the Board conducted through the RMC. The RMC supports the Board and Management in setting the tone from the top so as to embed and maintain appropriate risk culture. It guides the development of and recommends for the Board's approval, the risk appetite for various types of risk and exercises, oversight on how this is operationalised into risk appetite limits of the respective business activity.

### The RMC, with the assistance of the Group Risk Management team:

- evaluates and determines the nature and extent of the risks the Board is ready to endorse in pursuit of the Group's strategic objectives;
- ensures an appropriate and effective risk management framework is established and maintained;
- monitors the design and implementation of the risk management framework;
- oversees management of risk identification, reporting and mitigation efforts. The risk management review is reported to the RMC on a quarterly basis for review and discussion; and
- reviews and approves the Statement on Risk Management and Internal Control.

### During the financial year, five (5) meetings were held to deliberate on the following matters:

- reviewed and deliberated the quarterly risk reports which covered identified key risks at operational levels, the corresponding rating for each risk as well as the control and mitigation action plans taken;
- endorsed the Statement on Risk Management and Internal Control to be included in the Company's Annual Report 2019;
- reviewed the RMC's TOR to ensure that it is updated with the regulatory and CG Code requirements;
- assessed the key business risks and action plans of Hospitality Division, Building Materials Division, Sunway Money Sdn Bhd and Sunway Pharma Sdn Bhd; and
- approved the meeting schedule for 2021.

In 2020, the RMC mainly focused its attention on the impact of the COVID-19 pandemic on the Group's businesses and operations. Other key risks included operational risks and external risks which encompassed economic uncertainties, rising competition, technological disruptions as well as human capital development and talent retention risks. These risks were also presented and highlighted by the Hospitality Division, Building Materials Division, Sunway Money Sdn Bhd and Sunway Pharma Sdn Bhd.

For more details of the Risk Management Framework and Internal Controls system of the Company, please refer to the Statement on Risk Management and Internal Control on pages 154 to 158 of this Annual Report.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

SC

The Sustainability Committee was set up by the Board on 27 November 2020. It was headed by Tan Sri Dato' (Dr) Chew Chee Kin with Datuk Tong Poh Keow, Mr Philip Yeo Liat Kok and Ms Sarena Cheah Yean Tih as members.

Its scope of responsibilities is disclosed in the Sustainability Report of the Company. As it was newly established in late 2020, it did not hold any meeting during the year.

## DIRECTOR PROFESSIONAL DEVELOPMENT AND TRAINING

In view of the increasingly demanding, complex and multi-dimensional role of a Director, the Board recognises the importance of continual training and professional development for its Directors so as to be able to serve effectively on, and contribute positively to, the Board.

During the financial year ended 31 December 2020, all members of the Board attended various development/training programmes, conferences, seminars and courses 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 Company Secretaries maintain a training record to track the Directors' attendance at training and professional development courses.

## Training Programmes, Seminars and Workshops attended by Directors

NAME OF DIRECTORS	COURSE TITLE / ORGANISER	DATE
<b>Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO</b>	University Sector Support to UN Secretary-General's Call for a Decade of Action on the SDGs <b>(United Nations)</b>	9 July 2020 to 10 July 2020
	Selangor Youths ("SAY") Townhall on Budget 2021 <b>(SAY and Minister of Finance)</b>	5 August 2020
	United Nations SDSN Leadership Council Meeting <b>(United Nations)</b>	24 September 2020
	Raising Defences: Section 17A of the Malaysian Anti-Corruption Commission Act 2009 <b>(Asia School of Business)</b>	13 November 2020
<b>Dato' Sri Idris Jala</b>	Raising Defences: Section 17A of the Malaysian Anti-Corruption Commission Act 2009 <b>(Asia School of Business)</b>	13 November 2020
<b>Tan Sri Datuk Seri Razman M Hashim</b>	Raising Defences: Section 17A of the Malaysian Anti-Corruption Commission Act 2009 <b>(Asia School of Business)</b>	13 November 2020
<b>Tan Sri Dato' (Dr) Chew Chee Kin</b>	Raising Defences: Section 17A of the Malaysian Anti-Corruption Commission Act 2009 <b>(Asia School of Business)</b>	13 November 2020
	Business Foresight Forum 2020 Virtual Conference - Evolutionary Change to Revolutionary Impact <b>(Securities Industry Development Corporation)</b>	18 November 2020 to 19 November 2020
<b>Sarena Cheah Yean Tih, S.M.S.</b>	Market Contingency Planning and What it Means to the Financial Services Provider <b>(Securities Industry Development Corporation)</b>	16 July 2020
	Raising Defences: Section 17A of the Malaysian Anti-Corruption Commission Act 2009 <b>(Asia School of Business)</b>	13 November 2020
	Business Foresight Forum 2020 Virtual Conference - Evolutionary Change to Revolutionary Impact <b>(Securities Industry Development Corporation)</b>	18 November 2020 to 19 November 2020
<b>Philip Yeo Liat Kok</b>	Mandatory Accreditation Programme for Directors of Public Listed Companies <b>(ICLIF Executive Education Center)</b>	15 June 2020 to 17 June 2020
	Raising Defences: Section 17A of the Malaysian Anti-Corruption Commission Act 2009 <b>(Asia School of Business)</b>	13 November 2020

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

## DIRECTOR PROFESSIONAL DEVELOPMENT AND TRAINING

## Training Programmes, Seminars and Workshops attended by Directors

NAME OF DIRECTORS	COURSE TITLE / ORGANISER	DATE
<b>Tan Sri Dato' Dr. Lin See Yan</b>	Sarawak Chamber of Commerce and Industry on "Trying Trouble Times Amid Trauma & Tumult"* <b>(Leadership Institute of Sarawak State Civil Service, Sarawak)</b>	20 February 2020
	Entrepreneurs' Organisation on "Surviving Turbulent Times in the Face of Turbulence, How can CEOs Deliver Profit Growth and Ensure Strong Economic Returns?"* <b>(Entrepreneurs' Organisation)</b>	5 March 2020
	Association of Malaysian Economics Undergraduates (AMEU) Economics Summit 2020* <b>(Association of Malaysian Economics Undergraduates (AMEU))</b>	8 August 2020
<b>Tan Sri Datuk Dr Rebecca Fatima Sta Maria</b>	NCAPEC Annual Executive Roundtable: Strategies and Objectives for APEC Malaysia 2020, San Diego, USA <b>(National Center for APEC)</b>	10 January 2020
	Asia Business Trade Association Talk "Trade 2020: Dealing with Trade Disruption" <b>(Asia Business Trade Association)</b>	20 January 2020
	Luncheon speech to the MRP (Malaysia Regional Programme), Kuala Lumpur, Malaysia* <b>(Malaysia Regional Programme)</b>	23 January 2020
	World Development Report on "Trading for Development in the Age of Global Value Chains"* <b>(World Bank Group)</b>	30 January 2020
	US-ASEAN Business Council "APEC in Malaysia" <b>(US-ASEAN Business Council, Singapore)</b>	18 March 2020
	Future of Trade and Globalisation in Asia and in the Age of COVID-19 # <b>(Lee Kuan Yew School of Public Policy, National University of Singapore)</b>	6 May 2020
	Building Security in an Unsecure World <b>(Asia School of Business with ICLIF)</b>	8 May 2020
	Statutory Rescue: Whether Introducing a COVID-19 Act can save the Economy? <b>(Asian International Arbitration Centre)</b>	8 May 2020
	e-Conference on COVID-19* <b>(Centre for International Law)</b>	13 May 2020
	AdvaMed: Webinar Session: COVID-19 & Business Ethics for APEC SMEs Initiative <b>(Advanced Medical Technology Associations)</b>	21 May 2020
	Webinar on Capturing Economic Upturn Post COVID-19# <b>(EU-ASEAN Business Council)</b>	1 June 2020
	Singapore Management University Industry Leaders Dialogue: "Leadership in a time of crisis" <b>(Singapore Management University)</b>	9 June 2020
	E-learning programme on Information Security Awareness for Board members, launched by Group Technology & Cyber Risk Management <b>(RHB)</b>	17 June 2020
	World Economic Forum: Operationalizing Economic Stimulus Packages in ASEAN <b>(World Economic Forum)</b>	17 June 2020
	First MSGA Women Network Webinar: Breaking the Glass Ceiling - Challenges of A Female Leader# <b>(MSGA Women Network Group)</b>	20 June 2020
	Responding to COVID-19's Impact on Women's Empowerment# <b>(National Centre for APEC, USA)</b>	25 June 2020
	SMU Industry Leaders Virtual Dialogues <b>(Singapore Management University)</b>	26 June 2020

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

## DIRECTOR PROFESSIONAL DEVELOPMENT AND TRAINING

## Training Programmes, Seminars and Workshops attended by Directors

NAME OF DIRECTORS	COURSE TITLE / ORGANISER	DATE
Tan Sri Datuk Dr Rebecca Fatima Sta Maria	Influential Impact Webinar- Supply Chain Management (Singapore Management University)	7 July 2020
	Regional Action Group for Asia-Pacific on Strengthening ASEAN's Digital Economy for an Inclusive and Sustainable Recovery (World Economic Forum)	17 July 2020
	Fireside Chat* (The American Chamber of Commerce in Singapore)	28 July 2020
	The End of Certainty: Australia and the rise of Xi's China, Prof John Blaxland (Australia National University)	28 July 2020
	Banking on Governance, Insuring Sustainability: Corporate Governance, Remuneration, Risk Management and Emerging Trends in Major Asia-Pacific Banks and Insurance Companies (ICLIF, National University of Singapore and CPA Australia)	4 August 2020
	The Economic Outlook for Trade# (The Economist)	12 August 2020
	Globalisation Revisited: Trade, investment and value chains in Asia Pacific# (KPMG)	19 August 2020
	Webinar - Menerajui Perpaduan Melalui Rukun Negara# (Ministry of National Unity)	26 August 2020
	11 <sup>th</sup> ASEAN Connectivity Symposium: Enhancing ASEAN Cohesiveness, Responsiveness through Resilient Connectivity and Human Capital Development (ASEAN Secretariat, Indonesia)	28 August 2020
	Virtual Australia's online APEC interview series on Supporting Women's Access to Global Markets (The Australian APEC Study Centre)	1 September 2020
	BNM-FIDE FORUM Annual Dialogue with the Governor (FIDE Forum)	3 September 2020
	Virtual fireside chat* (BNP Paribas)	16 September 2020
	Conversation about United Nations Development Programme (USG AA)	17 September 2020
	CPTPP Roundtable Discussion (Australian High Commission Malaysia)	18 September 2020
	NZ Workshop: APEC Behind the Scenes: Engaging in a Host Year* (APEC New Zealand Team)	24 September 2020
	US-ASEAN 2020 Senior Executives Business Mission virtual meeting* (US-ASEAN Business Council)	5 October 2020
	APEC Action Plan on Investment Facilitation and the lessons learned from its implementation* (German Development Institute)	5 October 2020
	APEC NZ speaker series* (APEC New Zealand Team)	8 October 2020
	2020 APEC Business Ethics for SMEs Virtual Forum (Advanced Medical Technology Associations)	13 October 2020
	Temasek Foundation Asia Leaders Connect Conversations Series: Impact of COVID-19 on Asia (Temasek Foundation, Singapore)	15 October 2020
	The 35 <sup>th</sup> Pacific Economic Community Seminar (Chinese Taipei Pacific Economic Cooperation Committee)	27 October 2020
	EuroCham Though Leadership Seminar on Regional FTAs (European Chamber of Commerce (Singapore))	29 October 2020
	Raising Defences: Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Asia School of Business)	13 November 2020

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

## DIRECTOR PROFESSIONAL DEVELOPMENT AND TRAINING

## Training Programmes, Seminars and Workshops attended by Directors

NAME OF DIRECTORS	COURSE TITLE / ORGANISER	DATE
Datuk Tong Poh Keow	Sustainability Event Sustainability Career - Measuring Change for Sustainability (CIMB)	24 September 2020
	Climate Action: The Board's Leadership in Greening the Financial Sector (FIDE Forum)	2 November 2020
	Raising Defences: Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Asia School of Business)	13 November 2020
	Business Foresight Forum 2020 Virtual Conference - Evolutionary Change to Revolutionary Impact (Securities Industry Development Corporation)	18 November 2020 to 19 November 2020

\* Attended as speaker  
# Attended as panelist

## III. REMUNERATION

In order to attract and retain talent, the Group has a fair and comprehensive remuneration package which commensurate with relevant experiences, skills and responsibilities as well as benchmarking against industry standards. 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 NRC.

For Independent Non-Executive Directors including the Non-Executive Chairman, the level of remuneration reflects their knowledge, experience and level of responsibilities. In addition, the remuneration is benchmarked against industry peers of similar size as well as complexity of the Group's businesses. The remuneration of Independent Non-Executive Directors consists of fixed annual directors' fees and meeting allowances for each Board or Board Committee meeting attended.

The Board as a whole determines the fees for the Non-Executive Directors with individual Directors abstaining from decisions in respect of their individual remuneration. The fees and allowances payable to the Non-Executive Directors are subject to the prior approval of shareholders at the AGM of the Company.

The Board Chairman is entitled to directors' fee of RM360,000 per year while the rest of the Non-Executive Directors are entitled to directors' fees of RM120,000 per individual per year. The meeting allowance is set at RM1,000 per individual per meeting.

In addition to the directors' fees, the Chairman and members of the AC are entitled to AC's fees in respect of their governance and oversight responsibilities over financial reporting, internal control system, risk management system, internal and external audit function.

The amount of AC's fees is benchmarked against public listed companies of similar size and industry. The AC's fees are subject to shareholders' approval. The fees will be reviewed as and when the need arises. The AC's fees are payable annually together with the payment of the directors' fees.

In view of the increasing responsibilities of the Board Committees, the Board had upon the recommendation of the NRC, approved the AC's fees and the following Board Committees' fees for the approval of the shareholders at the forthcoming Annual General Meeting of the Company to be held in June 2021:

	EXISTING FEES (PER ANNUM)	PROPOSED REVISED FEES (PER ANNUM)
<b>Audit Committee</b>		
Chairman	RM6,000	RM25,000
Members	RM3,000	RM15,000
<b>RMC</b>		
Chairman	-	RM10,000
Members	-	RM5,000
<b>NRC</b>		
Chairman	-	RM10,000
Members	-	RM5,000

The details of the Directors' remuneration for the financial year 2020 are disclosed in the CG Report which is available in the Company's website at [www.sunway.com.my](http://www.sunway.com.my).



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AC

The AC is led by Datuk Tong Poh Keow who is not the Chairman of the Board. The members of the AC for the financial year 2020 were Tan Sri Dato’ Dr Lin See Yan and Tan Sri Datuk Dr Rebecca Fatima Sta Maria. Mr Lim Swe Guan and Mr Wong Chin Mun had resigned as members of the Committee on 9 April 2020 and 21 September 2020 respectively. Tan Sri Jamaludin Bin Ibrahim was appointed as a member of the AC on 3 March 2021. All of them were Independent Non-Executive Directors. The AC Chairman is a member of the Malaysian Institute of Accountants.

The Company has a policy of requiring a former key audit partner to observe a cooling-off period of at least 3 years before being appointed as a member of the AC.

The AC has explicit authority to investigate any matter within its TOR. Management provides their fullest co-operation in providing information and resources, and in implementing or carrying out all requests made by the AC. The AC has direct access to the Internal and External Auditors and full discretion to invite any executive officer to attend its meetings. Similarly, both the Internal and External Auditors have unrestricted access to the AC.

In the financial year 2020, the AC met the External Auditors separately twice on 25 February 2020 and 7 April 2020 without the presence of the Management. It also had a private session with the Internal Auditors without the presence of the Management on 27 May 2020. The AC had discussed with the Auditors on the reasonableness of the financial reporting process, the system of internal controls and Management’s level of co-operation in the audit process. The AC also took note of comments and recommendations made by both the Internal and External Auditors.

In assessing the suitability of the External Auditors, the AC 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 and that the non-audit services rendered are not prohibited by regulatory and other professional requirements.

During the year under review, the audit and non-audit services provided by the External Auditors are shown in the table below.

FEES PAID AND/OR PAYABLE TO EXTERNAL AUDITORS OR ITS AFFILIATES	FYE 2020	
	GROUP (RM’000)	COMPANY (RM’000)
Statutory audit and related fees:		
- BDO and its affiliates	3,064	493
- Other auditors	247	-
Non-audit fees	623	563
<b>Total</b>	<b>3,934</b>	<b>1,056</b>

The AC also had assessed the suitability of re-appointment of BDO PLT as External Auditors for the financial year ended 31 December 2020. The assessment was based on the audit quality, suitability, effectiveness and independence of the External Auditors. The exercise was undertaken by the AC, the GCFO office and the Internal Auditors. It 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 at the AC meeting on 7 April 2020. Based on the Assessment Report, the AC had recommended BDO PLT’s re-appointment for the financial year ended 31 December 2020 subject to the shareholders’ approval at the 10<sup>th</sup> AGM of the Company held on 2 September 2020.

The External Auditors has a policy of rotating their engaging partner once every seven (7) years to maintain their independence from the Group. The current audit engagement partner has held the position for only six (6) years.

The External Auditors attended the Company’s AGM/Extraordinary General Meeting(s) and were there to answer 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 were involved.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board, through its NRC, reviews annually the performance of the AC. The evaluation covered key aspects such as the members’ financial literacy levels, ability to pose probing questions, competencies in grasping complex issues and skills as well as knowledge to discharge their duties and responsibilities under its TOR. Based on the assessment for the financial year 2020, the Board was pleased with the performance and effectiveness of the AC.

The detailed report of the AC is set out in the AC Report section on pages 148 to 153 of this Annual Report.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board remains committed towards maintaining a sound risk management and internal control systems and policies to safeguard the shareholders’ interest. The Company maintains an adequate and effective system of risk management and internal controls addressing material financial, operational, regulatory, compliance and information technology risks to safeguard the stakeholders’ interests of the Company.

The Board supported by the AC and the RMC, recognises that the risk management and internal control systems established can provide only reasonable assurance that the Group will not be significantly affected by any event that can be reasonably foreseen or anticipated. There are no systems of risk management and internal controls that can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision making, human error, losses, fraud or other irregularities.

The Board through the AC and RMC, has overall responsibility for the governance of risk and oversees the management in the design, implementation and monitoring of the risk management

and internal controls systems. The RMC oversees the adequacy and effectiveness of the risk management framework, systems and policies of the Company. The AC is tasked with the responsibility of evaluating the reliability, adequacy and effectiveness of the Group’s risk management and internal control systems, including whether there is prompt and accurate recording of transactions and proper safeguarding of assets. The GIAD which is in-charge of the internal audit function, assists the AC in reviewing, evaluating and monitoring the effectiveness of the Group’s governance, risk management and internal control processes.

The RMC is assisted by the Group Risk Management team at the operational level. The Group Risk Management team identifies, mitigates and monitors the critical risks highlighted by each Business Division. The Board through the RMC, has received assurances from the President and Group Chief Financial Officer that the risk management framework and internal control systems of the Group are operating adequately and effectively.

Regular assessments on the adequacy and integrity of the internal controls and monitoring of compliance with policies and procedures are also carried out through internal audit exercises. The risk-based internal audit plan that includes internal audit coverage and scope of work were presented to the AC for its consideration and approval annually. Internal audit reports encompassing the audit findings together with recommendations thereon are presented to the AC on a quarterly basis. The Internal Auditors and Management are tasked to ensure management action plans are carried out effectively and regular follow-up audits are performed to monitor the continued compliance.

Details of the Risk Management Framework and internal controls system of the Company are as set out in the Statement on Risk Management and Internal Control section on pages 154 to 158 of this Annual Report.

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

I. COMMUNICATION WITH STAKEHOLDERS

The Board recognises the importance of maintaining transparency and accountability to the shareholders of the Company, and promoting regular, effective and clear communication with shareholders and all 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 all stakeholders.

Timely disclosure of material information is critical towards building and maintaining corporate credibility and investor confidence. The Board recognises the importance of accurate and timely public disclosures of corporate information in order for the shareholders to exercise their ownership rights on an informed basis.

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

The Company has 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:

- The Company’s website;
- An investor relations team;
- Announcements via Bursa LINK;
- Annual reports;
- General meetings;
- Investors, analysts and media briefings; and
- Domestic and overseas roadshows and investors conference.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Company maintains a corporate website, [www.sunway.com.my](http://www.sunway.com.my) to disseminate information and enhance its investor relations. All disclosures, material information and announcements made to Bursa Securities via Bursa LINK are published on the website shortly after the same is released by the news wire service or the relevant authorities. Supplemental, non-material information will be posted on the website as soon as practicable after it is available. There is an Investor Relations section on the website which provides the Company's investor relations programs as well as all relevant information about the Company, such as financial information, announcements released to Bursa Securities, general meetings materials, investor presentations, corporate governance matters, press releases to the media and investor centre. The information is easily accessible by the public. Annual reports and circulars to shareholders are also made available at this website.

In addition, the Company also announces the targeted date for release of the financial results of the Company 2 weeks in advance prior to each Board meeting in order to keep the shareholders or investing public aware of the timing of the release of the financial results.

The Board recognises the need for due diligence in maintaining, updating and clearly identifying the accuracy, veracity and relevance of information on the website. All timely disclosure and material information will be clearly date-identified. The Management has ongoing responsibility for ensuring that information in the Company's website is up-to-date.

While the Company endeavours to provide as much information as possible to the shareholders and stakeholders of the Company, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information. The Company has also in place an insider trading policy to safeguard confidentiality of the material and price-sensitive information of the Company.

The Company has in place an Investor Relations team supporting the President and the GCFO to facilitate effective communication with shareholders, potential investors, analysts, fund managers and the media. In addition, the e-mail address, name and contact number of the Investor Relationships Officer is listed in the Company's website to enable the public to forward queries relating to the Company.

The Company also disseminates quarterly reports and corporate presentations to all research analysts and investors via email communication as soon as the information is released to Bursa Securities. During the financial year 2020, prior to the travel restriction imposed in March 2020 by the Government to curb the COVID-19 pandemic, the Company had participated in a physical road show in Singapore. Since then, the Company had participated in various virtual investor conferences organised by investment banks.

### II. CONDUCT OF GENERAL MEETINGS

The Board encourages shareholders' participation in general meetings. The AGM of the Company provides a principal forum for shareholders to share their views. It also provides open dialogue opportunity and interaction between the Board and the shareholders. The participation of shareholders, both individuals and institutions at general meetings on clarifications of pertinent and relevant information is encouraged.

In providing a more efficient and wide-spread shareholders' participation, the Company has introduced online polling. Due to the pandemic in 2020, the Company had conducted its 10<sup>th</sup> AGM and Extraordinary General Meeting ("EGM") on a fully virtual basis through live streaming and online remote voting using the Remote Participation and Voting ("RPV") facility. The virtual meetings had enabled shareholders to participate remotely and safely from wherever they were. A shareholder who was not able to participate in the AGM/EGM was given the option of appointing a proxy to participate remotely and vote online on his/her behalf.

In 2020, the Company served notice of its 10<sup>th</sup> AGM more than 28 days before the meeting, well in advance of the 21-day requirement under the Companies Act 2016 and the Listing Requirements of Bursa Securities. The additional time given to the shareholders had allowed them to have sufficient time to scrutinise the Annual Report 2019 and to make necessary registration to participate in the virtual meeting. It had also given a 21-day notice for its EGM in 2020. The Company also distributed together with the notice of 10<sup>th</sup> AGM and EGM, an Administrative Guide, which furnished useful information regarding the conduct of the 10<sup>th</sup> AGM/EGM such as details of the virtual meeting, shareholders' entitlement to participate and vote in the virtual meeting, their right to appoint proxy, steps and procedures to access and vote in the virtual AGM/EGM. Shareholders who are not able to participate in the meeting are allowed to appoint any person(s) as their proxies to participate, speak and vote in his or her stead at all the general meetings.

At the commencement of the 10<sup>th</sup> AGM, the President presented a visual overview of the performance of the Group and its core businesses for the financial year 2019 as well as the prospect of the Group. As for the EGM, a representative from RHB Investment Bank Berhad, the Principal Adviser, presented the details of the corporate proposals tabled at the EGM for the shareholders' understanding.

The Chairman provided ample time and opportunities for the Questions and Answers sessions during the AGM and EGM. All the Directors together with the President, GCFO, management team and External Auditors were present to respond to all queries raised. In addition, the Principal Adviser and solicitor were also present at the EGM to answer any questions asked. Shareholders were also encouraged to send in their questions prior to the AGM/EGM via email or through the online platform provided by the Company's Share Registrar. All suggestions and comments given by the shareholders were also noted by Management for consideration.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### II. CONDUCT OF GENERAL MEETINGS

In addition, written queries raised by the Minority Shareholder Watch Group were presented to the shareholders at the general meetings together with the Group's response.

All resolutions set out in the notice of the 10<sup>th</sup> AGM and EGM were voted remotely by poll. Messrs BDO Consulting Sdn Bhd, an independent scrutineer validated the votes for each resolution. The Company's Share Registrar, Sunway Management Sdn Bhd was the Polling Administrator for the conduct of the online polling.

The minutes of the 10<sup>th</sup> AGM and EGM are made available on the Company's website at [www.sunway.com.my](http://www.sunway.com.my) for the information of the public.

### CORPORATE GOVERNANCE INITIATIVES IN 2020

#### ANTI-BRIBERY & CORRUPTION

The Board has established an Anti-Bribery and Corruption Task Force ("**ABC Taskforce**") in 2019 to implement Group wide awareness and compliance programme as well as to strengthen the internal processes and practices. During the financial year 2020, trainings and communications of the ABC policy had been carried out involving all directors, employees, associates and business partners.

An Anti-Bribery and Corruption Compliance Officer had been appointed to take charge of monitoring compliance going forward.

#### BUSINESS CONTINUITY PLAN

During the year 2020, the COVID-19 pandemic had severely disrupted the economy and business operations of the Group. In order to ensure business continuity, the Group had to take drastic and expeditious actions to contain costs, revise its strategies, and to assess its operational risks as well as review its supply chain impact.

A Business Continuity Plan ("**BCP**") was formulated and presented to the Board on 7 April 2020 by the Group Chief Financial Officer.

The main objectives of the BCP were as follows:

- Protect the organisation against adverse effects of the pandemic;
- Prepare the Group for inevitable threats;
- Respond immediately to warning signals of crisis i.e. detect early signs, identify problem areas; and
- Manage and ensure appropriate actions are carried out based on current impact of event, as well as potential risks including mitigation strategies.

A Crisis Management Team ("**CMT**") was quickly formed comprising top management to carry out the BCP action plan. The members of the CMT communicated actively using online technology platforms during the movement control order ("**MCO**"), Conditional MCO and Recovery MCO period.

Consequent to the proactive and relentless efforts of the Management and all members of the Group, the Group was able to mitigate and continue its operations notwithstanding the effects of the pandemic.

This Corporate Governance Overview Statement was approved by the Board of Directors on 17 May 2021.



**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 for the financial year ended 31 December 2020, which provides insights into the manner in which the Audit Committee (“AC”) has discharged its oversight functions.

TERMS OF REFERENCE					
	<div> <div>AC</div> <div>← Group Internal Audit Department (“GIAD”)</div> </div>				
<b>Chairman</b>	Independent Director, who is not the Chairman of the Board				
<b>Composition</b>	<ul style="list-style-type: none"> <li>At least 3 members</li> <li>Must be Independent Directors</li> <li>Membership qualification</li> <li>Financially literate</li> <li>No alternate Director</li> </ul>				
<b>Key Functions</b>	<b>Financial Reporting</b>	<b>External Audit</b>	<b>Internal Audit Function</b>	<b>Internal control systems</b>	<b>Related Party transactions &amp; Conflict of Interest Situations</b>
<b>Performance Review</b>	<b>Annual Evaluation by the Board</b>		<b>Self and Peer Evaluation by the AC</b>		

### TERMS OF REFERENCE

The scope of the roles and responsibilities of the AC is outlined in its terms of reference which is set out at Sunway website at [www.sunway.com.my](http://www.sunway.com.my).

### COMPOSITION

The AC assists the Board to review, to assess and to recommend proposals relating to financial and accounting records, internal controls, related party transactions (“RPT”), potential conflict of interest and financial reporting practices of Sunway Berhad Group.

The AC comprised three (3) members, all of whom were Independent Non-Executive Directors during the financial year ended 31 December 2020. Members of the AC during the said financial year comprised the following Directors:-

1	Datuk Tong Poh Keow – Chairman (Independent Non-Executive Director) (Appointed with effect from 21 September 2020)
2	Tan Sri Dato’ Dr Lin See Yan (Independent Non-Executive Director)
3	Tan Sri Datuk Dr Rebecca Fatima Sta Maria (Independent Non-Executive Director)
4	Wong Chin Mun (Senior Independent Non-Executive Director) (Resigned with effect from 21 September 2020)
5	Lim Swe Guan (Independent Non-Executive Director) (Resigned with effect from 9 April 2020)

Mr. Wong Chin Mun was the Chairman of the AC until his resignation on 21 September 2020.

The composition of the AC complied with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the principles and practices set out in the Malaysian Code on Corporate Governance 2017 (“MCCG 2017”):

### MMLR

REQUIREMENTS	COMMENTARY
<b>Paragraphs 15.09(1)(a) &amp; (b) of MMLR</b>	<ul style="list-style-type: none"> <li>The AC comprises 3 members, all of whom are Independent Non-Executive Directors who satisfy the test of independence under the MMLR.</li> </ul>
<b>Paragraph 15.09(1)(c) of MMLR</b>	<ul style="list-style-type: none"> <li>Datuk Tong Poh Keow is a member of Malaysian Institute of Accountants.</li> </ul>

### MCCG 2017

BEST PRACTICES	COMMENTARY
<b>Practice 8.1 of MCCG 2017</b>	<ul style="list-style-type: none"> <li>Datuk Tong Poh Keow is not the Chairman of the Board.</li> </ul>
<b>Practice 8.2 of MCCG 2017</b>	<ul style="list-style-type: none"> <li>Since the incorporation of the Company on 10 November 2010, none of the Directors were former key audit partners.</li> </ul>
<b>Practice 8.3 of MCCG 2017</b>	<ul style="list-style-type: none"> <li>The AC has policies and procedures to assess the suitability, objectivity and independence of the External Auditors.</li> </ul>
<b>Practice 8.4 of MCCG 2017</b>	<ul style="list-style-type: none"> <li>The AC comprises solely of Independent Directors.</li> </ul>
<b>Practice 8.5 of MCCG 2017</b>	<ul style="list-style-type: none"> <li>All members are financially literate and are able to understand matters under the purview of the AC including the financial reporting process.</li> <li>They have attended various training programmes, conferences, seminars and courses organised by the relevant regulatory authorities and professional bodies on areas relevant to the Group’s businesses, Directors’ roles, responsibilities, effectiveness and/or corporate governance issues.</li> </ul>

## AUDIT COMMITTEE REPORT

The Board, through its Nomination Committee (now known as Nomination and Remuneration Committee) had on 25 February 2020, reviewed the performance of the AC for financial year 2019. It assessed the performance and the effectiveness of the AC on an annual basis. The internal assessment was facilitated by the Company Secretary. Based on the annual assessment, the Board was satisfied with the performance and effectiveness of the AC, in which it had discharged its function, duties as well as responsibilities in accordance with its terms of reference.

### MEETINGS AND ATTENDANCE

During the financial year under review, the AC held five (5) meetings with the attendance record of the AC members shown below:-

NAME	MEMBERSHIP	ATTENDANCE (ATTENDED/HELD)	% OF ATTENDANCE
<b>Datuk Tong Poh Keow</b> (Appointed w.e.f. 21 September 2020)	Chairman	1/1*	100%
<b>Tan Sri Dato’ Dr Lin See Yan</b>	Member	5/5	100%
<b>Tan Sri Datuk Dr Rebecca Fatima Sta Maria</b>	Member	4/5	80%
<b>Wong Chin Mun</b> (Resigned w.e.f. 21 September 2020)	Chairman	4/4*	100%
<b>Lim Swe Guan</b> (Resigned w.e.f. 9 April 2020)	Member	2/2*	100%

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

The President and Group Chief Financial Officer were present in all the meetings to provide explanation and to address audit and internal control issues as well as to report on the Group’s financial performance. The Head of Group Internal Audit Department (“GIAD”) attended all the meetings to present the quarterly internal audit reports and the annual audit plan. The External Auditors, Messrs. BDO PLT (“BDO”), were present at three (3) of the meetings held. The External Auditors presented the Audit Planning Memorandum, the annual audit findings and the draft audited financial statements for the financial year 2019.

The minutes of each AC meeting were recorded and tabled for confirmation at subsequent AC meetings. All minutes were presented to the Board for noting and discussion. The Chairman of the AC (“AC Chairman”) reported the AC’s recommendations and remedial actions (if any) to the Board for its consideration, approval and Management’s implementation. Significant audit issues and resolutions were highlighted to the Board at its immediate subsequent meeting.

### SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2020, the following activities took place at each Audit Committee Meeting :-

#### 1. FINANCIAL REPORTING

##### (a) Quarterly Financial Results

At the AC Meetings held on 25 February 2020, 27 May 2020, 25 August 2020 and 27 November 2020, the AC reviewed and discussed with Management, the quarterly management accounts and quarterly financial results to be released to Bursa Securities. The AC focused its attention on ensuring that the necessary processes and controls were in place in the preparation of accurate financial reports.

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

- 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 the new or amended accounting standards which were effective for the financial year 2020;

- The financial statements are drawn up in accordance with all relevant accounting standards, regulatory and other legal requirements;

- There were no significant and unusual issues other than those reported in the financial statements; and

- The Company and the Group continued to operate as going concerns.

The AC scrutinised and reviewed the quarterly financial results with Management to ensure the appropriateness of the accounting treatment and the accuracy of the reported figures. At each meeting, the Group Chief Financial Officer highlighted accounting adjustments and provisions made. Explanations to material variances or movements during the relevant quarters were highlighted. The Group Chief Financial Officer also confirmed that the quarterly financial results had been prepared in accordance with the MMLR, the relevant approved accounting standards and the Companies Act 2016 so as to give a true and fair view of the financial position of the Group.

Having reviewed the unaudited quarterly financial results, the AC subsequently recommended the same be presented to the Board for approval for release to Bursa Securities.

## AUDIT COMMITTEE REPORT

### (b) Audited Financial Statements

On 7 April 2020, the AC together with the External Auditors and Management, deliberated on the annual audited financial statements for the financial year ended 31 December 2019. The AC were briefed on the significant audit findings, key audit matters and the adoption of new accounting standards in the audited financial statements. The AC had also discussed with the External Auditors on the explanatory notes in the financial statements which provided information on the financial impact of the COVID-19 pandemic.

On the financial statements of the Group for the financial year ended 31 December 2020, the AC had reassessed the accounting treatment and disclosure of the Group's investments in various wholesale funds. Following the reassessment, the AC in concurrence with the External Auditors, had determined that the Group's placement in these funds amounting to RM3,152 million (2019: RM3,607 million) were entities under the Group's control in accordance with the Malaysian Financial Reporting Standards 10 Consolidated Financial Statements. Consequently, these funds were consolidated into the financial statements of the Group for the financial year ended 31 December 2020 and restated its comparatives via prior year adjustments.

The AC and the Board have already started to further strengthen the financial reporting process and controls systems.

The Management and the External Auditors reported to the AC that the draft audited financial statements was prepared in accordance with the relevant accounting standards and legal requirements. The AC subsequently recommended the same for the Board's approval for release to Bursa Securities and to be made available to all shareholders.

### (c) Accounting standards and other relevant regulatory requirements

The AC was also briefed and took note of the changes and amendments to the regulations, accounting standards and other regulatory requirements presented by the External Auditors and the Group Chief Financial Officer which potentially have material financial impact on the Company's financial reports.

At the AC Meeting held on 25 February 2020, the External Auditors updated the AC on the IFRIC Tentative Agenda Decision on "Lease term and useful life of leasehold improvements (IFRS 16 and IAS 16).

## 2. ASSESSING RISKS AND CONTROL ENVIRONMENT

- (a) The AC also reviewed with the GIAD, the adequacy and robustness of the internal controls system and the risk management framework.
- (b) On 25 February 2020, the AC was briefed by the External Auditors on the improvements recommended for the Group's internal controls. At the meeting, the External Auditors reported that there were no significant weaknesses noted in the Group's overall internal control systems during the course of their report.

## 3. EVALUATING THE INTERNAL AND EXTERNAL AUDIT PROCESS

### (a) Internal Audit

- (i) The AC had approved GIAD's 2020 Annual Audit Plan at the meeting held on 25 February 2020. The Audit Plan was developed using a risk based audit methodology where

### GIAD's audit engagements for 2020 were mainly carried out in the following key business components:-



#### PROPERTY DEVELOPMENT PROJECTS

Tender and award, project performance review, cost and quality control



#### TRADING AND MANUFACTURING

Rotational branch visits, new branches/processes, other subsidiaries and surprise visits



#### LEISURE

Ticketing and in-park revenue, events and group functions, procurement, inventory management and park operations.



#### HEALTHCARE

Key processes and IT system of Sunway Medical Centre Velocity; and cost control and healthcare payroll of Sunway Medical Centre.



#### BUILDING MATERIALS AND QUARRY

Building Materials – 2-year rotational internal control reviews; and Quarry – key internal control reviews at the headquarter and sites.



#### INFORMATION TECHNOLOGY

System implementation review, cyber security, compliance/policy and IT audit support.

business units and processes were selected for audit based on risk assessments carried out periodically by GIAD. The AC had reviewed the adequacy and relevance of the scope and resources allocated for the Audit Plan and subsequently, approved the Audit Plan and its proposed audit timetable and the budgeted man-hours.

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

Consequent to the business disruptions caused by the COVID-19 pandemic, GIAD had sought the AC's approval on its revised 2020 Audit Plan at the meeting held on 27 May 2020.

- (ii) The AC had reviewed the results of the audit engagements carried out by GIAD at the AC Meetings held on 25 February 2020, 7 April 2020, 27 May 2020, 25 August 2020 and 27 November 2020 as well as 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 2020 Audit Plan and results of ad-hoc assignments including audit investigations.
- (iii) At the meeting held on 7 April 2020, the Internal Audit Function Evaluation Report was tabled for AC to assess the performance of GIAD. The AC had assessed the effectiveness of the internal audit function in terms of scope of work and compliance with relevant regulatory standards

## AUDIT COMMITTEE REPORT

as well as its collaboration with the External Auditors. The Committee also assessed the adequacy of resources as well as the qualifications, skills and competencies of key staff within the GIAD.

The AC was satisfied with the independence, performance and effectiveness of the GIAD. It was of the opinion that the internal audit function was appropriate to its size, the nature and scope of its activities. The GIAD had functioned independently in providing the AC and Management with vital information on potential weaknesses in the system of internal control and provided constructive inputs and ideas for remedial action.

- (iv) GIAD at the meeting held on 7 April 2020, had presented to the AC, a proposal for an External Quality Assessment Review ("QAR") of the department. The scope of the External QAR included the following areas:

- assessment on the conformity of the internal audit function to The Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing;
- evaluation of the efficiency and effectiveness of the internal audit function in carrying out its mission as per its audit charter; and
- meeting the expectations of Management and identification of opportunities to enhance the management of resources and work processes of the internal audit function as well as its value to the Group.

However, due to the COVID-19 pandemic, GIAD had at the AC meeting held on 27 May 2020, sought the approval of the AC to postpone the External QAR exercise to 2021.

- (v) The AC had on 27 May 2020, 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. The AC was given assurance by the GIAD that it had unfettered access to documents and was not hindered in any way by Management from performing its investigations and audit function.

### (b) External Audit

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

- The AC had on 25 February 2020, reviewed and deliberated with Management and the External Auditors, the External Auditors' Report in relation to their audit of the financial statements for the financial year ended 31 December 2019.

The External Auditors had confirmed their professional independence in respect to the audit engagement. They reported their audit status and highlighted the findings on areas of significant audit attention, key audit matters and financial reporting updates. 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 AC and the Management had also confirmed to the External Auditors that they were not aware of any non-compliance of laws and regulations or any significant fraud related matters.

- The AC had on 7 April 2020, discussed with the External Auditors on the final draft of the audited financial

statements of the Company for the financial year ended 31 December 2019.

The External Auditors had expressed their professional opinion that the Company's audited financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group and of the Company in accordance with the Malaysian Financial Reporting Standards and the requirements of the Companies Act 2016.

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 2019:

- Revenue recognition for property development
- Revenue recognition for construction contracts
- First-time adoption of MFRS 16 Leases.

- The AC had on 27 November 2020, reviewed the External Auditors' Group Audit Planning Memorandum ("APM") for the financial year ended 31 December 2020. The APM outlined the External Auditors' engagement and reporting responsibilities, their audit approach, the materiality threshold and performance materiality, areas of significant auditor attention, their engagement team as well as audit reporting, deliverables and audit fees.

- (ii) The AC had two private sessions with the External Auditors to discuss any issues and reservations arising from their annual audit without the presence of management staff and the executive board members on 25 February 2020 and 7 April 2020. The External Auditors were given the opportunity to raise any matters of concern arising from their audit work. However, no major concerns were highlighted. On the contrary, they had received full cooperation from Management and had unrestricted access to the Company's records.

- (iii) At its meeting held on 7 April 2020, the AC had reviewed the audit and non-audit fees of the External Auditors for the financial year 2019.

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 External Auditors. The audit and non-audit fees were then approved by the AC.

- (iv) An annual assessment of the performances and effectiveness of the External Auditors in respect to their statutory audit services were conducted by the AC. The results of the evaluation were discussed at its meeting held on 7 April 2020. Based on the assessment, the AC was satisfied with the adequacy of resources, timeliness and service quality rendered by the External Auditors.

Subsequently, the AC had recommended to the Board the re-appointment of the External Auditors for the next financial year subject to the shareholders' prior approval at the Company's Annual General Meeting.

## 4. REVIEWING RELATED PARTY TRANSACTIONS & CONFLICT OF INTEREST SITUATIONS

- (a) The AC had at its meetings held on 25 February 2020, 27 May 2020, 25 August 2020 and 27 November 2020, reviewed and deliberated on any potential conflict of interest, related party transactions and recurring related party transactions.



## AUDIT COMMITTEE REPORT

All related party transactions and recurring related party transactions (“**RRPT**”) were presented by Management to the AC for review. All were found to have complied with the approved criteria as follows:-

- (i) Carried out in compliance with the MMLR of Bursa Securities, relevant rules and regulations as well as the shareholders’ RRPT mandate;
- (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 directors had disclosed their interests and abstained from deliberation and voting;
- (v) Adequate disclosures were made via Bursa announcements, quarterly reports and the annual report; and
- (vi) Prior approval had been obtained from 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.

At each meeting, the President with the support from the Group Human Resource team reported to the AC, whether there was any conflict of interest situations. During the year under review, several immaterial conflict of interest cases was highlighted and corresponding remedial actions were taken to resolve them.

- (b) On 25 February 2020, the AC reviewed and approved the AC Statement contained in the Circular to Shareholders in respect of the proposed renewal of shareholders’ mandate for recurrent related party transactions. At the meeting, the GIAD and Management provided the necessary assurances that the procedure and processes of monitoring and ensuring these transactions would be entered into at arm’s length and on normal commercial terms, were adequate and robust.

### 5. OTHER MATTERS

- (a) On 7 April 2020, the AC reviewed and recommended for the Board’s approval, the Corporate Governance Overview Statement, AC Report and Statement on Risk Management and Internal Control for inclusion into the Company’s Annual Report 2019.

The AC had also reviewed and recommended for the Board’s approval, the Annual Report 2019 of the Company.

- (b) At the AC Meeting held on 27 November 2020, the AC had reviewed and approved its revised terms of reference incorporating the new amendments to the Malaysian Code of Corporate Governance and MMLR.
- (c) The AC was informed that there were no breaches of the MMLR of Bursa Securities during the financial year.
- (d) The AC was briefed by the Company Secretary at its quarterly meetings on the following developments in regulations and laws:

- (i) Annual General Meeting Corporate Governance Checklist for Shareholders issued by the Securities Commission Malaysia (“**SC**”);
- (ii) Press release dated 17 March 2020 by the Companies Commission of Malaysia (“**CCM**”) in relation to the application for extension of time to hold annual general meeting more than 6 months from the financial year end after the Movement Control Order (“**MCO**”) ends;
- (iii) Clarification on flexibilities accorded by Bursa Securities to the listed issuers during the effective period of the MCO and other Government Advisory/Directive which include inter alia, the decoupling of annual report and notice of AGM;
- (iv) Extension of time of one-month granted by Bursa Securities for issuance of quarterly reports and annual report that include the audited financial statements which were due by 31 March 2020 and 30 April 2020;
- (v) Amendments to the MMLR in relation to the application of corporate exercises via electronic means. The amendments are effective for any rights issue, issuance of convertible securities or dividend reinvestment scheme announced on or after 2 February 2021;
- (vi) Additional temporary measures granted by Bursa Securities to listed issuers:
  - Further extension of time for submission of quarterly and annual reports until 30 June 2020; and
  - listed issuers allowed to seek a higher general mandate under paragraph 6.03 of the MMLR of not more than 20% of the total number of issued shares (excluding treasury shares) for issue of new securities (“**20% General Mandate**”) provided that the conditions stated by Bursa Securities are complied with. The 20% General Mandate could be utilised to issue new securities until 31 December 2021.

- (vii) Guidance on the Conduct of General Meeting issued by SC on 18 April 2020 and revised on 14 May 2020;

- (viii) 7 initiatives introduced by CCM on 10 April 2020, to ease the burden of the business community and corporate sector;

- (ix) Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries issued by SC on 30 July 2020. The Chapters on Conduct Requirements for Directors and Maintaining Proper Records and Accounts took effect on 30 July 2020 while the Chapter on Group Governance came into effect on 1 January 2021;

- (x) Disclosure Guidance on COVID-19 Related Impacts and Investments (ICN 1/2020) issued by Bursa Securities on 10 June 2020;

- (xi) Amendments to MMLR in relation to New Issue of Securities and Other Amendments. The amendments took effect from 13 August 2020 onwards except for the imposition of the 50% limit to an exercise or conversion of convertible equity securities which was effective for corporate exercise involving convertible equity securities announced on or after 1 October 2020. The enhanced definition of independent directors applies

## AUDIT COMMITTEE REPORT

to the independent director appointed on or after 1 October 2020; and

- (xii) Temporary measure accorded by Bursa Securities to facilitate secondary fund raising via an enhanced rights issue framework. It could be utilised by an eligible listed issuer to issue new rights shares or units until 31 December 2021.

- (e) Minutes of the previous AC Meetings were tabled at the following Board Meetings by the AC Chairman. Significant issues and concerns raised during the AC Meetings together with the accompanying recommendations were reported to the Board for decision.

### PERFORMANCE EVALUATION

The annual appraisal of the performance and effectiveness of the AC were undertaken by the Board. In addition, the AC members also undertook a Self and Peer Evaluation to rate each other’s performance and contribution in discharging their duties and responsibilities in accordance with its terms of reference.

Based on the annual assessment, the Board was pleased that the AC had performed well and was effective in meeting its responsibilities as stated in its terms of reference.

### CONTINUING EDUCATION

The details of training programmes and seminars attended by each AC member during the financial year ended 31 December 2020 are set out in the Corporate Governance Overview Statement under “Directors’ Professional Development and Training”.

### OTHERS

The AC and the Head of GIAD have also been given the responsibility by the Board to monitor the implementation of the Whistleblowing Policy and Procedures, whilst duties relating to the day-to-day administration of the policy are performed by the Head of GIAD. During the financial year under review, there were 3 cases reported through the channel. GIAD had taken the necessary steps to investigate and address the complaints made in accordance with the Whistleblowing Policy and Procedures.

### 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, internal controls 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 21 auditors and all of the auditors have either tertiary or 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 auditors 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 was originally scheduled to undertake another external Quality Assessment Review in 2020 but this has been postponed to 2021 due to the COVID-19 pandemic. 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 2020 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 2020 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; and
- (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 2020 including staff payroll costs and overheads amounted to RM4.24 million. The costs incurred in the previous financial year was RM4.37 million.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (“the Board”) is pleased to present the Statement on 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 on 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. 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 framework is designed to mitigate 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 controls are managed by the respective management teams.

The Risk Management Committee (“RMC”), comprising of independent directors in majority and as its Chairman oversees 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; and
- Ensure infrastructure, resources and systems are in place to manage risks.

In 2020, the RMC has duly reviewed, appraised and assessed the efficacy of the controls and progress of action plans taken to mitigate, monitor and manage the Group’s risk exposure. RMC had subsequently provided assurance to the Board that the Group’s risk management framework and internal controls 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 respective 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, e-mail announcements and forums while the heads of operating subsidiaries and departments are empowered with the responsibility of planning, monitoring, reporting and managing their respective operations. The Group seeks to proactively review and evaluate existing corporate governance practices and internal control policies where best practices, improvements and changes are recommended to the Board of Directors for adoption and implementation.

COMPONENTS OF THE INTERNAL CONTROL SYSTEM

1 POLICIES & PROCEDURES

The Group’s internal control system includes clear, formalised and documented internal policies, standards and procedures to ensure compliance with internal controls and 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 portals for employees’ reference.

Other policies, standards and procedures that are made available to enhance the Group’s operational efficiency include:

- |  |                                       |
|--|---------------------------------------|
| • Anti-Bribery and Corruption                            | • Fraud Response                      |
| • Group Sustainable Development Policy                   | • Compliance Function                 |
| • Anti-Money Laundering Policy                           | • Integrity Pact                      |
| • Whistle Blowing Policy & Procedure                     | • Code of Conduct and Business Ethics |
| • Diversity & Inclusion Policy                           | • Staff Handbook                      |
| • Group Occupational Health, Safety & Environment Policy | • Industrial Relations                |
| • Human Rights Policy                                    | • Personal Data Protection Act        |
| • Sustainable Procurement Policy                         | • Learning & Development              |

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 RISK MANAGEMENT

The Group’s risk management framework is benchmarked against the ISO31000:2018 Risk Management – 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; and
- 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”), continues to review the quarterly risk reports 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 Group 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:

a. 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.

b. 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.

c. 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

d. 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 ON 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. Internal control and risk related matters are recommended by the AC and RMC to the Board for deliberation or approval while matters and decisions made within the purviews of the AC and RMC are escalated to the Board for its notation. 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 its 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 relevant standards such as Occupational Health and Safety Management Certification ("OHSAS"), International Standardization for Organization ("ISO"), Australian Council of Healthcare Standards ("ACHS") and the Malaysian Society for Quality in Health ("MSQH") 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 and risk-based 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.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

KEY RISK FACTORS

For the financial year under review, the following risks were most prevalent among business units in the Group. These were presented to the RMC where controls, mitigating plans and monitoring mechanisms were highlighted.

1	<p><b>EXTERNAL RISKS</b></p> <p>The year 2020 was dominated by the COVID-19 pandemic which has severely impacted global food security, public health, employment, workers' health and safety and other social disruptions. Mindful of the current global COVID-19 pandemic and economic uncertainties, the Group continues to formalise strategies to remain resilient by adopting a myriad of strategies to provide value added products and services that are competitively priced while maintaining competitive advantage via flexible procurement of supplies, self-sustaining resources and continuous exploration of new businesses.</p> <p>Global warming and extreme weather change has brought about unexpected natural disasters and will continuously pose as a risk on natural resources and the health and safety of communities. Hence, the Group's effort and journey in sustainability aims to cascade and drive climate and environment policies, operations and management of natural resources, energy, utilities, environment, bio-diversity, waste, greenhouse gas emissions and alternative resources. As a result, the Group's business practices are driven by core values of sustainability to build integrated townships that are efficient, self-sustaining and eco-friendly to prevent further erosion towards the environment.</p>
2	<p><b>OPERATIONAL RISKS</b></p> <p>In mitigating the risks brought about by the pandemic, the Group's business units paid significant attention towards aspects of health and safety, delivery of products and services, disaster recovery, infrastructure and production.</p> <p>All business premises practice strict adherence to the latest government approved Standard Operating Procedures ("SOPs") and guidelines. Compliance to these rules are mandatory to our stakeholders - customers, local communities, tenants, employees, contractors, suppliers and other affiliates while task force or crisis management teams are set up at business unit levels to conduct identification and contact tracing for positive cases, disinfection and notifications to the Ministry of Health, media and stakeholders.</p> <p>Crucial measures undertaken include:</p> <ul style="list-style-type: none"><li>• Thermal and self check-in scanners at all entrances;</li><li>• Social distancing in office, public areas, suraus, dining areas and elevators;</li><li>• Increased disinfecting frequency of high-touch points;</li><li>• Work-from-home arrangements or alternate teams for crucial services and functions; and</li><li>• Virtual meetings and trainings to minimise physical contact.</li></ul>
3	<p><b>CYBER &amp; IT SECURITY</b></p> <p>Since the turn of the millennia, the Group has been proactive in bridging the digital and communications gap in its businesses from operations to finances and production. Focus areas include platform development of applications, infrastructure, resource planning, performance management, supply chain management and human capital management.</p> <p>With businesses becoming more digitally connected, mitigation of cyber security risks and data governance is vital in ensuring a holistic approach in ensuring a robust, secure, effective and efficient IT environment. The Sunway E-Policy applies to the entire Group and encompasses areas such as:</p> <ul style="list-style-type: none"><li>• Acceptable Use</li><li>• Enterprise Communications</li><li>• Clear Desk and Screen</li><li>• Password Management</li><li>• Malicious Code Protection</li><li>• Compliance</li><li>• Security and Control</li></ul>

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### 4 HUMAN CAPITAL

In delivering the goals and objectives set out by the Group, recruitment of highly skilled and competent employees and the development of young talents with an aim of assimilation into the Group's workforce is crucial. In addition, loss of skilled and key employees due to market competition is a perennial risk faced by many.

In mitigating this risk, Group Human Resources, together with respective divisions and operating subsidiaries continuously improve and enhance strategies and plans which include employee engagement surveys, team building exercises, training and development – internal and external and reviews of the Group's staff remuneration and compensation benefits.

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.

### 5 REGULATORY

Changes in regulations, guidelines and laws in Malaysia or any other countries may directly or indirectly impact the Group. Together with GRMD, relevant departments and business units continuously engage in discussions to ensure that the Group's policies and procedures remain compliant, relevant, applicable and to reduce the Group's exposure to potential legal liabilities and minimise any adverse impact arising from non-compliance of such changes.

The Group adopts a zero tolerance policy against all forms of bribery and corruption and remains committed to ensure that businesses do not participate in corrupt activities and to implement adequate procedures effectively to comply with the provisions of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018). To systematically assess and monitor the risk of corrupt and bribery practices, an annual anti-bribery and corruption risk assessment is jointly conducted with the Group Internal Audit Department and its findings reported to the Audit Committee and Risk Management Committee.

## 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 Group 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 on 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 on Risk Management and Internal Control was approved by the Board of Directors on 17 May 2021.**



**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 27 May 2020, Sunway had announced a proposal to undertake a renounceable rights issue of up to 1,112,777,962 new irredeemable convertible preference shares ("ICPS") in Sunway at an issue price of RM1.00 per ICPS on the basis of one ICPS for every five existing ordinary shares in Sunway held by the shareholders of Sunway ("Rights Issue of ICPS").

On 3 December 2020, Sunway had issued and allotted 977,779,351 ICPS to the existing shareholders of Sunway, raising RM977,779,351/- of new capital for the Company.

The gross proceeds raised from the Rights Issue of ICPS were utilised for repayment of existing borrowings, capital expenditure to expand the development of hospitals, property development and property investment expenditure of Sunway Group and to defray the expenses incurred in relation to the Rights Issue of ICPS.

On 31 December 2020, the unutilised proceeds amounting to RM263,024,000/- has been placed with the licensed financial institutions and money market funds.

- (b) On 10 April 2020, Sunway had announced that the Company had established a Commercial Paper/Medium Term Note Programme of RM2.0 billion in nominal value ("2020 CP/MTN Programme") pursuant to the prevailing Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework.

During the financial year ended 31 December 2020, Sunway had issued 17 tranches of commercial paper/medium term notes ("CP/MTN") totaling RM1,072 million under the 2020 CP/MTN Programme at various interest rates and had repaid RM991 million of CP/MTN. As at 31 December 2020, the total outstanding CP/MTN amounted to RM81 million.

The proceeds raised from the 2020 CP/MTN Programme were utilised to finance investment activities, capital expenditure, working capital requirements and/or other general corporate purposes.

- (c) On 29 January 2019, Sunway had announced that Sunway Treasury Sukuk Sdn Bhd ("Sunway Treasury Sukuk"), a wholly owned subsidiary of Sunway Treasury Sdn Bhd ("Sunway Treasury"), which in turn is a wholly-owned subsidiary of Sunway, had established an Islamic Commercial Papers/Islamic Medium Term Notes Programme with the Shariah Principle of Mudharabah of RM10.0 billion in nominal value ("Sukuk Mudharabah Programme").

During the financial year ended 31 December 2020, Sunway Treasury Sukuk had issued 106 Islamic Commercial Papers ("ICPs") totaling RM12,200 million and 3 Series of Islamic Medium Term Notes ("IMTNs") totaling RM500 million under the Sukuk Mudharabah Programme at various interest rates. Sunway Treasury had repaid RM12,020 million of ICPs. As at 31 December 2020, the total outstanding ICPs and IMTNs amounted to RM1,045 million and RM500 million respectively.

The proceeds raised from the Sukuk Mudharabah Programme were utilised to finance investment activities, capital expenditure, working capital requirements and/or other general corporate purposes (including but not limited to future operating expenses relating to the Sukuk Mudharabah Programme) of the Company and/or its direct and indirect subsidiaries and including jointly controlled entities and associate companies.

- (d) On 15 December 2017, Sunway had announced that it had established a Perpetual Islamic Medium Term Note Programme of up to RM5.0 billion in nominal value ("Sunway Sukuk Programme") for issuance of Islamic medium term notes ("Sunway iMTNs") pursuant to the Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework.

During the financial year ended 31 December 2020, Sunway had issued 1 tranche of Sunway iMTNs totaling RM400 million under the Sunway Sukuk Programme at various interest rates. As at 31 December 2020, the total outstanding Sunway iMTNs amounted to RM800 million.

The proceeds raised from the Sunway Sukuk Programme were utilised to finance investment activities, capital expenditure, working capital requirements and/or other general corporate purposes (including but not limited to future operating expenses relating to the Sunway Sukuk Programme) of the Company and/or its direct and indirect subsidiaries and including jointly controlled entities and associate companies.

- (e) On 29 September 2017, Sunway had announced that Sunway Parkview Sdn Bhd ("Sunway Parkview"), a wholly-owned subsidiary of Sunway Iskandar Sdn Bhd ("Sunway Iskandar"), 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.

There were no issuance of Sunway Parkview MTNs during the financial year ended 31 December 2020. As at 31 December 2020, the total outstanding Sunway Parkview MTNs amounted to RM300 million.

The proceeds raised from Sunway Parkview MTN Programme were utilised to finance or reimburse Sunway Parkview's cost of acquisition of the lease(s) over 10 parcels of adjoining development land from Sunway Iskandar.

- (f) On 17 July 2017, Sunway had announced that Sunway Treasury Sukuk had received authorisation from the Securities Commission Malaysia ("SC") to establish an Islamic Medium Term Note Programme of up to 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.



## ADDITIONAL COMPLIANCE INFORMATION

During the financial year ended 31 December 2020, Sunway Treasury Sukuk had issued 3 tranches of UiMTNs totaling RM760 million under the 2017 Sukuk Programme at various interest rates and had repaid RM770 million of UiMTNs. As at 31 December 2020, the total outstanding UiMTNs amounted to RM2,120 million.

The proceeds raised from the 2017 Sukuk Programme were utilised to finance investment activities, capital expenditure, working capital requirements including the refinancing/early redemption/buy back of Sunway Treasury Sukuk's ICPs under its Sukuk Programme and/or other general corporate purposes.

- (g) On 22 August 2014, Sunway had announced that Sunway Treasury Sukuk had received authorisation 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 2020, Sunway Treasury Sukuk had 22 issuance of ICPs totaling RM2,175 million under the Sukuk Programme at various interest rates and had repaid RM2,925 million of ICPs. Sunway Treasury Sukuk did not issue any IMTN during the financial year. As at 31 December 2020, the total outstanding ICPs and IMTNs amounted to RM50 million and RM670 million respectively.

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

- (h) On 28 October 2013, Sunway had announced that it had received authorisation 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 2020, Sunway had 28 issuance of CPs totaling RM1,366 million under the CP/MTN Programme at various interest rates and had repaid RM1,552 million of CPs and RM610 million MTNs. The CP/MTN Programme has expired on 27 November 2020.

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

- (i) On 26 March 2013, Sunway had announced that Sunway Velocity Mall Sdn Bhd ("SVM"), a 59% owned subsidiary of Sunway City Sdn Bhd, which in turn is a wholly-owned subsidiary of Sunway, had received authorisation from the 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 2020, SVM had issued 3 additional Series for Tranche 2 of UMTNs amounted to RM260 million under MTN Programme at various interest rates. As at 31 December 2020, the total outstanding UiMTNs amounted to RM740 million.

The proceeds raised from the MTN Programme were utilised to repay advances and other related costs due to Sunway Treasury for the development and operation of SVM.

### 2. AUDIT AND NON-AUDIT FEES

The total audit and non-audit fees paid or payable incurred for services rendered to the Company and the Group for the financial year ended 31 December 2020 is as follows:

	GROUP (RM'000)	COMPANY (RM'000)
Audit fees	3,311	493
Non-audit fees	623	563
<b>TOTAL</b>	<b>3,934</b>	<b>1,056</b>

### 3. 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 2020:-

- (a) Conditional Sale and Purchase Agreement dated 29 June 2020 between Sunway Integrated Properties Sdn Bhd ("SIP") and Sunway Pinnacle Sdn Bhd, both subsidiaries of Sunway with RHB Trustees Berhad, being the trustee of Sunway Real Estate Investment Trust ("Sunway REIT"), for disposal of The Pinnacle Sunway erected on a piece of leasehold land held under PN 17103, Lot No. 61759, Town of Sunway, District of Petaling, State of Selangor to RHB Trustees Berhad for a cash consideration of RM450 million.

### RELATIONSHIP OF RELATED PARTIES

Sarena Cheah Yean Tih is a director of Sunway, SIP and Sunway REIT Management Sdn Bhd, the Manager of Sunway REIT ("Manager").

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 Shin, Active Equity Sdn Bhd and Sungei Way Corporation Sdn Bhd are major shareholders of Sunway and major unitholders of Sunway REIT. Their interests in Sunway REIT is via Sunway.

### 4. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

The details of the recurrent related party transactions are disclosed in Note 49 of the Notes to the Financial Statements.

## INVESTOR RELATIONS

The onset of the COVID-19 pandemic and the first MCO in March 2020 had impacted investor relations activities since the first quarter of the year. However, given the importance of maintaining close and timely engagement with the investor community, the Group's Investor Relations ("IR") team was quick to transition physical meetings and events to online platforms. This enabled a resumption of such activities, which enabled Sunway to convey information on its strategies and business performance during the period.

With the subsequent replacement of the MCO with the RMC0, the virtual meetings continued to be held with very limited physical meetings organised. In 2020, the Group had a lower number of investor related engagements of which majority were held online for individual or small groups of investment analysts and research houses.

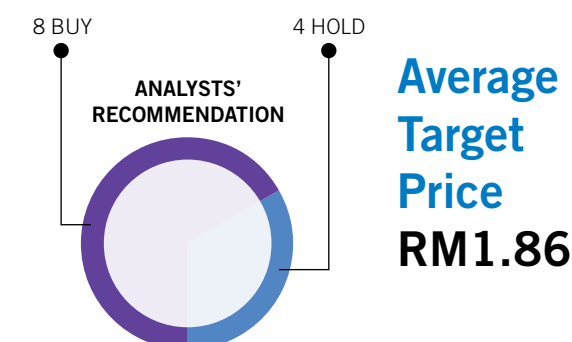


Beyond presenting a review of past performance, these sessions were also held to allay concerns among the investor community on the Group's prospects, especially the business divisions which were more impacted by the pandemic.

As at 31 March 2021, Sunway is covered by 12 analysts, with an average target price of RM1.86 (Source: Bloomberg).

### COVERED BY 12 RESEARCH HOUSES:

- Affin Hwang Investment Bank
- AllianceDBS Research
- AmInvestment Bank
- CGS-CIMB
- CLSA
- Hong Leong Investment Bank
- Kenanga Research
- Maybank Investment Bank
- MIDF Research
- RHB Research Institute
- TA Securities
- UOB Kay Hian



### COMMUNICATION CHANNELS

<b>BRIEFING PACKS, FLASH NOTES</b>	As mandated by Bursa Malaysia, Sunway releases financial and material business information on a timely basis to Bursa Malaysia, with this information published on Sunway's website.  Subsequently, information in the form of briefing packs and flash notes are immediately disseminated to analysts, media and other parties.  Analyst briefings are also arranged as and when necessary towards providing timely and transparent market disclosure.
<b>QUARTERLY RESULTS AND ANNUAL REPORT</b>	The Group announces its quarterly financial performance and also publishes a comprehensive annual report for the benefit of shareholders. The latter provides a detail review of the Group's performance as well as insights into the outlook and prospects of Sunway for the forthcoming financial year.
<b>IR PORTAL AND E-MAIL</b>	Comprehensive IR related information is available on the Group's IR portal. Information provided, include share prices, latest announcements, latest quarterly results, latest and past annual reports, investor presentation decks and more.  The Group's IR portal is updated within 48 hours of any announcement made.  The IR portal can be accessed via <a href="https://www.sunway.com.my/investor-relations/">https://www.sunway.com.my/investor-relations/</a> .  The IR team can be contacted via <a href="mailto:irsunwayberhad@sunway.com.my">irsunwayberhad@sunway.com.my</a> .

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 and International 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.

FINANCIALS

164.....Financial Statements

373.....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 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services.

The principal activities and details of the subsidiaries are set out in Note 50 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	410,574	376,736
Profit attributable to:		
Owners of the parent	362,827	376,736
Non-controlling interests	47,747	-
	410,574	376,736

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 2019:	
Second interim single tier dividend of 4.5 sen per ordinary share, paid on 22 April 2020	220,562

On 31 March 2021, the Board of Directors declared a first interim single tier dividend comprising 1.5 sen per ordinary share of the Company and a preferential dividend of 5.25% per annum based on the issue price of RM1 per irredeemable convertible preference share (“ICPS”) for the period from 3 December 2020 up to and including 31 December 2020, in respect of the financial year ended 31 December 2020. Accordingly, the entitled shareholders of the Company have received the first interim single tier dividend and preferential dividend in cash on 28 April 2021 amounting to approximately RM73,334,000 and RM4,068,000 respectively. The dividends will be accounted for in equity as appropriations of retained earnings in the financial year ending 31 December 2021.

The Board of Directors does not propose any final dividend for the financial year ended 31 December 2020.

DIRECTORS' REPORT (CONTD.)

ISSUE OF SHARES AND SHARES BUY-BACK

- (a) During the financial year, the Company increased its issued and paid-up share capital from RM5,393,666,000 to RM6,371,446,000 by way of issuance of:

(i) 404 new ordinary shares pursuant to the exercise of Warrants 2017/2024 at an exercise price of RM1.72 per ordinary share for cash; and

(ii) 977,779,351 ICPS arising from the subscription of ICPS pursuant to the renounceable rights issue of new ICPS at an issue price of RM1.00 per ICPS on the basis of 1 ICPS for every 5 existing ordinary shares held in 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. The ICPS are unsecured, rank equally amongst themselves and shall rank in priority to any other class of ordinary shares in the capital of the Company but shall rank behind all secured and unsecured obligations of the Company as disclosed in Note 41(b). There were no other issues of shares during the financial year.

- (b) During the financial year, the Company repurchased 14,804,600 of its issued ordinary shares from the open market at prices ranging from RM1.35 to RM1.83 per share. The total consideration paid for the repurchases was RM21,010,872 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.

As at 31 December 2020, the Company held a total of 45,004,665 ordinary shares as treasury shares out of its total issued and paid up share capital of 4,933,931,767 ordinary shares. Such treasury shares are recorded at a carrying amount of RM74,335,169 (2019: RM53,324,297).

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, 404 new ordinary shares of RM1.72 each were issued pursuant to the exercise of Warrants 2017/2024 for the equivalent numbers by the registered holders.

On 11 November 2020, the exercise price of the warrants had been adjusted from RM1.65 to RM1.56 each and the Company issued 39,555,548 additional warrants arising from the adjustments to the exercise price and number of outstanding warrants in accordance with the provisions of the Deed Poll dated 19 September 2017 constituting the warrants, pursuant to the renounceable rights issue of new ICPS undertaken by the Company.

The Warrants were listed on Bursa Malaysia Securities Berhad on 6 October 2017 and the salient features of the Warrants are disclosed in Note 41(c) 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 Note 44 to the financial statements.

## DIRECTORS' REPORT (CONTD.)

### DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO  
 Dato' Sri Idris Jala  
 Tan Sri Datuk Seri Razman M Hashim  
 Tan Sri Dato' Dr. Lin See Yan  
 Tan Sri Datuk Dr Rebecca Fatima Sta Maria  
 Tan Sri Dato' (Dr.) Chew Chee Kin  
 Sarena Cheah Yean Tih  
 Philip Yeo Liat Kok  
 Datuk Tong Poh Keow (Appointed on 21 September 2020)  
 Tan Sri Jamaludin Bin Ibrahim (Appointed on 3 March 2021)  
 Wong Chin Mun (Resigned on 21 September 2020)

In accordance with Clause 106 of the Constitution of the Company, Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, Dato' Sri Idris Jala and Tan Sri Datuk Dr Rebecca Fatima Sta Maria retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

Datuk Tong Poh Keow and Tan Sri Jamaludin Bin Ibrahim retire pursuant to Clause 89 of the Constitution 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 ICPS and warrants issued as disclosed in Note 41 to the financial statements.

Since the end of the previous financial year, Dato' Sri Idris Jala (Independent Non-Executive Director of the Company) has interests in certain contracts and arrangements with the Company as disclosed below by virtue of him, being the President and Chief Executive Officer as well as a substantial shareholder of PEMANDU Associates Sdn. Bhd. Except for Dato' Sri Idris Jala, none of the other Directors have received or become entitled to receive any benefit (other than benefits included in the aggregate amount of remuneration 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 49 to the financial statements.

Details of sponsorship and contract with PEMANDU Associates Sdn. Bhd.	RM'000
Corporate social responsibility sponsorship towards creating the Global COVID-19 Index	300
Strategic consultancy services to reduce operational cost	250

## 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, ICPS, non-convertible redeemable preference shares and warrants in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares		
	As at 1.1.2020	Acquired	Sold
			As at 31.12.2020

#### The Company

##### Direct interests:

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	97,565,179	17,641,734	-	115,206,913
Tan Sri Datuk Seri Razman M Hashim	3,613,524	-	-	3,613,524
Tan Sri Dato' Dr. Lin See Yan	714,070	485,930	(200,000)	1,000,000
Tan Sri Dato' (Dr.) Chew Chee Kin	21,038,466	-	-	21,038,466
Sarena Cheah Yean Tih	5,248,592	-	-	5,248,592

##### Deemed interests:

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	2,948,487,283 <sup>a</sup>	15,515,237	-	2,964,002,520 <sup>b</sup>
Tan Sri Dato' (Dr.) Chew Chee Kin <sup>c</sup>	1,564,862	-	-	1,564,862
Sarena Cheah Yean Tih	3,036,611,446 <sup>d</sup>	33,156,971	-	3,069,768,417 <sup>e</sup>

	Number of irredeemable convertible preference shares		
	As at 3.12.2020 <sup>^</sup>	Acquired	Sold
			As at 31.12.2020

#### The Company

##### Direct interests:

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	23,041,382	-	-	23,041,382
Tan Sri Dato' (Dr.) Chew Chee Kin	4,207,692	-	-	4,207,692
Sarena Cheah Yean Tih	1,049,718	-	-	1,049,718

##### Deemed interests:

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	592,800,501	-	-	592,800,501
Tan Sri Dato' (Dr.) Chew Chee Kin <sup>c</sup>	312,972	-	-	312,972
Sarena Cheah Yean Tih <sup>e</sup>	613,963,126	-	-	613,963,126



## DIRECTORS' REPORT (CONTD.)

### DIRECTORS' INTERESTS (CONTD.)

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, ICPS, non-convertible redeemable preference shares and warrants in the Company and its related corporations during the financial year were as follows: (contd.)

	Number of non-cumulative convertible redeemable preference shares			
	As at	Allotted	Redeemed	As at
	1.1.2020			31.12.2020

#### Immediate holding company

##### Sungei Way Corporation Sdn. Bhd.

#### Direct interest:

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	284,000,000	16,000,000	-	300,000,000
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#### Deemed interest:

Sarena Cheah Yean Tih <sup>f</sup>	284,000,000	16,000,000	-	300,000,000
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	Number of ordinary shares			
	As at	Acquired	Sold	As at
	1.1.2020			31.12.2020

#### Immediate holding company

##### Sungei Way Corporation Sdn. Bhd.

#### Deemed interests:

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO <sup>g</sup>	10,000,000	-	-	10,000,000
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Sarena Cheah Yean Tih <sup>h</sup>	10,000,000	-	-	10,000,000
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	Number of ordinary shares			
	As at	Acquired	Sold	As at
	1.1.2020			31.12.2020

#### Ultimate holding company

##### Active Equity Sdn. Bhd.

#### Direct interests:

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	102,000	-	-	102,000
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Sarena Cheah Yean Tih	25,500	-	-	25,500
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#### Deemed interests:

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO <sup>i</sup>	68,000	-	-	68,000
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Sarena Cheah Yean Tih <sup>j</sup>	102,000	-	-	102,000
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## DIRECTORS' REPORT (CONTD.)

### DIRECTORS' INTERESTS (CONTD.)

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, ICPS, non-convertible redeemable preference shares and warrants in the Company and its related corporations during the financial year were as follows: (contd.)

	Number of ordinary shares			
	As at	Acquired	Sold	As at
	1.1.2020			31.12.2020

#### Related Corporation

##### Sunway Construction Group Berhad

#### Direct interests:

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	7,723,892	200,000	-	7,923,892
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Tan Sri Datuk Seri Razman M Hashim	106,864	-	-	106,864
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Tan Sri Dato' Dr. Lin See Yan	10,000	-	-	10,000
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Sarena Cheah Yean Tih	57,727	-	-	57,727
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#### Deemed interests:

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO <sup>j</sup>	833,629,588	-	-	833,629,588
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Sarena Cheah Yean Tih <sup>k</sup>	841,282,416	200,000	-	841,482,416
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	Number of ordinary shares			
	As at	Acquired	Sold	As at
	1.1.2020			31.12.2020

#### Related company

##### Sunway Global Limited

#### Direct interest:

Tan Sri Dato' (Dr.) Chew Chee Kin	689,183	-	-	689,183
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DIRECTORS’ REPORT (CONTD.)

DIRECTORS’ INTERESTS (CONTD.)

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, ICPS, non-convertible redeemable preference shares and warrants in the Company and its related corporations during the financial year were as follows: (contd.)

	Number of warrants 2017/2024				
	As at 1.1.2020	Adjustment*	Acquired	Sold	As at 31.12.2020
<b>The Company</b>					
<b>Direct interests:</b>					
Tan Sri Dato’ Seri Dr. Jeffrey Cheah Fook Ling AO	32,028,184	2,045,194	538,615	-	34,611,993
Tan Sri Datuk Seri Razman M Hashim	455,441	28,601	-	-	484,042
Tan Sri Dato’ Dr. Lin See Yan	90,000	-	-	(90,000)	-
Tan Sri Dato’ (Dr.) Chew Chee Kin	2,651,647	166,522	-	-	2,818,169
Sarena Cheah Yean Tih	661,522	41,543	-	-	703,065
<b>Deemed interests:</b>					
Tan Sri Dato’ Seri Dr. Jeffrey Cheah Fook Ling AO <sup>a</sup>	409,339,833	25,706,539	-	-	435,046,372
Tan Sri Dato’ (Dr.) Chew Chee Kin <sup>c</sup>	197,232	12,386	-	-	209,618
Sarena Cheah Yean Tih <sup>d</sup>	440,178,090	27,677,006	538,615	-	468,393,711

^ Allotment of ICPS by Sunway Berhad on 3 December 2020 arising from the subscription of ICPS pursuant to the renounceable rights issue of new ICPS on the basis of 1 ICPS for every 5 existing ordinary shares held in Sunway Berhad (“Rights Issue of ICPS”).

\* Allotment of additional warrants 2017/2024 (“Warrants”) in Sunway Berhad (“Sunway Warrants”) on 11 November 2020 arising from the adjustments to the exercise price and the number of outstanding Sunway Warrants in accordance with the provisions of the Deed Poll dated 19 September 2017 constituting the Warrants, pursuant to the Rights Issue of ICPS.

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

c Deemed interest by virtue of Section 59(11)(c) of the Companies Act 2016 held through spouse.

d 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.

DIRECTORS’ REPORT (CONTD.)

DIRECTORS’ INTERESTS (CONTD.)

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 shares and warrants in the Company and its related corporations during the financial year were as follows: (contd.)

- e Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn. Bhd., Sungei Way Corporation Sdn. Bhd., Jef-San Enterprise Sdn. Bhd., spouse 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 Active Equity Sdn. Bhd. and children.
- h Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn. Bhd. and parent.
- i Deemed interest by virtue of Section 8 of the Companies Act 2016 held through children.
- j 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.
- k 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.

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, ICPS, non-convertible redeemable preference shares and warrants in the Company or its related corporations during the financial year.

DIRECTORS’ REMUNERATION

The details of Directors’ remuneration are disclosed in Note 11 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 Group and the Company for the financial year 2020 was RM73,580.

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, except for the effects of COVID-19 pandemic and the prior year adjustments as disclosed in Note 52(g) and Note 55 to the financial statements respectively.



DIRECTORS’ REPORT (CONTD.)

OTHER STATUTORY INFORMATION (CONTD.)

(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	Chu Yuen Leng
Adrian Cheah Yean Sun	Chu Yuen Mun
Adrian Lim Tiong Yeau	Chua Seng Teong
Aminah Binti Noordin	Chung Soo Kiong
Andrew Wong Kok Leong#	CoSign Services Limited
Anne Marie Tan Hwee Hwee	Datin Paduka Norazlina Binti Zakaria
A.Thirumahal A/P S.Anandhanadarajah^^	Dato’ Dr. Charles Vijagan David#
Azlina Binti Jaapar	Dato’ Dr Ir Johari Bin Basri
Beh Soo Ming	Dato’ Ir Goh Chye Koon
Bernard Anand A/L Paul	Dato’ Lee Weng Keng (Dr)
Bhawarlal H Jain	Dato’ Ng Tiong Lip
Cha Luan Kee	Dato’ Siow Kim Lun @ Siow Kim Lin
Chan Hoi Choy	Dato’ Tan Kia Loke
Chan Tack Ming	Datuk Kwan Foh Kwai#
Chang Kim Long	Datuk Lim Lian Kheng
Che Rozita Binti Abd Aziz++ ^	Datuk Mohamad Zamree Bin Mohamad Ishak^
Cheah Kok Hoong^#	Dodda Lingamurthy
Chen Chow Kyan^	Dr Sarinder Kumari A/P Oam Parkash
Chen Kok Peng	Dr Seow Vei Ken^
Cheng Chuan Shing^^	Dr Shiamala Devi A/P Saravana Muthu
Cheng Jew Keng	Dr Tan Kok Heng
Chew Chor Eng	Dr Wee Tong Ming^
Chew Pek Teong	Eric Tan Chee Hin
Chia Hon Yuen	Evan Cheah Yean Shin
Chin Teck Seng^	Fawzi Bin Abd. Aziz#
Chong Chang Choong	Fong Choon Fuoi
Chong Sau Min	Fong Foo Tat
Choy Le Roy	Foo Shiang Wyne

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.)

Foo Yoon Seong	Ng Chun Lieh
Foong Wooi Fatt	Ng Kok Chew#
Goh Geok Chuan^	Nicholas Manevski
Goh Hai Thun @ Ng Hai Thun	Oh Keng Jin
Gunawan Sukardi Subur	Oknha Sour Pheng
H.E Nhean Leng	Ong Pang Yen
H.E Sok An	Ooi Hooi Inn
Hajah Norita Binti Mohd Sidek#	Pathuri Veera Anjaneyulu
Hajah Siti Zubaidah Binti Abd Jabar	Phang Sau Lian^
Hau Lian Hong	Phua Swee Hock
Heng Swee Lian^	Poh Siau Jane
Ho Ch’an Hin	Quah Kok Heng
Ho Poo Hong	Quet Foong
Ho Sheng Yueh#	Saisuda Needham
Hong Eng Heng	Sankarnarayanan Ramanathan
Hoo Han Huat	Shigeki Komi#
Hor Chee Hong^	Sin Tong Joo#
How May Lynn	Sing Chui Boon^
Irene Sin May Lin @ Irene Wong May Lin	Soo Chin Kang
Izzat Emir Aziz Bin Fawzi+	Soon Chian Myau
Jegatheesan A/L Achelingam	Spread Services Limited
Johnas Tahan Siahaan	Subba Rao Semenchalam
Kelly Leong Wai Keong	Sum Kwai Mun
Khaou Phallaboth	Takehito Fukui#
Khoo Chai Ee	Tan Beng Kwee
Khoo Min Sinn	Tan Chee Seng^##
Khor Seng Yan	Tan Eng Koon
Koh Moy Poh#	Tan Gar Peng#
Kok Shin Lin	Tan Hwa Chuan
Kong Heong Fook	Tan Kim Yoke
Koo Sow Ming	Tan Lay Kuan
Kumaresan A/L Varadu Rasu	Tan Poh Chan
Kwon Il Park	Tan Siew Hin^
Kwon Ouk Park	Tan Sri Dato’ (Dr) R.V. Navaratnam
Kwong Tzyy En	Tan Wee Bee##
Lau Beng Long	Tan Yit Chong
Lee Boon Chuan	Teh Saw Ha##
Lee Boon Kwang	Teo Siew Foun^^
Lee Chuan Seng	Teoh Kok Lin^
Lee Hong Tat#	Teoh Joo Keng
Lee Kok Chiew^^	Thomas Samuel A/L C T Samuel
Lee Soong Hwa	Toh Seok Leng
Liew Chee Choong	Toh Soon Seng
Liew Kok Wing	Tong Sau Ching
Lim Chee Siang	Tuan Ir. Haji Md Kamarzan Bin Md Rais^
Lim Chin Huat	U Than Oo
Lim Chin Khuan	Wai Sow Fun
Lim Fung Ee^	Wong Ban Seng
Lim Hai Poh	Wong Foo Jye^
Lim Hin Soon#	Wong Fook Chai
Lim Kim Wong	Wong Kok Leong^^
Lim Kwee Hiong	Wong Kong San^
Lim Vin Tze	Wong Kwan Song
Loo Bit Sin	Wong Wan Wooi
Lum Tuck Ming	YAM Tengku Kamil Ismail Bin Tengku Idris Shah
Matthijs Geert-Jan Van Leeuwen	Yap Chong Koon
Nabilah Farhanah Binti Tajul Ariffin	Yap Gee Tian
Ng Bee Lien	Yeoh Aik Hong
Ng Boon Liang	Yeoh Kar Wuen
Ng Chee Hing	Yeoh Yuen Chee
Ng Chee Hwa	Yeow Boon Ban
Ng Chong Beng	Yong Num Heng

## 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.)

- 174
- ^ 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
  - + Appointed as alternate director during the financial year
  - ++ Ceased to be alternate director during the financial year

### SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant events during the financial year and subsequent to the end of the reporting period are disclosed in Note 52 to the financial statements.

### AUDITORS

The auditors, BDO PLT (LLP0018825-LCA & AF 0206), 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 2020 are disclosed in Note 9 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 17 May 2021.



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



Tan Sri Dato' (Dr.) 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 Tan Sri Dato' (Dr.) Chew Chee Kin, being two of the Directors of Sunway Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 181 to 372 are drawn up in accordance with Malaysian Financial Reporting Standards, International 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 2020 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 17 May 2021.



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



Tan Sri Dato' (Dr.) 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 181 to 372 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 17 May 2021



Chong Chang Choong

Before me,





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

### 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 2020 of the Group and of the Company, and the statements of profit or loss, 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 181 to 372.

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 2020, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("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 financial 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 recognition for property development

Revenue from property development during the financial year as disclosed in Note 5 to the financial statements is RM478.5 million.

We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the satisfaction of performance obligations as stated in the contracts with customers, transaction price allocations and costs in applying the input method to recognise revenue over time.

The Group identifies performance obligations that are distinct and material, which are judgmental in the context of contracts. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligations.

The Group also estimates total contract costs in applying the input method to recognise revenue over time. 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.

#### Audit response

Our audit procedures included the following:

- (i) reviewed contracts with customers to identify distinct and material performance obligations, and compared our findings to the findings of the Group;
- (ii) assessed estimated total costs to complete through inquiries with operational and financial personnel of the Group;
- (iii) inspected documentation to support cost estimates made including contract variations and cost contingencies;
- (iv) compared contract budgets to actual outcomes to assess reliability of management budgeting process and controls; and
- (v) recomputed the results of the input method determined by management for revenue recognition based on verified actual costs incurred to-date and budgeted costs.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNWAY BERHAD (CONTD.)

#### Key Audit Matters (contd.)

#### (b) Revenue recognition for construction contracts

Revenue from construction contracts during the financial year as disclosed in Note 5 to the financial statements is RM942.7 million.

We determined this to be a key audit matter because it requires management to exercise significant judgements in estimating the progress towards complete satisfaction of performance obligations and determining whether there is any exposure to liquidated ascertained damages ("LAD"). The progress towards complete satisfaction of performance obligations is measured using the output method, which is based on contract work certified to date over the estimated total contract sum.

In estimating the progress towards complete satisfaction of performance obligations, the Group considers the estimated contract work completed to date and the completeness and accuracy of its estimated total contract sum, including contract variations, claims and contingencies.

#### Audit response

Our audit procedures included the following:

- (i) inspected documentation to support the estimated total contract sum and correspondences from contract customers in relation to variations and claims to corroborate key judgements applied by management;
- (ii) inspected documentation certified by professional consultants to support the contract work performed by the Group to-date;
- (iii) recomputed the progress towards complete satisfaction of performance obligations determined by management for revenue recognition based on contract work certified to-date and budgeted total contract sum;
- (iv) inquired in-house operational and financial personnel of the Group to assess the merits of extension of time submitted to the contract customers for assessing the exposure to LAD; and
- (v) inspected relevant correspondences and reports, including on-going negotiations with contract customers for the late delivery of contract works.

#### (c) Recognition of right-of-use assets and lease liabilities

As at 31 December 2020, the Group had recognised right-of-use assets and lease liabilities for leases of Group with carrying amounts of RM289.5 million and RM375.6 million respectively as disclosed in Note 15 and Note 38 to the financial statements. In addition, the Group had also recognised gain on reassessments and modifications of leases amounted to RM46.4 million as disclosed in Note 38 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgements for specific assumptions applied in determining right-of-use assets and lease liabilities as well as lease reassessments and modifications. The specific assumptions include the determination of appropriate discount rates, variable lease payments and assessment of lease terms, including renewal and termination options of the leases.

#### Audit response

Our audit procedures included the following:

- (i) obtained an understanding of the design and implementation of key controls pertaining to the recognition of right-of-use assets and lease liabilities;
- (ii) assessed the appropriateness of the assumptions applied in determining variable lease payments, lease reassessments and modifications based on the lease contracts and relevant inputs;
- (iii) assessed the appropriateness of the discount rates applied in determining lease liabilities based on the lease contracts and relevant inputs;
- (iv) assessed the appropriateness of the assumptions applied in determining the lease terms of the lease liabilities, including renewal and termination options of the leases;
- (v) verified the accuracy of the underlying lease data by agreeing a representative sample of leases to original contracts or other supporting information; and
- (vi) assessed the appropriateness of applying the requirements of Amendment to MFRS 16 *COVID-19-Related Rent Concessions*.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNWAY BERHAD (CONTD.)

### Key Audit Matters (contd.)

#### (d) Prior years adjustments

The Group and the Company had restated their comparatives for the financial year ended 31 December 2019, including their opening statements of financial position as at 1 January 2019 via prior year adjustments retrospectively resulting from the reassessment of the Group's and the Company's involvement in their investments in wholesale funds, which were determined, in substance, as structured entities under their control in accordance with MFRS 10 *Consolidated Financial Statements* as disclosed in Note 2 and Note 55 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgements in determining whether the investments in wholesale funds are, in substance, structured entities under the control of the Group and the Company in accordance with MFRS 10, taking into consideration their power over the wholesale funds, exposure or rights to variable returns from their involvement with the wholesale funds and their ability to use their power over the wholesale funds to affect the amount of their returns.

#### Audit response

Our audit procedures included the following:

- (i) reviewed the relevant information memorandums and trust deeds of the respective wholesale funds to assess the terms and conditions of the wholesale funds;
- (ii) obtained confirmations from the fund managers of the wholesale funds and inspected the relevant documentation in relation to the underlying investments in these wholesale funds;
- (iii) inquired management, treasury personnel and external legal counsels of the Group on its assessment of the Group's and the Company's control over their wholesale funds and the basis of consolidation of the wholesale funds in accordance with MFRS 10;
- (iv) engaged our legal expert to assess the legal and accounting aspects relating to the Group's and the Company's control over the wholesale funds and the basis of consolidation of the wholesale funds by the Group based on the nature, facts and circumstances of the investments in these wholesale funds of the Group and of the Company in accordance with MFRS 10; and
- (v) assessed whether the disclosures within the financial statements are appropriate in light of the requirements of MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

### 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 MFRSs, IFRSs 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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNWAY BERHAD (CONTD.)

### 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, actions taken to eliminate threats or safeguards applied.

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 50 to the financial statements.



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNWAY BERHAD (CONTD.)

## 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 PLT

**BDO PLT**  
LLP0018825-LCA & AF 0206  
Chartered Accountants

Kuala Lumpur  
17 May 2021

  
**Tang Seng Choon**  
02011/12/2021 J  
Chartered Accountant

STATEMENTS OF PROFIT OR LOSS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000 (Restated)
<b>Revenue</b>	5	<b>3,829,061</b>	4,780,279	<b>419,758</b>	212,004
Cost of sales	6	<b>(2,635,408)</b>	(3,094,705)	<b>(26,738)</b>	(45,206)
<b>Gross profit</b>		<b>1,193,653</b>	1,685,574	<b>393,020</b>	166,798
Other income	7	<b>279,327</b>	204,416	<b>22,213</b>	328,764
Administrative expenses		<b>(687,608)</b>	(791,122)	<b>(18,886)</b>	(23,605)
Selling and marketing expenses		<b>(128,969)</b>	(153,049)	-	-
Other expenses		<b>(408,675)</b>	(377,905)	<b>(29,860)</b>	(317)
<b>Operating profit</b>		<b>247,728</b>	567,914	<b>366,487</b>	471,640
Finance and other distribution income	8	<b>171,886</b>	204,606	<b>95,918</b>	209,034
Finance costs	8	<b>(140,439)</b>	(168,420)	<b>(60,777)</b>	(121,733)
Share of results of associates		<b>63,171</b>	192,755	-	-
Share of results of joint ventures		<b>170,199</b>	68,468	-	-
<b>Profit before tax</b>	9	<b>512,545</b>	865,323	<b>401,628</b>	558,941
Income tax expense	12	<b>(101,971)</b>	(78,429)	<b>(24,892)</b>	(2,024)
<b>Profit for the financial year</b>		<b>410,574</b>	786,894	<b>376,736</b>	556,917
Attributable to:					
Owners of the parent		<b>362,827</b>	709,165	<b>376,736</b>	556,917
Non-controlling interests		<b>47,747</b>	77,729	-	-
		<b>410,574</b>	786,894	<b>376,736</b>	556,917
<b>Earnings per share attributable to owners of the parent (sen per share):</b>					
Basic	13	<b>7.31</b>	14.55		
Diluted	13	<b>7.31</b>	14.55		

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 2020

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000 (Restated)
Profit for the financial year	410,574	786,894	376,736	556,917
<b>Other comprehensive income:</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Foreign currency translations	41,171	26	-	-
Cash flow hedge reserve - fair value gain/(loss)				
- Fair value gain/(loss) of derivatives	23,887	(28,528)	-	-
- Amounts recycled to profit or loss	(26,392)	29,674	-	-
<b>Item that will not be reclassified subsequently to profit or loss</b>				
Fair value gain on other investments at fair value through other comprehensive income	19,775	37,045	-	-
Revaluation of property, plant and equipment	-	3,451	-	-
<b>Other comprehensive income for the financial year, net of tax</b>	58,441	41,668	-	-
<b>Total comprehensive income for the financial year</b>	469,015	828,562	376,736	556,917
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	414,918	751,571	376,736	556,917
Non-controlling interests	54,097	76,991	-	-
	469,015	828,562	376,736	556,917

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

## STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	Group		
		31.12.2020 RM'000	31.12.2019 RM'000 (Restated)	1.1.2019 RM'000 (Restated)
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	15	2,620,747	2,749,044	2,627,664
Intangible assets	16	25,233	19,833	17,748
Investment properties	17	2,033,400	2,327,617	1,942,744
Inventories	18	1,795,500	1,674,576	1,671,311
Investments in associates	20	2,693,171	2,458,048	2,084,029
Investments in joint ventures	21	1,659,178	1,627,026	1,306,632
Goodwill	22	325,435	311,808	313,893
Deferred tax assets	23	59,589	66,722	110,342
Trade receivables	24	179,713	140,071	63,838
Other receivables	25	6,276	6,099	24,956
Amount due from an associate	33	457	-	-
Amounts due from joint ventures	34	1,787,899	1,332,623	1,827,921
Rock reserves	27	5,342	5,605	5,868
Other investments	28	864,153	569,856	421,171
Biological assets	29	230	121	234
		14,056,323	13,289,049	12,418,351
<b>Current assets</b>				
Inventories	18	2,101,421	2,102,056	1,857,935
Trade receivables	24	1,451,946	1,638,423	1,514,524
Other receivables	25	311,354	348,938	286,992
Contract assets	30	91,303	76,230	100,765
Cash and bank balances	31	2,238,415	2,554,746	2,635,605
Derivatives	26	31,532	1,925	64,629
Amounts due from associates	33	49,408	35,145	45,577
Amounts due from joint ventures	34	620,493	992,429	99,366
Other investments	28	100,285	376,373	46,338
Tax recoverable		68,594	79,257	68,792
		7,064,751	8,205,522	6,720,523
Assets of disposal group classified as held for sale		-	-	486,128
<b>Total assets</b>		21,121,074	21,494,571	19,625,002



## STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020 (CONTD.)

	Note	Group		
		31.12.2020 RM'000	31.12.2019 RM'000 (Restated)	1.1.2019 RM'000 (Restated)
<b>Equity and liabilities</b>				
<b>Current liabilities</b>				
Borrowings	35	5,260,615	7,022,907	5,507,103
Trade payables	36	1,467,529	1,344,269	1,336,189
Other payables	37	936,045	1,241,951	1,239,946
Contract liabilities	30	74,610	43,529	33,772
Amounts due to associates	33	6,680	11,950	11,286
Amounts due to joint ventures	34	42,807	72,774	64,118
Hire purchase and lease liabilities	38	50,333	69,750	81,289
Derivatives	26	72,369	17,730	17,227
Tax payable		37,477	5,480	33,555
		7,948,465	9,830,340	8,324,485
<b>Non-current liabilities</b>				
Borrowings	35	1,649,973	872,563	1,230,226
Perpetual sukuk	39	600,000	400,000	400,000
Deferred tax liabilities	23	122,489	130,304	146,907
Other payables	37	120,089	52,360	121,676
Amounts due to joint ventures	34	12,405	4,131	4,358
Long term liabilities	40	2,219	2,923	2,959
Hire purchase and lease liabilities	38	325,262	768,204	810,389
Derivatives	26	1,665	187	36
		2,834,102	2,230,672	2,716,551
<b>Total liabilities</b>		10,782,567	12,061,012	11,041,036
<b>Equity attributable to owners of the parent</b>				
Share capital	41	5,393,667	5,393,666	5,379,437
Irredeemable convertible preference shares	41	977,779	-	-
Treasury shares	41	(74,335)	(53,324)	(140,299)
Equity contribution from a joint venture	42	51,654	51,654	51,654
Merger reserve	43	(1,192,040)	(1,192,040)	(1,192,040)
Reserves	44	4,383,945	4,189,313	3,866,108
		9,540,670	8,389,269	7,964,860
Non-controlling interests		797,837	1,044,290	619,106
<b>Total equity</b>		10,338,507	9,433,559	8,583,966
<b>Total equity and liabilities</b>		21,121,074	21,494,571	19,625,002

## STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020 (CONTD.)

	Note	Company		
		31.12.2020 RM'000	31.12.2019 RM'000 (Restated)	1.1.2019 RM'000 (Restated)
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	15	8,066	9,985	12,469
Investments in subsidiaries	19	5,519,822	6,227,486	5,911,858
Investments in joint ventures	21	800	800	800
Other investments	28	78	78	78
		5,528,766	6,238,349	5,925,205
<b>Current assets</b>				
Other receivables	25	15,331	26,176	15,416
Cash and bank balances	31	10,131	8,872	48,994
Amounts due from subsidiaries	32	2,842,885	2,087,990	2,440,612
Amounts due from associates	33	52	179	1,744
Amounts due from joint ventures	34	3,783	2,151	2,383
Tax recoverable		-	-	564
		2,872,182	2,125,368	2,509,713
<b>Total assets</b>		8,400,948	8,363,717	8,434,918
<b>Equity and liabilities</b>				
<b>Current liabilities</b>				
Borrowings	35	81,000	796,000	1,246,000
Other payables	37	45,259	65,412	67,518
Amounts due to subsidiaries	32	6,206	14,138	3,220
Amounts due to associates	33	51	41	-
Amounts due to joint ventures	34	-	255	-
Lease liabilities	38	2,764	2,583	2,468
Tax payable		19,900	231	-
		155,180	878,660	1,319,206
<b>Non-current liabilities</b>				
Borrowings	35	-	-	610,000
Perpetual sukuk	39	800,000	1,150,000	400,000
Lease liabilities	38	7,241	9,473	12,028
		807,241	1,159,473	1,022,028
<b>Total liabilities</b>		962,421	2,038,133	2,341,234

STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020 (CONTD.)

----- Company -----				
Note	31.12.2020 RM'000	31.12.2019 RM'000 (Restated)	1.1.2019 RM'000 (Restated)	
<b>Equity and liabilities (contd.)</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital	41	5,393,667	5,393,666	5,379,437
Irredeemable convertible preference shares	41	977,779	-	-
Treasury shares	41	(74,335)	(53,324)	(140,299)
Reserves	44	1,141,416	985,242	854,546
<b>Total equity</b>		<b>7,438,527</b>	6,325,584	6,093,684
<b>Total equity and liabilities</b>				
		<b>8,400,948</b>	8,363,717	8,434,918

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 2020

	Share capital (Note 41) RM'000	Irredeemable Convertible Preference Shares (Note 41) RM'000	Treasury shares (Note 41) RM'000	Equity contribution from a joint venture (Note 42) RM'000	Merger reserve (Note 43) RM'000	Capital reserve (Note 44) RM'000	Statutory reserve (Note 44) RM'000	Revaluation reserve (Note 44) RM'000	Cash flow hedge reserve (Note 44) RM'000	Fair value reserve (Note 44) RM'000	Furniture, fixtures and equipment reserve (Note 44) RM'000	Foreign currency translation reserve (Note 44) RM'000	Other reserves, total (Note 44) RM'000	Retained earnings (Note 44) RM'000	Equity attributable to owners parent, total RM'000	Perpetual sukuk RM'000	Non- controlling interests RM'000	Equity, total RM'000
2020																		
Group																		
At beginning of financial year (as previously reported)	5,393,666	-	(53,324)	51,654	(1,192,040)	134,236	2,000	7,322	(16,535)	-	20,569	131,185	278,777	3,914,135	8,392,868	1,150,000	631,399	10,174,267
Effects of prior year adjustments (Note 55)	-	-	-	-	-	-	-	-	-	28,139	-	-	28,139	(31,738)	(3,599)	(1,150,000)	412,891	(740,708)
At beginning of financial year (restated)	5,393,666	-	(53,324)	51,654	(1,192,040)	134,236	2,000	7,322	(16,535)	28,139	20,569	131,185	306,916	3,882,397	8,389,269	-	1,044,290	9,433,559
Profit for the financial year	-	-	-	-	-	-	-	-	-	-	-	-	-	362,827	362,827	-	47,747	410,574
Other comprehensive income/(loss), net of tax	-	-	-	-	-	(16)	-	-	(2,505)	19,775	-	34,837	52,091	-	52,091	-	6,350	58,441
Total comprehensive income	-	-	-	-	-	(16)	-	-	(2,505)	19,775	-	34,837	52,091	362,827	414,918	-	54,097	469,015
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,749	7,749
Transfer from furniture, fittings and equipment reserve	-	-	-	-	-	-	-	-	-	-	(2,088)	-	(2,088)	2,088	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	265	-	-	-	-	-	265	(262)	3	-	(3)	-
Transfer to capital reserve	-	-	-	-	-	301,147	-	-	-	-	-	-	301,147	(301,147)	-	-	-	-
Disposal of other investment recognised at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	(16,553)	-	-	(16,553)	16,553	-	-	-	-
Transactions with owners																		
Issuance of irredeemable convertible preference shares	-	977,779	-	-	-	-	-	-	-	-	-	-	-	-	977,779	-	-	977,779
Issuance of ordinary shares pursuant to exercise of warrants	1 ^	-	-	-	-	-	-	-	-	-	-	-	-	-	1 ^	-	-	1
Purchase of treasury shares	-	-	(21,011)	-	-	-	-	-	-	-	-	-	-	-	(21,011)	-	-	(21,011)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(33,023)	-	(33,023)
Dividends paid by the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	(220,562)	(220,562)	-	-	(220,562)
Shares acquired by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,075	1,075
Effects of subscriptions and redemptions of units in structured entities by unitholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(258,060)	(258,060)
Acquisition of equity interest from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,428)	(2,428)
Effects of subsidiaries becoming joint ventures and an associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,587)	(15,587)
Effects arising from bonus issue of a subsidiary	-	-	-	-	-	600	-	-	-	-	-	-	600	(327)	273	-	(273)	-
Total transactions with owners	1	977,779	(21,011)	-	-	600	-	-	-	-	-	-	600	(220,889)	736,480	-	(308,296)	428,184
At end of financial year	5,393,667	977,779	(74,395)	51,654	(1,192,040)	435,967	2,265	7,322	(19,040)	31,361	18,481	166,022	642,378	3,741,567	9,540,670	-	797,837	10,338,507

^ Represents 404 warrants amounting to RM695.



STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

2019	Share capital (Note 41) RM'000	Treasury shares (Note 41) RM'000	Equity contribution from a joint venture (Note 42) RM'000	Merger reserve (Note 43) RM'000	Capital reserve (Note 44) RM'000	Statutory reserve (Note 44) RM'000	Revaluation reserve (Note 44) RM'000	Share option reserve (Note 44) RM'000	Cash flow hedge reserve (Note 44) RM'000	Fair value reserve (Note 44) RM'000	Furniture, fittings and equipment reserve (Note 44) RM'000	Foreign currency translation reserve (Note 44) RM'000	Other reserves, total (Note 44) RM'000	Retained earnings (Note 44) RM'000	Equity attributable to owners of the parent, total RM'000	Perpetual sukuk RM'000	Non-controlling interests RM'000	Equity, total RM'000
Group																		
At beginning of financial year (as previously reported)	5,379,437	(140,299)	51,654	(1,192,040)	134,508	1,179	3,871	7,632	(17,681)	(8,906)	16,233	130,421	267,257	3,598,719	7,964,728	400,000	619,106	8,983,834
Effects of prior year adjustments (Note 55)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(400,000)	-	(400,000)
At beginning of financial year (restated)	5,379,437	(140,299)	51,654	(1,192,040)	134,508	1,179	3,871	7,632	(17,681)	(8,906)	16,233	130,421	267,257	3,598,719	7,964,728	-	619,106	8,583,834
Profit for the financial year	-	-	-	-	-	-	-	-	-	-	-	-	-	709,165	709,165	-	77,729	786,894
Other comprehensive income/(loss), net of tax	-	-	-	-	-	-	3,451	-	1,146	37,045	-	764	42,406	709,165	751,571	-	(738)	41,668
Total comprehensive income	-	-	-	-	-	-	3,451	-	1,146	37,045	-	764	42,406	709,165	751,571	-	76,991	828,562
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,241	14,241
Transfer to furniture, fittings and equipment reserve	-	-	-	-	-	-	-	-	-	-	4,336	-	4,336	(4,336)	-	-	-	-
Transfer to statutory reserve	-	-	-	-	(272)	821	-	-	-	-	-	-	549	(607)	(58)	-	58	-
Transactions with owners																		
Issuance of ordinary shares pursuant: - to exercise of Employee Share Option Scheme ("ESOS")	14,211	-	-	-	-	-	-	(2,857)	-	-	-	-	(2,857)	-	11,354	-	-	11,354
- to exercise of warrants under ESOS	18	-	-	-	-	-	-	-	-	-	-	-	-	-	18	-	-	18
Reversal of share options granted under ESOS	-	-	-	-	-	-	-	(4,775)	-	-	-	-	(4,775)	3,170	(1,605)	-	-	(1,605)
Share buy back by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,357)	(2,357)	-	(3,337)	(5,694)
Purchase of treasury shares	-	(91,926)	-	-	-	-	-	-	-	-	-	-	-	(2,357)	(91,926)	-	-	(91,926)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(63,073)	(63,073)
Dividends paid by the Company	-	178,901	-	-	-	-	-	-	-	-	-	-	-	(421,759)	(242,858)	-	-	(242,858)
Shares acquired by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(428)	(428)	-	3,203	2,775
Effects of subscriptions of units in structured entities by unitholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	404,467	404,467
Acquisition of equity interest from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	14,229	86,975	-	-	-	-	-	(7,632)	-	-	-	-	*	830	830	-	(7,366)	(6,536)
													(7,632)	(420,544)	(326,972)	-	333,894	6,922
At end of financial year	5,393,666	(53,324)	51,654	(1,192,040)	134,236	2,000	7,322	-	(16,535)	28,139	20,569	131,185	306,916	3,882,397	8,389,269	-	1,044,290	9,433,559

^ Represents 10,709 warrants amounting to RM18,419.

\* Included the effect of adoption of Amendments to MFRS128 Long-term interests in Associates and Joint Ventures amounting to RM132,000.

2020 Company	Non-distributable			Distributable		
	Share capital (Note 41) RM'000	Irredeemable Convertible Preference Shares (Note 41) RM'000	Treasury shares (Note 41) RM'000	Retained earnings (Note 44) RM'000	Perpetual sukuk RM'000	Equity, total RM'000
At beginning of financial year (as previously reported)	5,393,666	-	(53,324)	985,242	1,150,000	7,475,584
Effects of prior year adjustments (Note 55)	-	-	-	-	(1,150,000)	(1,150,000)
At beginning of financial year (restated)	5,393,666	-	(53,324)	985,242	-	6,325,584
Profit for the financial year	-	-	-	376,736	-	376,736
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income	-	-	-	376,736	-	376,736
Transactions with owners						
Issuance of irredeemable convertible preference shares	-	977,779	-	-	-	977,779
Issuance of ordinary shares pursuant to exercise of warrants	1 ^	-	-	-	-	1 ^
Purchase of treasury shares	-	-	(21,011)	-	-	(21,011)
Dividends paid	-	-	-	(220,562)	-	(220,562)
	1	977,779	(21,011)	(220,562)	-	736,207
At end of financial year	5,393,667	977,779	(74,335)	1,141,416	-	7,438,527

^ Represents 404 warrants amounting to RM695.

## STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

	Non-distributable			Distributable		Equity, total
	Share capital (Note 41) RM'000	Treasury shares (Note 41) RM'000	Share options reserve RM'000	Retained earnings (Note 44) RM'000	Perpetual sukuk RM'000	
<b>2019</b>						
<b>Company</b>						
<b>At beginning of financial year</b>						
<b>(as previously reported)</b>	5,379,437	(140,299)	4,462	850,084	400,000	6,493,684
Effects of prior year adjustments (Note 55)	-	-	-	-	(400,000)	(400,000)
<b>At beginning of financial year</b>						
<b>(restated)</b>	5,379,437	(140,299)	4,462	850,084	-	6,093,684
Profit for the financial year	-	-	-	556,917	-	556,917
Other comprehensive income, net of fax	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	556,917	-	556,917
<b>Transactions with owners</b>						
Issuance of ordinary shares pursuant:						
- to exercise of ESOS	14,211	-	(2,857)	-	-	11,354
- to exercise of warrants	18 <sup>^</sup>	-	-	-	-	18 <sup>^</sup>
Reversal of share options granted under ESOS	-	-	(1,605)	-	-	(1,605)
Purchase of treasury shares	-	(91,926)	-	-	-	(91,926)
Dividends paid	-	178,901	-	(421,759)	-	(242,858)
	14,229	86,975	(4,462)	(421,759)	-	(325,017)
<b>At end of financial year</b>	5,393,666	(53,324)	-	985,242	-	6,325,584

<sup>^</sup> Represents 10,709 warrants amounting to RM18,419.

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 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000 (Restated)
<b>Cash flows from operating activities</b>					
Profit before tax		<b>512,545</b>	865,323	<b>401,628</b>	558,941
Adjustments for:					
Finance and other distribution income	8	<b>(171,886)</b>	(204,606)	<b>(95,918)</b>	(209,034)
Finance costs	8	<b>140,439</b>	168,420	<b>60,777</b>	121,733
Dividend income	5	<b>(4,221)</b>	(20)	<b>(382,840)</b>	(162,100)
Depreciation and amortisation		<b>236,539</b>	233,580	<b>2,587</b>	2,571
Fair value gain on:					
- derivatives	7	<b>(819)</b>	(4,209)	-	-
- investment properties	17	<b>(58,831)</b>	(48,462)	-	-
- other investments	7	-	(4,142)	-	-
Fair value loss on:					
- derivatives	9	<b>1,971</b>	415	-	-
- investment properties	17	<b>60,908</b>	11,323	-	-
- other investments	9	<b>2,970</b>	-	-	-
Gain on disposal of:					
- assets held for sale	7	-	(37,676)	-	-
- property, plant and equipment	7	<b>(2,960)</b>	(11,672)	-	-
- subsidiaries	7	<b>(3)</b>	-	-	(310,003)
- investment properties	7	<b>(24,002)</b>	-	-	-
Gain on reassessments and modifications of leases	7	<b>(46,376)</b>	(106)	-	-
Gain on disposal of equity interest in a subsidiary	7	<b>(81)</b>	-	-	-
Gain on reclassification from subsidiaries to joint ventures arising from loss of control	7	<b>(103)</b>	(14)	-	-
Gain on re-measurement of remaining interest held as an associate	7	<b>(3,638)</b>	-	-	-
Gain on liquidation of a subsidiary	7	-	(7)	-	-
Impairment losses on:					
- trade and other receivables	24, 25	<b>26,349</b>	6,348	-	-
- amounts due from subsidiaries	32	-	-	<b>2,096</b>	-
- amounts due from associates	33	-	1	-	-
- amounts due from joint ventures	34	<b>7,238</b>	4,905	-	-
- property, plant and equipment	15	<b>2,745</b>	55,916	-	-
- contract assets	30	<b>67</b>	-	-	-
- goodwill	22	<b>3,643</b>	2,230	-	-
- quasi-equity loan advanced to joint ventures	21	-	789	-	-
Net cash generated from/(used in) operating activities carried forward		<b>682,494</b>	1,038,336	<b>(11,670)</b>	2,108



## STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

	Note	Group		Company	
		2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
			(Restated)		(Restated)
Cash flows from operating activities (contd.)					
Net cash generated from/(used in)					
operating activities brought forward		682,494	1,038,336	(11,670)	2,108
Loss on disposal of property, plant and equipment	9	158	34	-	-
Loss on liquidation of a subsidiary	9	-	9	-	-
Loss on reclassification from a subsidiary to a joint venture arising from loss of control	9	61	-	-	-
Negative goodwill on acquisition of a subsidiary	7	(8)	-	-	-
Net unrealised foreign exchange losses/(gains):					
- hedged items	7, 9	26,392	(29,674)	-	-
- others	7, 9	6,549	2,702	50	40
Cash flow hedge recycled to profit or loss	7, 9	(26,392)	29,674	-	-
Loss on redemption of perpetual sukuk	9, 39	-	-	18,970	-
Rent concessions	38	(5,495)	-	-	-
Share options reversed under ESOS	10	-	(2,454)	-	(9)
Reversal of allowance for impairment of:					
- trade and other receivables	24, 25	(10,503)	(12,197)	-	-
- investment in an associate	20	-	(6)	-	-
- amounts due from joint ventures	34	(137)	(265)	(1)	-
- amounts due from associates	33	(72)	(112)	-	(1)
- amounts due from subsidiaries	32	-	-	-	(960)
- contract assets	30	-	(171)	-	-
- quasi-equity loan advanced to joint ventures	21	(76)	-	-	-
Share of results of:					
- associates		(63,171)	(192,755)	-	-
- joint ventures		(170,199)	(68,468)	-	-
Net cash generated from					
operating activities carried forward		439,601	764,653	7,349	1,178

## STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

	Note	Group		Company	
		2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
			(Restated)		(Restated)
Cash flows from operating activities (contd.)					
Net cash generated from					
operating activities brought forward		439,601	764,653	7,349	1,178
Net movements in unrealised profit arising from					
construction project in joint ventures		123	920	-	-
Net movements in unrealised profit					
arising from sale of assets to associate		2,036	673	-	-
Write down of inventories to net					
realisable value	9	7,811	3,417	-	-
Reversal of inventories written down to					
net realisable value	7	(43)	(4,780)	-	-
Write off of:					
- bad debts	9	1,705	2,217	-	68
- biological assets	9	-	13	-	-
- inventories	9	696	2,149	-	-
- property, plant and equipment	9	2,687	7,744	-	-
- intangible assets	9	49	62	-	-
- other investments	9	-	29	-	-
Operating profit before working capital					
changes		454,665	777,097	7,349	1,246
Changes in working capital:					
- Land held for property development		(131,144)	8,674	-	-
- Inventories		73,393	(147,207)	-	-
- Trade receivables		118,182	(151,976)	-	-
- Other receivables		32,736	(11,723)	10,845	(10,760)
- Contract assets		(15,140)	24,706	-	-
- Trade payables		131,386	(20,196)	-	-
- Other payables		(269,787)	5,736	(20,153)	(2,106)
- Long term payables		37,389	(69,352)	-	-
- Contract liabilities		31,081	9,757	-	-
Interest received		180,039	209,544	95,918	209,034
Dividends received from:					
- joint ventures and associates		191,531	147,907	19,840	19,600
- subsidiaries		-	-	363,000	142,500
- other investment		4,221	20	-	-
Tax refunded		10,987	33,969	-	564
Tax paid		(72,295)	(127,976)	(5,223)	(1,793)
Net cash from operating activities		777,244	688,980	471,576	358,285

## STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

	Note	Group		Company	
		2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
			(Restated)		(Restated)
Cash flows from investing activities					
Acquisitions of:					
- biological assets		(186)	(121)	-	-
- equity interest from non-controlling interests		(2,428)	(6,536)	-	-
- intangible assets	16	(9,020)	(10,024)	-	-
- investment properties and investment properties under construction		(116,571)	(436,155)	-	-
- land held for property development		(62,293)	(64,610)	-	-
- other investments		(317,074)	(437,596)	-	-
- property, plant and equipment	15	(467,808)	(340,995)	(68)	(44)
- subsidiaries for cash, net of cash acquired	19	(9,519)	3,297	-	-
Proceeds from disposal of:					
- intangible assets		55	19	-	-
- other investments		315,715	-	-	-
- property, plant and equipment		6,461	43,875	-	-
- investment properties	52	450,000	-	-	-
- assets held for sale		-	494,870	-	-
- investment in an associate		7,915	-	-	-
Proceeds from liquidation of subsidiaries		-	245		
Proceeds from acquisition of equity interest by non-controlling interests		1,075	2,775		
Net (subscriptions)/redemptions of units in structured entities by the Group and the Company		(131,978)	-	712,664	(5,625)
Investment in redeemable preference shares of a subsidiary	19	-	-	(305,000)	-
Redemption of redeemable preference shares in subsidiaries	19	-	-	300,000	-
Net cash (used in)/from investing activities carried forward		(335,656)	(750,956)	707,596	(5,669)

## STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

	Note	Group		Company	
		2020	2019	2020	2019
		RM'000	RM'000 (Restated)	RM'000	RM'000 (Restated)
<b>Cash flows from investing activities (contd.)</b>					
Net cash (used in)/from investing activities brought forward		<b>(335,656)</b>	(750,956)	<b>707,596</b>	(5,669)
Additional interests acquired in:					
- joint ventures	21	<b>(528)</b>	(4,232)	-	-
- associates	20	<b>(290,858)</b>	(200)	-	-
(Advances to)/Repayments from:					
- subsidiaries		-	-	<b>(764,923)</b>	362,836
- associates and joint ventures		<b>(95,747)</b>	(379,379)	<b>(1,749)</b>	2,094
Net cash flows from licensed banks and other financial institutions with maturity of over 3 months		<b>1,786</b>	(4,169)	<b>(20)</b>	-
Quasi-equity loan repaid by/(advanced to) joint ventures		<b>38,279</b>	(285,468)	-	-
Investment in perpetual sukuk of an associate		-	(340,000)	-	-
Net (redemptions)/subscriptions of units in structured entities by non-controlling interests		<b>(126,082)</b>	404,467	-	-
Net cash outflow from loss of control of subsidiaries		<b>(17,590)</b>	(3)	-	-
<b>Net cash (used in)/from investing activities</b>		<b>(826,396)</b>	(1,359,940)	<b>(59,096)</b>	359,261
<b>Cash flows from financing activities</b>					
Drawdown of:					
- term loans		<b>533,526</b>	3,289,017	-	-
- revolving credits		<b>1,827,705</b>	1,693,637	-	-
- commercial papers		<b>4,341,000</b>	2,011,000	<b>351,000</b>	368,000
- medium term notes		<b>1,895,000</b>	1,320,000	-	-
- other bank borrowings		<b>1,998,947</b>	153,010	-	-
Net cash from financing activities carried forward		<b>10,596,178</b>	8,466,664	<b>351,000</b>	368,000



## STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

Note	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000 (Restated)
<b>Cash flows from financing activities (contd.)</b>				
Net cash from financing activities				
brought forward	<b>10,596,178</b>	8,466,664	<b>351,000</b>	368,000
Repayments of:				
- hire purchase and lease liabilities	<b>(64,632)</b>	(69,138)	<b>(2,651)</b>	(2,483)
- term loans	<b>(1,382,300)</b>	(3,549,503)	-	-
- revolving credits	<b>(1,443,305)</b>	(1,152,028)	-	(80,000)
- commercial papers	<b>(5,009,000)</b>	(2,023,000)	<b>(456,000)</b>	(1,348,000)
- medium term notes	<b>(1,430,000)</b>	(560,000)	<b>(610,000)</b>	-
- other bank borrowings	<b>(2,164,006)</b>	(53,426)	-	-
Proceeds from issuance of irredeemable				
cumulative preference shares	41 <b>977,779</b>	-	<b>977,779</b>	-
Proceeds from issuance of ordinary shares pursuant:				
- to exercise of warrants	41 <b>1</b>	18	<b>1</b>	18
- to exercise of ESOS	-	11,354	-	11,354
Interest paid	<b>(140,439)</b>	(168,420)	<b>(60,777)</b>	(121,733)
Dividends paid	14 <b>(220,562)</b>	(242,858)	<b>(220,562)</b>	(242,858)
Dividends paid to non-controlling interests				
in subsidiaries	<b>(33,023)</b>	(63,073)	-	-
Shares buyback	<b>(21,011)</b>	(97,620)	<b>(21,011)</b>	(91,926)
Redemption of perpetual sukuk	39 -	-	<b>(768,970)</b>	-
Issuance of perpetual sukuk	39 <b>200,000</b>	-	<b>400,000</b>	750,000
<b>Net cash (used in)/from financing activities</b>	<b>(134,320)</b>	498,970	<b>(411,191)</b>	(757,628)
Net cash from operating activities	<b>777,244</b>	688,980	<b>471,576</b>	358,285
Net cash (used in)/from investing activities	<b>(826,396)</b>	(1,359,940)	<b>(59,096)</b>	359,261
Net cash (used in)/from financing activities	<b>(134,320)</b>	498,970	<b>(411,191)</b>	(757,628)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(183,472)</b>	(171,990)	<b>1,289</b>	(40,082)
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>7,305</b>	(2,932)	<b>(50)</b>	(40)
<b>Cash and cash equivalents at beginning of financial year</b>	<b>2,359,012</b>	2,533,934	<b>8,852</b>	48,974
<b>Cash and cash equivalents at end of financial year (Note 31)</b>	<b>2,182,845</b>	2,359,012	<b>10,091</b>	8,852

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 2020

### 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 50 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 2020 were authorised for issue in accordance with a resolution by the Board of Directors on 17 May 2021.

### 2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

The new MFRSs and amendments to MFRSs adopted during the financial year are set out in Note 53(a) to the financial statements.

During the current financial year, following the reassessment of the Group's and the Company's involvement in their investments in wholesale funds, the Group and the Company determined that their placement in wholesale funds are in substance, structured entities under their control in accordance with MFRS 10 *Consolidated Financial Statements* as disclosed in Note 19(d) to the financial statements.

Accordingly, the Group has consolidated these wholesale funds in the financial statements of the Group for the financial year ended 31 December 2020 and the Group and the Company have restated their comparatives via prior year adjustments retrospectively.

In relation to this, comparative figures of the Group and of the Company for the financial year ended 31 December 2019 in these financial statements, including their opening statements of financial position as at 1 January 2019, have been restated to give effect to the above reassessment as disclosed in Note 55 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand ("RM'000"), unless otherwise stated.

The Group has significant positive cash flows from its overall business operations and has adequate undrawn credit facilities available to meet its operational and funding requirements (as further disclosed in Note 4(b) to the financial statements under liquidity risk), notwithstanding that the Group is in a net current liabilities position of RM883.7 million as at 31 December 2020. As the net current liabilities position is mainly due to the short term bank borrowings, the Group plans to reduce its quantum and refinance it with longer term bank loans and longer dated corporate bonds in the near term.

The Group has carried out cash flows review for the next twelve (12) months to ensure that its business operations have sufficient liquidity and funds available to meet its obligations as and when they fall due. In addition to the undrawn credit facilities, the Group can also tap its available balances of Medium Term Notes and Perpetual Sukuk programmes to refinance its short term borrowings according to the liquidity requirements of the Group.

The Directors are confident that the Group will continue to operate profitably and generate sufficient cash flows from operations in the foreseeable future, together with continuous financial support from the lenders.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 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) Healthcare - operation of medical centres and provision of medical consultation services.
- (vii) Investment holdings - management, provision of financial services to companies within the Group, as well as holding of investments in the shares of subsidiaries, associates and other investments.
- (viii) Others - 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, lease and hire purchase financing, interior design and renovation, loyalty programme, investment in online media, electronic parcel locker operator, operation of petrol kiosk, online remittance and money services, retail of pharmaceutical products, provision of venture capital fund management, provision of credit reference services and credit rating and the provision of training services.

Except as indicated above, no operating segments have 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 2020 (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	Healthcare RM'000	Investment holdings RM'000	Others RM'000	Adjustments/ eliminations RM'000	Note	Total RM'000
<b>At 31 December 2020</b>											
<b>Revenue</b>											
Sales to external customers	494,623	330,147	990,225	812,079	321,389	620,302	4,669	255,627	-		3,829,061
Inter-segment revenue	33,537	104,627	1,067,214	122,653	29,170	12,001	808,441	69,202	(2,246,845)	A	-
Total revenue	528,160	434,774	2,057,439	934,732	350,559	632,303	813,110	324,829	(2,246,845)		3,829,061
<b>Results</b>											
Operating profit/(loss)	84,706	27,366	93,925	30,715	10,686	31,659	(54,180)	22,851	-		247,728
Finance and other distribution income	47,960	64,142	17,820	10,304	6,426	9,046	214,174	11,826	(209,812)		171,886
Finance costs	(28,631)	(155,415)	(6,921)	(16,538)	(4,747)	(23,300)	(103,160)	(11,539)	209,812		(140,439)
Share of results of associates	(29)	61,636	252	-	(11)	-	-	1,323	-		63,171
Share of results of joint ventures	192,937	(25,161)	-	-	2,423	-	-	-	-		170,199
Profit/(Loss) before tax	296,943	(27,432)	105,076	24,481	14,777	17,405	56,834	24,461	-		512,545
Income tax	(22,656)	(3,508)	(27,501)	(4,808)	(3,376)	(11)	(34,544)	(5,567)	-		(101,971)
Net profit/(loss) for the year	274,287	(30,940)	77,575	19,673	11,401	17,394	22,290	18,894	-		410,574
Non-controlling interests	(7,184)	2,996	(33,232)	(1,722)	195	(398)	(7,834)	(568)	-		(47,747)
Attributable to owners of the parent	267,103	(27,944)	44,343	17,951	11,596	16,996	14,456	18,326	-		362,827



### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (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	Healthcare RM'000	Investment holdings RM'000	Others RM'000	Adjustments/eliminations RM'000	Note	Total RM'000
<b>At 31 December 2020 (contd.)</b>											
<b>Assets</b>											
Segment assets	5,283,539	2,701,495	1,545,079	838,062	398,519	1,539,418	15,877,081	1,027,522	(12,570,173)		16,640,542
Investments in associates	-	2,629,930	-	-	-	-	-	63,241	-		2,693,171
Investments in joint ventures	1,456,809	142,463	44,805	-	15,101	-	-	-	-		1,659,178
Unallocated assets											128,183
Total assets											21,121,074
<b>Liabilities</b>											
Segment liabilities	4,276,740	3,856,155	1,423,695	547,386	315,372	1,000,330	11,181,704	546,538	(12,525,319)		10,622,601
Unallocated liabilities											159,966
Total liabilities											10,782,567
<b>Other segment information</b>											
Capital expenditure	14,564	132,398	3,393	11,199	141,840	271,400	75	6,269	-	B	581,138
Depreciation and amortisation	6,719	58,253	33,275	16,220	16,457	79,499	115	26,001	-		236,539
Impairment losses on:											
- property, plant and equipment (Note 15)	-	-	-	-	2,237	-	-	508	-		2,745
- goodwill (Note 22)	-	-	3,643	-	-	-	-	-	-		3,643

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (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	Healthcare RM'000	Investment holdings RM'000	Others RM'000	Adjustments/eliminations RM'000	Note	Total RM'000
<b>At 31 December 2019 (Restated)</b>											
<b>Revenue</b>											
Sales to external customers	545,852	803,468	1,273,269	959,762	348,114	584,833	5,019	259,962	-		4,780,279
Inter-segment revenue	52,872	220,675	1,394,806	135,857	26,340	3,807	932,423	75,568	(2,842,348)	A	-
Total revenue	598,724	1,024,143	2,668,075	1,095,619	374,454	588,640	937,442	335,530	(2,842,348)		4,780,279
<b>Results</b>											
Operating profit/(loss)	163,327	239,331	144,461	41,053	12,644	59,227	(70,691)	(21,438)	-		567,914
Finance and other distribution income	52,807	50,086	26,204	10,874	6,781	22,242	290,627	11,543	(266,558)		204,606
Finance costs	(39,013)	(170,794)	(13,235)	(21,905)	(3,291)	(19,978)	(151,985)	(14,777)	266,558		(168,420)
Share of results of associates	4	187,527	4,802	-	-	-	-	422	-		192,755
Share of results of joint ventures	51,401	16,968	99	-	-	-	-	-	-		68,468
Profit/(Loss) before tax	228,526	323,118	162,331	30,022	16,134	61,491	67,951	(24,250)	-		865,323
Income tax	(42,697)	4,168	(25,519)	(6,102)	(1,632)	(31)	(1,590)	(5,026)	-		(78,429)
Net profit/(loss) for the year	185,829	327,286	136,812	23,920	14,502	61,460	66,361	(29,276)	-		786,894
Non-controlling interests	(5,475)	(3,185)	(57,541)	(2,539)	(1,092)	(567)	(8,441)	1,111	-		(77,729)
Attributable to owners of the parent	180,354	324,101	79,271	21,381	13,410	60,893	57,920	(28,165)	-		709,165

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (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	Healthcare RM'000	Investment holdings RM'000	Others RM'000	Adjustments/eliminations RM'000	Note	Total RM'000
<b>At 31 December 2019 (Restated) (contd.)</b>											
<b>Assets</b>											
Segment assets	5,269,038	3,240,976	1,908,966	922,401	349,617	1,675,584	14,894,430	761,373	(11,758,867)		17,263,518
Investments in associates	-	2,276,685	-	-	-	-	-	181,363	-		2,458,048
Investments in joint ventures	1,435,196	147,568	44,262	-	-	-	-	-	-		1,627,026
Unallocated assets											145,979
Total assets											<u>21,494,571</u>
<b>Liabilities</b>											
Segment liabilities	4,567,025	3,853,979	1,538,990	641,741	238,487	737,773	11,060,215	612,366	(11,325,348)		11,925,228
Unallocated liabilities											135,784
Total liabilities											<u>12,061,012</u>
<b>Other segment information</b>											
Capital expenditure	62,514	320,809	20,264	9,426	8,406	302,410	56	14,097	-	B	737,982
Depreciation and amortisation	7,254	73,476	37,302	15,740	14,872	61,093	26	23,817	-		233,580
Impairment losses on:											
- property, plant and equipment (Note 15)	-	19,471	-	-	-	-	-	36,445	-		55,916
- goodwill (Note 22)	-	-	-	-	-	-	-	2,230	-		2,230

#### 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 from contracts with customers (Note 5) RM'000	Other revenue (Note 5) RM'000	Total revenue (Note 5) RM'000	Profit/(loss) before tax RM'000	Net profit/(loss) of the parent RM'000	Net profit/(loss) attributable to owners of the parent RM'000	Segment assets	
							Non-current RM'000	Current RM'000
<b>At 31 December 2020</b>								
Malaysia	3,140,247	124,922	3,265,169	259,467	162,481	142,520	9,067,404	6,512,395
Singapore	130,238	-	130,238	168,625	168,013	161,226	147,409	201,716
China	273,691	-	273,691	25,478	23,738	22,729	70,804	153,505
India	42,092	-	42,092	41,279	40,800	22,426	11	2,715
Australia	29,323	-	29,323	9,181	8,199	3,627	41,255	69,123
Indonesia	32,821	-	32,821	(187)	29	29	3,105	30,839
United Kingdom	-	21,687	21,687	14,479	13,425	13,279	309,982	11,711
Other countries	34,040	-	34,040	(5,777)	(6,111)	(3,009)	4,415	14,153
	<b>3,682,452</b>	<b>146,609</b>	<b>3,829,061</b>	<b>512,545</b>	<b>410,574</b>	<b>362,827</b>	<b>9,644,385</b>	<b>6,996,157</b>
<b>At 31 December 2019 (Restated)</b>								
Malaysia	4,138,795	160,616	4,299,411	784,944	711,061	632,894	8,550,255	7,382,472
Singapore	197,389	-	197,389	(7,284)	(6,427)	(5,688)	147,643	355,397
China	150,458	-	150,458	61,098	60,164	59,849	67,033	238,032
India	843	-	843	(6,292)	(6,461)	(3,526)	15	970
Australia	29,152	-	29,152	(402)	(3,937)	(4,328)	49,297	57,732
Indonesia	50,209	-	50,209	1,345	1,284	1,284	373	22,391
United Kingdom	-	2,147	2,147	23,181	23,085	23,073	210,991	1,397
Other countries	50,670	-	50,670	8,733	8,125	5,607	111,646	67,874
	<b>4,617,516</b>	<b>162,763</b>	<b>4,780,279</b>	<b>865,323</b>	<b>786,894</b>	<b>709,165</b>	<b>9,137,253</b>	<b>8,126,265</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (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:

	2020	2019
	RM'000	RM'000
Property, plant and equipment (excluding right-of-use assets)	455,361	382,316
Intangible assets	9,020	10,024
Biological assets	186	121
Investment properties	116,571	345,521
	581,138	737,982

### 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 ratios, 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, and perpetual sukuk less cash and bank balances.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 4. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTD.)

#### (a) Capital management (contd.)

	Note	Group		Company	
		2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
			(Restated)		(Restated)
<b>Borrowings</b>	35	<b>6,910,588</b>	7,895,470	<b>81,000</b>	796,000
Add: Perpetual sukuk	39	<b>600,000</b>	400,000	<b>800,000</b>	1,150,000
Add: Cross currency swap	35	<b>40,705</b>	15,004	-	-
Net borrowings after cross currency swap		<b>7,551,293</b>	8,310,474	<b>881,000</b>	1,946,000
Hire purchase with financial institutions	38	<b>1,215</b>	3,090	-	-
<u>Less:</u>					
Cash and bank balances	31	<b>(2,238,415)</b>	(2,554,746)	<b>(10,131)</b>	(8,872)
Net debt		<b>5,314,093</b>	5,758,818	<b>870,869</b>	1,937,128
Total equity		<b>10,338,507</b>	9,433,559	<b>7,438,527</b>	6,325,584
Gearing ratio		<b>51%</b>	61%	<b>12%</b>	31%

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40.0 million. The Company has complied with this requirement for the financial year ended 31 December 2020.

#### (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, credit risk and market 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 deposits with other financial institutions.

The Group's and the Company's interest rate risk arise 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 and cross currency swap contracts to hedge the floating rate interest payable on certain borrowings. The Group closely monitors markets and output from various industry working groups on the transitions to new interest rate benchmark arising from the respective interest rate benchmarks reforms in various jurisdictions. At the end of the reporting period, the Group's interest rate swap contracts and cross currency swap contracts are not affected by any interest rate benchmarks reforms. Approximately 66% (2019: 77%) 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, 31, 32, 34, 35, 38 and 39 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 4. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTD.)

#### (b) Financial risk management objectives and policies (contd.)

##### 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"), Australian Dollar ("AUD") and British Pound Sterling ("GBP"). Foreign currency exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Approximately 15% (2019: 10%) of the Group's sales are denominated in foreign currencies whilst almost 9% (2019: 10%) 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 RM208.0 million (2019: RM203.5 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 entered into cross currency swap contracts to manage its exposure in foreign currency risk arising from foreign currency borrowings as well as to minimise the interest cost. These cross currency swap contracts have expiry periods within 3 months to 12 months (2019: 3 month to 7 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.

### 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		GBP		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
<b>At 31 December 2020</b>												
<b>Financial assets in foreign currencies</b>												
Cash and bank balances	39,112	-	48,039	-	56,825	-	33,333	-	11,686	-	18,955	-
Trade and other receivables	88,106	-	1,812	-	65,860	-	5,066	6,285	1,421	-	21,643	-
<b>Financial liabilities in foreign currencies</b>												
Trade and other payables	(10,034)	-	(2,779)	-	(50,234)	-	(4,703)	-	(9,071)	-	(21,310)	-
Borrowings	(150,368)	(67,203)	(972,146)	-	-	-	(267,131)	(23,336)	(232,985)	(74,433)	-	-
Less: hedged portion	-	-	972,146	-	-	-	265,417	-	-	-	-	-
Borrowings - unhedged portion	(150,368)	(67,203)	-	-	-	-	(1,714)	(23,336)	(232,985)	(74,433)	-	-
Net exposure	(33,184)	(67,203)	47,072	-	72,451	-	31,982	(17,051)	(228,949)	(74,433)	19,288	-



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (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 RM'000	<1 year RM'000	>1 year RM'000	USD RM'000	<1 year RM'000	>1 year RM'000	RMB RM'000	<1 year RM'000	>1 year RM'000	AUD RM'000	<1 year RM'000	>1 year RM'000	GBP RM'000	<1 year RM'000	>1 year RM'000	Others RM'000	<1 year RM'000	>1 year RM'000
<b>At 31 December 2019</b>																		
<b>Financial assets in foreign currencies</b>																		
Cash and bank balances	71,010	-	-	8,331	-	62,740	-	-	-	44,767	-	-	1,142	-	-	15,555	-	-
Trade and other receivables	131,156	-	-	5,874	-	82,317	-	-	-	5,087	-	5,826	258	-	-	23,460	-	283
<b>Financial liabilities in foreign currencies</b>																		
Trade and other payables	(18,594)	-	-	(20,598)	-	(35,597)	-	-	-	(4,788)	-	-	(3,150)	-	-	(36,476)	-	-
Borrowings	(390,197)	(52,656)	(944,610)	-	-	(257,134)	-	-	-	(103)	(119,907)	(8,979)	-	-	-	-	-	-
Less: hedged portion	-	-	944,610	-	-	255,088	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings - unhedged portion	(390,197)	(52,656)	-	-	-	(2,046)	-	-	-	(103)	(119,907)	(8,979)	-	-	-	-	-	-
Net exposure	(206,625)	(52,656)	(6,393)	-	109,460	-	43,020	5,826	(1,853)	(119,907)	(6,440)	283	-	-	-	-	-	-
<b>Company</b>																		
<b>At 31 December 2020/2019</b>																		

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 2020 (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, which are material to the Group, with all other variables held constant.

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Profit net of tax</b>				
SGD/RM				
- strengthen 1.3% (2019: 1.4%)	(985)	(2,806)	-	-
- weaken 1.3% (2019: 1.4%)	985	2,806	-	-
USD/RM				
- strengthen 2.0% (2019: 0.4%)	(8,942)	(2,025)	-	-
- weaken 2.0% (2019: 0.4%)	8,942	2,025	-	-
RMB/RM				
- strengthen 0.1% (2019: 0.4%)	38	295	-	-
- weaken 0.1% (2019: 0.4%)	(38)	(295)	-	-
AUD/RM				
- strengthen 1.0% (2019: 0.6%)	111	217	-	-
- weaken 1.0% (2019: 0.6%)	(111)	(217)	-	-
GBP/RM				
- strengthen 0.4% (2019: 2.4%)	(1,009)	(2,251)	-	-
- weaken 0.4% (2019: 2.4%)	1,009	2,251	-	-

##### Liquidity risk

The exposure of the Group to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities. The objective of the Group is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The objective of the Group's liquidity management is to maintain a balance between long term and short term borrowings to ensure continuity of funding at a cost efficient manner to meet its financial obligations on a timely basis. In this regard, the Group diligently manages its debt maturity profile, operating cash flows and various sources of funding after taking into account of the refinancing, repayment and funding requirements to provide an adequate liquidity buffer. Besides maintaining a reasonable level of cash and cash convertible investments to meet its working capital needs, the Group also ensures it has sufficient undrawn credit facilities available to complement its overall liquidity management.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 4. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTD.)

#### (b) Financial risk management objectives and policies (contd.)

##### Liquidity risk (contd.)

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.

While the Group is in a net current liabilities position as at 31 December 2020, the Group has RM1,676 million in undrawn credit facilities as well as Medium Term Notes and Perpetual Sukuk programmes, which can be issued to refinance its short term borrowings according to the liquidity requirements of the Group. The Group expects to achieve further improvement in its liquidity position during the next financial year due to:

- i) positive cash flows generated from operations;
- ii) refinancing of certain short term borrowings with long term borrowings; and
- iii) cash flows from external capital funding of certain businesses of the Group.

At the end of the reporting period, approximately 76% (2019: 89%) of the Group's borrowings will mature in less than one year based on the carrying amounts reflected in the financial statements.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 26, 32, 33, 34, 35, 36, 37, 38 and 39 to the financial statements.

##### Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The credit risk concentration profiles have been disclosed in Notes 24 and 25 to the financial statements.

##### Market risk

Market risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risks arising from quoted investments held by the Group. These investments are held for strategic rather than trading purposes and the equity securities under other investments are classified as financial assets designated at fair value through other comprehensive income.

To manage its price risk arising from its investments, the Group diversifies its portfolio in accordance with the limits set by the Group.

The sensitivity analysis of market risk has been disclosed in Note 28 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 5. REVENUE

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>Revenue from contracts with customers:</b>				
Property development:				
- sale of properties under development	353,160	449,143	-	-
- sale of completed properties	125,361	42,209	-	-
Revenue from construction contracts	942,668	1,144,925	-	-
Sales of goods and services	2,233,604	2,921,856	-	-
Time sharing fees	1,213	1,339	-	-
Property management fees	10,021	11,880	-	-
Management fees from:				
- subsidiaries	-	-	34,578	46,837
- joint ventures	16,425	46,164	2,340	3,067
	3,682,452	4,617,516	36,918	49,904
<b>Other revenue:</b>				
Interest advances and share financing	16,924	8,751	-	-
Rental income	125,065	153,455	-	-
Lease and hire purchase	399	537	-	-
Dividend income from:				
- subsidiaries	-	-	363,000	142,500
- a joint venture	-	-	19,840	19,600
- other investments	4,221	20	-	-
	146,609	162,763	382,840	162,100
	3,829,061	4,780,279	419,758	212,004
<b>Timing of revenue recognition:</b>				
Products and services transferred over time	1,323,487	1,653,451	36,918	49,904
Products and services transferred at a point in time	2,358,965	2,964,065	-	-
<b>Revenue from contracts with customers</b>	<b>3,682,452</b>	<b>4,617,516</b>	<b>36,918</b>	<b>49,904</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 5. REVENUE (CONTD.)

Disaggregation of revenue from contracts with customers has been presented in the operating segments, Note 3 to the financial statements, which has been presented based on geographical location from which the sale transactions originated.

#### (a) Revenue from property development and construction contracts

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue from property development and construction contracts is measured at the fixed transaction price agreed under the agreement.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

#### Revenue from property development

Revenue from property development is recognised over the period of the contract using the input method by reference to the costs incurred for work performed to date against the estimated costs to completion if control of the asset transfers over time. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

Significant judgement is required in determining the satisfaction of performance obligations as stated in the contracts with customers, transaction price allocations and costs in applying the input method to recognise revenue over time.

The Group identifies performance obligations that are distinct and material, which are judgmental in the context of contracts. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligations. The Group also estimates total contract costs in applying the input method to recognise revenue over time. 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.

#### Revenue from construction contracts

Revenue from construction contracts is recognised over the period of the contract using the output method by reference to the progress towards complete satisfaction of that performance obligation if control of the asset transfers over time. The output method recognises revenue on the basis of direct measurements of value to the customer of the construction work performed to date relative to the remaining construction work promised under the contract.

If control of asset transfers at a point in time, revenue is recognised at a point in time when the customer obtains control of the asset.

Significant judgement is required in estimating the progress towards complete satisfaction of performance obligations and determining whether there is any exposure to Liquidated Ascertained Damage ("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.

Information on receivables, contract assets and contract liabilities from contracts with customers are disclosed in Notes 24 and 30 to the financial statements respectively.

#### (b) Sale of completed properties

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it would be entitled to in exchange for the assets sold.

There is no significant financing component in the revenue arising from sale of completed properties as the sales are made on the normal credit terms not exceeding twelve months.

#### (c) Sale of goods and services, rights of enjoyment and club subscription fees

Revenue from sale of products and services rendered is recognised at a point in time when the products have been transferred or the services have been rendered to the customers and coincide with the delivery of products and services and acceptance by customers.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 5. REVENUE (CONTD.)

#### (c) Sale of goods and services, rights of enjoyment and club subscription fees (contd.)

There is no material right of return and warranty provided to the customers on the sale of products and services rendered.

There is no significant financing component in the revenue arising from sale of products and services rendered as the sales or services are made on the normal credit terms not exceeding twelve months.

Entrance fees collected for rights of enjoyment of facilities are recognised when tickets are utilised.

Club subscription fees are recognised on the accrual basis.

#### (d) Property management fees

Revenue from property management fees are recognised over time as income when the customer receives and consumes the benefits.

#### (e) Time sharing fees

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.

#### (f) Management fees

Management fees from the management of real estate investment funds activity and the provision of management services to subsidiaries are recognised over time when customers/subsidiaries simultaneously receive and consume the benefits.

#### (g) Interest advances and share financing

Interest advances and share financing are recognised as income on accrual basis.

#### (h) Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease.

#### (i) Interest on lease and hire purchase

Interest on lease and hire purchase are recognised as income on the effective yield basis method.

#### (j) Dividend income

Dividend income is recognised when the right of the Group to receive payment is established.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 6. COST OF SALES

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Property development costs (Note 18(b))	<b>(246,831)</b>	(242,785)	-	-
Cost of completed properties sold	<b>(107,571)</b>	(33,022)	-	-
Construction contract costs	<b>(730,432)</b>	(852,024)	-	-
Cost of goods sold and services rendered	<b>(1,550,267)</b>	(1,966,871)	<b>(26,738)</b>	(45,206)
Cost of time sharing business operations	<b>(307)</b>	(3)	-	-
	<b>(2,635,408)</b>	(3,094,705)	<b>(26,738)</b>	(45,206)

### 7. OTHER INCOME

Included in other income are the following:

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Bad debts recovered	<b>2,158</b>	340	-	-
Corporate guarantee commission fee	<b>1,710</b>	1,339	<b>21,448</b>	16,950
Fair value gain on:				
- derivatives	<b>819</b>	4,209	-	-
- other investments	-	4,142	-	-
Gain on disposal of:				
- assets held for sale	-	37,676	-	-
- property, plant and equipment	<b>2,960</b>	11,672	-	-
- subsidiaries	<b>3</b>	-	-	310,003
- investment properties	<b>24,002</b>	-	-	-
Gain on disposal of equity interest in a subsidiary (Note 19)	<b>81</b>	-	-	-
Gain on reclassification from subsidiaries to joint ventures arising from loss of control (Note 19)	<b>103</b>	14	-	-
Gain on liquidation of a subsidiary	-	7	-	-
Gain on re-measurement of remaining equity interest held as an associate (Note 19)	<b>3,638</b>	-	-	-
Gain on reassessments and modifications of leases (Note 38)	<b>46,376</b>	106	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 7. OTHER INCOME (CONTD.)

Included in other income are the following: (contd.)

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Negative goodwill on acquisition of a subsidiary (Note 19)	<b>8</b>	-	-	-
Rental income:				
- equipment	<b>658</b>	1,528	-	-
- land and buildings	<b>14,956</b>	14,849	<b>407</b>	611
- others	<b>2,161</b>	3,472	-	-
Rent concessions (Note 38)	<b>5,495</b>	-	-	-
Reversal of inventories write down to net realisable value (Note 18)	<b>43</b>	4,780	-	-
Return on capital redemption of an associate	<b>21,554</b>	-	-	-
Foreign exchange gain:				
- realised	<b>17,742</b>	10,448	<b>5</b>	47
- unrealised	-	8,900	-	-
- unrealised (hedged items)	-	29,674	-	-
Cash flow hedge reserve recycled to profit or loss	-	(29,674)	-	-



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 8. FINANCE AND OTHER DISTRIBUTION INCOME AND FINANCE COSTS

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
<b>Finance and other distribution income</b>				
Finance and other distribution income from:				
- Advances to subsidiaries	-	-	<b>74,451</b>	127,643
- Advances to joint ventures	<b>60,239</b>	58,557	-	-
- Perpetual note of an associate	<b>11,791</b>	8,376	-	-
- Accretion of interest	-	854	-	-
- Deposits with licensed banks	<b>5,999</b>	8,099	<b>449</b>	305
- Deposits with financial institutions	<b>57,242</b>	71,873	-	133
- Structured entities under the control of the Company	-	-	<b>21,018</b>	80,953
- Other investments	<b>34,030</b>	49,694	-	-
- Others	<b>2,585</b>	7,153	-	-
	<b>171,886</b>	204,606	<b>95,918</b>	209,034
<b>Finance costs</b>				
Interest expense in relation to:				
- Hire purchase and lease liabilities	<b>(22,104)</b>	(47,138)	<b>(628)</b>	(745)
- Bank overdrafts	<b>(830)</b>	(18)	-	-
- Revolving credits	<b>(14,942)</b>	(18,254)	-	(92)
- Commercial papers and medium term notes	<b>(16,968)</b>	(22,885)	<b>(18,433)</b>	(66,408)
- Term loans	<b>(42,243)</b>	(41,423)	-	-
- Bankers' acceptances	<b>(4,904)</b>	(7,641)	-	-
- Bills discounting	<b>(3,150)</b>	(5,504)	-	-
- Perpetual sukuk	<b>(28,966)</b>	(22,167)	<b>(41,716)</b>	(54,488)
Others	<b>(6,332)</b>	(3,390)	-	-
	<b>(140,439)</b>	(168,420)	<b>(60,777)</b>	(121,733)

#### 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 2020 (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	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration:				
Statutory audit				
- BDO PLT	<b>2,448</b>	2,524	<b>493</b>	298
- Member firms of BDO PLT	<b>616</b>	450	-	-
- Other auditors	<b>247</b>	306	-	-
Non-statutory audit				
- BDO PLT	<b>623</b>	56	<b>563</b>	3
Foreign exchange loss:				
- realised	<b>11,686</b>	12,102	<b>27</b>	-
- unrealised	<b>6,549</b>	11,602	<b>50</b>	40
- unrealised (hedged items)	<b>26,392</b>	-	-	-
Cash flow hedge reserve recycled to profit or loss	<b>(26,392)</b>	-	-	-
Fair value loss on:				
- derivatives	<b>1,971</b>	415	-	-
- other investments	<b>2,970</b>	-	-	-
Write down of inventories to net realisable value (Note 18)	<b>7,811</b>	3,417	-	-
Loss on disposal of property, plant and equipment	<b>158</b>	34	-	-
Loss on reclassification from a subsidiary to a joint venture arising from loss of control (Note 19)	<b>61</b>	-	-	-
Loss on liquidation of a subsidiary	-	9	-	-
Loss on redemption of perpetual sukuk (Note 39)	-	-	<b>18,970</b>	-
Write off of:				
- bad debts	<b>1,705</b>	2,217	-	68
- biological assets	-	13	-	-
- inventories (Note 18)	<b>696</b>	2,149	-	-
- property, plant and equipment	<b>2,687</b>	7,744	-	-
- intangible assets	<b>49</b>	62	-	-
- other investment	-	29	-	-
Rental expense:				
- Short term leases	<b>1,581</b>	2,385	<b>52</b>	23
- Low value assets	<b>2,199</b>	1,764	<b>213</b>	160
- Variable lease payments	<b>15,712</b>	36,026	<b>5</b>	37
Direct operating expenses arising from investment properties that generated rental income	<b>37,471</b>	43,265	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 10. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Wages, salaries and bonuses	<b>542,820</b>	725,846	<b>23,358</b>	44,870
Social security contributions	<b>6,911</b>	7,600	<b>170</b>	158
Contributions to defined contribution plan	<b>66,076</b>	79,435	<b>2,923</b>	6,574
Share options reversed under ESOS	-	(2,454)	-	(9)
Other benefits	<b>106,360</b>	126,818	<b>4,912</b>	4,784
	<b>722,167</b>	937,245	<b>31,363</b>	56,377

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM13,711,000 (2019: RM45,740,000) and RM4,844,000 (2019: RM16,511,000) as further disclosed in Note 11 to the financial statements.

### 11. DIRECTORS' REMUNERATION

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Executive Directors' remuneration:				
Fees	<b>100</b>	100	-	-
Emoluments	<b>13,611</b>	45,640	<b>4,844</b>	16,511
Total Executive Directors' remuneration (excluding benefits-in-kind) (Note 10)	<b>13,711</b>	45,740	<b>4,844</b>	16,511
Estimated money value of benefits-in-kind	<b>125</b>	123	<b>85</b>	92
Total Executive Directors' remuneration including benefits-in-kind (Note 49)	<b>13,836</b>	45,863	<b>4,929</b>	16,603
Non-Executive Directors' remuneration:				
Fees	<b>924</b>	855	<b>924</b>	855
Other emoluments	<b>102</b>	114	<b>102</b>	114
Total Non-Executive Directors' remuneration	<b>1,026</b>	969	<b>1,026</b>	969
Total Directors' remuneration including benefits-in-kind	<b>14,862</b>	46,832	<b>5,955</b>	17,572

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (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	
	2020	2019
Executive Directors:		
RM400,000 - RM600,000	<b>1</b>	1
RM1,000,000 - RM2,100,000	<b>1</b>	1
RM2,600,000 - RM8,400,000	<b>1</b>	1
RM9,600,000 - RM36,000,000	<b>1</b>	1
Non-Executive Directors:		
Below RM400,000	<b>7</b>	5

### 12. INCOME TAX EXPENSE

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current income tax:				
Malaysian income tax	<b>59,594</b>	75,430	<b>5,000</b>	2,024
Foreign income tax	<b>4,913</b>	2,937	-	-
	<b>64,507</b>	78,367	<b>5,000</b>	2,024
Under/(Over) provision in prior years:				
Malaysian income tax	<b>37,539</b>	(22,605)	<b>19,892</b>	-
Foreign income tax	<b>(335)</b>	(295)	-	-
	<b>37,204</b>	(22,900)	<b>19,892</b>	-
	<b>101,711</b>	55,467	<b>24,892</b>	2,024
Deferred tax (Note 23):				
Relating to origination and reversal of temporary differences	<b>10,521</b>	16,667	-	-
(Over)/Under provision in prior years	<b>(10,261)</b>	6,295	-	-
	<b>260</b>	22,962	-	-
Total income tax expense	<b>101,971</b>	78,429	<b>24,892</b>	2,024



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 12. INCOME TAX EXPENSE (CONTD.)

- (a) Domestic current income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 24%) of the estimated assessable profit for the year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.
- (b) During the financial year, the Inland Revenue Board ("IRB") conducted a tax audit on the Company for Years of Assessment 2016 to 2019. Upon completion of the tax audit, IRB issued notices of tax assessment amounting to RM27.3 million, which comprise RM18.8 million additional tax payable and a tax penalty of RM8.5 million.

The Company has sought a legal opinion from its tax lawyer and is confident that it has an arguable case and will seek the necessary remedies provided under the law. The additional tax payable and tax penalty have been accounted for within income tax expense as under provision in prior years and other expenses respectively in the statements of profit or loss.

- (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	
	2020	2019
	RM'000	RM'000
		(Restated)
<b>Profit before tax</b>	<b>512,545</b>	865,323
Taxation at Malaysian statutory tax rate of 24% (2019: 24%)	<b>123,011</b>	207,678
Different tax rates in other countries	<b>(8,974)</b>	748
Deferred tax recognised at different tax rates	<b>2,816</b>	(5,327)
Income not subject to tax	<b>(76,801)</b>	(109,274)
Expenses not deductible for tax purposes	<b>68,514</b>	47,793
Utilisation of previously unrecognised tax losses, unabsorbed capital allowances, unabsorbed tax allowances and other deductible temporary differences	<b>(10,591)</b>	(13,709)
Deferred tax assets not recognised in respect of unrecognised tax losses, unabsorbed capital allowances, unabsorbed tax allowances and other deductible temporary differences	<b>37,164</b>	40,100
Deferred tax assets recognised on previously unrecognised tax losses, unabsorbed capital allowances, unabsorbed tax allowances and other deductible temporary differences	<b>(4,102)</b>	(10,282)
Effect of share of profit of associates	<b>(15,161)</b>	(46,261)
Effect of share of profit of joint ventures	<b>(40,848)</b>	(16,432)
Under/(Over) provision of income tax in prior years	<b>37,204</b>	(22,900)
(Over)/Under provision of deferred tax in prior years	<b>(10,261)</b>	6,295
<b>Income tax expense for the year</b>	<b>101,971</b>	78,429

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (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: (contd.)

	Company	
	2020	2019
	RM'000	RM'000
		(Restated)
<b>Profit before tax</b>	<b>401,628</b>	558,941
Taxation at Malaysian statutory tax rate of 24% (2019: 24%)	<b>96,391</b>	134,146
Income not subject to tax	<b>(96,764)</b>	(132,998)
Expenses not deductible for tax purposes	<b>7,506</b>	808
Deferred tax assets not recognised in respect of other deductible temporary differences	-	68
Utilisation of previously unrecognised other deductible temporary differences	<b>(2,133)</b>	-
Under provision of income tax in prior years	<b>19,892</b>	-
<b>Income tax expense for the year</b>	<b>24,892</b>	2,024

- (d) There is no tax effect on other comprehensive income of the Group and of the Company during the financial year.

### 13. EARNINGS PER SHARE

#### (a) Basic

	Group	
	2020	2019
		(Restated)
Profit attributable to owners of the parent (RM'000)	<b>362,827</b>	709,165
Weighted average number of ordinary shares in issue ('000)*	<b>4,963,120</b>	4,873,747
<b>Basic earnings per share (sen)</b>	<b>7.31</b>	14.55

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 13. EARNINGS PER SHARE (CONTD.)

#### (b) Diluted

	Group	
	2020	2019
	(Restated)	
Profit attributable to owners of the parent (RM'000)	362,827	709,165
Weighted average number of ordinary shares in issue ('000)*	4,963,120	4,873,747
Diluted earnings per share (sen)	7.31	14.55

\* The weighted average number of ordinary shares in issue includes ordinary shares that will be issued upon mandatory conversion of ICPS of the Company.

The calculation of diluted earnings per share does not include the potential exercise of outstanding warrants of the Company as the effects are anti-dilutive.

### 14. DIVIDENDS PAID AND PROPOSED

	Group/Company	
	2020	2019
	RM'000	RM'000
<b>Dividends on ordinary shares declared and paid:</b>		
Second interim single tier dividend for 2018: 2 sen per ordinary share	-	96,878
Share dividend distribution of 48,399,832 treasury shares on the basis of 1 treasury share for every 100 existing ordinary shares held in the Company	-	91,912
First interim single tier dividend for 2019: 3 sen per ordinary share	-	145,980
Share dividend distribution of 48,651,765 treasury shares on the basis of 1 treasury share for every 100 existing ordinary shares held in the Company	-	86,989
Second interim single tier dividend for 2019: 4.5 sen per ordinary share	220,562	-
	220,562	421,759

On 31 March 2021, the Board of Directors declared a first interim single tier dividend comprising 1.5 sen per ordinary share of the Company and a preferential dividend of 5.25% per annum based on the issue price of RM1 per irredeemable convertible preference share ("ICPS") for the period from 3 December 2020 up to and including 31 December 2020, in respect of the financial year ended 31 December 2020. Accordingly, the entitled shareholders of the Company have received the first interim single tier dividend and preferential dividend in cash on 28 April 2021 amounting to approximately RM73,334,000 and RM4,068,000 respectively. The dividends will be accounted for in equity as appropriations of retained earnings in the financial year ending 31 December 2021.

The Board of Directors does not propose any final dividend for the financial year ended 31 December 2020.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (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 development expenditure RM'000	Capital work-in-progress RM'000	Subtotal RM'000	Land and buildings RM'000	Motor vehicles and equipment RM'000	Total RM'000
<b>At 31 December 2020</b>													
<b>Cost</b>													
At beginning of financial year	110,792	1,088,526	173,883	135,073	989,619	72,932	597,979	32,789	244,754	3,446,347	1,189,758	6,579	4,642,684
Additions	-	24,139	152,946	14,336	19,193	2,199	75,246	8,599	158,703	455,361	9,714	945	466,020
Disposals/write-offs	-	(1,196)	-	(1,592)	(17,443)	(5,547)	(17,577)	-	(711)	(44,066)	(2,892)	(55)	(47,013)
Reassessment and modification of leases	-	-	-	-	-	-	-	-	-	-	(581,230)	(689)	(581,919)
Reclassifications	743	(785)	11,600	7,046	(7,777)	(2,481)	8,847	-	(8,027)	9,166	(11,600)	2,434	-
Transfers from/(to) intangible assets (Note 16)	-	-	-	-	-	-	(184)	-	-	(184)	200	-	16
Acquisition of subsidiaries	(1,583)	-	-	538	1,865	505	2,578	-	123	5,609	1,208	2,415	9,232
Loss of control of subsidiaries	761	2,234	356	-	(15,337)	(251)	(3,690)	-	-	(20,861)	-	-	(20,861)
Exchange differences	-	-	-	(6)	2,613	109	(26)	-	19	6,060	826	40	6,926
At end of financial year	110,713	1,112,918	338,785	155,395	972,733	67,466	663,173	41,388	394,861	3,857,432	605,984	11,669	4,475,085
<b>Accumulated depreciation</b>													
At beginning of financial year	-	181,469	7,821	38,910	665,431	53,946	355,415	17,479	-	1,320,471	485,511	3,472	1,809,454
Depreciation charge for the year	-	26,779	1,712	14,140	53,458	5,851	57,062	3,526	-	162,528	63,013	1,705	227,246
Disposals/write-offs	-	(809)	-	(723)	(16,645)	(4,761)	(14,782)	-	-	(37,720)	(2,892)	(55)	(40,667)
Reassessment and modification of leases	-	-	-	-	-	-	-	-	-	-	(226,106)	-	(226,106)
Reclassifications	-	323	883	118	(3,828)	8	691	-	-	(1,805)	(244)	2,049	-
Transfers from/(to) intangible assets (Note 16)	-	-	-	-	-	-	33	-	-	(55)	58	-	3
Acquisition of subsidiaries	-	-	-	420	1,005	184	2,270	-	-	3,879	500	743	5,122
Loss of control of subsidiaries	-	-	-	-	(7,575)	(149)	(1,852)	-	-	(9,576)	-	-	(9,576)
Exchange differences	-	-	106	(15)	1,429	84	(58)	-	-	1,546	362	23	1,931
At end of financial year	-	207,762	10,522	52,850	693,187	55,163	398,779	21,005	-	1,439,268	320,202	7,937	1,767,407
<b>Accumulated impairment losses</b>													
At beginning of financial year	-	47,311	-	-	36,371	35	382	-	87	84,186	-	-	84,186
Impairment loss for the year	-	-	2,237	-	508	-	-	-	-	2,745	-	-	2,745
At end of financial year	-	47,311	2,237	-	36,879	35	382	-	87	86,931	-	-	86,931
<b>Net carrying amount</b>	110,713	857,845	326,026	102,545	242,667	12,268	264,012	20,383	394,774	2,331,233	285,782	3,732	2,620,747

\* Leasehold land are in respect of right-of-use assets for which the Group has land titles.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 15. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Group	Freehold land RM'000	Buildings RM'000	Leasehold land* RM'000	Renovations RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Equipment, furniture and fittings RM'000	Quarry development expenditure RM'000	Capital work-in-progress RM'000	Subtotal RM'000	Right-of-use		
											Land and buildings RM'000	Motor vehicles and equipment RM'000	Total RM'000
<b>At 31 December 2019</b>													
<b>Cost</b>													
At beginning of financial year	109,223	895,331	146,892	103,228	969,754	72,373	483,774	30,109	284,051	3,094,735	1,176,419	6,429	4,277,583
Additions	-	16,597	-	33,135	36,421	3,668	123,669	2,756	166,070	382,316	9,765	152	392,233
Disposals/write-offs	-	(23,595)	(1,585)	(4,726)	(76,066)	(5,162)	(13,459)	(76)	(1,250)	(125,919)	-	-	(125,919)
Revaluation of property, plant and equipment	-	-	3,451	-	-	-	-	-	-	3,451	-	-	3,451
Reversals	-	-	-	-	-	-	-	-	-	-	(1,329)	-	(1,329)
Reclassifications	-	199,219	-	3,378	1,229	(589)	542	-	(203,779)	-	-	-	-
Transfers from/(to) intangible assets (Note 16)	-	-	-	-	-	-	119	-	(338)	(219)	-	-	(219)
Transfers from/(to) investment properties (Note 17)	-	2,080	(3,771)	-	-	-	-	-	-	(1,691)	-	-	(1,691)
Transfer from investment properties under construction (Note 17)	-	-	-	-	-	-	66	-	-	66	-	-	66
Transfer from property development costs (Note 18)	-	-	402	-	-	-	-	-	-	402	-	-	402
Acquisition of subsidiaries	1,800	743	28,361	-	59,565	2,628	3,559	-	-	96,656	4,780	-	101,436
Exchange differences	(231)	(1,849)	133	58	(1,284)	14	(291)	-	-	(3,450)	123	(2)	(3,329)
At end of financial year	110,792	1,088,526	173,883	135,073	989,619	72,932	597,979	32,789	244,754	3,446,347	1,189,758	6,579	4,642,684
<b>Accumulated depreciation</b>													
At beginning of financial year	-	161,124	7,097	30,943	622,954	51,358	322,449	13,680	-	1,209,605	410,052	1,992	1,621,649
Depreciation charge for the year	-	22,966	840	11,660	59,696	6,379	43,764	3,875	-	149,180	74,369	1,480	225,029
Disposals/write-offs	-	(3,699)	-	(4,030)	(62,128)	(3,912)	(12,093)	(76)	-	(85,938)	-	-	(85,938)
Reversals	-	-	-	286	57	(124)	(65)	-	-	-	(1,075)	-	(1,075)
Reclassifications	-	(154)	-	-	-	-	(13)	-	-	(13)	-	-	(13)
Transfer to intangible assets (Note 16)	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from/(to) investment properties (Note 17)	-	1,789	(51)	-	-	-	-	-	-	1,738	-	-	1,738
Acquisition of subsidiaries	-	-	-	-	45,518	225	1,621	-	-	47,364	2,079	-	49,443
Exchange differences	-	(557)	(65)	51	(666)	20	(248)	-	-	(1,465)	86	-	(1,379)
At end of financial year	-	181,469	7,821	38,910	665,431	53,946	355,415	17,479	-	1,320,471	485,511	3,472	1,809,454
<b>Accumulated impairment losses</b>													
At beginning of financial year	-	24,732	-	-	3,538	-	-	-	-	28,270	-	-	28,270
Impairment loss for the year	-	22,579	-	-	32,833	35	382	-	87	55,916	-	-	55,916
At end of financial year	-	47,311	-	-	36,371	35	382	-	87	84,186	-	-	84,186
<b>Net carrying amount</b>	110,792	859,746	166,062	96,163	287,817	18,951	242,182	15,310	244,667	2,041,690	704,247	3,107	2,749,044

\* Leasehold land are in respect of right-of-use assets for which the Group has land titles.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 15. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Company	Equipment furniture and fittings RM'000	Motor vehicles RM'000	Subtotal RM'000	Right-of-use Land and buildings RM'000	Total RM'000
<b>At 31 December 2020</b>					
<b>Cost</b>					
At beginning of financial year	2,086	2,566	4,652	26,716	31,368
Additions	68	-	68	600	668
At end of financial year	2,154	2,566	4,720	27,316	32,036
<b>Accumulated depreciation</b>					
At beginning of financial year	1,970	2,566	4,536	16,847	21,383
Depreciation charge for the year	100	-	100	2,487	2,587
At end of financial year	2,070	2,566	4,636	19,334	23,970
<b>Net carrying amount</b>	84	-	84	7,982	8,066
<b>At 31 December 2019</b>					
<b>Cost</b>					
At beginning of financial year	2,042	2,566	4,608	26,673	31,281
Additions	44	-	44	43	87
At end of financial year	2,086	2,566	4,652	26,716	31,368
<b>Accumulated depreciation</b>					
At beginning of financial year	1,880	2,566	4,446	14,366	18,812
Depreciation charge for the year	90	-	90	2,481	2,571
At end of financial year	1,970	2,566	4,536	16,847	21,383
<b>Net carrying amount</b>	116	-	116	9,869	9,985

- (a) Leasehold land, right-of-use land and buildings, right-of-use motor vehicles and right-of-use equipment represent right-of-use assets arising from lease arrangements that do not meet the definition of investment property.
- (b) The Group assessed whether there are any indications of impairment of property, plant and equipment during the financial year. In doing this, management considered the current environment, taking into consideration the impact of COVID-19 pandemic and performance of Cash Generating Units ("CGUs"). Management considered certain CGUs which are loss-making as impairment indications.

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections derived from financial budgets approved by management.

Management has made estimates about future results and key assumptions applied to cash flow projections of the CGUs. These key assumptions are applied to cash flow projections of the CGUs and include forecast growth in future revenues and operating profit margins, as well as determining appropriate pre-tax discount rates and growth rates.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 15. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(b) (contd.)

Management has determined that the recoverable amounts of certain property, plant and equipment are lower than their carrying amounts. Accordingly, impairment losses on property, plant and equipment of the Group amounted to RM2,745,000 (2019: RM55,916,000) has been recognised within administrative and other expenses in the statements of profit or loss during the current financial year. The pre-tax discount rates applied on the cash flow projections in determining the recoverable amounts range from 4.5% to 8.5% (2019: 8.5%).

(c) All items of property, plant and equipment (excluding right-of-use assets) are initially recorded at cost. After initial recognition, property, plant and equipment (excluding right-of-use assets) are stated at cost less 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:

Buildings	2%
Renovations	4% - 33%
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 (excluding right-of-use assets) 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.

(d) The right-of-use assets under property, plant and equipment are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the period of the lease term. The principal depreciation periods are as follows:

Leasehold land	over the lease period from 45 to 99 years
Land and buildings	over the lease period from 1 to 10 years
Motor vehicles and equipment	over the lease period from 1 to 10 years

(e) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Additions of property, plant and equipment	466,020	392,233	668	87
Additions via hire purchase and lease liabilities	(10,659)	(10,583)	(600)	(43)
Movement in property, plant and equipment creditor	12,447	(40,655)	-	-
Cash outflow for acquisition of property, plant and equipment	467,808	340,995	68	44

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 16. INTANGIBLE ASSETS

Group	Software RM'000	Trademark RM'000	Operating right RM'000	Data cost RM'000	Total RM'000
<b>At 31 December 2020</b>					
<b>Cost</b>					
At beginning of financial year	76,577	104	28,468	-	105,149
Additions	7,203	-	-	1,817	9,020
Transfers from/(to) property, plant and equipment (Note 15)	184	-	(200)	-	(16)
Written off	(31)	(18)	-	-	(49)
Disposals	(454)	-	(5)	-	(459)
Acquisition of a subsidiary	14,070	-	-	11,787	25,857
Exchange differences	(23)	-	-	-	(23)
At end of financial year	97,526	86	28,263	13,604	139,479
<b>Accumulated amortisation</b>					
At beginning of financial year	56,996	-	10,147	-	67,143
Amortisation charge for the year	8,184	-	-	769	8,953
Transfers from/(to) property, plant and equipment (Note 15)	55	-	(58)	-	(3)
Disposals	(404)	-	-	-	(404)
Acquisition of a subsidiary	11,900	-	-	8,502	20,402
Exchange differences	(18)	-	-	-	(18)
At end of financial year	76,713	-	10,089	9,271	96,073
<b>Accumulated impairment loss</b>					
At beginning/end of financial year	-	-	18,173	-	18,173
<b>Net carrying amount</b>	<b>20,813</b>	<b>86</b>	<b>1</b>	<b>4,333</b>	<b>25,233</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 16. INTANGIBLE ASSETS (CONTD.)

Group	Software RM'000	Trademark RM'000	Operating right RM'000	Total RM'000
<b>At 31 December 2019</b>				
<b>Cost</b>				
At beginning of financial year	66,845	50	28,463	95,358
Additions	9,965	54	5	10,024
Transfer from property, plant and equipment (Note 15)	219	-	-	219
Written off	(294)	-	-	(294)
Disposals	(175)	-	-	(175)
Exchange differences	17	-	-	17
At end of financial year	76,577	104	28,468	105,149
<b>Accumulated amortisation</b>				
At beginning of financial year	49,312	-	10,125	59,437
Amortisation charge for the year	8,045	-	22	8,067
Transfer from property, plant and equipment (Note 15)	13	-	-	13
Written off	(232)	-	-	(232)
Disposals	(156)	-	-	(156)
Exchange differences	14	-	-	14
At end of financial year	56,996	-	10,147	67,143
<b>Accumulated impairment loss</b>				
At beginning/end of financial year	-	-	18,173	18,173
<b>Net carrying amount</b>	<b>19,581</b>	<b>104</b>	<b>148</b>	<b>19,833</b>

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.

#### Data cost

Data cost represents the database of corporate information used for the provision of credit reference, credit rating and other related services. Data cost has finite life and is amortised over its estimated useful life of 5 years.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 17. INVESTMENT PROPERTIES

	Group 2020 RM'000	2019 RM'000
Investment properties	<b>1,817,396</b>	2,004,191
Investment properties under construction	<b>216,004</b>	323,426
	<b>2,033,400</b>	2,327,617

#### Investment Properties

	Group 2020 RM'000	2019 RM'000
<b>At valuation</b>		
At beginning of financial year	<b>2,004,191</b>	1,833,637
Additions	<b>68,813</b>	218,089
Transfers (to)/from:		
- property, plant and equipment (Note 15)	-	3,429
- land held for development (Note 18(a))	<b>(5,211)</b>	(4,706)
- investment properties under construction	<b>155,180</b>	(86,930)
Fair value adjustments:		
- gains*	<b>58,831</b>	48,462
- losses	<b>(60,908)</b>	(11,323)
Disposal	<b>(409,642)</b>	-
Exchange differences	<b>6,142</b>	3,533
At end of financial year	<b>1,817,396</b>	2,004,191

\* Pursuant to this, the fair value gains on investment properties are derived from gross fair value gains amounting to RM67,212,000 (2019: RM49,934,000) and an adjustment of RM8,381,000 (2019: RM1,472,000).

The investment properties consist of the following:

	Group 2020 RM'000	2019 RM'000
Long term leasehold land	<b>230,871</b>	281,780
Freehold land	<b>127,299</b>	124,105
Buildings	<b>1,459,226</b>	1,598,306
	<b>1,817,396</b>	2,004,191

The carrying amounts of the properties as at 31 December 2020 and 31 December 2019 were based on valuations carried out by C H Williams Talhar & Wong Sdn. Bhd., Knight Frank Malaysia Sdn. Bhd. and CBRE Limited. Fair value is determined primarily based on investment and comparison approaches. The fair value measurements of the investment properties are based on the highest and best use, which do not differ from their actual use.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 17. INVESTMENT PROPERTIES (CONTD.)

#### Investment properties under construction

	Group	
	2020	2019
	RM'000	RM'000
<b>At cost</b>		
At beginning of financial year	<b>323,426</b>	109,107
Additions	<b>47,758</b>	127,432
Transfers (to)/from:		
- property, plant and equipment (Note 15)	-	(66)
- property development costs (Note 18(b))	-	25
- investment properties	<b>(155,180)</b>	86,930
Exchange differences	-	(2)
At end of financial year	<b>216,004</b>	323,426

The investment properties under construction consist of the following:

	Group	
	2020	2019
	RM'000	RM'000
Long term leasehold land	<b>200,634</b>	168,098
Buildings	<b>15,370</b>	155,328
	<b>216,004</b>	323,426

- (a) Long term leasehold land represent right-of-use assets arising from lease arrangements that meet the definition of investment property.
- (b) Investment properties (excluding right-of-use assets) are initially measured at cost, including transaction costs. Investment properties under right-of-use assets are initially measured at costs, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases. 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, where applicable.

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 2020 (CONTD.)

### 17. INVESTMENT PROPERTIES (CONTD.)

- (c) 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:

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>At 31 December 2020</b>				
Investment properties:				
Commercial properties	-	<b>71,155</b>	<b>209,147</b>	<b>280,302</b>
Education properties	-	<b>137,123</b>	<b>208,660</b>	<b>345,783</b>
Leisure properties	-	<b>2,475</b>	<b>12,100</b>	<b>14,575</b>
Residential properties	-	<b>998,871</b>	-	<b>998,871</b>
Other properties	-	<b>177,865</b>	-	<b>177,865</b>
	-	<b>1,387,489</b>	<b>429,907</b>	<b>1,817,396</b>
<b>At 31 December 2019</b>				
Investment properties:				
Commercial properties	-	181,478	624,010	805,488
Education properties	-	123,847	205,438	329,285
Leisure properties	-	2,518	12,400	14,918
Residential properties	-	677,238	-	677,238
Other properties	-	177,262	-	177,262
	-	1,162,343	841,848	2,004,191

#### Fair value reconciliation of investment properties measured at Level 3

	Commercial RM'000	Education RM'000	Leisure RM'000	Total RM'000
<b>At 1 January 2020</b>	624,010	205,438	12,400	<b>841,848</b>
Re-measurement recognised in other income/(expenses)				
- unrealised	(5,221)	3,222	(300)	<b>(2,299)</b>
Disposal	(409,642)	-	-	<b>(409,642)</b>
<b>At 31 December 2020</b>	<b>209,147</b>	<b>208,660</b>	<b>12,100</b>	<b>429,907</b>
<b>At 1 January 2019</b>	595,710	209,473	12,400	817,583
Re-measurement recognised in other income/(expenses)				
- unrealised	27,230	(4,035)	-	23,195
Additions	1,070	-	-	1,070
<b>At 31 December 2019</b>	624,010	205,438	12,400	841,848



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 17. INVESTMENT PROPERTIES (CONTD.)

(d) 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
<b>At 31 December 2020</b>				
Commercial	Investment method	Estimated rental value per square feet per month	RM0.50 to RM49.31	Higher estimated rental, higher fair value.
		Estimated rental value per parking bay per month	RM95.00 to RM169.63	
		Estimated outgoings per square feet per month	RM1.20 to RM6.78	Higher estimated outgoings, lower fair value.
		Estimated outgoings per parking bay per month	RM14.25 to RM34.93	
		Void allowance	5.00% to 10.00%	Higher range of inputs, lower fair value.
		Market yield rate	6.25% to 8.00%	
		Discount rate	6.50% to 7.25%	
	Cost method	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-10.00% to 0.00%	Higher differential rate, lower fair value.
		Estimated replacement cost per square feet	RM80.00 to RM110.00	Higher estimated replacement cost, lower fair value.
		Depreciation rate	50.00%	Higher depreciation rate, lower fair value.
Education	Cost method	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-30.00% to 15.00%	Higher differential rate, lower fair value.
		Estimated replacement cost per square feet	RM230.00 to RM250.00	Higher estimated replacement cost, lower fair value.
		Depreciation rate	12.00% to 23.00%	Higher depreciation rate, lower fair value.
Leisure	Investment method	Estimate rental value per square feet per month	RM1.75	Higher estimated rental, higher fair value.
		Estimated outgoings per square feet per month	RM0.08	Higher estimated outgoings, lower fair value.
		Void allowance	5.00%	Higher range of inputs, lower fair value.
		Market yield rate	3.50% to 7.00%	
		Discount rate	7.00%	
	Cost method	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-30.00% to 30.00%	Higher differential rate, lower fair value.
		Estimated replacement cost per square feet	RM90.00 to RM200.00	Higher estimated replacement cost, lower fair value.
		Depreciation rate	48.00% to 53.00%	Higher depreciation rate, lower fair value.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 17. INVESTMENT PROPERTIES (CONTD.)

(d) 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
<b>At 31 December 2019</b>				
Commercial	Investment method	Estimated rental value per square feet per month	RM0.50 to RM47.92	Higher estimated rental, higher fair value.
		Estimated rental value per parking bay per month	RM95.00 to RM168.40	
		Estimated outgoings per square feet per month	RM1.20 to RM6.78	Higher estimated outgoings, lower fair value.
		Estimated outgoings per parking bay per month	RM14.25 to RM37.10	
		Void allowance	5.00% to 10.00%	Higher range of inputs, lower fair value.
		Market yield rate	6.25% to 8.00%	
		Discount rate	6.50% to 7.50%	
	Cost method	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-10.00% to 20.00%	Higher differential rate, lower fair value.
		Estimated replacement cost per square feet	RM80.00 to RM110.00	Higher estimated replacement cost, lower fair value.
		Depreciation rate	25.00%	Higher depreciation rate, lower fair value.
Education	Cost method	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-30.00% to 15.00%	Higher differential rate, lower fair value.
		Estimated replacement cost per square feet	RM230.00 to RM250.00	Higher estimated replacement cost, lower fair value.
		Depreciation rate	10.00% to 22.00%	Higher depreciation rate, lower fair value.
Leisure	Investment method	Estimate rental value per square feet per month	RM1.75	Higher estimated rental, higher fair value.
		Estimated outgoings per square feet per month	RM0.07	Higher estimated outgoings, lower fair value.
		Void allowance	5.00%	Higher range of inputs, lower fair value.
		Market yield rate	3.50% to 6.75%	
		Discount rate	6.75%	
	Cost method	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-30.00% to 30.00%	Higher differential rate, lower fair value.
		Estimated replacement cost per square feet	RM90.00 to RM200.00	Higher estimated replacement cost, lower fair value.
		Depreciation rate	15.00% to 50.00%	Higher depreciation rate, lower fair value.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 17. INVESTMENT PROPERTIES (CONTD.)

#### (e) 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.

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 2020 (CONTD.)

### 18. INVENTORIES

	Note	Group	
		2020 RM'000	2019 RM'000
<b>Non-current</b>			
Land held for property development			
- At cost		<b>1,794,192</b>	1,673,268
- At net realisable value		<b>1,308</b>	1,308
	<b>(a)</b>	<b>1,795,500</b>	1,674,576
<b>Current</b>			
At cost:			
Properties held for sale		<b>117,606</b>	182,796
Trading inventories		<b>315,503</b>	391,300
Food and beverages		<b>868</b>	1,646
Consumables		<b>2,143</b>	2,796
Raw materials		<b>26,631</b>	42,998
Work in progress		<b>3,752</b>	2,295
Finished goods		<b>109,101</b>	96,935
		<b>575,604</b>	720,766
Property development costs	<b>(b)</b>	<b>1,494,014</b>	1,353,564
At net realisable value:			
Properties held for sale		<b>976</b>	1,700
Trading inventories		<b>30,827</b>	26,026
		<b>31,803</b>	27,726
		<b>2,101,421</b>	2,102,056
Non-current		<b>1,795,500</b>	1,674,576
Current		<b>2,101,421</b>	2,102,056
		<b>3,896,921</b>	3,776,632



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 18. INVENTORIES (CONTD.)

(a) Land held for property development

Group	Freehold land RM'000	Long term leasehold land RM'000	Development costs RM'000	Total RM'000
<b>At 31 December 2020</b>				
At beginning of financial year	641,330	495,939	537,307	1,674,576
Additions	10,302	51,991	132,570	194,863
Reversal of land cost	(1,426)	-	-	(1,426)
Net transfers from/(to):				
- Property development costs (Note 18(b))	(40,619)	(12,864)	(24,241)	(77,724)
- Investment properties (Note 17)	-	5,211	-	5,211
Reclassifications	288,675	(293,155)	4,480	-
At end of financial year	898,262	247,122	650,116	1,795,500
<b>At 31 December 2019</b>				
At beginning of financial year	818,498	345,183	507,630	1,671,311
Additions	11,505	23,105	51,326	85,936
Net transfers from/(to):				
- Property development costs (Note 18(b))	(112,064)	-	24,687	(87,377)
- Investment properties (Note 17)	-	4,706	-	4,706
Reclassifications	(76,609)	122,945	(46,336)	-
At end of financial year	641,330	495,939	537,307	1,674,576

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 18. INVENTORIES (CONTD.)

(b) Property development costs

Group	Freehold land RM'000	Long term leasehold land RM'000	Development costs RM'000	Cumulative costs recognised in profit or loss RM'000	Total RM'000
<b>At 31 December 2020</b>					
At beginning of financial year	707,902	443,184	3,225,416	(3,022,938)	1,353,564
Costs incurred during the year	19,114	3,077	324,951	-	347,142
Reversal of land cost	(31,646)	(6,149)	-	-	(37,795)
Recognised during the year (Note 6)	-	-	-	(246,831)	(246,831)
Exchange differences	-	(2,145)	(12,963)	16,704	1,596
Reclassifications	(76,721)	(5,767)	82,488	-	-
Net transfers from/(to):					
- Land held for property development (Note 18(a))	40,619	12,864	24,241	-	77,724
- Inventories - Properties held for resale	(360)	-	(1,026)	-	(1,386)
Reversal of completed projects	(839)	(20,969)	(284,136)	305,944	-
<b>Property development costs at end of financial year</b>	<b>658,069</b>	<b>424,095</b>	<b>3,358,971</b>	<b>(2,947,121)</b>	<b>1,494,014</b>
<b>At 31 December 2019</b>					
At beginning of financial year	555,785	352,982	3,485,471	(3,284,727)	1,109,511
Costs incurred during the year	56,611	103,975	314,385	-	474,971
Recognised during the year (Note 6)	-	-	-	(242,785)	(242,785)
Acquisition of a subsidiary	-	-	2,343	-	2,343
Exchange differences	-	(1,606)	(7,863)	8,680	(789)
Reclassifications	5,180	10,279	(15,459)	-	-
Net transfers from/(to):					
- Land held for property development (Note 18(a))	112,064	-	(24,687)	-	87,377
- Investment properties under construction (Note 17)	-	-	(25)	-	(25)
- Property, plant and equipment (Note 15)	-	(402)	-	-	(402)
- Inventories - Properties held for resale	(6,302)	-	(70,335)	-	(76,637)
Reversal of completed projects	(15,436)	(22,044)	(458,414)	495,894	-
<b>Property development costs at end of financial year</b>	<b>707,902</b>	<b>443,184</b>	<b>3,225,416</b>	<b>(3,022,938)</b>	<b>1,353,564</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 18. INVENTORIES (CONTD.)

- (i) Long term leasehold land represents costs incurred as a consequence of having used the right-of-use assets to produce inventories during the financial year in accordance with MFRS 102 *Inventories*.
- (ii) Land held for property development is classified within non-current assets and is stated at lower of cost and net realisable value.
- (iii) Property development costs not recognised as an expense are recognised as an asset measured at lower of cost and net realisable value. The asset is subsequently credited over to profit or loss and recognised as an expense when the control of the asset is transferred to the customer.

The Group recognises in profit or loss the property development revenue and costs by reference to the progress towards complete satisfaction of that performance obligation at the reporting period. It is measured based on direct measurements of the value transferred by the Group to the customers and the Group's efforts or inputs to the satisfaction of the performance obligation. Significant judgement is required in determining the completeness and accuracy of the budgets and the extent of the costs incurred.

Substantial changes in cost estimates can have a significant effect on the profitability of the Group in future periods. In making the above judgement, the Group relies on past experience and work of specialists. Transaction price are determined based on estimated profit margins prior to its allocation to the identified performance obligations.

- (iv) Completed properties held for sale are stated at the lower of cost and net realisable value. Cost consists of cost associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable for developing the properties until completion.
- (v) 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.
- (vi) The amount of inventories recognised as an expense during the financial year are included in the cost of sales of the Group as disclosed in Note 6 to the financial statements.
- (vii) A write down of inventories to net realisable value and write off of inventories of RM7,811,000 (2019: RM3,417,000) and RM696,000 (2019: RM2,149,000) respectively were made during the year.
- (viii) The Group reversed RM43,000 (2019: RM4,780,000) in respect of inventories written down in the previous financial years that were subsequently not required as the Group was able to sell those inventories above their carrying amounts.
- (ix) Interest expense capitalised under property development costs and land held for development costs of the Group amounted to RM48,240,000 (2019: RM38,659,000) and RM49,226,000 (2019: RM65,240,000) at interest rates ranging from 3.07% to 5.90% (2019: 3.70% to 5.98%) respectively.

### 19. INVESTMENTS IN SUBSIDIARIES

	Company	
	2020	2019
	RM'000	RM'000
		(Restated)
<b>At cost</b>		
Unquoted ordinary shares	209,625	209,625
Unquoted preference shares	4,948,057	4,943,057
<b>At fair value</b>		
Quoted units in wholesale funds	362,140	1,074,804
	<b>5,519,822</b>	6,227,486

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

- (a) Investments in subsidiaries other than investments in quoted units in wholesale funds are stated in the separate financial statements of the Company at cost less impairment losses, if any.

Investments in quoted units in wholesale funds are classified as financial assets measured at fair value through profit or loss pursuant to MFRS 9 *Financial Instruments*. The fair value of quoted units in wholesale funds is categorised as Level 1 in the fair value hierarchy. There is no transfer between levels in the fair value hierarchy during the financial year.

- (b) All components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. 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 measured at cost 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) The Group and the Company determined that their placements in wholesale funds are in substance, structured entities under their control in accordance with MFRS 10 *Consolidated Financial Statements*, taking into consideration their power over the wholesale funds, exposure or rights to variable returns from their involvement with the wholesale funds and their ability to use their power over the wholesale funds to affect the amount of their returns.

The Group and the Company invested in these wholesale funds with the objective of achieving short term to long term income for their treasury management purposes. The funds are managed by the respective fund managers, who apply various investment strategies to accomplish their respective investment objectives. Their operations are financed through the creation of investee fund units, which in turn entitle the holders to variable returns and fair values in the respective wholesale fund's net assets.

In relation to this, the Group and the Company hold 100% directly and indirectly in most of these wholesale funds as disclosed in Note 50 to the financial statements, which are all established in Malaysia. The Group and the Company are exposed to, or has rights to variable returns from their involvements in these funds. Accordingly, these funds are deemed as subsidiaries of the Group and of the Company and have been consolidated in the financial statements of the Group.

During the current financial year, the Company had net redemptions of units in its wholesale funds amounting to RM712,664,000 (2019: net subscriptions RM5,625,000).

- (e) During the financial year, the Group completed the following subscriptions, acquisitions, disposals and redemptions of shares, incorporations and dissolutions of companies:
- (i) On 5 February 2020, the Company had subscribed for 305,000,000 non-convertible non-cumulative redeemable preference shares ("RPS") in Sunway Holdings Sdn. Bhd. ("SHSB"), a wholly-owned subsidiary of the Company, for cash consideration of RM305,000,000;
- (ii) On 9 March 2020, SHSB had disposed of 168,750 ordinary shares, representing 6.11% equity interest in Monumental Productions Sdn. Bhd. for cash consideration of RM250,000;
- (iii) On 13 May 2020, Winstar Enterprise Sdn. Bhd., a wholly-owned subsidiary of Sunway Winstar Sdn. Bhd. which in turn is a subsidiary of SHSB, had acquired 2 ordinary shares in Power Star Hardware Sdn. Bhd. for cash consideration of RM2;
- (iv) On 13 May 2020, Winstar Enterprise Sdn. Bhd. had acquired 6 ordinary shares in Multi Star Marketing Sdn. Bhd. for cash consideration of RM6;
- (v) On 20 May 2020, Heng Ngai Knitting Manufacturer Sdn. Bhd., a wholly-owned subsidiary of Sunway Enterprise (1988) Sdn. Bhd., which in turn is wholly-owned by Sunway Marketing Sdn. Bhd., a wholly-owned subsidiary of SHSB, had been dissolved pursuant to its member's voluntary winding-up;



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

- (e) During the financial year, the Group completed the following subscriptions, acquisitions, disposals and redemptions of shares, incorporations and dissolutions of companies: (contd.)
- (vi) On 21 May 2020, Aptstar Sdn. Bhd., a wholly-owned subsidiary of Sunway Hsing Yeat Sdn. Bhd., which in turn is a subsidiary of SHSB, had disposed 499,801 ordinary shares, representing entire equity interest in Sunway BigBox Hotel Sdn. Bhd. (formerly known as Mcstar Sdn. Bhd.) for cash consideration of RM506,000 to Sunway Iskandar Sdn. Bhd., a joint venture of Sunway City Sdn. Bhd. ("SunCity"), resulting in a gain on disposal of subsidiary of RM3,000;
- (vii) On 3 June 2020, SHSB had acquired 9,350,000 ordinary shares, representing 19.37% equity interest in the enlarged share capital of Credit Bureau Malaysia Sdn. Bhd. ("CBM") for cash consideration of RM5,667,000. On 3 June 2020, SHSB had also subscribed for 15,265,307 ordinary shares in CBM, representing a total of 31.63% equity interest in the share capital of CBM for cash consideration of RM9,252,000. Consequently, the equity interest of SHSB in CBM had increased to 51%;
- (viii) On 10 June 2020, Allson International Management Limited, a wholly-owned subsidiary of Sunway Hospitality Holdings Ltd., which in turn is wholly-owned by SunCity, a wholly-owned subsidiary of the Company, had been dissolved pursuant to Section 204(1)(b) of the BVI Business Companies Act, 2004;
- (ix) On 22 July 2020, a subsidiary known as Sunway RNS TJ Private Limited, has been incorporated by a consortium formed by Sunway Construction Sdn. Bhd., a subsidiary of the Company and RNS Infrastructure Limited, on a 60:40 basis to undertake the project known as "Four laning of Thorapalli Agraharam – Jittandahalli Section of NH-844 from Km 25.000 to Km 63.500 (existing Chainage) corresponding to Km 23.350 to Km 60.100 (Design Chainage) under Bharatmala Pariyojana Phase-I (National Corridor) on Hybrid Annuity Model in the State of Tamil Nadu (Package-II of Hosur Dharamapuri Section)";
- (x) On 23 July 2020, SHSB had acquired 40,581 ordinary shares, representing 0.57% in the share capital of Sunway Winstar Sdn. Bhd. for cash consideration of RM648,000;
- (xi) On 4 September 2020, Sunway Hospitality Holdings Ltd. had been dissolved pursuant to Section 204(1)(b) of the BVI Business Companies Act, 2004;
- (xii) On 10 September 2020, Sunway Enterprise (1988) Sdn. Bhd., a wholly-owned subsidiary of Sunway Marketing Sdn. Bhd., which in turn is wholly-owned by SHSB, had acquired 180,000 ordinary shares, representing 60% equity interest in Sunway Material Handling Sdn. Bhd. (formerly known as SMH Handling Solutions Sdn. Bhd.) for cash consideration of RM820,000. An additional of RM83,000 was paid as stipulated in the shares sale agreement, which resulted in a total cash consideration of RM903,000;
- (xiii) On 30 September 2020, Sunway City (Ipoh) Sdn. Bhd. ("SCI"), a subsidiary of SunCity, had subscribed for 31,635 non-cumulative redeemable preference shares ("NCRPS") in Sunway Lost World Water Park Sdn. Bhd. for cash consideration of RM31,635,000;
- (xiv) On 30 September 2020, SCI had subscribed for 25,318 NCRPS in Sunway Lost World Hotel Sdn. Bhd. for cash consideration of RM25,318,000;
- (xv) On 30 September 2020, SCI had subscribed for 42,731 NCRPS in Kinta Sunway Resort Sdn. Bhd. for cash consideration of RM42,731,000;
- (xvi) On 8 October 2020, SHSB had acquired 100 ordinary shares, representing 100% in the share capital of Dolomite Granite Quarry Sdn. Bhd. for a total cash consideration of RM6,338,000;
- (xvii) On 12 October 2020, SunCity had partially redeemed a total of 150,000,000 RPS in the Company for cash consideration of RM150,000,000;
- (xviii) On 12 October 2020, SHSB had partially redeemed a total of 150,000,000 RPS in the Company for cash consideration of RM150,000,000;
- (xix) On 13 November 2020, a subsidiary known as Sunway RNSIL MC Private Limited, has been incorporated by a consortium formed by Sunway Construction Sdn. Bhd., a subsidiary of the Company and RNS Infrastructure Limited, on a 60:40 basis to undertake the project known as "Two laning with Paved Shoulder of Meensurutti (Km. 98.433) to Chidambaram (Km. 129.965.) Section of NH-227 on Hybrid Annuity Mode under Bharatmala Pariyojana Phase-I (Residual Projects under NHDP) in the State of Tamil Nadu"; and
- (xx) On 22 December 2020, the Company had incorporated a new subsidiary known as Sunway Services Sdn. Bhd. with paid-up share capital of RM2 comprising 2 ordinary shares.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

- (f) Loss of control of Blacktop Lanchang Sdn. Bhd. ("BLSB")

Following a reassessment on 1 January 2020, the Group has reclassified its investment in BLSB, a subsidiary of Blacktop Industries Sdn. Bhd. from a subsidiary to a joint venture due to change of the Group's involvement in BLSB during the financial year. Consequently, the Group ceases to consolidate BLSB and has equity accounted its interest in BLSB as a joint venture.

The financial effects of the above reassessment as at the date of loss of control were as follows:

	RM'000
Property, plant and equipment	11,269
Inventories	3,243
Trade receivables	19,732
Cash and bank balances	16,726
Tax recoverable	1,950
Borrowings	(2,600)
Payables	(18,862)
Hire purchase liabilities	(2,130)
Deferred tax liabilities	(1,178)
Net assets	(28,150)
Fair value of remaining equity interest held	14,183
Less: Share of net assets based on remaining equity interest held	(14,075)
Less: Goodwill	(5)
Gain on reclassification from a subsidiary to a joint venture arising from loss of control (Note 7)	103

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

- (g) Loss of control of Monumental Productions Sdn. Bhd. ("Monumental Productions")

As at 9 March 2020, SHSB had disposed of 6.11% equity interest in Monumental Productions to non-controlling interests for cash consideration of RM250,000 which inter alia, reduces the equity interest from 44.44% to 37.33%. The disposal resulted in loss of control over Monumental Productions by the Group and consequently, the Group ceases to consolidate Monumental Productions and has equity accounted its interest in Monumental Productions as an associate.

The financial effects of the above disposal as at the date of disposal were as follows:

	RM'000
Property, plant and equipment	16
Investment in associates	893
Other receivables	282
Cash and bank balances	1,586
Trade payables	(5)
Other payables	(8)
Net assets	2,764
Total disposal proceeds	250
Share of net assets disposed of	(169)
Gain on disposal of equity interest in a subsidiary	81
Fair value of remaining equity interest retained held	4,670
Less: Share of net assets based on remaining equity interest held	(1,032)
Gain on re-measurement of remaining equity interest held as an associate (Note 7)	3,638

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

- (h) Loss of control of Sunway Pristine Laundry Sdn. Bhd. (formerly known as North Star Marketing Sdn. Bhd.) ("Sunway Pristine Laundry")

As at 11 March 2020, SunCity, a wholly-owned subsidiary of the Company established a joint venture arrangement arising from the subscription of 30% equity interest in Sunway Pristine Laundry by a joint venture partner pursuant to the shareholders agreement dated 20 December 2019. This had resulted in the Company having joint control over Sunway Pristine Laundry. As a result, the Group ceases to consolidate Sunway Pristine Laundry and has accounted for its interests in Sunway Pristine Laundry as a joint venture.

The financial effects of the above arrangement as at the date of loss of control were as follows:

	RM'000
Amounts due from related companies	10,062
Cash and bank balances	27
Other payables	(2)
Net assets	10,087
Fair value of remaining interest held	7,000
Less: Share of net assets based on remaining equity interest held	(7,061)
Loss on reclassification from a subsidiary to a joint venture arising from loss of control (Note 9)	(61)



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

- (i) Acquisition of Credit Bureau Malaysia Sdn. Bhd.

On 3 June 2020, SHSB had acquired 9,350,000 ordinary shares, representing 19.37% equity interest in the enlarged share capital of CBM for cash consideration of RM5,667,000. On 3 June 2020, SHSB had also subscribed for 15,265,307 ordinary shares in CBM, representing a total of 31.63% equity interest in the share capital of CBM for cash consideration of RM9,252,000. Consequently, the equity interest of SHSB in CBM had increased to 51%.

The fair value and the carrying amounts of the identifiable assets and liabilities of CBM as at the date of acquisition were as follows:

	Fair value recognised on acquisition RM'000	Carrying amount RM'000
Property, plant and equipment	401	401
Intangible assets	5,455	5,455
Trade receivables	4,200	4,200
Other receivables	321	321
Cash and bank balances	12,638	12,638
Tax recoverable	1	1
	<b>23,016</b>	<b>23,016</b>
Payables	8,442	8,442
Total identifiable net assets	14,574	
Less: Non-controlling interest	(7,141)	
	<b>7,433</b>	
Goodwill on acquisition	7,486	
Total cost of acquisition	<b>14,919</b>	

The effects of the acquisition on cash flows of the Group are as follows:

	RM'000
Total consideration for equity interest acquired	14,919
Less: Cash and cash equivalents of subsidiary acquired	(12,638)
Net cash outflow of the Group on acquisition	2,281

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

- (j) Acquisition of Sunway Material Handling Sdn. Bhd. (formerly known as SMH Handling Solutions Sdn. Bhd.) ("Sunway Material Handling")

On 10 September 2020, Sunway Enterprise (1988) Sdn. Bhd., a wholly-owned subsidiary of Sunway Marketing, which in turn is wholly-owned by SHSB, had acquired 180,000 ordinary shares, representing 60% equity interest in Sunway Material Handling for cash consideration of RM820,000. An additional of RM83,000 was paid as stipulated in the shares sale agreement, which resulted in a total cash consideration of RM903,000.

The fair value and the carrying amounts of the identifiable assets and liabilities of Sunway Material Handling Sdn. Bhd. as at the date of acquisition were as follows:

	Fair value recognised on acquisition RM'000	Carrying amount RM'000
Property, plant and equipment	3,709	3,709
Inventories	2,550	2,550
Trade receivables	744	744
Other receivables	242	242
Cash and bank balances	3	3
	<b>7,248</b>	<b>7,248</b>
Trade payables	398	398
Other payables	1,098	1,098
Deferred tax liabilities	167	167
Taxation	24	24
Hire purchase and lease liabilities	1,428	1,428
Borrowings	2,614	2,614
	<b>5,729</b>	<b>5,729</b>
Total identifiable net assets	1,519	
Less: Non-controlling interest	(608)	
	<b>911</b>	
Negative goodwill on acquisition	(8)*	
Total cost of acquisition	<b>903</b>	

\* The above acquisition resulted in a negative goodwill of RM8,000, which is recognised in the statements of profit or loss.

The effects of the acquisition on cash flows of the Group are as follows:

	RM'000
Total consideration for equity interest acquired	903
Less: Cash and cash equivalents of subsidiary acquired	(3)
Net cash outflow of the Group on acquisition	900

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

- (k) Acquisition of Dolomite Granite Quarry Sdn. Bhd.

On 8 October 2020, SHSB acquired 100 ordinary shares, representing 100% equity interest in Dolomite Granite Quarry Sdn. Bhd. for a total cash consideration of RM6,338,000 as per the sale and purchase agreement.

The fair value and the carrying amounts of the identifiable assets and liabilities of Dolomite Granite Quarry Sdn. Bhd. as at the date of acquisition were as follows:

	Fair value recognised on acquisition RM'000	Carrying amount RM'000
Trade receivables	1,366	1,366
	1,366	1,366
Other payables	4,533	4,533
Taxation	284	284
	4,817	4,817
Total identifiable net liabilities	(3,451)	
Goodwill on acquisition	9,789	
Total cost of acquisition	6,338	

The effects of the acquisition on cash flows of the Group are as follows:

	RM'000
Total consideration for equity interest acquired	6,338
Less: Cash and cash equivalents of subsidiary acquired	-
Net cash outflow of the Group on acquisition	6,338

- (l) The revenue and profit or loss of the acquirees in Note 19 (i), (j) and (k) for the financial year ended 31 December 2020 or since the date of acquisition did not have any material effect on the financial results of the Group.
- (m) 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.

### 19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

- (n) 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 2020	Sunway PKNS Sdn. Bhd. Group RM'000	Sunway Semenyih Sdn. Bhd. RM'000	Sunway Construction Berhad Group RM'000	Kenanga MoneyExtra Fund II RM'000	Total RM'000
Non-current assets	186,945	121,333	620,517	-	928,795
Current assets	314,252	10,578	1,285,546	471,398	2,081,774
Total assets	501,197	131,911	1,906,063	471,398	3,010,569
Non-current liabilities	65,482	-	73,460	-	138,942
Current liabilities	77,807	237	1,189,629	34	1,267,707
Total liabilities	143,289	237	1,263,089	34	1,406,649
Net assets	357,908	131,674	642,974	471,364	1,603,920
Equity attributable to owners of the parent	217,973	93,615	317,523	308,711	937,822
Non-controlling interests	139,935	38,059	325,451	162,653	666,098
Total equity	357,908	131,674	642,974	471,364	1,603,920



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(n) (contd.)

(i) Summarised statements of financial position (contd.)

At 31 December 2019 (Restated)	Sunway PKNS Sdn. Bhd. Group RM'000	Sunway Semenyih Sdn. Bhd. RM'000	Sunway Construction Group Berhad Group RM'000	Kenanga MoneyExtra Fund II RM'000	AmInstitutional Income Premium Fund RM'000	Total RM'000
Non-current assets	194,380	121,333	211,931	-	-	527,644
Current assets	318,655	9,378	1,797,197	497,235	905,443	3,527,908
Total assets	513,035	130,711	2,009,128	497,235	905,443	4,055,552
Non-current liabilities	24,276	-	159,658	-	-	183,934
Current liabilities	124,697	297	1,122,642	17	224	1,247,877
Total liabilities	148,973	297	1,282,300	17	224	1,431,811
<b>Net assets</b>	<b>364,062</b>	<b>130,414</b>	<b>726,828</b>	<b>497,218</b>	<b>905,219</b>	<b>2,623,741</b>
Equity attributable to owners of the parent	212,391	92,684	362,733	210,409	779,137	1,657,354
Non-controlling interests	151,671	37,730	364,095	286,809	126,082	966,387
<b>Total equity</b>	<b>364,062</b>	<b>130,414</b>	<b>726,828</b>	<b>497,218</b>	<b>905,219</b>	<b>2,623,741</b>

### 19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(n) (contd.)

(ii) Summarised statements of profit or loss and other comprehensive income

At 31 December 2020	Sunway PKNS Sdn. Bhd. Group RM'000	Sunway Semenyih Sdn. Bhd. RM'000	Sunway Construction Group Berhad Group RM'000	Kenanga MoneyExtra Fund II RM'000	Total RM'000
Revenue	9,894	-	1,552,652	22,754	1,585,300
(Loss)/Profit for the year	(476)	1,099	73,727	22,227	96,577
Other comprehensive income	-	-	2,400	-	2,400
Total comprehensive (loss)/income	(476)	1,099	76,127	22,227	98,977
(Loss)/Profit attributable to:					
- owners of the parent	(246)	769	39,933	14,407	54,863
- non-controlling interests	(230)	330	33,794	7,820	41,714
Total comprehensive (loss)/income attributable to:					
- owners of the parent	(246)	769	42,333	14,407	57,263
- non-controlling interests	(230)	330	33,794	7,820	41,714

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(n) (contd.)

(ii) Summarised statements of profit or loss and other comprehensive income (contd.)

	Sunway PKNS Sdn. Bhd. Group RM'000	Sunway Semenyih Sdn. Bhd. RM'000	Sunway Construction Group Berhad Group RM'000	Kenanga MoneyExtra Fund II RM'000	AmInstitutional Income Premium Fund RM'000	Total RM'000
<b>At 31 December 2019 (Restated)</b>						
Revenue	13,098	-	1,768,727	1,255	55,957	1,839,037
Profit for the year	20,880	1,367	130,859	1,229	55,365	209,700
Other comprehensive loss	-	-	(551)	-	-	(551)
Total comprehensive income	20,880	1,367	130,308	1,229	55,365	209,149
Profit attributable to:						
- owners of the parent	15,036	957	70,848	520	47,649	135,010
- non-controlling interests	5,844	410	60,011	709	7,716	74,690
Total comprehensive income attributable to:						
- owners of the parent	15,036	957	70,297	520	47,649	134,459
- non-controlling interests	5,844	410	60,011	709	7,716	74,690

### 19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(n) (contd.)

(iii) Summarised statements of cash flows

	Sunway PKNS Sdn. Bhd. Group RM'000	Sunway Semenyih Sdn. Bhd. RM'000	Sunway Construction Group Berhad Group RM'000	Kenanga MoneyExtra Fund II RM'000	AmInstitutional Income Premium Fund RM'000	Total RM'000
<b>At 31 December 2020</b>						
Net cash (used in)/generated from:						
- operating activities	(18,982)	1,271	87,802	22,174	-	92,265
- investing activities	103,251	7,000	(173,177)	140,731	-	77,805
- financing activities	(4,924)	-	(147,295)	(48,081)	-	(200,300)
Net increase/(decrease) in cash and cash equivalents	79,345	8,271	(232,670)	114,824	-	(30,230)
Effects of foreign exchange rates changes	-	-	(110)	-	-	(110)
Cash and cash equivalents at beginning of the year	4,400	1,650	350,618	75,769	-	432,437
Cash and cash equivalents at end of the year	83,745	9,921	117,838	190,593	-	402,097

**At 31 December 2019 (Restated)**

Net cash generated from/(used in):

- operating activities	35,747	1,610	194,123	156,109	156,316	543,905
- investing activities	(121,010)	(7,000)	(355,858)	(421,466)	(893,411)	(1,798,745)
- financing activities	(24,034)	-	19,484	341,126	749,126	1,085,702
Net (decrease)/increase in cash and cash equivalents	(109,297)	(5,390)	(142,251)	75,769	12,031	(169,138)
Effects of foreign exchange rates changes	-	-	(544)	-	-	(544)
Cash and cash equivalents at beginning of the year	113,697	7,040	493,413	-	-	614,150
Cash and cash equivalents at end of the year	4,400	1,650	350,618	75,769	12,031	444,468



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 20. INVESTMENTS IN ASSOCIATES

	Group	
	2020	2019
	RM'000	RM'000
		(Restated)
Unquoted shares at cost	14,940	120,645
Quoted shares at cost	2,239,084	1,846,632
Perpetual note	340,000	340,000
Share of post-acquisition distributable reserves	308,505	343,149
Share of non-distributable reserves	29,522	28,110
Unrealised profit arising from sale of assets to associate	(87,174)	(68,782)
	2,844,877	2,609,754
Less: Accumulated impairment losses	(151,706)	(151,706)
	2,693,171	2,458,048
Dividend received	90,337	117,012
Market value of quoted shares	2,233,881	2,215,686

- (a) Investment in associate is stated at cost less accumulated impairment losses in the separate financial statements and it 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 2020 have been used for the purpose of applying the equity method of accounting.
- (c) During the previous financial year, a reversal of impairment loss of RM6,000 on investment in an associate had been recognised within other income in the statements of profit or loss due to improving business operation.
- (d) Details of the associates are as follows:

Name of companies	Principal place of business/ Country of incorporation	Principal activities	Effective interest in equity	
			2020	2019
			%	%
<b>(i) Associate of Sunway City (S'pore) Pte. Ltd.</b>				
Sunway MAK International Private Limited #	India	Property development	26.35	26.35
<b>(ii) Associate of Sunway Leisure Sdn. Bhd.</b>				
Pyramid Bowl Sdn. Bhd. #	Malaysia	Bowling alley operator	40	40

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 20. INVESTMENTS IN ASSOCIATES (CONTD.)

- (d) Details of the associates are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	Effective interest in equity	
			2020	2019
			%	%
<b>(iii) Associate of Sunway Holdings Sdn. Bhd.</b>				
Sungei Way-Saigon-Pilecon Engineering Company #	Vietnam	Dormant	42.3	42.3
Monumental Productions Sdn. Bhd. ("Monumental Productions")	Malaysia	Investing and acquiring social media channels and providing advertising consultancy services and other advisory services on social media channels	37.33	-
<b>(iv) Associate of Fortuna Gembira Enterpris Sdn. Bhd.</b>				
Gopeng Berhad # ("Gopeng")	Malaysia	Cultivation of oil palm, investment holding and property development	19.33	19.33
<b>(v) Associate of Sunway Marketing Sdn. Bhd.</b>				
Buildtrend B.S.G. (M) Sdn. Bhd. #	Malaysia	Distribution of architectural building products and sanitary wares	30	30
<b>(vi) Associate of Sunway Builders Sdn. Bhd.</b>				
ISZL Consortium #	Unincorporated Abu Dhabi	Construction	13.64	13.64
<b>(vii) Associate of Sunway REIT Holdings. Sdn. Bhd.</b>				
Sunway Real Estate Investment Trust ("Sunway REIT")	Malaysia	Investment in real estate	40.89	40.88

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 20. INVESTMENTS IN ASSOCIATES (CONTD.)

- (d) Details of the associates are as follows: (contd.)

Name of companies	Principal place	Principal activities	Effective interest in	
	of business/		equity	
	Country of incorporation		2020	2019
			%	%
<b>(viii) Associate of Sunway Developments Pte. Ltd.</b>				
Elite Commercial REIT # (Formerly known as Elite UK Commercial Fund) (“Elite REIT”)	Singapore	Investment in real estate	-	21.05
<b>(ix) Associate of Sunway RE Capital Pte. Ltd.</b>				
Elite Commercial REIT # (Formerly known as Elite UK Commercial Fund) (“Elite REIT”)	Singapore	Investment in real estate	8.14	-
Elite Commercial REIT Management Pte Ltd # (“Elite REIT Manager”)	Singapore	Managing and administering real estate investment trust	15	-

# Audited by firms of auditors other than BDO in Malaysia and BDO Member Firms

- (e) 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 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 an eight point one four percent (8.14%) interest in Elite REIT for which the Group has determined that it holds significant influence as the Group has a representative on the Board of Directors of Elite REIT, who is able to participate in policy-making processes, including participation in decisions about dividends or other distributions.

The Group holds a fifteen percent (15%) interest in Elite REIT Manager for which the Group has determined that it holds significant influence as the Group has a representative on the Board of Directors of Elite REIT Manager, 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, Elite REIT and Elite REIT Manager as associates.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 20. INVESTMENTS IN ASSOCIATES (CONTD.)

- (f) The Group assessed whether there are any indications of impairment during the financial year. In doing this, management considered the current environments, taking into consideration the impact of COVID-19 pandemic and performance of CGUs. Management has considered the drop in market values of quoted shares in certain associates in the current financial year as impairment indications.

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections derived from financial budgets approved by management.

Management has made estimates about future results and key assumptions applied to cash flow projections of the CGUs. These key assumptions are applied to cash flow projections of the CGUs and include forecast growth in future revenues and operating profit margins, as well as determining appropriate pre-tax discount rates and growth rates.

The market values of the Group's investment in Sunway REIT, Gopeng and Elite REIT (collectively known as "Listed Associates") are below the carrying amounts of the Group's interest in the Listed Associates as at 31 December 2020. Nevertheless, the carrying amounts are supported by the net assets of these associates as well as future cash flows to be generated by these associates. Management has determined that the recoverable amounts of these investments in associates exceed their carrying amounts and with the relatively resilient fundamentals of these associates, the Group is of the view that the carrying amounts of the investments in associates are recoverable and should not be impacted by the fluctuation of the share price of these associates, therefore no impairment loss is required at this juncture. The average pre-tax discount rates applied on the cash flow projections in determining the recoverable amounts range from 3.9% to 6.2%.

- (g) During the financial year, the Group completed the following listing, subscription and disposal of shares/units:
- On 10 January 2020, Sunway Developments Pte. Ltd., a wholly-owned subsidiary of SHSB, which in turn is a wholly-owned by the Company, had disposed of 20,000,000 units, representing 21.05% equity interest in Elite REIT (formerly known as Elite UK Commercial Fund) ("Elite REIT") to Sunway RE Capital Pte. Ltd., a wholly-owned subsidiary of SunCity, for cash consideration of GBP 20,000,000 (equivalent to RM109,471,000).
  - On 16 January 2020, Sunway RE Capital Pte. Ltd. had subscribed for 150,000 units representing 15% of the share capital of Elite REIT Manager for cash consideration of SGD150,000 (equivalent to RM458,000).
  - From 6 February 2020 to 2 March 2020, Sunway RE Capital Pte. Ltd.'s interest in Elite REIT had decreased following the completion of the initial public offering of Elite REIT as well as exercise of over-allotment option in full of 2,205,800 units in Elite REIT amounting to GBP1,499,944 (equivalent to RM7,915,000).
  - On 6 February 2020, Monumental Productions issued 62,500 ordinary shares. On 9 March 2020, SHSB had disposed of 6.11% equity interest comprising 168,750 ordinary shares in Monumental Productions for cash consideration of RM250,000 as disclosed in Note 19(g) to the financial statements.
  - On 6 February 2020, Elite REIT has been successfully listed on the Main Board of Singapore Exchange Securities Trading Limited.
  - On 28 October 2020, Sunway REIT Holdings Sdn. Bhd., a wholly-owned subsidiary of Sunway City Sdn. Bhd., had subscribed 196,216,200 new units in Sunway Real Estate Investment Trust through private placement amounting to RM290,400,000.



## 20. INVESTMENTS IN ASSOCIATES (CONTD.)

(h) 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

	Sunway REIT		Elite REIT		Gopeng		Total	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current assets	<b>8,574,068</b>	8,096,793	<b>1,717,042</b>	1,595,386	<b>222,228</b>	220,436	<b>10,513,338</b>	9,912,615
Current assets	<b>557,707</b>	216,697	<b>115,811</b>	145,567	<b>91,992</b>	100,855	<b>765,510</b>	463,119
Total assets	<b>9,131,775</b>	8,313,490	<b>1,832,853</b>	1,740,953	<b>314,220</b>	321,291	<b>11,278,848</b>	10,375,734
Non-current liabilities	<b>2,288,517</b>	95,467	<b>593,679</b>	1,044,557	<b>29,710</b>	29,782	<b>2,911,906</b>	1,169,806
Current liabilities	<b>1,404,465</b>	3,416,749	<b>43,524</b>	134,900	<b>5,120</b>	3,056	<b>1,453,109</b>	3,554,705
Total liabilities	<b>3,692,982</b>	3,512,216	<b>637,203</b>	1,179,457	<b>34,830</b>	32,838	<b>4,365,015</b>	4,724,511
Net assets	<b>5,438,793</b>	4,801,274	<b>1,195,650</b>	561,496	<b>279,390</b>	288,453	<b>6,913,833</b>	5,651,223

(ii) Summarised statements of profit or loss and other comprehensive income

	Sunway REIT		Elite REIT		Gopeng		Total	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue	<b>448,938</b>	608,208	<b>113,467</b>	138,821	<b>6,170</b>	6,891	<b>568,575</b>	753,920
Profit/(Loss) before tax	<b>119,175</b>	410,890	<b>142,560</b>	79,385	<b>(2,264)</b>	6,382	<b>259,471</b>	496,657
Profit/(Loss) for the year	<b>120,075</b>	402,945	<b>115,720</b>	49,407	<b>(2,338)</b>	1,870	<b>233,457</b>	454,222
Total comprehensive income/(loss)	<b>120,093</b>	402,076	<b>133,308</b>	60,599	<b>(2,338)</b>	1,870	<b>251,063</b>	464,545

## 20. INVESTMENTS IN ASSOCIATES (CONTD.)

(h) (contd.)

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the interest in associates of the Group

	Sunway REIT		Elite REIT		Gopeng		Total	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Net assets at 1 January	<b>4,801,274</b>	4,356,671	<b>561,496</b>	500,897	<b>288,453</b>	293,308	<b>5,651,223</b>	5,150,876
Capital injection	<b>706,123</b>	-	<b>699,013</b>	-	-	-	<b>1,405,136</b>	-
Capital reduction	-	-	<b>(99,816)</b>	-	-	-	<b>(99,816)</b>	-
Comprehensive income/(loss) for the year	<b>120,093</b>	402,076	<b>133,308</b>	60,599	<b>(2,338)</b>	1,870	<b>251,063</b>	464,545
Dividend paid during the year	<b>(168,753)</b>	(283,022)	<b>(98,351)</b>	-	<b>(6,725)</b>	(6,725)	<b>(273,829)</b>	(289,747)
Perpetual note financing	-	339,717	-	-	-	-	-	339,717
Distribution to perpetual note holders	<b>(19,944)</b>	(14,168)	-	-	-	-	<b>(19,944)</b>	(14,168)
Net assets at 31 December	<b>5,438,793</b>	4,801,274	<b>1,195,650</b>	561,496	<b>279,390</b>	288,453	<b>6,913,833</b>	5,651,223
Remeasurement gain *	<b>352,960</b>	352,960	-	-	-	-	<b>352,960</b>	352,960
Net assets after remeasurement gain at 31 December	<b>5,791,753</b>	5,154,234	<b>1,195,650</b>	561,496	<b>279,390</b>	288,453	<b>7,266,793</b>	6,004,183
Interest in associates as at year end	<b>40.89%</b>	40.88%	<b>8.14%</b>	21.05%	<b>19.33%</b>	19.33%	<b>2,519,580</b>	2,281,004
Elimination of gain on disposal of assets to an associate	<b>(77,761)</b>	(61,405)	-	-	-	-	<b>(77,761)</b>	(61,405)
Goodwill	<b>524</b>	524	<b>9,955</b>	-	-	-	<b>10,479</b>	524
Effects arising from perpetual note financing and related distribution	<b>201,103</b>	201,123	-	-	-	-	<b>201,103</b>	201,123
Effect arising from change of shareholding	<b>28,325</b>	27,087	<b>555</b>	-	-	-	<b>28,880</b>	27,087
Carrying value of Group's interest in associates	<b>2,520,439</b>	2,274,380	<b>107,836</b>	118,195	<b>54,006</b>	55,758	<b>2,682,281</b>	2,448,333
Market value of quoted shares	<b>2,100,442</b> ^	2,191,423 ^	<b>98,864</b>	-	<b>34,575</b>	24,263	<b>2,233,881</b>	2,215,686

\* 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.

^ Excludes the Group's investment in perpetual note of the associate.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 21. INVESTMENTS IN JOINT VENTURES

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Unquoted shares at cost	889,120	892,699	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	577,245	615,524	-	-
Less: Impairment loss	(848)	(921)	-	-
	576,397	614,603	-	-
Share of post-acquisition reserves	157,420	81,993	-	-
Share of non-distributable reserves	49,952	51,319	-	-
Unrealised profit arising from construction project in joint ventures	(9,177)	(9,054)	-	-
	1,680,358	1,648,206	800	800
Less: Accumulated impairment losses	(21,180)	(21,180)	-	-
	1,659,178	1,627,026	800	800
Dividend received	101,194	30,895	19,840	19,600

- (a) Investment in joint ventures 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, except as disclosed in Note 51 to the financial statements.
- (c) Quasi-equity loan are unsecured, interest-free and the settlements are neither planned nor likely to occur in the foreseeable future.
- (d) Impairment for quasi-equity loan are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss ("ECL") model as disclosed in Note 25(d) to the financial statements.

The reconciliation of movements in allowance for impairment accounts of quasi-equity loan is as follows:

	Group	
	12 months ECL	
	2020	2019
	RM'000	RM'000
At beginning of financial year	921	132
Charge for the year	-	789
Reversal of impairment losses	(76)	-
Exchange differences	3	-
At end of financial year	848	921

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 21. INVESTMENTS IN JOINT VENTURES (CONTD.)

- (e) Details of the joint ventures are as follows:

Name of joint ventures	Principal place of business/ Country of incorporation		Principal activities	Effective interest in equity	
				2020	2019
				%	%
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 Malaysia		Property development	50	50
Eastern Creek Stage 3 #	Unincorporated Australia		Property development	50	50
Tianjin Eco-City Sunway Property Development Co. Ltd. (“Tianjin Eco-City”) ^	China		Property development	60	60
Sunway Iskandar Sdn. Bhd.^	Malaysia		Property development	60	60
Sunway Iskandar Development Sdn. Bhd. ^	Malaysia		Property development	60	60
Sunway Artesa Sdn. Bhd. ^ (Formerly known as Sunway Avila Sdn. Bhd.)	Malaysia		Property development	55	55
Sunway Velocity Two Sdn. Bhd.	Malaysia		Property development	50	50
Sunway Velocity Mall Sdn. Bhd. ^	Malaysia		Letting, management of shopping complex and car park operator	59	59
Sunway Velocity Hotel Sdn. Bhd. ^	Malaysia		Hotel operations	59	59



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 21. INVESTMENTS IN JOINT VENTURES (CONTD.)

(e) Details of the joint ventures are as follows: (contd.)

Name of joint ventures	Principal place	Principal activities	Effective interest in	
	of business/		equity	
	Country of incorporation		2020	2019
			%	%
Joint ventures with Sunway City				
Sdn. Bhd. Group (contd.)				
Sunway Pristine Laundry Sdn. Bhd. ^ (Formerly known as North Star Marketing Sdn. Bhd.)	Malaysia	Provision of laundry services	70	-
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
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 Mount Sophia Pte. Ltd. #@	Singapore	Real estate developer	30	30
Hoi Hup Sunway Sengkang Pte. Ltd. #@	Singapore	Real estate developer	30	30
Hoi Hup Sunway Clementi Pte. Ltd. #@	Singapore	Real estate developer	30	30
Hoi Hup Sunway Canberra Pte. Ltd. #@	Singapore	Real estate developer	35	35
Hoi Hup Sunway Tampines J.V. Pte. Ltd. #@	Singapore	Real estate developer	35	35

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 21. INVESTMENTS IN JOINT VENTURES (CONTD.)

(e) Details of the joint ventures are as follows: (contd.)

Name of joint ventures	Principal place	Principal activities	Effective interest in	
	of business/		equity	
	Country of incorporation		2020	2019
			%	%
Joint ventures with Sunway Holdings				
Sdn. Bhd. Group (contd.)				
Daksina Harta Sdn. Bhd. ^	Malaysia	Property development and property investment	60	60
Blacktop Lanchang Sdn. Bhd. ^	Malaysia	Premix plant operator and marketing of bituminous premix	50	-
Joint ventures of Sunway Construction				
Sdn. Bhd.				
IJM Sunway Sdn. Bhd. #^	Malaysia	Investment holding	27.28	27.28
Silver Coast-Sunway Innopave J.V. ^	Unincorporated Abu Dhabi	Construction works	-	32.74
HL - Sunway JV Pte. Ltd. #^	Singapore	Manufacturing and sale of precast concrete components	26.73	26.73
GME - SE Joint Venture (STW) #^	Unincorporated Malaysia	Provision of mechanical and engineering works	27.28	27.28
Sunway Aneka Pertama Geotechnics (PH) Inc. ^	Philippines	Construction	23.46	-
Subsidiaries of Sunway Iskandar Sdn. Bhd.				
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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 21. INVESTMENTS IN JOINT VENTURES (CONTD.)

(e) Details of the joint ventures are as follows: (contd.)

Name of joint ventures	Principal place of business/ Country of incorporation		Effective interest in equity	
		Principal activities	2020	2019
			%	%
<b>Subsidiaries of Sunway Iskandar Sdn. Bhd. (contd.)</b>				
Sunway Nursery and Landscape Sdn. Bhd. ^	Malaysia	Nursery and landscaping	30	30
Sunway Big Box Sdn. Bhd. ^	Malaysia	Letting, management of shopping complex and car park operator	60	60
Sunway BigBox Hotel Sdn. Bhd. ^ (Formerly known as Mcstar Sdn. Bhd.)	Malaysia	Dormant	60	-
<b>Associate of Sunway Iskandar Sdn. Bhd.</b>				
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 and are considered joint ventures as the Group and the venturers have joint control and have rights to the net assets of the arrangements.

^ 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.

### 21. INVESTMENTS IN JOINT VENTURES (CONTD.)

(f) 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

At 31 December 2020	Hoi Hup Group		Sunway Iskandar Sdn. Bhd.		Sunway Iskandar Development Sdn. Bhd.		Sunway REIT Management Sdn. Bhd.		Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets	22,998	1,161,856	387	626,632	925	1,812,798				
Cash and cash equivalents	240,177	90,230	139,285	158	207	470,057				
Other current assets	4,795,379	695,867	481,004	3,140	6,121	5,981,511				
Current assets	5,035,556	786,097	620,289	3,298	6,328	6,451,568				
Total assets	5,058,554	1,947,953	620,676	629,930	7,253	8,264,366				
Current liabilities (excluding trade and other payables and provisions)	52,820	102,795	-	1,050	2,996	159,661				
Trade and other payables and provisions	66,973	67,797	159,757	659	967	296,153				
Total current liabilities	119,793	170,592	159,757	1,709	3,963	455,814				
Non-current liabilities	4,599,918	1,199,104	-	443,780	434	6,243,236				
Total liabilities	4,719,711	1,369,696	159,757	445,489	4,397	6,699,050				
Non-controlling interests	-	1,048	-	-	-	1,048				
Net assets	338,843	577,209	460,919	184,441	2,856	1,564,268				



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 21. INVESTMENTS IN JOINT VENTURES (CONTD.)

(f) (contd.)

(i) Summarised statements of financial position (contd.)

At 31 December 2019	Hoi Hup Group	Sunway Iskandar Sdn. Bhd.	Tianjin Eco-City	Sunway Iskandar Development Sdn. Bhd.	Sunway REIT Management Sdn. Bhd.	Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets	19,178	1,112,718	354	602,770	377	1,735,397
Cash and cash equivalents	136,506	55,807	192,682	47	843	385,885
Other current assets	4,871,985	686,727	772,002	3,888	6,638	6,341,240
Current assets	5,008,491	742,534	964,684	3,935	7,481	6,727,125
Total assets	5,027,669	1,855,252	965,038	606,705	7,858	8,462,522
Current liabilities (excluding trade and other payables and provisions)	7,613	119,394	-	336	2,046	129,389
Trade and other payables and provisions	60,791	196,498	543,885	4,523	3,343	809,040
Total current liabilities	68,404	315,892	543,885	4,859	5,389	938,429
Non-current liabilities	4,884,247	916,570	-	416,107	-	6,216,924
Total liabilities	4,952,651	1,232,462	543,885	420,966	5,389	7,155,353
Non-controlling interests	-	1,103	-	-	-	1,103
Net assets	75,018	621,687	421,153	185,739	2,469	1,306,066

### 21. INVESTMENTS IN JOINT VENTURES (CONTD.)

(f) (contd.)

(ii) Summarised statements of profit or loss and other comprehensive income

At 31 December 2020	Hoi Hup Group	Sunway Iskandar Sdn. Bhd.	Tianjin Eco-City	Sunway Iskandar Development Sdn. Bhd.	Sunway REIT Management Sdn. Bhd.	Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,978,887	127,262	247,264	-	39,064	2,392,477
Depreciation and amortisation	(15)	(2,655)	(92)	(28)	(317)	(3,107)
Interest income	5,094	1,313	4,970	-	208	11,585
Interest expense	(4,970)	(12,037)	-	(5)	(23)	(17,035)
Profit/(Loss) before tax	602,597	(44,142)	16,564	(1,298)	32,723	606,444
Income tax expense	(109,238)	(404)	1,191	-	(7,536)	(115,987)
Profit/(Loss) after tax	493,359	(44,546)	17,755	(1,298)	25,187	490,457
Other comprehensive income/(loss)	(186)	-	22,011	-	-	21,825
Total comprehensive income/(loss)	493,173	(44,546)	39,766	(1,298)	25,187	512,282
Dividend received from joint venture during the year	68,804	-	-	-	19,840	88,644
Profit/(Loss) after tax attributable to:						
Joint venturers	493,359	(44,478)	17,755	(1,298)	25,187	490,525
Non-controlling interests	-	(68)	-	-	-	(68)
Total comprehensive income/(loss) attributable to:						
Joint venturers	493,173	(44,478)	39,766	(1,298)	25,187	512,350
Non-controlling interests	-	(68)	-	-	-	(68)
Total comprehensive income/(loss) attributable to:	493,173	(44,546)	39,766	(1,298)	25,187	512,282

## 21. INVESTMENTS IN JOINT VENTURES (CONTD.)

(f) (contd.)

(ii) Summarised statements of profit or loss and other comprehensive income (contd.)

At 31 December 2019	Hoi Hup Group RM'000	Sunway Iskandar Sdn. Bhd. RM'000	Tianjin Eco-City RM'000	Sunway Iskandar Development Sdn. Bhd. RM'000	Sunway REIT Management Sdn. Bhd. RM'000	Total RM'000
Revenue	-	212,570	266,360	-	43,523	522,453
Depreciation and amortisation	-	(735)	(328)	-	(245)	(1,308)
Interest income	436	974	11,143	-	412	12,965
Interest expense	-	(615)	-	(3)	(17)	(635)
Profit/(Loss) before tax	8,513	16,058	73,916	(1,371)	32,083	129,199
Income tax expense	29	(3,961)	(5,504)	40	(7,743)	(17,139)
Profit/(Loss) after tax	8,542	12,097	68,412	(1,331)	24,340	112,060
Other comprehensive income/(loss)	162	-	(9,537)	-	-	(9,375)
Total comprehensive income/(loss)	8,704	12,097	58,875	(1,331)	24,340	102,685
Dividend received from joint venture during the year	10,505	-	-	-	19,600	30,105
Profit/(Loss) after tax attributable to:						
Joint venturers	8,542	12,264	68,412	(1,331)	24,340	112,227
Non-controlling interests	-	(167)	-	-	-	(167)
Total comprehensive income/(loss) attributable to:						
Joint venturers	8,704	12,264	58,875	(1,331)	24,340	102,852
Non-controlling interests	-	(167)	-	-	-	(167)
Total comprehensive income/(loss) attributable to:						
Joint venturers	8,704	12,097	58,875	(1,331)	24,340	102,685
Non-controlling interests	-	(167)	-	-	-	(167)

## 21. INVESTMENTS IN JOINT VENTURES (CONTD.)

(f) (contd.)

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of interest in joint ventures of the Group

At 31 December 2020	Hoi Hup Group RM'000	Sunway Iskandar Sdn. Bhd. RM'000	Tianjin Eco-City RM'000	Sunway Iskandar Development Sdn. Bhd. RM'000	Sunway REIT Management Sdn. Bhd. RM'000	Total RM'000
Net assets at 1 January	75,018	621,687	421,153	185,739	2,469	1,306,066
Total comprehensive income/(loss) attributable to joint venturers	493,173	(44,478)	39,766	(1,298)	25,187	512,350
Dividend paid during the year	(229,348)	-	-	-	(24,800)	(254,148)
Net assets at 31 December	338,843	577,209	460,919	184,441	2,856	1,564,268
Interest in joint ventures as at year end	30% - 35%	60%	60%	60%	80%	
	102,834	346,325	276,551	110,665	2,285	838,660
Effect arising from change of shareholding	-	1,628	(483)	-	-	1,145
Unrealised profit arising from construction project to a joint venture	-	(8,274)	-	(273)	-	(8,547)
Goodwill	-	8,556	-	-	-	8,556
Remeasurement gain	-	-	-	-	108,370	108,370
Quasi-equity loan	577,245	-	-	-	-	577,245
Impairment loss	(848)	-	-	-	-	(848)
Carrying value of Group's interest in joint ventures	679,231	348,235	276,068	110,392	110,655	1,524,581

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 21. INVESTMENTS IN JOINT VENTURES (CONTD.)

(f) (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	Sunway Iskandar Sdn. Bhd.	Tianjin Eco-City	Sunway Iskandar Development Sdn. Bhd.	Sunway REIT Management Sdn. Bhd.	Total
At 31 December 2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net assets at 1 January	89,126	609,423	362,278	187,070	2,629	1,250,526
Capital injection	12,204	-	-	-	-	12,204
Total comprehensive income/(loss) attributable to joint venturers	8,704	12,264	58,875	(1,331)	24,340	102,852
Dividend paid during the year	(35,016)	-	-	-	(24,500)	(59,516)
Net assets at 31 December	75,018	621,687	421,153	185,739	2,469	1,306,066
Interest in joint ventures as at year end	30% - 35%	60%	60%	60%	80%	
	23,685	373,012	252,692	111,443	1,975	762,807
Effect arising from change of shareholding	-	1,628	(483)	-	-	1,145
Unrealised profit arising from construction project to a joint venture	-	(8,380)	-	(273)	-	(8,653)
Goodwill	-	8,556	-	-	-	8,556
Remeasurement gain	-	-	-	-	108,370	108,370
Quasi-equity loan	615,524	-	-	-	-	615,524
Impairment loss	(921)	-	-	-	-	(921)
Carrying value of Group's interest in joint ventures	638,288	374,816	252,209	111,170	110,345	1,486,828

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 21. INVESTMENTS IN JOINT VENTURES (CONTD.)

(g) The details of goodwill included within the Group's carrying amount of investments in joint ventures are as follows:

	2020	2019
	RM'000	RM'000
<b>Cost</b>		
Arising from investment in a joint venture and as at		
31 December	<b>10,748</b>	10,748

(h) During the financial year, the Group completed the following reclassification, subscriptions and acquisition of shares, cessation and incorporation of company:

- On 1 January 2020, BLSB, a subsidiary of Blacktop Industries Sdn. Bhd., had been reclassified from a subsidiary to investment in a joint venture as disclosed in Note 19(f) to the financial statements;
- On 16 January 2020, SunwayMas Sdn. Bhd. ("SunwayMas"), a wholly-owned subsidiary of Sunway Holdings Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Company, had subscribed for 149,994 ordinary shares in Daksina Harta Sdn. Bhd. for cash consideration of RM150,000;
- On 18 February 2020, Sunway Iskandar Sdn. Bhd. had subscribed for 9,998 ordinary shares in Sunway Big Box Sdn. Bhd., for cash consideration of RM10,000;
- On 11 March 2020, SunCity, a wholly-owned subsidiary of the Company, had subscribed for 6,499,998 ordinary shares for cash consideration of RM6,500,000, resulting in SunCity holding a total of 70% equity interest in Sunway Pristine Laundry Sdn. Bhd. (formerly known as North Star Marketing Sdn. Bhd.) as disclosed in Note 19(h) to the financial statements;
- On 21 May 2020, Sunway Iskandar Sdn. Bhd. had acquired 499,801 ordinary shares representing the entire equity interest in Sunway BigBox Hotel Sdn. Bhd. (formerly known as Mcstar Sdn. Bhd.) from Aptstar Sdn. Bhd., for cash consideration of RM506,000 as disclosed in Note (e)(vi) to the financial statements;
- On 14 September 2020, Sunway Innopave Sdn. Bhd., a wholly-owned subsidiary of Sunway Construction Sdn. Bhd. ("SunCon"), which in turn is an indirect subsidiary of the Company, had ceased the operation of an unincorporated joint venture, namely Silver Coast -Sunway Innopave J.V. upon completion of the works known as "Zayed Sports City Development Sector W- 57, Abu Dhabi, United Arab Emirates, Phase 1A – "Residential Plot 1"" pursuant to the joint venture agreement; and
- On 20 November 2020, Sunway Geotechnics (M) Sdn. Bhd., a wholly-owned subsidiary of SunCon, which in turn is an indirect subsidiary of the Company, had incorporated a new joint venture known as Sunway Aneka Pertama Geotechnics (PH) Inc. ("SAPGEO"). Sunway Geotechnics (M) Sdn. Bhd. had subscribed for 107,500 ordinary shares at an issue price of PHP40 each, representing 43% equity interest in SAPGEO for cash consideration of PHP4,300,000 (representing RM378,000).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 22. GOODWILL

	Group	
	2020	2019
	RM'000	RM'000
<b>Cost</b>		
At beginning of financial year	334,984	343,964
Acquisition of subsidiaries	17,275	145
Loss of control of a subsidiary	(23)	-
Liquidation of a subsidiary	-	(9,125)
At end of financial year	352,236	334,984
<b>Accumulated impairment losses</b>		
At beginning of financial year	(23,176)	(30,071)
Impairment loss for the year	(3,643)	(2,230)
Loss of control of a subsidiary	18	-
Liquidation of a subsidiary	-	9,125
At end of financial year	(26,801)	(23,176)
<b>Net carrying amount</b>	<b>325,435</b>	<b>311,808</b>

#### Allocation of goodwill

Goodwill has been allocated to the cash-generating units ("CGU") of the Group, according to business segments as follows:

	2020	2019
	RM'000	RM'000
Property investment *	185,301	185,301
Construction	70,437	74,080
Quarry	50,075	40,291
Property development	250	250
Others	19,372	11,886
	<b>325,435</b>	<b>311,808</b>

\* 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.

During the financial year, an impairment loss on goodwill amounting to RM3,643,000 (2019: RM2,230,000) has been recognised within other expenses in the statements of profit or loss due to declining business operations of the subsidiary.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 22. GOODWILL (CONTD.)

#### 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 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, with a terminal value thereafter. The key assumptions used for value-in-use calculations for the major business segments are:

	Quarry	Construction	Property investment
	%	%	%
<b>At 31 December 2020</b>			
Gross margin	12.3	6.4	42.1
Growth rate	11.4	2.9	57.9
Discount rate	7.2	6.5	7.2
<b>At 31 December 2019</b>			
Gross margin	9.3	6.2	47.8
Growth rate	8.1	-	6.7
Discount rate	8.5	8.5	8.5

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill, including taking into consideration the effects of COVID-19 pandemic:

- 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.
- Growth rate**  
The growth rate used is based on anticipated growth rates of the respective CGU obtained from financial budgets approved by management. The financial budgets cover a period of three years with no terminal growth rate thereafter.
- Discount rate**  
The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

Due to the inherent uncertainties arising from the COVID-19 pandemic, the Group has adopted the Expected Cash Flow approach in performing its impairment assessment of goodwill on consolidation during the current financial year. The cash flow projections used in determining the value-in-use calculations were probability weighted based on the following scenarios:

Scenario	Weighting	Assumptions
Base Case	70%	Based on the key assumptions above.
Best Case	10%	Revenue and cost of sales annual growth rates are forecasted to be 105% and 95% of base case respectively for a period of three (3) years.
Worst Case	20%	Revenue and cost of sales annual growth rates are forecasted to be 95% and 105% of base case respectively for a period of three (3) years.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 22. GOODWILL (CONTD.)

The above key assumptions are determined based on management's assessment of future trends in the respective business segments, which are, among others, dependent on forecasted economic conditions affected by COVID-19 pandemic. Any differences in expectations from the original estimates might impact the impairment losses amount in respect of the goodwill of the Group.

#### 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, other than the change in probability weightage for the scenarios of the construction segment. The probability weightage of base case: 64%; best case: 9% and worst case: 27% would result in the value-in-use of the construction segment to be equal to its carrying amount.

### 23. DEFERRED TAX

	Group	
	2020 RM'000	2019 RM'000
At beginning of financial year	<b>63,582</b>	36,565
Recognised in profit or loss (Note 12)	<b>260</b>	22,962
Acquisition of a subsidiary (Note 19)	<b>167</b>	2,620
Loss of control of a subsidiary (Note 19)	<b>(1,178)</b>	-
Exchange differences	<b>69</b>	1,435
At end of financial year	<b>62,900</b>	63,582
Presented after appropriate offsetting as follows:		
Deferred tax assets, net*	<b>(59,589)</b>	(66,722)
Deferred tax liabilities, net*	<b>122,489</b>	130,304
	<b>62,900</b>	63,582

\* The amount of set-off between deferred tax assets and deferred tax liabilities was RM138,328,000 (2019: RM119,237,000) for the Group.

### 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	Investment properties RM'000	Others RM'000	Total RM'000
<b>At 1 January 2019</b>								
At 1 January 2019	(102,187)	(13,293)	(36,463)	(14,172)	(1,376)	(79,141)	(246,632)	
Recognised in profit or loss	18,749	(23,334)	17,890	(6,918)	118	55,823	62,328	
Acquisition of subsidiaries	-	-	(1,654)	-	-	(1)	(1,655)	
At 31 December 2019	(83,438)	(36,627)	(20,227)	(21,090)	(1,258)	(23,319)	(185,959)	
Recognised in profit or loss	(8,105)	935	8,201	3,651	(3,913)	(12,727)	(11,958)	
<b>At 31 December 2020</b>	<b>(91,543)</b>	<b>(35,692)</b>	<b>(12,026)</b>	<b>(17,439)</b>	<b>(5,171)</b>	<b>(36,046)</b>	<b>(197,917)</b>	

#### Deferred tax liabilities of the Group:

	Property, plant and equipment RM'000	Investment properties RM'000	Others RM'000	Total RM'000
<b>At 1 January 2019</b>				
At 1 January 2019	118,167	157,109	7,921	283,197
Recognised in profit or loss	783	(41,079)	930	(39,366)
Acquisition of subsidiaries	4,275	-	-	4,275
Exchange differences	(35)	-	1,470	1,435
At 31 December 2019	123,190	116,030	10,321	249,541
Recognised in profit or loss	13,894	(1,720)	44	12,218
Loss of control of a subsidiary	(1,149)	-	(29)	(1,178)
Acquisition of a subsidiary	167	-	-	167
Exchange differences	-	-	69	69
<b>At 31 December 2020</b>	<b>136,102</b>	<b>114,310</b>	<b>10,405</b>	<b>260,817</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 23. DEFERRED TAX (CONTD.)

- (b) Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Unused tax losses				
- Expires by 31 December 2025	<b>199,854</b>	206,248	-	-
- Expires by 31 December 2026	<b>70,472</b>	66,618	-	-
- Expires by 31 December 2027	<b>140,021</b>	-	-	-
- No expiry period	<b>14,457</b>	14,448	-	-
Unabsorbed capital allowances	<b>157,182</b>	147,622	-	-
Unused investment tax allowances	<b>409,562</b>	470,885	-	-
Other deductible temporary differences	<b>245,054</b>	237,153	<b>2,988</b>	11,877
	<b>1,236,602</b>	1,142,974	<b>2,988</b>	11,877

The Group and the Company have assessed the likelihood of sufficient future profits available to recover the amounts of deductible temporary differences, including taking into consideration the effects of COVID-19 pandemic. 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.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local tax authorities.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 24. TRADE RECEIVABLES

	Group	
	2020	2019
	RM'000	RM'000
<b>Non-current</b>		
Finance lease receivables	-	10
Hire purchase receivables	<b>2,298</b>	1,484
Loans and advances	<b>179,241</b>	139,059
	<b>181,539</b>	140,553
Less: Allowance for impairment	<b>(1,826)</b>	(482)
	<b>179,713</b>	140,071
<b>Current</b>		
Third parties	<b>1,283,662</b>	1,382,491
Retention sums	<b>230,630</b>	216,084
Finance lease receivables	<b>1,087</b>	1,092
Hire purchase receivables	<b>1,809</b>	1,589
Loans and advances	<b>29,628</b>	123,806
	<b>1,546,816</b>	1,725,062
Less: Allowance for impairment	<b>(94,870)</b>	(86,639)
	<b>1,451,946</b>	1,638,423
<b>Total trade receivables</b>	<b>1,631,659</b>	1,778,494

- (a) Included in trade receivables is the following amount due from a related party:

	Group	
	2020	2019
	RM'000	RM'000
Sunway Technology Sdn. Bhd. Group	<b>1,631</b>	1,053

The amount due from a related party is unsecured, non-interest bearing and the credit period is generally for a period of 30 days to 90 days (2019: 30 days to 90 days). The relationship with the related party is as disclosed in Note 49 to the financial statements.

- (b) Total trade receivables are classified as financial assets measured at amortised cost.
- (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 30 days to 120 days (2019: 30 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 except as stated in Note 24(k) to the financial statements.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 24. TRADE RECEIVABLES (CONTD.)

- (d) The repayment terms of finance lease receivables, hire purchase receivables and loan and advances are as follows:

	Group	
	2020	2019
	RM'000	RM'000
<b>Finance lease receivables:</b>		
Less than one (1) year	1,099	1,104
One (1) to two (2) years	-	11
	1,099	1,115
Less: Unearned interest	(12)	(13)
	1,087	1,102
<b>Representing finance lease receivables:</b>		
Less than one (1) year	1,087	1,092
One (1) to two (2) years	-	10
	1,087	1,102
<b>Hire purchase receivables:</b>		
Less than one (1) year	1,997	1,742
One (1) to two (2) years	1,095	912
Two (2) to three (3) years	606	581
Three (3) to four (4) years	444	92
Four (4) to five (5) years	353	6
	4,495	3,333
Less: Unearned interest	(388)	(260)
	4,107	3,073
<b>Representing hire purchase receivables:</b>		
Less than one (1) year	1,809	1,589
One (1) to two (2) years	991	835
Two (2) to three (3) years	550	554
Three (3) to four (4) years	413	89
Four (4) to five (5) years	344	6
	4,107	3,073
<b>Loans and advances:</b>		
Less than one (1) year	29,628	123,806
One (1) to two (2) years	21,925	15,181
Two (2) to three (3) years	29,727	21,007
Three (3) to four (4) years	25,007	21,066
Four (4) to five (5) years	19,932	16,532
More than five (5) years	82,650	65,273
	208,869	262,865

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 24. TRADE RECEIVABLES (CONTD.)

- (e) The reconciliation of movements in the carrying amounts of finance lease receivables and hire purchase receivables are as follows:

	Group	
	2020	2019
	RM'000	RM'000
<b>Finance lease receivables:</b>		
At beginning of financial year	1,102	1,584
Interest income	2	3
Lease payments received	(17)	(485)
At end of financial year	1,087	1,102
<b>Hire purchase receivables:</b>		
At beginning of financial year	3,073	4,775
Additions	2,187	403
Interest income	158	264
Lease payments received	(1,311)	(2,580)
Others	-	211
At end of financial year	4,107	3,073

- (f) The finance lease receivables and hire purchase receivables are mainly in relation to equipment and machinery that are leased to third parties. There are no variable lease income that are not included in the measurement of the finance lease receivables and hire purchase receivables.
- (g) Impairment for trade receivables and contract assets are recognised based on the simplified approach using the lifetime expected credit losses.

The Group considers credit loss experience and observable data such as current changes and future forecasts in economic conditions by market segment of the Group as identified in Note 3 to the financial statements to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. The Group has identified the Gross Domestic Product, unemployment rate, inflation rate, labour force participation rate and consumer price index as the key macroeconomic factors of the forward looking information. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within the statements of profit or loss. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward looking information, including the effects of COVID-19 pandemic.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 24. TRADE RECEIVABLES (CONTD.)

(g) (contd.)

The reconciliation of movements in allowance for impairment accounts in trade receivables is as follows:

	Group		
	Lifetime ECL		Total allowance
	Not credit impaired	Credit impaired	
	RM'000	RM'000	RM'000
<b>At 31 December 2020</b>			
<b>At beginning of financial year</b>	<b>7,771</b>	<b>79,350</b>	<b>87,121</b>
Charge for the year	5,895	18,066	23,961
Reversal of impairment losses	(1,477)	(6,504)	(7,981)
Written off	(681)	(5,118)	(5,799)
Exchange differences	6	(4)	2
Reclassification	1,065	(1,065)	-
Acquisition of subsidiaries	-	496	496
Loss of control of a subsidiary	(121)	(983)	(1,104)
<b>At end of financial year</b>	<b>12,458</b>	<b>84,238</b>	<b>96,696</b>

#### At 31 December 2019

<b>At beginning of financial year</b>	10,252	78,372	88,624
Charge for the year	530	4,761	5,291
Reversal of impairment losses	(3,556)	(8,099)	(11,655)
Written off	(17)	(2,386)	(2,403)
Exchange differences	1	64	65
Acquisition of subsidiaries	561	6,638	7,199
<b>At end of financial year</b>	<b>7,771</b>	<b>79,350</b>	<b>87,121</b>

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the end of the reporting period.

As at the end of each reporting period, the credit risks exposures relating to trade receivables of the Group are summarised in the table below:

	Group	
	2020	2019
	RM'000	RM'000
Maximum exposure	<b>1,631,659</b>	1,778,494
Collateral obtained	<b>(616,556)</b>	(606,677)
Net exposure to credit risk	<b>1,015,103</b>	1,171,817

The above collaterals are letters of undertaking from financial institutions for properties sold, deposits received from customers and other collaterals for finance lease receivables.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 24. TRADE RECEIVABLES (CONTD.)

(h) Aging analysis of the trade receivables is as follows:

Group	2020		
	Gross RM'000	Impaired RM'000	Total RM'000
Current	<b>1,273,747</b>	<b>(6,716)</b>	<b>1,267,031</b>
1 to 30 days past due	<b>169,557</b>	<b>(1,164)</b>	<b>168,393</b>
31 to 60 days past due	<b>72,343</b>	<b>(611)</b>	<b>71,732</b>
61 to 90 days past due	<b>43,094</b>	<b>(1,255)</b>	<b>41,839</b>
91 to 120 days past due	<b>21,399</b>	<b>(282)</b>	<b>21,117</b>
More than 120 days past due	<b>148,215</b>	<b>(86,668)</b>	<b>61,547</b>
	<b>454,608</b>	<b>(89,980)</b>	<b>364,628</b>
	<b>1,728,355</b>	<b>(96,696)</b>	<b>1,631,659</b>

Group	2019		
	Gross RM'000	Impaired RM'000	Total RM'000
Current	1,353,880	(5,639)	1,348,241
1 to 30 days past due	168,764	(703)	168,061
31 to 60 days past due	105,117	(438)	104,679
61 to 90 days past due	54,290	(226)	54,064
91 to 120 days past due	36,513	(152)	36,361
More than 120 days past due	147,051	(79,963)	67,088
	511,735	(81,482)	430,253
	1,865,615	(87,121)	1,778,494



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 24. TRADE RECEIVABLES (CONTD.)

- (i) 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 gross amount of total trade receivables at the end of the reporting period is as follows:

Group	2020		2019	
	RM'000	% of total	RM'000	% of total
<b>By country:</b>				
Malaysia	1,589,718	91.99%	1,666,857	89.34%
Singapore	67,640	3.91%	108,666	5.82%
China	47,187	2.73%	62,689	3.36%
Australia	4,568	0.26%	4,418	0.24%
Thailand	6,628	0.38%	7,085	0.38%
Vietnam	601	0.03%	874	0.05%
Others	12,013	0.70%	15,026	0.81%
	1,728,355	100.00%	1,865,615	100.00%
<b>By segment:</b>				
Property development	195,038	11.28%	274,150	14.70%
Property investment	12,307	0.71%	25,470	1.37%
Construction	795,994	46.06%	744,100	39.88%
Trading and manufacturing	227,316	13.15%	253,855	13.61%
Quarry	109,226	6.32%	135,687	7.27%
Healthcare	93,645	5.42%	86,060	4.61%
Others	294,829	17.06%	346,293	18.56%
	1,728,355	100.00%	1,865,615	100.00%

- (j) 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.

- (k) At the end of the reporting period, the interest rate profile of the interest-bearing trade receivables was:

	Group	
	2020	2019
	RM'000	RM'000
Fixed rate	214,063	267,040

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 2020 (CONTD.)

### 24. TRADE RECEIVABLES (CONTD.)

- (l) 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	Fair value
	RM'000	RM'000
<b>At 31 December 2020</b>		
Hire purchase receivables (Non-current)	2,298	1,972
Loans and advances (Non-current)	177,415	179,696
<b>At 31 December 2019</b>		
Finance lease receivables (Non-current)	10	10
Hire purchase receivables (Non-current)	1,002	931
Loans and advances (Non-current)	139,059	135,079

- (m) The fair values of finance lease receivables, hire purchase receivables and loans and advances are categorised as Level 2 in the fair value hierarchy, which are estimated based on expected future cash flows discounted at the market rate of interest as at the end of the reporting period. There is no transfer between levels in the fair value hierarchy during the financial year.

### 25. OTHER RECEIVABLES

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
	(Restated)			
<b>Non-current</b>				
Receivables	6,276	6,099	-	-
<b>Current</b>				
Deposits	89,322	88,798	105	105
Prepayments	82,954	105,629	875	1,335
Receivables	171,692	187,333	14,351	24,736
	343,968	381,760	15,331	26,176
Less: Allowance for impairment	(32,614)	(32,822)	-	-
	311,354	348,938	15,331	26,176
Total other receivables	317,630	355,037	15,331	26,176

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 25. OTHER RECEIVABLES (CONTD.)

- (a) Included in other receivables is the following amount due from a related party:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Sunway Technology Sdn. Bhd. Group	77	114	38	61

The amount due from a related party is unsecured, non-interest bearing and the credit period is generally for a period of 30 days to 90 days (2019: 30 days to 90 days). The relationship with the related party is as disclosed in Note 49 to the financial statements.

- (b) Total other receivables, net of prepayments are classified as financial assets measured at amortised cost.
- (c) 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.
- (d) Impairment for quasi-equity loan, other receivables, amounts due from subsidiaries, associates and joint ventures are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment trends and past due information.

The probability of non-payment quasi-equity loan, other receivables, amounts due from subsidiaries, associates and joint ventures is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the twelve month or lifetime expected credit loss for the quasi-equity loan, other receivables, amounts due from subsidiaries, associates and joint ventures. The Group has identified the Gross Domestic Product, unemployment rate, inflation rate, labour force participation rate and consumer price index as the key macroeconomic factors of the forward looking information.

It requires management to exercise significant judgement in determining the probability of default by quasi-equity loan, other receivables, amounts due from subsidiaries, associates and joint ventures, appropriate forward looking information and significant increase in credit risk, including the effects of COVID-19 pandemic.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 25. OTHER RECEIVABLES (CONTD.)

- (d) (contd.)

The reconciliation of movements in allowance for impairment accounts in other receivables is as follows:

	12 months ECL RM'000	Group Lifetime ECL - Credit impaired RM'000	Total RM'000
<b>At 31 December 2020</b>			
<b>At beginning of financial year</b>	447	32,375	32,822
Charge for the year	65	2,323	2,388
Reversal of impairment losses	(213)	(2,309)	(2,522)
Written off	(4)	(70)	(74)
<b>At end of financial year</b>	295	32,319	32,614
<b>At 31 December 2019</b>			
<b>At beginning of financial year</b>	400	31,907	32,307
Charge for the year	117	940	1,057
Reversal of impairment losses	(70)	(472)	(542)
<b>At end of financial year</b>	447	32,375	32,822

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the financial year end.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 26. DERIVATIVES

Group	Note	Contract/ Notional Amount RM'000	Assets RM'000	Liabilities RM'000
<b>As at 31 December 2020</b>				
<b>Non-current</b>				
Interest rate swap	(b)(i)	61,016	-	(1,644)
Forward currency contracts	(b)(ii)	1,601	-	(21)
		62,617	-	(1,665)
<b>Current</b>				
Forward currency contracts	(b)(ii)	6,932	-	(132)
Cross currency swap	(b)(iii)	1,271,594	31,532	(72,237)
		1,278,526	31,532	(72,369)
Total derivatives		1,341,143	31,532	(74,034)

#### As at 31 December 2019

<b>Non-current</b>				
Interest rate swap	(b)(i)	61,016	-	(187)
<b>Current</b>				
Forward currency contracts	(b)(ii)	29,732	-	(801)
Cross currency swap	(b)(iii)	1,210,532	1,925	(16,929)
		1,240,264	1,925	(17,730)
Total derivatives		1,301,280	1,925	(17,917)

(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.

(b) 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. During the financial year, the Group had entered into interest rate swap to exchange floating interest rate for fixed interest rate in order to minimise the exposure from fluctuation of interest rate. This interest rate swap received floating interest rate equals to Singapore Swap Offer Rate ("SOR") per annum and paid fixed rate of interest of 1.49% and 1.58% (2019: 1.49%) 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 26. DERIVATIVES (CONTD.)

(b) The Group entered into derivatives as follows: (contd.)

(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.

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) 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.

(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
<b>Group</b>				
<b>As at 31 December 2020</b>				
Derivatives - settled net	72,369	1,665	-	74,034

#### As at 31 December 2019

Derivatives - settled net	17,730	187	-	17,917
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(d) Derivatives are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the fair value hierarchy during the financial year.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 27. ROCK RESERVES

	Group	
	2020	2019
	RM'000	RM'000
At beginning of financial year	5,605	5,868
Amortisation during the financial year	(263)	(263)
At end of financial year	5,342	5,605

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.

### 28. OTHER INVESTMENTS

	Note	Group		Company	
		2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
			(Restated)		
<b>Non-current</b>					
Equity securities:					
- Quoted ordinary shares	(b)	316,417	167,518	-	-
- Unquoted ordinary shares	(c)	13,583	3,793	-	-
- Unquoted preference shares	(c)	579	579	-	-
Investments in funds	(c)	51,942	-	-	-
Corporate memberships	(d)	467	651	78	78
Unquoted corporate bonds	(d)	481,165	397,315	-	-
		864,153	569,856	78	78
<b>Current</b>					
Equity securities:					
- Quoted ordinary shares	(b)	-	133,724	-	-
Unquoted commercial papers	(d)	-	40,000	-	-
Unquoted corporate bonds	(d)	100,285	202,649	-	-
		100,285	376,373	-	-

- (a) The equity securities are classified as financial assets at fair value through other comprehensive income pursuant to MFRS 9 *Financial Instruments*.

Equity securities, which are not held for trading for which the Group has irrevocably elected at initial recognition to recognise at fair value through other comprehensive income. These are strategic investments for which the Group considers this classification to be appropriate and relevant.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 28. OTHER INVESTMENTS (CONTD.)

- (b) Fair value of quoted ordinary shares in Malaysia was determined by reference to the exchange quoted market prices at the close of the business on the reporting date. The fair value of quoted ordinary shares of the Group was categorised as Level 1 in the fair value hierarchy.
- (c) The investments in funds are classified as financial assets at fair value through profit or loss pursuant to MFRS 9 *Financial Instruments*. Unquoted ordinary shares, unquoted preference shares and investments in funds of the Group are categorised as Level 3 in the fair value hierarchy. Fair value of unquoted ordinary shares, unquoted preference shares and investments in funds of the Group are estimated based on adjusted transacted price. The movement in other investments categorised as Level 3 during the financial year consists of additions amounted to RM61,732,000 (2019: RM4,372,000).
- The key input to the valuation of the other investments is the adjusted transaction price paid. Significant increase/(decrease) in estimated adjusted transaction price paid in isolation would result in a significant higher/(lower) fair value of the other investments.
- (d) The corporate memberships, unquoted corporate bonds and unquoted commercial papers are classified as financial assets at fair value through profit or loss pursuant to MFRS 9 *Financial Instruments*. The fair value of corporate memberships, unquoted corporate bonds and unquoted commercial papers of the Group and of the Company is categorised as Level 2 in the fair value hierarchy. The fair value measurements of unquoted corporate bonds and unquoted commercial papers are based on indicative prices from an accredited bond pricing agency while the fair value measurements of corporate memberships are based on market prices of similar instruments.
- (e) Sensitivity analysis of quoted ordinary shares
- A change of 5% in stock indices, assuming all other variables constant, at the end of the reporting period would result in the fair value reserve in equity of the Group to be higher/(lower) by RM15,821,000 (2019: RM8,376,000), arising as a result of higher/lower fair value gains on quoted equity securities classified at fair value through other comprehensive income.
- (f) There is no transfer between levels in the fair value hierarchy during the financial year.

### 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%. Depreciation charge of biological assets recognised during the current financial year amounted to RM77,000 (2019: RM221,000).

Biological assets consist of animals in petting zoos operated by subsidiaries.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 30. CONTRACT ASSETS/LIABILITIES

	Group	
	2020	2019
	RM'000	RM'000
Aggregate pre-contract costs incurred to date	771,263	492,780
Less: Impairment loss	(78)	(11)
Add: Attributable profits	232,674	156,177
	1,003,859	648,946
Less: Progress billings	(987,166)	(616,245)
	16,693	32,701
Represented by:		
Property development contracts:		
Contract assets	91,303	76,230
Contract liabilities	(74,610)	(43,529)
	16,693	32,701

(a) Property development contracts

Property development contracts represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

There were no significant changes in the contract assets and liabilities during the financial year.

(b) The amount of RM32,318,000 (2019: RM29,147,000) recognised in contract liabilities at the beginning of the financial year has been recognised as revenue for the financial year ended 31 December 2020.

(c) Contract value yet to be recognised as revenue

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, are as follows:

	Group	
	2020	2019
	RM'000	RM'000
Within 1 year	378,978	175,003
Between 1 and 4 years	202,083	218,441
	581,061	393,444

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 30. CONTRACT ASSETS/LIABILITIES (CONTD.)

- (d) Impairment for contract assets that does not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses as disclosed in Note 24(g) to the financial statements.

The reconciliation of movements in allowance for impairment accounts in contract assets is as follows:

	Group Lifetime ECL	
	2020	2019
	RM'000	RM'000
At beginning of financial year	11	182
Charge for the year	67	-
Reversal of impairment losses	-	(171)
At the end of financial year	78	11

### 31. CASH AND BANK BALANCES

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Cash and bank balances				
Cash at banks and on hand	455,186	645,798	8,996	8,852
Deposits with:				
Licensed banks	20,849	70,758	40	20
Other financial institutions	1,762,380	1,838,190	1,095	-
Total cash and bank balances	2,238,415	2,554,746	10,131	8,872

- (a) Included in cash at banks of the Group are amounts of RM84,787,000 (2019: RM71,858,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are restricted from use in other operations.

- (b) The weighted average effective interest rates are as follows:

	Group		Company	
	2020	2019	2020	2019
	%	%	%	%
Deposits with licensed banks	1.55	1.88	1.73	2.85
Deposits with other financial institutions	2.37	3.74	1.10	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 31. CASH AND BANK BALANCES (CONTD.)

- (c) The weighted average effective average maturity days are as follows:

	Group		Company	
	2020	2019	2020	2019
Deposits with licensed banks	49	80	184	184
Deposits with other financial institutions	9	2	1	-

- (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	
	2020	2019	2020	2019
	RM'000	RM'000 (Restated)	RM'000	RM'000 (Restated)
Cash and bank balances	2,238,415	2,554,746	10,131	8,872
Bank overdrafts (Note 35)	(52,962)	(191,340)	-	-
Deposits with licensed banks and other financial institutions with maturity of over 3 months	(2,608)	(4,394)	(40)	(20)
Total cash and cash equivalents	2,182,845	2,359,012	10,091	8,852

- (e) At the end of the reporting period, the interest rate profile of the cash and bank balances was:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Fixed rate	15,081	19,492	40	20
Variable rate	1,768,148	1,889,456	1,095	-

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 RM3,359,000 (2019: RM3,590,000) and RM2,000 (2019: Nil) respectively.

- (f) Cash and bank balances are classified as financial assets measured at amortised cost.
- (g) No expected credit loss is recognised arising from cash at banks, deposits with licensed banks and other financial institutions because the probability of default by these financial institutions is negligible.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 32. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2020	2019
	RM'000	RM'000
<b>Current assets</b>		
Interest bearing amounts	2,791,835	2,037,878
Non-interest bearing amounts	53,529	50,495
Total amounts due from subsidiaries	2,845,364	2,088,373
Less: Accumulated impairment loss	(2,479)	(383)
Total amounts due from subsidiaries	2,842,885	2,087,990
<b>Current liabilities</b>		
Non-interest bearing amounts	(6,206)	(14,138)
Total amounts due to subsidiaries	(6,206)	(14,138)

- (a) The amounts due from subsidiaries are unsecured, payable within next twelve months in cash and cash equivalents and non-interest bearing except for interest bearing amounts, which bear interest at rates ranging from 1.75% to 7.50% (2019: 3.00% to 7.55%) per annum.
- (b) The amounts due to subsidiaries are unsecured, interest free and payable within next twelve months in cash and cash equivalents.
- (c) Interest bearing amounts due from subsidiaries are at fixed rates. Sensitivity analysis at the end of the reporting period is not presented as it is not affected by changes in interest rates.
- (d) Impairment for amounts due from subsidiaries are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model as disclosed in Note 25(d) to the financial statements.

The reconciliation of movements in allowance for impairment accounts of amounts due from subsidiaries is as follows:

	Company	
	12 months ECL	
	2020	2019
	RM'000	RM'000
<b>At beginning of financial year</b>	383	1,343
Charge for the year	2,096	-
Reversal of impairment losses	-	(960)
<b>At end of financial year</b>	2,479	383

- (e) Amounts due from subsidiaries are classified as financial assets measured at amortised cost.
- (f) 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 the next twelve months.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 33. AMOUNTS DUE FROM/(TO) ASSOCIATES

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>Non-current</b>				
Amount due from an associate	457	-	-	-
<b>Current</b>				
Amounts due from associates	49,540	35,346	52	179
Less: Allowance for impairment	(132)	(201)	-	-
	49,408	35,145	52	179
Total amounts due from associates	49,865	35,145	52	179
<b>Current</b>				
Amounts due to associates	(6,680)	(11,950)	(51)	(41)

- (a) The non-current amount due from an associate of the Group is unsecured, non-interest bearing and not expected to be repayable within the next twelve months.

The current amounts due from/(to) associates of the Group and of the Company are unsecured, non-interest bearing and repayable within the next twelve months in cash and cash equivalents.

- (b) 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 within the next twelve months.
- (c) Impairment for amounts due from associates are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model as disclosed in Note 25(d) to the financial statements.
- (d) The reconciliation of movements in allowance for impairment accounts of amounts due from associates is as follows:

	12 months ECL	
	2020	2019
	RM'000	RM'000
<b>Group</b>		
At beginning of financial year	201	315
Charge for the year	-	1
Reversal of impairment losses	(72)	(112)
Exchange differences	3	(3)
At end of financial year	132	201
<b>Company</b>		
At beginning of financial year	-	1
Reversal of impairment losses	-	(1)
At end of financial year	-	-

- (e) Amounts due from associates are classified as financial assets measured at amortised cost.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 34. AMOUNTS DUE FROM/(TO) JOINT VENTURES

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>Non-current</b>				
Amounts due from joint ventures	1,789,498	1,332,753	-	-
Less: Allowance for impairment	(1,599)	(130)	-	-
	1,787,899	1,332,623	-	-
<b>Current</b>				
Amounts due from joint ventures	672,506	1,038,810	3,783	2,152
Less: Allowance for impairment	(52,013)	(46,381)	-	(1)
	620,493	992,429	3,783	2,151
Total amounts due from joint ventures	2,408,392	2,325,052	3,783	2,151
<b>Non-current</b>				
Amounts due to joint ventures	(12,405)	(4,131)	-	-
<b>Current</b>				
Amounts due to joint ventures	(42,807)	(72,774)	-	(255)
Total amounts due to joint ventures	(55,212)	(76,905)	-	(255)

- (a) Included in amounts due from joint ventures is an amount of RM2,288,908,000 (2019: RM2,275,696,000), which bears interest at rates ranging from 3.15% to 6.50% (2019: 4.09% to 6.50%) per annum. Of this amount, RM1,090,031,000 (2019: RM1,003,203,000) is secured by way of debentures over all the assets of the joint ventures.

Included in amounts due to joint ventures is an amount of RM37,347,000 (2019: RM36,187,000), which bears interest at rates ranging from 1.75% to 4.35% (2019: 3.10% to 4.35%) per annum.

The non-current amounts due from joint ventures are amounts, which are not expected to be repayable within the next twelve months, while the current amounts due from joint ventures are repayable within the next twelve months in cash and cash equivalents.

- (b) Interest bearing amounts due from/(to) joint ventures are at fixed rates. Sensitivity analysis at the end of the reporting period is not presented as it is not affected by changes in interest rates.
- (c) Impairment for receivables from amounts due from joint ventures are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model as disclosed in Note 25(d) to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 34. AMOUNTS DUE FROM/(TO) JOINT VENTURES (CONTD.)

- (d) The reconciliation of movements in allowance for impairment accounts of amounts due from joint ventures is as follows:

	12 months ECL RM'000	Lifetime ECL -Credit impaired RM'000	Total RM'000
<b>Group</b>			
<b>At 31 December 2020</b>			
At beginning of financial year	222	46,289	46,511
Charge for the year	2,068	5,170	7,238
Reversal of impairment losses	(137)	-	(137)
At end of financial year	2,153	51,459	53,612
<b>At 31 December 2019</b>			
At beginning of financial year	264	41,607	41,871
Charge for the year	223	4,682	4,905
Reversal of impairment losses	(265)	-	(265)
At end of financial year	222	46,289	46,511
<b>Company</b>			
<b>At 31 December 2020</b>			
At beginning of financial year	1	-	1
Reversal of impairment losses	(1)	-	(1)
At end of financial year	-	-	-
<b>At 31 December 2019</b>			
At beginning/end of financial year	1	-	1

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the financial year end.

- (e) 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 the next twelve months.
- (f) Amounts due from joint ventures are classified as financial assets measured at amortised cost.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 35. BORROWINGS

	Group		Company	
	2020	2019	2020	2019
Note	RM'000	RM'000 (Restated)	RM'000	RM'000
<b>Current</b>				
<u>Secured:</u>				
Bank overdrafts	52,962	191,340	-	-
Bankers' acceptances	1,714	15,957	-	-
Term loans	283,629	1,188,340	-	-
Revolving credits	1,455,154	1,093,321	-	-
Medium term notes	1,100,000	1,420,000	-	-
	2,893,459	3,908,958	-	-
Less: Unamortised transaction costs	(1,428)	(46)	-	-
	2,892,031	3,908,912	-	-
<u>Unsecured:</u>				
Bankers' acceptances	130,334	226,208	-	-
Term loans	590,902	514,128	-	-
Revolving credits	739,003	739,772	-	-
Commercial papers	801,000	1,469,000	81,000	186,000
Medium term notes	-	-	-	610,000
Bills discounting	107,345	157,124	-	-
Bills payable	-	7,763	-	-
	2,368,584	3,113,995	81,000	796,000
	5,260,615	7,022,907	81,000	796,000
<b>Non-current</b>				
<u>Secured:</u>				
Term loans	142,312	174,344	-	-
Medium term notes	1,020,000	700,000	-	-
	1,162,312	874,344	-	-
Less: Unamortised transaction costs	(675)	(1,781)	-	-
	1,161,637	872,563	-	-
<u>Unsecured:</u>				
Revolving credits	23,336	-	-	-
Medium term notes	465,000	-	-	-
	488,336	-	-	-
	1,649,973	872,563	-	-



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 35. BORROWINGS (CONTD.)

	Note	Group		Company	
		2020	2019	2020	2019
		RM'000	RM'000 (Restated)	RM'000	RM'000
<b>Total borrowings</b>					
Bank overdrafts	31	<b>52,962</b>	191,340	-	-
Term loans	(i)(i)	<b>1,016,843</b>	1,876,812	-	-
Revolving credits	(i)(ii)	<b>2,217,493</b>	1,833,093	-	-
Medium term notes	(i)(iii)	<b>2,585,000</b>	2,120,000	-	610,000
Commercial papers		<b>801,000</b>	1,469,000	<b>81,000</b>	186,000
Bankers' acceptances		<b>132,048</b>	242,165	-	-
Bills discounting		<b>107,345</b>	157,124	-	-
Bills payable		-	7,763	-	-
		<b>6,912,691</b>	7,897,297	<b>81,000</b>	796,000
Less: Unamortised transaction costs		<b>(2,103)</b>	(1,827)	-	-
		<b>6,910,588</b>	7,895,470	<b>81,000</b>	796,000

- (a) Borrowings of the Group amounting to RM3,708,506,000 (2019: RM4,127,925,000) were Islamic financing facilities.
- (b) The Company provides financial guarantees to financial institutions for credit facilities amounting to RM6,906,867,000 (2019: RM6,668,478,000) obtained by its subsidiaries.
- (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	
	2020	2019	2020	2019
	%	%(Restated)	%	%
Bank overdrafts	<b>5.38</b>	5.74	-	-
Term loans	<b>2.36</b>	3.60	-	-
Revolving credits	<b>3.00</b>	3.75	-	-
Medium term notes	<b>3.20</b>	3.87	-	5.08
Commercial papers	<b>3.04</b>	3.71	<b>2.90</b>	3.80
Bankers' acceptances	<b>2.80</b>	4.04	-	-
Bills discounting	<b>2.97</b>	4.00	-	-
Bills payable	-	9.17	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 35. BORROWINGS (CONTD.)

- (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 also entered into cross currency swap contracts to manage its exposure in foreign currency risk arising from foreign currency borrowings as well as to minimise the interest cost.
- (f) At the end of the reporting period, the interest rate profile of the borrowings was:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000 (Restated)	RM'000	RM'000
Fixed rate	<b>4,357,103</b>	5,987,059	<b>81,000</b>	796,000
Variable rate	<b>2,553,485</b>	1,908,411	-	-

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 RM4,852,000 (2019: RM3,626,000).

- (g) The impact of cross currency swap contracts to the Group's and the Company's borrowings are as follows:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000 (Restated)	RM'000	RM'000
Total borrowings	<b>6,910,588</b>	7,895,470	<b>81,000</b>	796,000
Add: Cross currency swap	<b>40,705</b>	15,004	-	-
Net borrowings after cross currency swap	<b>6,951,293</b>	7,910,474	<b>81,000</b>	796,000

At the end of the reporting period, the interest rate profile of the net borrowings after cross currency swap was:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000 (Restated)	RM'000	RM'000
Fixed rate	<b>4,397,808</b>	6,002,063	<b>81,000</b>	796,000
Variable rate	<b>2,553,485</b>	1,908,411	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 35. BORROWINGS (CONTD.)

(g) (contd.)

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 RM4,852,000 (2019: RM3,626,000).

(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	One to five years	Over five years	Total
	RM'000	RM'000	RM'000	RM'000

#### Group

As at 31 December 2020	5,349,610	1,677,275	13,295	7,040,180
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As at 31 December 2019 (Restated)	7,136,269	769,805	153,220	8,059,294
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#### Company

As at 31 December 2020	81,000	-	-	81,000
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As at 31 December 2019 (Restated)	807,429	-	-	807,429
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(i) The following table sets out the carrying amounts as at the end of each reporting period and the remaining maturities of term loans, revolving credits and medium term notes of the Group and of the Company:

(i) The maturity of the term loans is as follows:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Less than one (1) year	874,531	1,702,468	-	-
One (1) to two (2) years	27,530	-	-	-
Two (2) to three (3) years	62,288	4,382	-	-
Three (3) to four (4) years	19,612	17,525	-	-
Four (4) to five (5) years	19,612	17,525	-	-
More than five (5) years	13,270	134,912	-	-
	1,016,843	1,876,812	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 35. BORROWINGS (CONTD.)

(i) The following table sets out the carrying amounts as at the end of each reporting period and the remaining maturities of term loans, revolving credits and medium term notes of the Group and of the Company: (contd.)

(ii) The maturity of the revolving credits is as follows:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Less than one (1) year	2,194,157	1,833,093	-	-
One (1) to two (2) years	23,336	-	-	-
	2,217,493	1,833,093	-	-

(iii) The maturity of the medium term notes is as follows:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Less than one (1) year	1,100,000	1,420,000	-	610,000
One (1) to two (2) years	940,000	400,000	-	-
Two (2) to three (3) years	545,000	300,000	-	-
	2,585,000	2,120,000	-	610,000

(j) The secured borrowings of the Group are secured by legal charges as follows:

	2020	2019
	RM'000	RM'000
Property, plant and equipment	547,597	289,331
Investment properties	1,637,734	1,561,726
Investment properties under construction	190,542	155,173
Property development costs	1,217,401	902,056
Properties held for sale	52,529	-
	3,645,803	2,908,286

	Number of shares/units		At market value	
	2020	2019	2020	2019
	000	000	RM'000	RM'000
Shares in Sunway Construction Group Berhad	531,900	596,900	999,972	1,140,079
Units in Sunway REIT	1,031,755	806,345	1,547,633	1,467,548



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 35. BORROWINGS (CONTD.)

(k) 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.

#### Group

	1.1.2020 RM'000 (Previously reported)	Effects of prior year adjustments RM'000 (Note 55)	1.1.2020 RM'000 (Restated)	Cash flows RM'000	Acquisition/ (Loss of control) of subsidiaries RM'000	Non-cash changes----- Foreign exchange movement RM'000	Hedging RM'000	31.12.2020 RM'000
Term loans	1,876,812	-	1,876,812	(848,774)	2,614	8,768	(22,577)	1,016,843
Revolving credits	1,833,093	-	1,833,093	384,400	-	-	-	2,217,493
Commercial papers	1,851,000	(382,000)	1,469,000	(668,000)	-	-	-	801,000
Medium term notes	3,410,000	(1,290,000)	2,120,000	465,000	-	-	-	2,585,000
Other bank borrowings #	407,052	-	407,052	(165,059)	(2,600)	-	-	239,393
<b>Total borrowings #</b>	<b>9,377,957</b>	<b>(1,672,000)</b>	<b>7,705,957</b>	<b>(832,433)</b>	<b>14</b>	<b>8,768</b>	<b>(22,577)</b>	<b>6,859,729</b>

	1.1.2019 RM'000 (Previously reported)	Effects of prior year adjustments RM'000 (Note 55)	1.1.2019 RM'000 (Restated)	Cash flows RM'000	Acquisition of subsidiaries RM'000	Non-cash changes----- Foreign exchange movement RM'000	Hedging RM'000	31.12.2019 RM'000 (Restated)
Term loans	2,202,396	-	2,202,396	(260,486)	-	1,439	(66,537)	1,876,812
Revolving credits	1,291,484	-	1,291,484	541,609	-	-	-	1,833,093
Commercial papers	2,326,000	(845,000)	1,481,000	(12,000)	-	-	-	1,469,000
Medium term notes	2,650,000	(1,290,000)	1,360,000	760,000	-	-	-	2,120,000
Other bank borrowings #	301,069	-	301,069	99,584	6,399	-	-	407,052
<b>Total borrowings #</b>	<b>8,770,949</b>	<b>(2,135,000)</b>	<b>6,635,949</b>	<b>1,128,707</b>	<b>6,399</b>	<b>1,439</b>	<b>(66,537)</b>	<b>7,705,957</b>

# Other bank borrowings and total borrowings exclude bank overdrafts and unamortised transaction costs.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 35. BORROWINGS (CONTD.)

(k) Reconciliation of liabilities arising from financing activities (contd.)

#### Company

	1.1.2020 RM'000	Cash flows RM'000	Non-cash changes RM'000	31.12.2020 RM'000
Commercial papers	186,000	(105,000)	-	81,000
Medium term notes	610,000	(610,000)	-	-
<b>Total borrowings</b>	<b>796,000</b>	<b>(715,000)</b>	<b>-</b>	<b>81,000</b>

	1.1.2019 RM'000	Cash flows RM'000	Non-cash changes RM'000	31.12.2019 RM'000
Revolving credits	80,000	(80,000)	-	-
Commercial papers	1,166,000	(980,000)	-	186,000
Medium term notes	610,000	-	-	610,000
<b>Total borrowings</b>	<b>1,856,000</b>	<b>(1,060,000)</b>	<b>-</b>	<b>796,000</b>

(l) The carrying amounts of borrowings of the Group as at the end of the reporting period that do not approximate their fair values are:

	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000

#### At 31 December 2020

Revolving credits	2,217,493	2,225,947	-	-
Medium term notes	2,585,000	2,627,324	-	-

#### At 31 December 2019 (Restated)

Medium term notes	2,120,000	2,168,511	610,000	621,429
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The fair value of borrowings obligations is categorised as Level 2 in the fair value hierarchy, which is estimated based on expected future cash flows discounted at the market rate of interest as at the end of the reporting period. There is no transfer between levels in the fair value hierarchy during the financial year.

Fair values of the borrowings are estimated by discounting future contracted cash flows at the current market interest rate available to the Group for similar financial instruments.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 36. TRADE PAYABLES

	Group	
	2020	2019
	RM'000	RM'000
Third parties	1,439,813	1,304,370
Amounts due to contractors and consultants	27,716	39,899
<b>Total trade payables</b>	<b>1,467,529</b>	<b>1,344,269</b>

- (a) Included in trade payables is the following amount due to a related party:

	Group	
	2020	2019
	RM'000	RM'000
Sunway Technology Sdn. Bhd. Group	302	551

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 90 days (2019: 30 days to 90 days). The relationship with the above related party is as disclosed in Note 49 to the financial statements.

- (b) The normal trade credit terms granted to the Group range from 30 days to 90 days (2019: 30 day to 90 days).
- (c) The maturity profile of the Group's trade payables at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within the next twelve months.
- (d) Trade payables are classified as financial liabilities measured at amortised cost.

### 37. OTHER PAYABLES

	Note	Group		Company	
		2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
			(Restated)		
<b>Non-current</b>					
Payables	(b)	119,796	50,933	-	-
Refundable deposits		293	1,427	-	-
		120,089	52,360	-	-
<b>Current</b>					
Payables	(a), (c)	396,651	460,100	439	847
Amounts due to contractors and consultants		36,320	100,955	-	-
Accruals		453,441	622,558	44,820	64,565
Refundable deposits		48,293	49,519	-	-
Deferred income	(d), 40	1,340	8,819	-	-
		936,045	1,241,951	45,259	65,412
<b>Total other payables</b>		<b>1,056,134</b>	<b>1,294,311</b>	<b>45,259</b>	<b>65,412</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 37. OTHER PAYABLES (CONTD.)

- (a) Included in current payables is the following amount due to a related party:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Sunway Technology Sdn. Bhd. Group	2,672	1,278	-	-

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 Note 49 to the financial statements.

- (b) Included in non-current payables of the Group is a total amount of RM117,184,000 (2019: RM48,760,000) pertaining to land entitlement payments, which will be paid upon completion of project. The amount consists of RM43,697,000 (2019: RM48,760,000) due to Bukit Lenang Development Sdn. Bhd. by Sunway City (JB) Sdn. Bhd., RM43,851,000 (2019: Nil) due to Perbadanan Kemajuan Negeri Selangor by Sunway PKNS Sdn. Bhd. and RM29,636,000 (2019: Nil) due to Bestgold Asia Sdn. Bhd. by Sunway Kiara Sdn. Bhd..
- (c) Included in current payables of the Group is an amount of RM115,785,000 (2019: RM147,431,000) due to Fawanis Sdn. Bhd., which is unsecured, non-interest bearing and term of repayment is in accordance to the progress billings of the launched project developments.
- (d) Deferred income of the Group represents deferred timeshare membership fees and rental received in advance.
- (e) The maturity profile of the Group's other payables (excluding deferred income) at the end of the reporting period based on contractual undiscounted repayment obligations is summarised in the table below:

	On demand			
	or within	One to	Over five	Total
	one year	five years	years	
	RM'000	RM'000	RM'000	RM'000

#### Group

#### As at 31 December 2020

Other payables	934,705	87,024	33,065	1,054,794
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#### As at 31 December 2019 (Restated)

Other payables	1,233,132	52,360	-	1,285,492
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#### Company

#### As at 31 December 2020

Other payables	45,259	-	-	45,259
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#### As at 31 December 2019

Other payables	65,412	-	-	65,412
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- (f) Other payables are classified as financial liabilities measured at amortised cost.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 38. HIRE PURCHASE AND LEASE LIABILITIES

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>Non-current liabilities</b>				
Hire purchase with financial institutions	749	1,176	-	-
Lease liabilities	324,513	767,028	7,241	9,473
	325,262	768,204	7,241	9,473
<b>Current liabilities</b>				
Hire purchase with financial institutions	466	1,914	-	-
Lease liabilities	49,867	67,836	2,764	2,583
	50,333	69,750	2,764	2,583
Total hire purchase and lease liabilities	375,595	837,954	10,005	12,056

- (a) The hire purchase and lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date.

After initial recognition, hire purchase and lease liabilities are measured by increasing the carrying amounts to reflect interest on the hire purchase and lease liabilities, reducing the carrying amounts to reflect the lease payments made and remeasuring the carrying amounts to reflect any reassessment or lease modifications.

The corresponding right-of-use assets of the hire purchase and lease liabilities are presented as property, plant and equipment as disclosed in Note 15 to the financial statements.

#### Variable lease payments, lease payments associated with short term leases and low value assets

Certain property leases of the Group as a lessee contain variable payment terms that are linked to sales or profits generated by the lessee in relation to the properties.

The Group recognises these variable lease payments when the condition that triggers those payments occur while lease payments associated with short term leases (leases with lease term of 12 months or less) and low value assets (leases for which the underlying asset is RM20,000 and below) are recognised on a straight-line basis over the lease terms. The variable lease payments and lease payments associated with short term leases and low value assets are recognised in profit or loss as rental expenses as disclosed in Note 9 to the financial statements.

Variable lease payments arising from COVID-19 related rent concessions recognised during the current financial year amounted to RM5,495,000.

#### Extension and termination options

Extension and termination options are included in certain property leases of the Group, which are negotiated for purposes such as providing operational flexibility to the Group. The extension and termination options are mainly exercisable by the Group and not by the respective lessors.

The Group determines the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group is reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for the Group to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Group.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 38. HIRE PURCHASE AND LEASE LIABILITIES (CONTD.)

- (a) (contd.)

During the current financial year, the Group had reassessed the lease terms of certain property leases in relation to the likelihood of exercising the extension options, taking into consideration the current relevant facts and circumstances. There were also modifications on the terms and conditions of certain property leases of the Group during the current financial year.

The effects of the lease reassessments and modifications during the current financial year was a decrease in recognised lease liabilities of RM402,189,000 and right-of-use assets of RM355,813,000 as disclosed in Note 15 as well as a gain on reassessments and modifications of leases recognised in profit or loss of RM46,376,000 as disclosed in Note 7 to the financial statements.

- (b) The maturity profile of the Group's and the Company's hire purchase and lease liabilities at the end of the reporting period is summarised in the table below:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Less than one (1) year	72,227	113,820	3,054	3,198
One (1) to two (2) years	57,324	104,022	2,779	2,890
Two (2) to three (3) years	52,797	99,238	2,775	2,615
Three (3) to four (4) years	50,070	96,517	2,659	2,605
Four (4) to five (5) years	38,371	96,882	-	2,572
More than five (5) years	219,688	643,967	-	-
Total undiscounted lease payments	490,477	1,154,446	11,267	13,880
Less: Future finance charges	(114,882)	(316,492)	(1,262)	(1,824)
Present value of lease liabilities	375,595	837,954	10,005	12,056

#### Analysis of present value of

#### hire purchase and lease liabilities:

Less than one (1) year	50,333	69,750	2,764	2,583
One (1) to two (2) years	43,441	65,655	2,190	2,412
Two (2) to three (3) years	38,296	64,143	2,518	2,254
Three (3) to four (4) years	37,333	64,542	2,533	2,359
Four (4) to five (5) years	27,724	68,026	-	2,448
More than five (5) years	178,468	505,838	-	-
	375,595	837,954	10,005	12,056
Less: Amount due within 12 months	(50,333)	(69,750)	(2,764)	(2,583)
Amount due after 12 months	325,262	768,204	7,241	9,473

- (c) The hire purchase liabilities of the Group and of the Company attract interest at rates ranging from 2.38% to 4.70% (2019: 2.37% to 4.70%) per annum. Lease payments relating to other lease liabilities are discounted using the Group's and the Company's annual incremental borrowing rates of 3.95% to 5.98% (2019: 5.12% to 5.98%).
- (d) Hire purchase and 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 38. HIRE PURCHASE AND LEASE LIABILITIES (CONTD.)

- (e) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's 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's and the Company's statements of cash flows as cash flows from financing activities.

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>Hire purchase and lease liabilities</b>				
At beginning of financial year	<b>837,954</b>	891,678	<b>12,056</b>	14,496
Cash flows				
- Payments of lease liabilities	<b>(64,632)</b>	(69,138)	<b>(2,651)</b>	(2,483)
- Payments of lease interests	<b>(22,104)</b>	(47,138)	<b>(628)</b>	(745)
Non-cash flows changes				
- Additions	<b>10,659</b>	10,583	<b>600</b>	43
- Acquisition of a subsidiary	<b>1,428</b>	5,191	-	-
- Loss of control of a subsidiary	<b>(2,130)</b>	-	-	-
- Reassessment and modification of lease	<b>(402,189)</b>	(360)	-	-
- Rent concessions	<b>(5,495)</b>	-	-	-
- Interest expenses	<b>22,104</b>	47,138	<b>628</b>	745
At end of financial year	<b>375,595</b>	837,954	<b>10,005</b>	12,056

### 39. PERPETUAL SUKUK

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Perpetual sukuk	<b>600,000</b>	400,000	<b>800,000</b>	1,150,000

During the financial year, the Group and the Company issued RM200,000,000 (2019: Nil) and RM400,000,000 (2019: RM750,000,000) of Sukuk Wakalah respectively, and the Company redeemed RM750,000,000 (2019: Nil) of Sukuk Wakalah pursuant to the RM5.0 billion unrated perpetual sukuk programme ("Perpetual Sukuk").

Included in the Perpetual Sukuk of the Group and of the Company is an amount of RM600,000,000 (2019: RM400,000,000) held through authorised depository institutions for Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, a major shareholder of the Group. The distributions paid in respect of these Perpetual Sukuk during the financial year were RM28,966,000 (2019: RM22,167,000).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 39. PERPETUAL SUKUK (CONTD.)

The sums raised from the Perpetual Sukuk, which are moneys borrowed from the subscribers are used as loans given to the subsidiaries in the course of the Company's business for the purpose of producing of gross income.

- (i) This Perpetual Sukuk is a financial instrument, which has the following features:

- (a) A perpetual non-call 5 years at profit rates of 4.40% to 5.50% (2019: 5.50% to 5.80%) per annum, payable semi-annually and are redeemable at the option of the Company subject to the terms of the Perpetual Sukuk;
- (b) Direct, unsecured and subordinated obligations of the Company and shall rank pari passu without any preference amongst themselves and the Perpetual Sukuk will be issued with a perpetual tenure that does not have a fixed maturity date; and
- (c) The Perpetual Sukuk is unrated and issued under the Shariah principle of Wakalah Bi Al-Istithmar and shall be transferable and tradable.

The Perpetual Sukuk is a fixed rate instrument. Sensitivity analysis at the end of the reporting period is not presented as it is not affected by changes in interest rates.

- (ii) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's 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's and the Company's statements of cash flows as cash flows from financing activities.

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>Perpetual sukuk</b>				
At beginning of financial year	<b>400,000</b>	400,000	<b>1,150,000</b>	400,000
Cash flows				
- Issuance of perpetual sukuk	<b>200,000</b>	-	<b>400,000</b>	750,000
- Redemption of perpetual sukuk	-	-	<b>(768,970)</b>	-
Non-cash flows changes				
- Loss on redemption of perpetual sukuk	-	-	<b>18,970</b>	-
At end of financial year	<b>600,000</b>	400,000	<b>800,000</b>	1,150,000



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 40. LONG TERM LIABILITIES

	Group	
	2020	2019
	RM'000	RM'000
Deferred income at end of financial year	<b>3,559</b>	11,742
To be recognised within 1 year (Note 37)	<b>(1,340)</b>	(8,819)
To be recognised after 1 year	<b>2,219</b>	2,923

Deferred income of the Group represents deferred timeshare membership fees, which are to be recognised over the membership period, and rental received in advance.

### 41. SHARE CAPITAL

		Group/Company			
		Number of ordinary shares		Amount	
		2020	2019	2020	2019
Ordinary shares issued and fully paid with no par value	Note	'000	'000	RM'000	RM'000
At beginning of financial year		<b>4,933,931</b>	4,924,402	<b>5,393,666</b>	5,379,437
Issued during the financial year:					
- pursuant to exercise of warrants	(c)	<b>1</b>	11	<b>1</b> <sup>^</sup>	18
- pursuant to ESOS		-	9,518	-	14,211
At end of financial year		<b>4,933,932</b>	4,933,931	<b>5,393,667</b>	5,393,666

		Group/Company			
		Number of ordinary shares		Amount	
		2020	2019	2020	2019
Irredeemable convertible preference shares issued and fully paid	Note	'000	'000	RM'000	RM'000
At beginning of financial year		-	-	-	-
Issued during the financial year	(b)	<b>977,779</b>	-	<b>977,779</b>	-
At end of financial year		<b>977,779</b>	-	<b>977,779</b>	-
<b>Total share capital</b>		<b>5,911,711</b>	4,933,931	<b>6,371,446</b>	5,393,666

<sup>^</sup> Represents 404 warrants amounting to RM695.

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 2020 (CONTD.)

### 41. SHARE CAPITAL (CONTD.)

- (a) During the financial year, the Company repurchased 14,804,600 of its issued ordinary shares from the open market at prices ranging from RM1.35 to RM1.83 per share. The total consideration paid for the repurchases was RM21,010,872 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.

As at 31 December 2020, the Company held a total of 45,004,665 ordinary shares as treasury shares out of its total issued and paid up share capital of 4,933,931,767 ordinary shares. Such treasury shares are recorded at a carrying amount of RM74,335,169 (2019: RM53,324,297).

- (b) During the financial year, the Company issued 977,779,351 irredeemable convertible preference shares ("ICPS") pursuant to the renounceable rights issue of new ICPS at an issue price of RM1 per ICPS ("Issue Price") on the basis of 1 ICPS for every 5 existing ordinary shares held in the Company ("Rights Issue of ICPS").

The salient terms of the ICPS are as follows:

- The tenure of the ICPS shall be 5 years commencing from and inclusive of the date of issuance of the ICPS ("Issue Date").
- The Company shall at the discretion of the Board pay an indicative preferential dividend on a semi-annual basis at the rate of 5.25% per annum calculated based on the Issue Price ("Preferential Dividend").
- No dividend shall be declared in respect of ordinary shares or other classes of preference shares of the Company until and unless the Company has declared the Preferential Dividend on the ICPS in the relevant financial year.

The Preferential Dividend shall not be payable to the ICPS holders if the Company has not declared such dividend and will also not be payable in the following circumstances:

- upon the winding-up, liquidation or dissolution of the Company; and
- upon the mandatory conversion of the ICPS to ordinary shares of the Company.

The ICPS shall not confer any further rights of participation in the profits of the Company.

- The ICPS are unsecured, rank equally amongst themselves and shall rank in priority to any other class of ordinary shares in the capital of the Company but shall rank behind all secured and unsecured obligations of the Company, except that the ICPS:

- will not be entitled to any rights, allotments and/or other distributions that may be declared by the Company for the ordinary shares; and
- carries no right to vote at any general meeting of the Company save for the voting rights in respect of certain reserve matters.

- The ICPS are convertible in the following manner:

- 50% of the outstanding ICPS shall be mandatorily converted into new ordinary shares of the Company on the market day immediately preceding the 4th anniversary of the Issue Date of the ICPS at the conversion price of the ICPS; and

- the remaining balance of the ICPS shall be mandatorily converted into new ordinary shares of the Company on the maturity date of the ICPS at the conversion price of the ICPS.

The new ordinary shares issued pursuant to the mandatory conversion of the ICPS ("Conversion Shares") shall rank equally in all respects with the then existing ordinary shares of the Company, save and except that the holders of such Conversion Shares shall not be entitled to participate in any dividends, rights, allotments and/or other distributions that may be declared, made or paid, the entitlement date of which is before the date of allotment and issuance of such Conversion Shares.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 41. SHARE CAPITAL (CONTD.)

- (c) 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, the Company increased its issued and paid-up share capital by way of issuance of 404 ordinary shares pursuant to the exercise of Warrants 2017/2024 at an exercise price of RM1.72 per ordinary share for cash.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issues of shares during the financial year.

On 11 November 2020, the exercise price of the warrants had been adjusted from RM1.65 to RM1.56 each and the Company issued 39,555,548 additional warrants arising from the adjustments to the exercise price and number of outstanding warrants in accordance with the provisions of the Deed Poll dated 19 September 2017 constituting the warrants, pursuant to the renounceable rights issue of new ICPS undertaken by the Company.

The number of Warrants 2017/2024 unexercised at the end of the reporting period comprises 669,513,593 warrants. The Warrants 2017/2024 will expire on 3 October 2024.

The Warrants were listed on Bursa Malaysia Securities Berhad on 6 October 2017.

### 42. EQUITY CONTRIBUTION FROM A JOINT VENTURE

The equity contribution represents the Group's share of right to use the land granted by the joint venture 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.

### 43. 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 Sunway City Sdn. Bhd. and Sunway Holdings Sdn. Bhd. as at the acquisition date. Further details on the merger exercise are disclosed in Note 45 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 44. RESERVES

	Note	Group		Company	
		2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
			(Restated)		(Restated)
<b>Non-distributable reserves:</b>					
Capital reserve	(a)	<b>435,967</b>	134,236	-	-
Statutory reserve	(b)	<b>2,265</b>	2,000	-	-
Revaluation reserve	(c)	<b>7,322</b>	7,322	-	-
Cash flow hedge reserve	(d)	<b>(19,040)</b>	(16,535)	-	-
Fair value reserve	(e)	<b>31,361</b>	28,139	-	-
Furniture, fittings and equipment reserve	(f)	<b>18,481</b>	20,569	-	-
Foreign currency translation reserve	(g)	<b>166,022</b>	131,185	-	-
Total non-distributable reserves		<b>642,378</b>	306,916	-	-
<b>Distributable reserve:</b>					
Retained earnings		<b>3,741,567</b>	3,882,397	<b>1,141,416</b>	985,242
		<b>4,383,945</b>	4,189,313	<b>1,141,416</b>	985,242

The movements in each category of reserves are disclosed in the statements of changes in equity.

The natures of each category of reserves are as follows:

#### (a) Capital reserve

Capital reserve represents the Group's 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). 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 property, plant and equipment.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 44. RESERVES (CONTD.)

#### (d) 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.

#### (e) Fair value reserve

The fair value reserve includes the cumulative net change in the fair value through other comprehensive income investment held until the investment is derecognised.

#### (f) 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.

#### (g) 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.

### 45. MERGER EXERCISE

On 18 August 2011, the Company acquired the entire businesses and undertakings, including all assets and liabilities of Sunway Holdings Sdn. Bhd. and Sunway City Sdn. Bhd. (collectively known as the "Merged Entities").

The consideration for the acquisition of the Merged Entities was satisfied via the payment of RM904.7 million cash and the issuance of 1,292.5 million new ordinary shares of RM1.00 each at an issue price of RM2.80 each together with 258.5 million free warrants.

The issuance of the new ordinary shares by the Company during the previous financial years to effect the above transaction has been reflected in the share capital of the Company as shown in Note 43 to the financial statements. As the Merged Entities were under common control before and after the merger, the Group and the Company applied the merger method of accounting. Accordingly, the consolidated financial statements have been accounted for as if the merger had occurred from the date when these entities were under common control.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 46. OPERATING LEASE AGREEMENTS

#### The Group as lessor

The following table sets out a maturity analysis for operating lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2020	2019
	RM'000	RM'000
Less than one (1) year	57,233	54,911
One (1) to two (2) years	57,688	53,244
Two (2) to three (3) years	54,922	54,801
Three (3) to four (4) years	55,713	54,123
Four (4) to five (5) years	55,347	55,204
More than five (5) years	115,440	119,883
	396,343	392,166

The Group 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.

### 47. CAPITAL COMMITMENTS

	Group	
	2020	2019
	RM'000	RM'000
Capital expenditure:		
Approved and contracted for property, plant and equipment and investment properties	280,400	220,537
Approved but not contracted for property, plant and equipment and investment properties	431,914	407,058
	712,314	627,595



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 47. CAPITAL COMMITMENTS (CONTD.)

The Group's share of capital commitments in an associate are as follows:

	Group	
	2020	2019
	RM'000	RM'000
Capital expenditure:		
Approved and contracted for property, plant and equipment and investment properties	<b>230,717</b>	121,972
Approved but not contracted for property, plant and equipment and investment properties	<b>62,889</b>	66,089
	<b>293,606</b>	188,061

The Group's share of capital commitments in joint ventures are as follows:

	Group	
	2020	2019
	RM'000	RM'000
Capital expenditure:		
Approved and contracted for property, plant and equipment and investment properties	<b>6,174</b>	1,938
Approved but not contracted for property, plant and equipment and investment properties	<b>6,460</b>	11,844
	<b>12,634</b>	13,782

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 48. CONTINGENT LIABILITIES

#### (a) Guarantees

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Unsecured:				
Guarantees given to third parties in respect of trade and contracts	<b>841,053</b>	949,805	<b>131,800</b>	153,272
Guarantees given to financial institutions for credit facilities obtained by:				
- subsidiaries	-	-	<b>6,906,867</b>	6,668,478
- joint ventures	<b>920,000</b>	660,000	<b>920,000</b>	660,000
	<b>1,761,053</b>	1,609,805	<b>7,958,667</b>	7,481,750

The Group designates guarantees given to third parties in respect of trade and contracts as well as to financial institutions for credit facilities granted to subsidiaries and joint ventures as insurance contracts as defined in MFRS 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").

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.

The Statement of Claim was raised in respect of various claims and the total amount claimed is Rs.891.5 million (approximately equivalent to RM49.1 million) in addition to interest and cost.

In the counterclaim, SunCon is seeking for Rs.781.4 million (approximately equivalent to RM43.1 million) for inter alia, additional costs incurred by SunCon to complete the works, recovery of mobilisation advance and interest charges, loss of reputation and loss of profits.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 48. CONTINGENT LIABILITIES (CONTD.)

#### (b) Material outstanding litigations (contd.)

##### (i) (contd.)

On 11 January 2013, the arbitrator that presided over the case passed away and 75 hearings had been held.

SunCon was notified by its solicitors that an arbitration petition had been filed by the Claimant on 7 January 2016 in the Supreme Court of India for the appointment of a new arbitrator. The Supreme Court of India by an order dated 5 January 2017 appointed Hon'ble Mr. Justice Vikramajit Sen (a former Judge of the Supreme Court of India) as arbitrator. The first hearing before Mr. Justice Vikramajit Sen was held on 24 February 2017 and cross examination had been completed on 7 October 2017.

The Arbitrator published his award on 9 April 2019 and awarded the Claimant Rs.128.4 million (approximately equivalent to RM7.1 million).

SunCon had filed an appeal with the High Court of New Delhi in early July 2019 to set aside the arbitral award. Claimant has also filed an execution application against SunCon for enforcement of the arbitral award.

On 10 February 2020, the Honourable Court has directed SunCon to deposit, on a without prejudice basis, the decretal amount with interest with the Registrar General of the High Court of Delhi. SunCon has deposited Rs.135.7 million (approximately equivalent to RM7.5 million) on 26 February 2020 and the amount has been fully provided in the accounts on prudence grounds. Subject to compliance of the said direction, the Honourable Court has stayed the Arbitral Award dated 9 April 2019. The matter has now been fixed for hearing on 2 June 2021.

The Claimant filed an application in the High Court of Delhi to permit the Claimant to withdraw the decretal amount deposited by SunCon on 4 March 2020 for release of Rs.67.3 million (approximately equivalent to RM3.7 million) from the deposited Award Amount.

On 27 August 2020, the Court directed the release of Rs.67.2 million (approximately equivalent to RM3.7 million) on the basis of a corporate guarantee to the furnished by Srei Infrastructure Finance Ltd. ("SIFL"). The balance is to be released subject to furnishing of a bank guarantee. On 3 November 2020, the court placed on record the corporate guarantee issued on 21 September 2020 and directed the registry to release the amount in terms of the Court order dated 27 August 2020. On 18 November 2020, Claimant withdrew their application for withdrawal without a bank guarantee and it has been dismissed accordingly.

- (ii) PNSB Acmar Sdn. Bhd. ("Plaintiff") had on 14 November 2019 served a Writ of Summon and a Statement of Claim both dated 8 November 2019 on Prasarana Malaysia Berhad ("Prasarana") (1st Defendant) and Sunway Construction Sdn. Bhd. ("SunCon") (2nd Defendant).

The Plaintiff is claiming that all the construction works in relation to the project known as "Construction and Completion of Light Rail Transit Line 3 (LRT3) from Bandar Utama to Johan Setia" ("Project") and the structures such as the Project's poles, bars, and LRT stations had trespassed and/or encroached into the Plaintiff's own development project area and has resulted in losses and damages towards the Plaintiff.

Prasarana is the owner of the Project and SunCon is the awarded Works Package Contractor for the contract known as "Contract No. Prasarana/GSC/CTT/2.06080/ 2017: Construction and Completion of Guideway, Stations Iconic Bridge, Park and Rides, Ancillary Buildings and other Associated Works for Package GS07-08 for Light Rail Transit 3 (LRT3) from Bandar Utama to Johan Setia" in relation to the Project.

The Plaintiff is claiming, amongst other, for the following:

- Special damages of RM711,367,434.46;
- The costs between the solicitor and client amounts to RM400,000.00;
- Interest rate of 5% per year from the date of trespass i.e. 30 April 2018 until the full settlement; and
- Court's declarations, injunctions, orders and other reliefs that the Honourable Court deems fit and proper.

On the case management on 5 March 2020, the Court had directed SunCon to file the application to strike out the case by 19 March 2020. On 30 October 2020, the striking out application by Prasarana and SunCon is dismissed and matter is to proceed for full trial. On 9 December 2020, the Plaintiff filed an application for discovery against the Defendants. The matter was initially fixed for hearing on 23 April 2021. Subsequently, the Court has fixed the decision for the Plaintiff's application for discovery on 10 May 2021 and is awaiting for final decision. On 19 February 2021, SunCon filed applications to include MRCB George Kent Sdn. Bhd. as co-defendant and third party to the suit. The applications have been scheduled for hearing on 25 June 2021.

The solicitors acting for SunCon, after taking into consideration the evidence available, a review of the Statement of Claim, documents with client and a review of the law, are of the considered opinion that the Plaintiff's claim for the sum of RM711,367,434.46 is likely to be dismissed.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 49. SIGNIFICANT RELATED PARTY TRANSACTIONS

- (i) In addition to the transactions and balances detailed elsewhere in the financial statements, the Company had the following transactions with related parties during the financial year:

	Company	
	2020	2019
	RM'000	RM'000
Redemption of perpetual sukuk payable to a structured entity under the control of the Company	<b>(768,970)</b>	-
Distribution income paid to Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling in respect of Perpetual Sukuk (Note 39)	<b>(28,966)</b>	(22,167)
IT and related expenses payable to a subsidiary	<b>(994)</b>	(1,157)
Insurance expenses payable to a subsidiary	<b>(4)</b>	-
Secretarial fees and share registration fees payable to a subsidiary	<b>(527)</b>	(381)
Accounting services fees payable to a subsidiary	<b>(801)</b>	(787)
Hotel and related expenses payable to a subsidiary	<b>(143)</b>	(841)
Parking and related services payable to subsidiaries	<b>(123)</b>	(22)
Air ticket and related services payable to a subsidiary	-	(447)
Medical services expenses payable to a subsidiary	<b>(74)</b>	(79)
Subscription and related expenses payable to a subsidiary	<b>(42)</b>	(28)
Human resources and other related services	<b>(165)</b>	(254)
Training, Learning and Development expenses payable to a subsidiary	<b>(206)</b>	(89)
Provision of parking tickets	<b>(64)</b>	(43)
Maintenance repairs and related expenses payable to a subsidiary	<b>(204)</b>	(185)

- (ii) 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	
		2020	2019
Name of companies	Nature of transactions	RM'000	RM'000
(a) Sunway	Information systems products and consultancy fees	<b>(13,394)</b>	(12,469)
Technology	Sales of financial and IT related services	<b>316</b>	973
Sdn. Bhd.	Rental of office equipment, motor vehicles and other related services	<b>1,848</b>	2,107
Group	Provision of ticketing and tour related services	<b>13</b>	218
("STSB	Insurance products	<b>33</b>	52
Group")	Rendering of recreational club facilities, theme park, timesharing services and related services	<b>4</b>	61
	Provision of medical services	<b>31</b>	33
	Provision of hotel and related services	-	4
	Interior decorations and related services, and renovation works	-	25

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 49. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

- (ii) 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	
		2020 RM'000	2019 RM'000
(b) Sunway Real Estate Investment Trust ("Sunway REIT") (RHB Trustees Bhd)	Lease of Sunway Resort Hotel & Spa	(18,927)	(46,812)
	Lease of Sunway Hotel Seberang Jaya	(1,891)	(2,879)
	Lease of Sunway Putra Hotel	(10,810)	(10,970)
	Lease of Sunway Hotel Georgetown	(3,291)	(4,433)
	Lease of Sunway Plaza's ice rink	(1,584)	(1,567)
	Leasing/rental of properties in respect of:		
	Sunway Medical Center building	(24,816)	(23,846)
	Menara Sunway and accommodation for security staff	(6,509)	(11,452)
	Rental and management of car parks and related services	(19,696)	(27,085)
	Rental of office space premises and related services	732	930
	Provision of property management and related services	1,334	245
	Provision of hotel and related services	248	541
	Sales of financial, human resources and IT related services	1,549	1,778
	Marketing, distribution and sales of construction related products and industrial products	1,676	-
	Provision of ticketing and tour related services	243	564
	Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	107,798	47,595
	Provision of loyalty card points	1,203	1,485
	Management services	10,063	13,012
	Distribution income from perpetual note	11,791	8,376
(c) Jef-San Enterprise Sdn. Bhd.	Provision of medical services	46	133
	Provision of property management services	-	17
(d) Daksina Harta Sdn. Bhd.	Management services	202	150
(e) Sunway Iskandar Sdn. Bhd. Group	Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	70,786	138,836
	Corporate guarantee commission fee	360	120
	Management services	7,813	12,487
	Provision of property management services	1,215	921
	Sales of financial, human resources and IT related services	954	1,451
	Marketing, distribution and sales of construction related products and industrial products	625	1,141
	Interior decorations and related services, and renovation works	404	83
	Lease of land for precast plant	(566)	(597)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 49. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

- (ii) 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	
		2020 RM'000	2019 RM'000
(f) Sunway Velocity Two Sdn. Bhd.	Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	92,307	52,500
	Sales of financial, human resources and IT related services	90	88
	Provision of property management services	6,752	26,984
	Interior decorations and related services, and renovation works	387	231
	Provision of loyalty card points	120	101
(g) Sunway Velocity Mall Sdn. Bhd.	Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	6,477	7,219
	Corporate guarantee commission fee	1,350	960
	Management services	41	44
	Sales of financial, human resources and IT related services	387	442
	Provision of property management services	265	260
	Provision of medical services	202	1
	Provision of loyalty card points	261	245
(h) Sunway Velocity Hotel Sdn. Bhd.	Provision of hotel and related services	268	1,258
(i) Sunway Artessa Sdn. Bhd. (Formerly known as Sunway Avila Sdn. Bhd.)	Provision of loyalty card points	173	44
(j) Sunway Iskandar Development Sdn. Bhd.	Management services	518	532
(k) Monumental Productions Sdn. Bhd.	Management services	145	-
(l) PEMANDU Associates Sdn. Bhd.	Corporate social responsibility sponsorship towards creating the Global COVID-19 Index	300	-
	Strategic consultancy services to reduce operational cost	250	-
(m) Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling	Distribution income paid in respect of Perpetual Sukuk (Note 39)	(28,966)	(22,167)



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 49. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

(iii) 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 and Evan Cheah Yean Shin are major shareholders of STSB via their interests in Active Equity Sdn. Bhd.. Evan Cheah Yean Shin is the child 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 holder 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) Daksina Harta Sdn. Bhd. is a joint venture of Sunway Holdings Sdn. Bhd., a wholly-owned subsidiary of the Company.

- (e) Sunway Iskandar Sdn. Bhd., Sunway Velocity Two Sdn. Bhd., Sunway Velocity Mall Sdn Bhd., Sunway Velocity Hotel Sdn. Bhd., Sunway Artessa Sdn. Bhd. and Sunway Iskandar Development Sdn. Bhd. are joint ventures of Sunway City Sdn. Bhd., a wholly-owned subsidiary of the Company.

- (f) Monumental Productions Sdn. Bhd. is an associate of Sunway Holdings Sdn. Bhd., a wholly-owned subsidiary of the Company.

- (g) Dato' Sri Idris Jala is the Independent Non-Executive Director of the Company. He is also the President and Chief Executive Officer as well as a substantial shareholder of PEMANDU Associates Sdn. Bhd..

The related party transactions described above were carried out on terms and conditions not materially different from those obtainable from the transactions with unrelated parties.

Information regarding outstanding balances arising from related party transactions as at 31 December 2020 and 2019 are disclosed in Notes 24, 25, 36 and 37 to the financial statements.

- (iv) 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	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Short term employee benefits	21,299	58,306	7,903	20,068
Post-employment benefits:				
- Defined contribution plan	3,651	10,067	1,416	3,766
	24,950	68,373	9,319	23,834

- (v) Included in the total key management personnel are:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Executive Directors' remuneration (Note 11)	13,836	45,863	4,929	16,603

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES

Details of the subsidiaries are as follows:

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
	Group		Non-controlling			
			2020 %	2019 %	interest 2020 %	2019 %
(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 Services Sdn. Bhd. ^^	Malaysia	Provision of management services	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	-	-
Suncity Suncon Joint Venture (50% held by Sunway City Sdn. Bhd. and 50% held by Sunway Construction Sdn. Bhd.)	Unincorporated	Dormant	100	100	-	-
(b) Subsidiaries of Sunway Medical Centre Sdn. Bhd.						
SunMed@Home Sdn. Bhd.	Malaysia	Provision of nursing care services and operation of traditional and complementary medicine	99.16	99.16	0.84	0.84

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
	Group		2019	Non-controlling interest		
				2020	2019	
			2020 %	2019 %	2020 %	2019 %
(b) Subsidiaries of Sunway Medical Centre Sdn. Bhd. (contd.)						
SunMed Clinics Sdn. Bhd.	Malaysia	Provision of medical consultation services and facility services	99.16	99.16	0.84	0.84
(c) Subsidiaries of Sunway Real Estate (China) Ltd.						
Sunway Guanghao Real Estate (Jiangyin) Co. Ltd. #	China	Property development	100	100	-	-
Zhuhai Sunway Consultancy Co., Ltd.#	China	Dormant	100	100	-	-
(d) Subsidiaries of Sunway Holdings Sdn. Bhd.						
Sunway Construction Group Berhad	Malaysia	Investment holding	54.56	54.56	45.44	45.44
Sunway Permai Sdn. Bhd.	Malaysia	Property development	80	80	20	20
Sunway Transit System Sdn. Bhd.	Malaysia	Car park management and rental of advertising space	100	100	-	-
Sunway Serene Sdn. Bhd.	Malaysia	Property development	100	100	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation		% of effective interest held by			
	Principal activities	Group		Non-controlling interest		
		2020 %	2019 %	2020 %	2019 %	
(d) Subsidiaries of						
Sunway Holdings Sdn. Bhd. (contd.)						
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, as well as trading in hoses and fittings and hose assembly	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 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
	Group		Non-controlling interest			
			2020 %	2019 %	2020 %	2019 %
(d) 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	-	-
Shahawan (M) Sdn. Bhd. #	Malaysia	Property investment	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	100	100	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
	Group		Non-controlling interest			
			2020 %	2019 %	2020 %	2019 %
(d) Subsidiaries of						
Sunway Holdings Sdn. Bhd. (contd.)						
Sunway Ventures Sdn. Bhd.	Malaysia	Provision of management and advisory services	100	100	-	-
Sunway Quantum Sdn. Bhd.	Malaysia	Provision of information technology services	100	100	-	-
Sunway Juarasama Sdn. Bhd. #	Malaysia	Property investment and property dealing	100	100	-	-
Sunway Quarry Industries Sdn. Bhd.	Malaysia	Manufacturing and supplying of premix, quarry operations and to carry out contract works for civil projects	100	100	-	-
Sunway iLabs Accelerator Sdn. Bhd.	Malaysia	Investment holding and provision of training services	100	100	-	-
Sunway Spun Pile (M) Sdn. Bhd.	Malaysia	To carry on business of manufacturing and marketing of pretensioned high strength concrete piles, pretensioned concrete poles and other precast concrete products	100	100	-	-



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
	Group		Non-controlling interest			
			2020 %	2019 %	2020 %	2019 %
(d) Subsidiaries of						
Sunway Holdings Sdn. Bhd. (contd.)						
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 euro tiles, undertake contracts for paving works and the hiring of heavy machineries	100	100	-	-
Sunway Quarry (Kuala Kangsar) Sdn. Bhd.	Malaysia	To sell or otherwise otherwise deal in stones, aggregates, premix and other construction related products	100	100	-	-
Sunway Elite Sdn. Bhd.	Malaysia	To coordinate and provide administration of employees' health care benefits and insurance services	100	100	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place	Principal activities	% of effective interest held by			
	of business/		Group		Non-controlling	
	Country of incorporation		2020	2019	2020	2019
			%	%	%	%
(d) Subsidiaries of						
Sunway Holdings Sdn. Bhd. (contd.)						
Sunway SCF Sdn. Bhd. (Formerly known as Sunway Credit Sdn. Bhd.)	Malaysia	Provision of finance through hire purchase and factoring services	100	100	-	-
Fortuna Gembira Enterpris Sdn. Bhd. #	Malaysia	Investment holding	100	100	-	-
Twinnors (Malaysia) Sdn. Bhd. #	Malaysia	Quarry concession holder	60	60	40	40
Sun SEA Capital Sdn. Bhd.	Malaysia	Provision of fund management	100	100	-	-
Sunway Quarry Industries (Melaka) Sdn. Bhd. #	Malaysia	Granite quarrying	100	100	-	-
Sunway Captive Insurance Ltd. #	Malaysia	To carry on business as a captive insurer	100	100	-	-
Sunway Quarry 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
Sunway Global Limited @	Hong Kong	Investment holding and provision of management services	98.99	98.99	1.01	1.01
Sunway Winstar Sdn. Bhd.	Malaysia	Trading in hardware and engineering products	79.42	78.85	20.58	21.15

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place	Principal activities	% of effective interest held by			
	of business/		Non-controlling			
	Country of		Group	interest		
	incorporation		2020	2019	2020	2019
			%	%	%	%
(d) Subsidiaries of						
Sunway Holdings Sdn. Bhd. (contd.)						
Sunway PopBox Sdn. Bhd.	Malaysia	To carry out the business of electronic parcel locker operator and service provider	60	60	40	40
Sunway Brands Sdn. Bhd.	Malaysia	To apply for, purchase, acquire, sell, manage or license intellectual property and intellectual property rights	100	100	-	-
Sunway Pharma Sdn. Bhd.	Malaysia	Retailing of pharmaceutical, healthcare and personal care products	100	100	-	-
Sunway Money Sdn. Bhd.	Malaysia	Provision of remittance and money services	100	100	-	-
Bidara Cahaya Resources Sdn. Bhd.	Malaysia	Investment in properties	100	100	-	-
Monumental Productions Sdn. Bhd. (Transfer to associate of Sunway Holdings Sdn. Bhd.)	Malaysia	Investing and acquiring social media channels and providing advertising consultancy services and other advisory services on social media channels	-	44.44*	-	55.66

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place	Principal activities	% of effective interest held by			
	of business/		Non-controlling			
	Country of		Group	interest		
	incorporation		2020	2019	2020	2019
			%	%	%	%
(d) Subsidiaries of						
Sunway Holdings Sdn. Bhd. (contd.)						
Sunway Paving Solutions (Sabah) Sdn. Bhd.	Malaysia	Manufacturing and marketing of concrete pavers, hollow concrete blocks, cement bricks and euro tiles	100	100	-	-
Sun Sea Ltd. ^^	Cayman Islands	General partner for a venture capital fund	100	100	-	-
Credit Bureau Malaysia Sdn. Bhd.	Malaysia	Provisions of credit reference services, credit rating and such others services related to a credit bureau	51	-	49	-
Blacktop Industries Sdn. Bhd.	Malaysia	Quarry and premix plant operators for the production and marketing of aggregates and bituminous premix, concrete plant operations for the production, marketing of ready-mixed concrete, roadwork contractors, property development, production of cement bricks and renting of mobile equipment	100	100	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/  Country of incorporation	Principal activities	% of effective interest held by			
	Group		Non-controlling interest			
			2020 %	2019 %	2020 %	2019 %
<b>(d) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)</b>						
Prestamin Sdn. Bhd.	Malaysia	Trading and distribution of health products and food supplements	100	-	-	-
Aptstar Sdn. Bhd.	Malaysia	Dormant	100	-	-	-
Dolomite Granite Quarry Sdn. Bhd.	Malaysia	Quarrying and mining	100	-	-	-
Sun Sea I Sdn. Bhd. (Formerly known as I Star Electrical Sdn. Bhd.)	Malaysia	Management of investments and provision of consultancy services	100	-	-	-
<b>(e) Subsidiaries of Blacktop Industries Sdn. Bhd.</b>						
Blacktop Lanchang Sdn. Bhd. (Transfer to joint venture of Sunway Holdings Sdn. Bhd.)	Malaysia	Premix plant operator and marketing of bituminous premix	-	50*	-	50
Can Technical Services Sdn. Bhd.*	Malaysia	Trading of spare parts for premix plant	50	50	50	50
TKM Sdn. Bhd.*	Malaysia	Providing management and administrative services	49	49	51	51
<b>(f) Subsidiary of Sunway Developments Pte. Ltd.</b>						
Sunway Land Pte. Ltd. @	Singapore	Real estate developers and building contractor	100	100	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
	Group		2019	Non-controlling interest		
				2020	2019	
			2020 %	2019 %	2020 %	2019 %
(g) Subsidiary of Sunway Leasing Sdn. Bhd.						
SWL Nominees (Tempatan) Sdn. Bhd.	Malaysia	Provision of shares nominee services	100	100	-	-
(h) Subsidiary of Sunway Construction Group Berhad						
Sunway Construction Sdn. Bhd.	Malaysia	Turnkey, construction related design and build, civil engineering, building works and transportation agents	54.56	54.56	45.44	45.44
(i) Subsidiaries of Sunway Construction Sdn. Bhd.						
Sunspan Sdn. Bhd. #	Malaysia	Dormant	54.56	54.56	45.44	45.44
Sunway Machinery Sdn. Bhd.	Malaysia	Renting of machinery and site equipment and undertaking sub-contract work	54.56	54.56	45.44	45.44
Sunway Engineering Sdn. Bhd.	Malaysia	Provision of mechanical and engineering works	54.56	54.56	45.44	45.44
Sunway Innopave Sdn. Bhd.	Malaysia	Dormant	54.56	54.56	45.44	45.44
Sunway Builders Sdn. Bhd.	Malaysia	Construction of building and civil works	54.56	54.56	45.44	45.44



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation		Principal Activities	% of effective interest held by			
				Group		Non-controlling interest	
	2020 %	2019 %		2020 %	2019 %		
(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	54.56	54.56	45.44	45.44	
Sunway Industrial Products Sdn. Bhd.	Malaysia	Investment holding	54.56	54.56	45.44	45.44	
Sunway Machineries Services Sdn. Bhd.	Malaysia	Investment holding	54.56	54.56	45.44	45.44	
Sunway Construction India Pte. Ltd. #	India	Construction of civil and building works	54.56	54.56	45.44	45.44	
Sunway Creative Stones Sdn. Bhd. ^^ (In Liquidation)	Malaysia	Dormant	38.19	38.19	61.81	61.81	
Sunway Construction Caribbean Limited (In the midst of deregistration)	Trinidad and Tobago	Dormant	54.56	54.56	45.44	45.44	
Sunway Precast Industries Sdn. Bhd.	Malaysia	Manufacturing of precast concrete building components, undertaking of precast concrete building contracts and construction activities, as well as acting as transportation agent	54.56	54.56	45.44	45.44	
Sunway RNS TJ Private Limited ^^	India	Concessionaire	32.74	-	67.26	-	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place	Principal activities	% of effective interest held by			
	of business/		Non-controlling			
	Country of		Group		interest	
	incorporation		2020	2019	2020	2019
			%	%	%	%
(i) Subsidiaries of						
Sunway Construction Sdn. Bhd.						
(contd.)						
Sunway RNSIL MC Private Limited ^^	India	Concessionaire	32.74	-	67.26	-
Sunway Facade Network Sdn. Bhd.	Malaysia	Facade design, engineering, construction and consultancy services	32.73	32.73	67.27	67.27
Sunway Visioneering Sdn. Bhd.	Malaysia	Dormant	54.56	54.56	45.44	45.44
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	54.56	54.56	45.44	45.44
Sunway Innopave (S) Pte. Ltd. @	Singapore	Investment holding	54.56	54.56	45.44	45.44
Sunway SK Sdn. Bhd.	Malaysia	Construction of building and civil works	54.56	54.56	45.44	45.44
(j) Subsidiary of						
Sunway Industrial Products Sdn. Bhd.						
Sunway Concrete Products (S) Pte. Ltd. @	Singapore	Manufacturing and sale of precast concrete building components	54.56	54.56	45.44	45.44

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2020 %	2019 %	2020 %	2019 %
(k) Subsidiary of Sunway Innopave (S) Pte. Ltd.						
Sunway Builders (Myanmar) Company Limited #	Myanmar	Project management in construction services	54.56	54.56	45.44	45.44
(l) Subsidiary of Sunway Engineering Sdn. Bhd.						
Sunway Pekat Solar Sdn. Bhd.	Malaysia	Installation of non-electric solar energy collectors	32.73	32.73	67.27	67.27
(m)Subsidiaries of SunwayMas Sdn. Bhd.						
Sunway Bangi Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Mujurmas Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Pembangunan Risjaya Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway Rawang Heights Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway Kanching Heights Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Eaglefield Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway Rydgeway Sdn. Bhd.	Malaysia	Property and housing development	80	80	20	20
Sunway Termuning Sdn. Bhd.	Malaysia	Property and housing development	80	80	20	20

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2020 %	2019 %	2020 %	2019 %
(m)Subsidiaries of						
SunwayMas Sdn. Bhd. (contd.)						
Virgo Rhythm Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway Eastwood Sdn. Bhd.	Malaysia	Property and housing development	70	70	30	30
(n) Subsidiary of Sunway						
Geotechnics (M) Sdn. Bhd.						
Sunway CT Geotechnics Pte. Ltd. @	Singapore	Dormant	30	30	70	70
(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	100	100	-	-
Sunway Hose Centre Sdn. Bhd.	Malaysia	Trading in hoses and fittings and hose assembly	100	100	-	-
Sunway Architectural Products Sdn. Bhd.	Malaysia	Trading in architectural and finishing products	85	85	15	15
Sunway Opus International Trading Private Limited #	India	Dormant	60	60	40	40

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place	Principal activities	% of effective interest held by			
	of business/		Group		Non-controlling	
	Country of incorporation		2020	2019	2020	2019
			%	%	%	%
(p) Subsidiaries of Sunway Marketing Sdn. Bhd. (contd.)						
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	-	-
Sunway Marketing (Vietnam) Co. Ltd. @	Vietnam	Trading in hoses and fittings and service and assembly of hoses and hose fittings	100	100	-	-
PT Sunway Flowtech #	Indonesia	Trading in hoses and fittings and hose assembly	100	100	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
	Group		Non-controlling interest	2020	2019	
						2020
			2020	2019	2020	2019
			%	%	%	%
(q) Subsidiaries of Sunway Marketing (S) Pte. Ltd. (contd.)						
PT Sunway Pacific Flow #	Indonesia	Manufacturing of specialty hoses	100	100	-	-
(r) Subsidiary of Sunway Holdings (Vietnam) Sdn. Bhd.						
Realty Investments (HB) Inc. #	Panama	Investment holding	100	100	-	-
(s) Subsidiary of Realty Investments (HB) Inc.						
Hang Bai Office Complex JVC #	Vietnam	Dormant	74	74	26	26
(t) Subsidiary of PT Sunway Trek Masindo						
PT Sunway Distribusi Indonesia #	Indonesia	Import and distribute construction equipment and related parts, industrial hardware and CBU mixer truck, truck mounted concrete pump, Inc parts and hardware, engine oils, lubricants and tyres	67	67	33	33
(u) Subsidiary of Sunway Serene Sdn. Bhd.						
Cleaver Fortune Sdn. Bhd. # (In Liquidation)	Malaysia	Dormant	100	100	-	-
(v) Subsidiaries of Sunway Global Limited						
Sunway Spun Pile (Zhuhai) Co. Ltd. #	China	Design, manufacture and sale of pretensioned spun concrete piles	94.73	94.73	5.27	5.27



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place	Principal activities	% of effective interest held by			
	of business/		Group		Non-controlling	
	Country of incorporation		2020	2019	2020	2019
			%	%	%	%
(v) Subsidiaries of Sunway Global Limited (contd.)						
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	98.99	98.99	1.01	1.01
Sunway Trading (Shanghai) Pte. Ltd. #	China	Trading and distribution of hoses and couplings, machineries, spare parts and related items	98.99	98.99	1.01	1.01
Sunway Daechang Forging (Anhui) Co. Ltd. #	China	Manufacturing, repair and assembling of undercarriage components, trading, providing design, consultancy services, maintenance	59.39	59.39	40.61	40.61
(w) Subsidiaries of Sunway Enterprise (1988) Sdn. Bhd.						
Heng Ngai Knitting Manufacturer Sdn. Bhd. ^ (Dissolved on 20 May 2020)	Malaysia	Dormant	-	100	-	-
Sunway Material Handling Sdn. Bhd. (Formerly known as SMH Handling Solutions Sdn. Bhd.)	Malaysia	Engage in sales, services and renting of material handling equipment and all related activities	60	-	40	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place	Principal activities	% of effective interest held by			
	of business/		Non-controlling			
	Country of		Group		interest	
	incorporation		2020	2019	2020	2019
			%	%	%	%
(x) Subsidiary of Sunway TotalRubber Ltd.						
Sunway TotalRubber Services Franchising Pty. Ltd. #	Australia	Franchisor for TotalRubber franchising business	100	100	-	-
(y) Subsidiaries of Sunway City Sdn. Bhd.						
Sunway Integrated Properties Sdn. Bhd.	Malaysia	Property development, property investment and provision of management services	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
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	Operation of travel and tour businesses, transportation services and motor insurance	100	100	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
	Group		Non-controlling interest			
			2020 %	2019 %	2020 %	2019 %
(y) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Sunway Hospitality Holdings Ltd. # (Dissolved on 4 September 2020)	British Virgin Islands	Dormant	-	100	-	-
Emerald Tycoon Sdn. Bhd.	Malaysia	Letting and management of property	100	100	-	-
Sunway Grand Sdn. Bhd.	Malaysia	Property development	100	100	-	-
SunMed Velocity Sdn. Bhd.	Malaysia	Operation of a medical centre	100	100	-	-
Sunway FSSC Sdn. Bhd.	Malaysia	Provision of financial and accounting services	100	100	-	-
Sunway City (Cambodia) Sdn. Bhd.	Malaysia	Investment holding	76	76	24	24
Sunway City (Ipoh) Sdn. Bhd.	Malaysia	Property development and investment holding	95.96	95.96	4.04	4.04
Sunway PKNS Sdn. Bhd.	Malaysia	Property development and investment holding	60	60	40	40
Sunway Leisure Sdn. Bhd.	Malaysia	Ice rink operator	100	100	-	-
Sunway Semenyih Sdn. Bhd.	Malaysia	Property development	70	70	30	30
Sunway Tunas Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Area Star Sdn. Bhd. #	Malaysia	Property investment and property dealing	100	100	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
	Group		Non-controlling interest			
			2020 %	2019 %	2020 %	2019 %
(y) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Sunway City (S'pore) Pte. Ltd. @	Singapore	Promotion and marketing services and investment holding	100	100	-	-
Sunway Management Services Sdn. Bhd. #	Malaysia	Provision of share registration and secretarial services	100	100	-	-
Sunway Destiny Sdn. Bhd.	Malaysia	Management and letting out of properties	100	100	-	-
Sunway Facility Management Sdn. Bhd.	Malaysia	Building facilities management and provision of management services	100	100	-	-
Sunway IFM Sdn. Bhd.	Malaysia	Building facilities management	100	100	-	-
Sunway City (JB) Sdn. Bhd.	Malaysia	Property development	80	80	20	20
Sunway Melawati Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway Bukit Gambier Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway Property & Facility Management Sdn. Bhd. (Formerly known as Sunway PFM Sdn. Bhd.)	Malaysia	Property and facility management	100	100	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
	Group		Non-controlling interest			
			2020 %	2019 %	2020 %	2019 %
(y) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Sunway Living Space Sdn. Bhd.	Malaysia	Property investment, operation and management of short stay accommodation	100	100	-	-
Sunway MUSC Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Sunway Iskandar Medical Centre Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway Supply Chain Enterprise Sdn. Bhd. #	Malaysia	Property development and property investment	100	100	-	-
Sunway Healthy Lifestyle Sdn. Bhd.	Malaysia	Management of healthcare programmes	100	100	-	-
Sunway Residence Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Sunway Synergy Sdn. Bhd.	Malaysia	Provision of human resource services	100	100	-	-
Rich Worldclass Sdn. Bhd. #	Malaysia	Property investment	100	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 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
	Group		Non-controlling interest	2020	2019	
						2020
			2020	2019	2020	2019
			%	%	%	%
(y) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Sunway REM Sdn. Bhd.	Malaysia	Building facilities management services	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 operations	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 Finpro Sdn. Bhd. (Formerly known as Sunway Properties Services Sdn. Bhd.)	Malaysia	Provision of financial and accounting services	100	100	-	-



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place	Principal activities	% of effective interest held by			
	of business/		Group	Non-controlling		
	Country of incorporation			interest		
			2020	2019	2020	2019
			%	%	%	%
(y) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Sunway Putra Hotel Sdn. Bhd.	Malaysia	Hotelier	100	100	-	-
Pena Enterprise Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway Parking Services Sdn. Bhd.	Malaysia	Car park management	100	100	-	-
Sunway Subang Sdn. Bhd.	Malaysia	Property development	80	80	20	20
Sunway D'Mont Kiara Sdn. Bhd. (70% held by Sunway City Sdn. Bhd. and 30% held by Sunway PKNS 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	Operation of a medical centre	100	100	-	-
Platinum Greenway Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway GD Piling Sdn. Bhd.	Malaysia	Property development	70	70	30	30
Sunway Belfield Sdn. Bhd.	Malaysia	Property development	100	100	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
	Group		Non-controlling interest			
			2020 %	2019 %	2020 %	2019 %
(y) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Sunway (Tianjin) Management Consultancy Co. Ltd. #	China	Provision of management consultancy and advisory services	100	100	-	-
Sunway Sustainability Solutions Sdn. Bhd.	Malaysia	Property and facility management	100	100	-	-
Galaxy Avenue Sdn. Bhd. #	Malaysia	Property investment	100	100	-	-
Reptolink Sdn. Bhd. #	Malaysia	Property investment	100	100	-	-
Sunway International Hotels & Resorts Sdn. Bhd.	Malaysia	Rendering of management, advisory, supervision and other related services for the operation and management of hotel	100	100	-	-
Commercial Parade Sdn. Bhd.	Malaysia	Provision of management services	100	100	-	-
Sunway Medical Centre (Singapore) Pte. Ltd. @	Singapore	Provision of medical consultation services and facilities services	100	100	-	-
Sunway Specialist Centre Sdn. Bhd.	Malaysia	Provision of outpatient care services including diagnosis, observation, consultation, treatment, surgery, intervention and rehabilitation services on a day care basis	100	100	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
	Group		Non-controlling interest			
			2020 %	2019 %	2020 %	2019 %
(y) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Sunway Medical Centre Ipoh Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway Medical Centre Kota Bharu Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway Treasury Sdn. Bhd.	Malaysia	Provision of financial services to the Group	100	100	-	-
Sunway Lagoon Club Berhad	Malaysia	Recreational club facilities	84.08	84.08	15.92	15.92
Sunway REIT Holdings Sdn. Bhd.	Malaysia	Investment holding	100	100	-	-
Sunway Medical Centre Sdn. Bhd.	Malaysia	Operation of a medical centre	99.16	99.16	0.84	0.84
Sunway Pristine Laundry Sdn. Bhd. (Formerly known as North Star Marketing Sdn. Bhd.) (Transfer to joint venture of Sunway City Sdn. Bhd.)	Malaysia	Dormant	-	100	-	-
Sunway Property Management Sdn. Bhd.	Malaysia	Provision of accommodation management services	100	100	-	-
Sunway RE Capital Pte. Ltd. @	Singapore	Real estate investment	100	100	-	-
Sunway Little Sunshine Child Care Centre Sdn. Bhd.	Malaysia	Provision of child care services	100	100	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
	Group		Non-controlling interest			
			2020 %	2019 %	2020 %	2019 %
(y) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Sterling Paradise Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Allson International Hotels & Resorts (B.V.I.) Limited #	British Virgin Islands	Dormant	100	100	-	-
Peluang Klasik (M) Sdn. Bhd.	Malaysia	Dormant	100	-	-	-
Sunway Senior Living Sdn.Bhd. (Formerly known as Winning Excellence Sdn. Bhd.)	Malaysia	Dormant	100	-	-	-
(z) Subsidiaries of Sunway City (Penang) Sdn. Bhd.						
Fame Parade Sdn. Bhd.	Malaysia	Provision of management services, property investment and shopping mall owner and operator	100	100	-	-
Sunway Hotel (Seberang Jaya) Sdn. Bhd.	Malaysia	Hotelier	100	100	-	-
Sunway Carnival Sdn. Bhd.^ (In Liquidation)	Malaysia	Dormant	100	100	-	-
Sunway Bintang Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Associated Circle Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Alliance Parade Sdn. Bhd.	Malaysia	Operation of a medical centre	100	100	-	-
Sunway Orient Sdn. Bhd.	Malaysia	Property investment	100	100	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
	Group		Non-controlling interest	2020	2019	
						2020
			%	%	%	%
(aa) Subsidiary of Sunway Treasury Sdn. Bhd.						
Sunway Treasury Sukuk Sdn. Bhd.	Malaysia	Provision of financial services to the Group	100	100	-	-
(ab) Subsidiary of Konsep Objektif (M) Sdn. Bhd.						
Sunway Hotel Phnom Penh Ltd @	Cambodia	Hotel business	52.50	52.50	47.50	47.50
(ac) Subsidiaries of Sunway Lagoon Sdn. Bhd.						
Eastern Glory Enterprises Limited *	British Virgin Islands	Investment holding	45	45	55	55
Sunway Townhouse Sdn. Bhd. #	Malaysia	Property development and letting of property	100	100	-	-
Sunway South Quay Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Frontier Acres Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
(ad) Subsidiaries of Sunway South Quay Sdn. Bhd.						
Sunway Integrated Parking Sdn. Bhd.	Malaysia	Car park operator	100	100	-	-
Sunway Monash-U Residence Sdn. Bhd.	Malaysia	Property Investment	100	100	-	-
Prosper Revenue Sdn. Bhd.	Malaysia	Property development	100	67	-	33
Sunway Geo Sdn. Bhd.	Malaysia	Property investment	100	100	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place	Principal activities	% of effective interest held by			
	of business/		Non-controlling			
	Country of		Group	interest		
	incorporation		2020	2019	2020	2019
			%	%	%	%
(ae) Subsidiary of Sunway Hospitality Holdings Ltd.						
Allson International Management Limited # (Dissolved on 10 June 2020)	British Virgin Islands	Dormant	-	100	-	-
(af) Subsidiary of SunCity Vietnam Sdn. Bhd.						
Hochimex Nominee Company Limited #	Hong Kong	Investment holding	100	100	-	-
(ag) Subsidiary of Hochimex Nominee Company Limited						
Sunway Hotel Hanoi Liability Limited Company with One Member @	Vietnam	Hotel business	100	100	-	-
(ah) Subsidiary of Sunway City (Cambodia) Sdn. Bhd.						
Sunway City Cambodia Limited #	Cambodia	Dormant	60.80	60.80	39.20	39.20
(ai) Subsidiaries of Sunway City (Ipoh) Sdn. Bhd.						
Kinta Sunway Resort Sdn. Bhd.	Malaysia	Property investment, hotel owner and operator and property development	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. (Transfer to Sunway City Sdn. Bhd.)	Malaysia	Dormant	-	95.96	-	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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place	Principal activities	% of effective interest held by			
	of business/		Non-controlling			
	Country of incorporation		Group	interest		
			2020	2019	2020	2019
			%	%	%	%
(ai) Subsidiaries of Sunway City (Ipoh) Sdn. Bhd. (contd.)						
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
Sunway Organic Garden Sdn. Bhd.	Malaysia	Organic farming business	95.96	95.96	4.04	4.04
Sunway XFarms Sdn. Bhd. (Formerly known as Sunway Hotel Services (Ipoh) Sdn. Bhd.)	Malaysia	Dormant	95.96	95.96	4.04	4.04
Sunway Lost World Hotel Sdn. Bhd.	Malaysia	Operation of a hotel	95.96	95.96	4.04	4.04
(aj) Subsidiary of Deco Style Sdn. Bhd.						
Sunway Design Sdn. Bhd.	Malaysia	Interiors decorator and contractors	80	80	20	20
(ak) Subsidiaries of Sunway PKNS Sdn. Bhd.						
Imbasan Intisari Sdn. Bhd.	Malaysia	Property development	60	60	40	40
Tidal Elegance Sdn. Bhd.	Malaysia	Property development	60	60	40	40
Park Symphony Sdn. Bhd.	Malaysia	Property development	60	60	40	40
Sunway Nexis Parking Sdn. Bhd.	Malaysia	Car park operator	60	60	40	40
Sunway Senior Living Sdn. Bhd. (Formerly known as Winning Excellence Sdn. Bhd.) (Transfer to Sunway City Sdn. Bhd.)	Malaysia	Dormant	-	60	-	40
Laudable Generations Sdn. Bhd.	Malaysia	Dormant	60	60	40	40

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
	Group		Non-controlling interest	2020	2019	
						2020
			2020	2019	2020	2019
			%	%	%	%
(ak) Subsidiaries of Sunway PKNS Sdn. Bhd. (contd.)						
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
Contemporary Factor Sdn. Bhd.	Malaysia	Dormant	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 Montereiz Sdn. Bhd.	Malaysia	Property development	60	60	40	40
(al) Subsidiaries of Eastern Glory Enterprises Limited						
Hartford Lane Pty. Ltd. #	Australia	Trustee	45	45	55	55
International Theme Park Pty. Ltd. #	Australia	Investment holding	45	45	55	55
(am) Subsidiary of International Theme Park Pty. Ltd.						
Sunway Australia Unit Trust #	Australia	Unit trust	45	45	55	55
(an) Subsidiaries of Sunway City (S'pore) Pte. Ltd.						
Sunway Investment Management Consultancy (Shanghai) Co. Ltd. #	China	Provision of management consultancy advisory services	100	100	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
	Group		Non-controlling interest	2020	2019	
						2020
			%	%	%	%
(an) Subsidiaries of Sunway City (S'pore) Pte. Ltd. (contd.)						
Primary Selection Pte. Ltd. #	Singapore	Dormant	100	100	-	-
Sunway Property (Australia) Pty. Ltd. #	Australia	Dormant	100	100	-	-
Sunway Property Development (Zhuhai) Co. Ltd. #	China	Dormant	100	100	-	-
(ao) Subsidiaries of Sunway Winstar Sdn. Bhd.						
Winstar Enterprise Sdn. Bhd.	Malaysia	Dormant	79.42	78.85	20.58	21.15
Rising Star Marketing Sdn. Bhd.	Malaysia	Dormant	79.42	78.85	20.58	21.15
Sunway Saf-T-Quip Sdn. Bhd.	Malaysia	Sale of industrial safety products	79.42	78.85	20.58	21.15
Sunway United Star Sdn. Bhd.	Malaysia	Trading of hardware and engineering products	65.92	65.45	34.08	34.55
Sunway Hsing Yeat Sdn. Bhd.	Malaysia	Dormant	79.42	78.85	20.58	21.15
Sun Sea I Sdn. Bhd. (Formerly known as I Star Electrical Sdn. Bhd.) (Transfer to Sunway Holdings Sdn. Bhd.)	Malaysia	Dormant	-	78.85	-	21.15
Jaya DIY Mart Sdn. Bhd.	Malaysia	Operation of DIY stores selling hardware and household products	79.42	78.85	20.58	21.15

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place	Principal activities	% of effective interest held by			
	of business/		Group	Non-controlling		
	Country of incorporation			2020	2019	interest
			2020	2019	2020	2019
			%	%	%	%
(ap) Subsidiaries of Winstar Enterprise Sdn. Bhd.						
Multi Star Marketing Sdn. Bhd.	Malaysia	Dormant	51.62	51.25	48.38	48.75
Power Star Hardware Sdn. Bhd.	Malaysia	Dormant	71.96	71.45	28.04	28.55
(aq) Subsidiaries of Sunway Hsing Yeat Sdn. Bhd.						
Prestamin Sdn. Bhd. (Transfer to Sunway Holdings Sdn. Bhd.)	Malaysia	Dormant	-	78.85	-	21.15
Tactstar Sdn. Bhd.	Malaysia	Dormant	79.42	78.85	20.58	21.15
Star Bridge Hardware Sdn. Bhd.	Malaysia	Dormant	59.56	59.14	40.44	40.86
Power Star Machinery Sdn. Bhd.	Malaysia	Dormant	79.42	78.85	20.58	21.15
Sunway Coating Solutions Sdn. Bhd.	Malaysia	Manufacturing and selling of paints, chemical and concrete	55.59	55.19	44.41	44.81
Aptstar Sdn. Bhd. (Transfer to Sunway Holdings Sdn. Bhd.)	Malaysia	Dormant	-	78.85	-	21.15
The Venue International Sdn. Bhd.	Malaysia	Dormant	47.65	47.31	52.35	52.69

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
	Group		Non-controlling interest	2020	2019	
						2020
			2020 %	2019 %	2020 %	2019 %
(ar) Subsidiary of Aptstar Sdn. Bhd.						
Sunway BigBox Hotel Sdn. Bhd. (Formerly known as Mcstar Sdn. Bhd.) (Transfer to Sunway Iskandar Sdn. Bhd.)	Malaysia	Dormant	-	78.85	-	21.15
(as) Subsidiaries of Sunway RE Capital Pte. Ltd.						
Sunway RE Capital Advisors (SG) Pte. Ltd. @	Singapore	Fund management services	100	100	-	-
Sunway Residence Trust ^^	Singapore	Generate returns to registered holders of units by investing principally in student accommodation located in United Kingdom	100	100	-	-
(at) Subsidiary of Sunway RE Capital Advisors (SG) Pte. Ltd.						
Sunway RE Capital Advisors (UK) Limited @	United Kingdom	Fund management services	85	85	15	15
(au) Subsidiary of Sunway Residence Trust						
Sunway Residence (Guernsey) Limited @	Guernsey	Buying, selling, renting and other real estate activities	100	100	-	-
(av) Subsidiary of Sun Sea Ltd.						
Sun Sea Capital L.P.	Cayman Islands	Investment holding	-	83.33	-	16.67

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 50. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of structured entities	Principal activities	% of effective interest held by			
		Group		Non-controlling interest	
		2020	2019	2020	2019
		%	%	%	%
(aw) Structured entities under the control of Sunway Berhad					
RHB Private Fund - Series 5 # ^^^	Investment in fixed income securities, money market investments and deposits	100	100	-	-
Kenanga Income Fund Series 1 # ^^^	Investment in fixed income securities, money market investments and deposits	100	100	-	-
Kenanga MoneyExtra Fund II # ^^^	Investment in short term money market instruments and fixed income securities	65	42	35	58
Maybank Shariah Institutional Income Fund # ^^^	Investment in shariah-compliant equities, Sukuk, Islamic deposits, Islamic money market instruments, Islamic collective investment schemes	100	100	-	-
Maybank Institutional Income Fund # ^^^	Investment in short term money market instruments and fixed income securities	100	100	-	-
AmInstitutional Income Premium Fund # ^^^	Investment in short term money market instruments and fixed income securities	-	86	-	14
RHB Islamic Fund # ^^^	Investment in Islamic fixed income securities and/or Islamic money market instruments	100	-	-	-

@ Audited by Member Firms of BDO International.

# Audited by firms of auditors other than BDO in Malaysia and Member Firms of BDO International.

\* The Group controls the composition of the Board of Directors of the companies and hence has the power to govern the relevant activities of the companies.

^^ Statutory audit not required as at 31 December 2020.

^ Subsidiaries are consolidated based on management accounts for the financial year ended 31 December 2020. 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.

^^^ These wholesale funds are deemed subsidiaries of the Group and the Company as these wholesale funds are in substance, structured entities under the control of the Group and of the Company in accordance with MFRS 10 *Consolidated Financial Statements* as disclosed in Note 19(d) of the financial statements.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 51. JOINT OPERATION

Joint operation of Sunway Construction Sdn. Bhd.	Principal activities	Effective participating interest	
		2020 %	2019 %
Taisei-Sunway	Construction	<b>27.28</b>	27.28
Joint Venture	works		

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group recognises its direct right and share of any jointly held assets, liabilities, revenues and expenses of the joint operation in accordance with the MFRS applicable to the respective assets, liabilities, revenues and expenses.

### 52. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

#### (a) Share Sale Agreement between Sunway Holdings Sdn. Bhd. and Dolomite Industries Company Sdn. Bhd.

On 3 June 2019, Sunway Holdings Sdn. Bhd. ("SHSB"), a wholly-owned subsidiary of the Company, entered into a Share Sale Agreement ("SSA") with Dolomite Industries Company Sdn. Bhd. ("the Vendor"), a subsidiary of Dolomite Corporation Berhad, to acquire 100 ordinary shares in Dolomite Granite Quarry Sdn. Bhd. ("Dolomite Quarry") ("Sale Shares") representing 100% of the total issued and paid-up share capital of Dolomite Quarry together with 4 parcels of leasehold lands measuring approximately 784 acres ("Lands") and the plants and machinery located on the Lands but excluding premix plant and mobile machinery and equipment and stocks located on the Lands as listed in the SSA ("Plant and Machinery"), free from all charges and encumbrances in the following manner ("Proposed Acquisition"):

- (i) RM100 for the Sale Shares; and
- (ii) RM125,000,000 towards payment for the Lands and the Plant and Machinery.

The Lands are held under the following titles:

- (i) Pajakan Negeri 113181, Lot 53066 Mukim Ulu Langat, Daerah Ulu Langat, Negeri Selangor;
- (ii) Pajakan Negeri 113182, Lot 53068 Mukim Ulu Langat, Daerah Ulu Langat, Negeri Selangor;
- (iii) Pajakan Negeri 113183, Lot 53065 Mukim Ulu Langat, Daerah Ulu Langat, Negeri Selangor; and
- (iv) Pajakan Negeri 113184, Lot 53069 Mukim Ulu Langat, Daerah Ulu Langat, Negeri Selangor.

Pursuant to the SSA, SHSB will acquire the Sale Shares, the Lands as well as Plant and Machinery from the Vendor free from all charges and encumbrances at the following consideration:

- (i) RM100 for the Sale Shares; and
- (ii) RM125,000,000 towards payment of the purchase price for the Lands together with the Plant and Machinery. SHSB or its related company will advance the sum of RM125,000,000 to Dolomite Quarry to enable Dolomite Quarry to pay the purchase price to the Vendor pursuant to a sale and purchase agreement dated 27 December 2018 made between the Vendor and Dolomite Quarry ("SPA").

The Acquisition was completed on 8 October 2020.

#### (b) Privatisation Agreement between Perbadanan Kemajuan Negeri Selangor (a related party) and Sunway PKNS Sdn. Bhd.

On 1 July 2019, Sunway PKNS Sdn. Bhd. ("Sunway PKNS"), a subsidiary of the Company, entered into a Privatisation Agreement ("PA") with Perbadanan Kemajuan Negeri Selangor ("PKNS") to accept the rights to develop the leasehold land held under master title identified as PN97868, Lot 50202, Pekan Baru Sungai Buloh, District of Petaling, Selangor Darul Ehsan measuring approximately 9.458 acres ("Land").

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 52. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (CONTD.)

#### (b) Privatisation Agreement between Perbadanan Kemajuan Negeri Selangor (a related party) and Sunway PKNS Sdn. Bhd. (contd.)

Pursuant to the PA, in consideration of PKNS granting the development rights to the Land to Sunway PKNS, Sunway PKNS shall pay the following entitlements to PKNS ("Entitlements"):

- (i) Rights value of RM36,600,000;
- (ii) Revenue share of RM50,000,000 or a sum equivalent to 8.88% of the gross sales value of the development of the Land ("Proposed Development") (less bumiputera discount approved by the appropriate authorities and other sale discounts and cost of purchase incentives offered by Sunway PKNS to the purchasers of the properties to be developed on the Land ("Properties"), whichever is higher; and
- (iii) A portion of the profit before tax from the Proposed Development of a sum of RM38,000,000 as PKNS is a shareholder holding 40% in Sunway PKNS.

Barring any unforeseen circumstances and subject to the approvals of the relevant authorities required for the Proposed Development and fulfilment of all conditions precedent in the PA, the Proposed Development is expected to be completed in the year 2025.

#### (c) Proposed acquisition of land by Sunway Medical Centre Kota Bharu Sdn. Bhd.

On 28 July 2020, Sunway Medical Centre Kota Bharu Sdn. Bhd., a subsidiary of the Company, entered into a Sale and Purchase Agreement with Liziz Standaco Sdn. Bhd. to acquire a leasehold land of 99 years expiring on 20 August 2102 held under Pajakan Negeri 12272 Lot 10047, Seksyen 17, Bandar Kota Bharu, Jajahan Kota Bharu, Negeri Kelantan measuring approximately 3.811 hectares (38,110 square metres) for a purchase consideration of RM28,704,410 free from encumbrances and with vacant possession ("Proposed Acquisition").

The Proposed Acquisition was completed on 1 September 2020.

#### (d) Proposed Right Issue of Irredeemable Convertible Preference Shares ("ICPS") and proposed amendments to the constitution of the Company ("Sunway")

During the year, the Company undertook a renounceable rights issue of up to 1,112,777,962 new irredeemable convertible preference shares ("ICPS") in the Company at an issue price of RM1 per ICPS on the basis of one ICPS for every five existing ordinary shares in the Company held by the entitled shareholders of the Company ("Proposed Rights Issue of ICPS").

On 10 August 2020, Bursa Malaysia Securities Berhad ("Bursa Securities") had vide its letter dated 7 August 2020 approved in principle the following:

- (i) admission of up to 1,112,777,962 ICPS to the Official List; and
- (ii) listing and quotation of the following on the Main Market of Bursa Securities:
  - (a) up to 1,112,777,962 ICPS;
  - (b) up to 1,390,972,453 new ordinary shares of the Company ("Company Shares") to be issued pursuant to the conversion of the ICPS;
  - (c) up to 67,495,505 additional warrants to be issued pursuant to the adjustment to the outstanding warrant 2017/2024 issued by the Company on 4 October 2017 ("Warrants") to be issued pursuant to the adjustment arising from the Proposed Rights Issue of ICPS; and
  - (d) up to 67,495,505 new Shares to be issued pursuant to the exercise of the additional Warrants.

The Shariah Advisory Council of the Securities Commission Malaysia had, vide its letter dated 2 October 2020, informed that it has no objection to the ICPS being Shariah compliant.

On 22 October 2020, the Group had announced that:

- (i) the Board had resolved to fix the Conversion Price at RM1.00 per Company Share, being the lower of RM1.00 per Company Share and RM1.10 per Company Share, which represents approximately 20% discount to the five-day volume-weighted average market price of Company Shares up to and including 21 October 2020, being the last trading date immediately before the price fixing date, of RM1.37 per Company Share; and
- (ii) the Entitlement Date for the Rights Issue of ICPS has been fixed at 5.00 p.m. on 6 November 2020.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 52. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (CONTD.)

#### (d) Proposed Right Issue of Irredeemable Convertible Preference Shares ("ICPS") and proposed amendments to the constitution of the Company ("Sunway") (contd.)

On 8 December 2020, the Group announced that the above proposals have been completed following the listing and quotation of 977,779,351 ICPS and 39,555,548 additional Warrants on the Main Market of Bursa Securities on even date. The gross proceeds raised by the Company from the Rights Issue of ICPS is approximately RM977.8 million.

#### (e) Proposed disposal of The Pinnacle Sunway by Sunway Integrated Properties Sdn. Bhd. and Sunway Pinnacle Sdn. Bhd.

Sunway Integrated Properties Sdn. Bhd. and Sunway Pinnacle Sdn. Bhd., both of which are wholly-owned indirect subsidiaries of the Company, had on 29 June 2020 entered into a conditional sale and purchase agreement with RHB Trustees Berhad, being the trustee of Sunway Real Estate Investment Trust, for the disposal of The Pinnacle Sunway for a cash consideration of RM450 million ("Proposed Disposal").

The Proposed Disposal was completed on 20 November 2020.

#### (f) Reorganisation exercise

On 5 May 2021, SunCity, a wholly-owned subsidiary of the Company, entered into a Share Purchase Agreement with Sunway Healthcare Holdings Sdn. bhd. ("SHH"), a wholly-owned subsidiary of SunCity, which was incorporated on 5 January 2021 for the disposal of its entire equity interests in the companies referred below to SHH for a total consideration of RM683,362,834, to be fully satisfied by the allotment and issuance of 489,269,588 ordinary shares at an issue price of RM1.3967 per share in the share capital of SHH to SunCity.

The companies disposed of by SunCity to SHH are as follows:

- (i) Paradigm Fairview Sdn. Bhd.
- (ii) Platinum Greenway Sdn. Bhd.
- (iii) Sunway Iskandar Medical Centre Sdn. Bhd.
- (iv) Sunway Medical Centre (Singapore) Pte. Ltd.
- (v) Sunway Medical Centre Ipoh Sdn. Bhd.
- (vi) Sunway Medical Centre Kota Bharu Sdn. Bhd.
- (vii) Sunway Medical Centre Sdn. Bhd.
- (viii) Sunway Specialist Centre Sdn. Bhd.
- (ix) SunMed Velocity Sdn. Bhd.
- (x) Sunway Senior Living Sdn. Bhd.

#### (g) The Coronavirus disease "COVID-19" pandemic

The COVID-19 pandemic has resulted in an adverse impact to the performance of the global economy, including Malaysia. In relation to this, the Government of Malaysia had implemented the Movement Control Order ("MCO"), which took effect from 18 March 2020. During the MCO period, all government and private premises except those involved in providing essential services were required to be closed and to cease operations during the MCO period unless exempted. The MCO was subsequently followed by the enforcement of Conditional MCO and then, Recovery MCO.

On 11 January 2021, the Government of Malaysia had re-introduced the MCO and Conditional MCO in several states in Malaysia from 13 January 2021 until 7 June 2021.

Upon the implementation of the initial MCO, the Group had to temporarily suspend most of its operations (except for those operations involved in providing essential services), which include the closure of the Group's property sales galleries, suspension of its on-going development projects, closures of the retail properties, hospitality and leisure operations as well as suspension of its construction operations. Nevertheless, the majority of the Group's business operations has since resumed operations during the CMCO and RMCO periods while adhering to the standard operating procedures and directives issued by the Government of Malaysia throughout the period. The Group has also activated its Business Continuity Plan and implemented various procedures in its business conduct to reduce the risks of spread and safeguard its employees and customers.

The financial impact to the Group during the initial MCO period mainly arose from its diminished sources of income as most of its business operations were suspended whilst the fixed overhead costs that include salary, security personnel expenses, and rental expense continued to be incurred.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 52. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (CONTD.)

#### (g) The Coronavirus disease "COVID-19" pandemic (contd.)

While most of the business operations of the Group are gradually recovering from the fallout of the COVID-19 pandemic during the CMCO and RMCO periods in 2020, the hospitality and leisure operations of the Group under the Property Investment segment continued to be impacted in the first quarter of financial year 2021 due to the resurgence of COVID-19 cases and the reinstatement of the CMCO and MCO, which called for the closure of the theme park operations and more stringent social distancing requirements.

The Group has therefore considered the impact of the COVID-19 pandemic across its business operations continuously and took the necessary precautions and provisions where necessary. The Group will also continue to actively monitor and manage its funds and operations to minimise any further impact arising from the COVID-19 pandemic.

Based on the assessment of the Group, the judgements and assumptions used in the preparation of the financial statements for the financial year ended 31 December 2020 have not been impacted significantly by the COVID-19 pandemic other than as disclosed in Notes 15, 22, 24, 25 and 30 to the financial statements.

### 53. ADOPTION OF MFRSS AND AMENDMENTS TO MFRSS

#### (a) New MFRSs adopted during the financial year

The accounting policies adopted are consistent with those of the previous financial year except as follows:

During the financial year, the Group and the Company adopted the following Standards that are mandatory for annual financial periods beginning on or after 1 January 2020.

Title	Effective Date
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
<i>Amendments to MFRS 3 Definition of a Business</i>	1 January 2020
<i>Amendments to MFRS 101 and MFRS 108 Definition of Material</i>	1 January 2020
<i>Amendment to MFRS 16 Covid-19-Related Rent Concessions</i>	1 June 2020 *
<i>Amendments to MFRS 4 Insurance Contract - Extension of the Temporary Exemption from Applying MFRS 9</i>	17 August 2020 ^

\* Early adopted by the Group and the Company.

^ Effective immediately.

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company except for the adoption of Amendment to MFRS 16 *Covid-19-Related Rent Concessions* as described in the following sections.

#### Amendment to MFRS 16 Covid-19-Related Rent Concessions

The Group and the Company have early adopted Amendment to MFRS 16 and elected to apply the practical expedient to all rent concessions relating to leases with similar characteristics and in similar circumstances. Consequently, the Group and the Company do not recognise changes in these lease payments as lease modifications and instead, recognise these as variable lease payments in profit or loss. The effects of early adoption are disclosed in Note 38 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 53. ADOPTION OF MFRSS AND AMENDMENTS TO MFRSS (CONTD.)

#### (b) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2021

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
<i>Interest Rate Benchmark Reform - Phase 2</i> (Amendments to MFRS 9, MFRS 139, MFRS 17, MFRS 4 and MFRS 16)	1 January 2021
Amendment to MFRS 16 <i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>	1 April 2021
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosures of accounting policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
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 the future financial years.

### 54. FINANCIAL REPORTING UPDATES

#### (a) IFRIC Agenda Decision - *Over time transfer of constructed good (IAS 23)*

The IFRS Interpretations Committee ('IFRIC') received a submission about the capitalisation of borrowing costs in relation to the construction of a residential multi-unit real estate development.

Based on the fact pattern described in the submission, the request asked whether the entity has a qualifying asset as defined in IAS 23 *Borrowing Costs* and, therefore, capitalises any directly attributable costs.

The IFRIC concluded in March 2019 that, in the fact pattern described in the request:

- (i) Any receivable and contract asset that the entity recognises is not a qualifying asset.
- (ii) Any inventory (work-in-progress) for unsold units under construction that the entity recognises is also not a qualifying asset because the unsold units are ready for its intended use or sale.

The MASB announced on 20 March 2019 that an entity shall apply the change in accounting policy as a result of this Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

The Group is in the process of assessing the impact of implementing this change in accounting policy. The implementation results would be reported during the financial year ending 31 December 2021.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 55. PRIOR YEAR ADJUSTMENTS

During the current financial year, the Group and the Company determined that their placement in wholesale funds are in substance, structured entities under their control in accordance with MFRS 10 *Consolidated Financial Statements* as disclosed in Note 2 and Note 19(d) to the financial statements.

Accordingly, comparative figures of the Group and of the Company for the financial year ended 31 December 2019 in these financial statements, including their opening statements of financial position as at 1 January 2019, have been restated retrospectively via prior year adjustments. An explanation on the effects arising from the prior year adjustments on the financial positions, financial performance and cash flows of the Group and of the Company are set out as follows:

- (i) Reconciliation of statements of profit or loss and other comprehensive income for the financial year ended 31 December 2019

Group	Note	As previously reported RM'000	Effects of prior year adjustments RM'000	Restated RM'000
<b>Revenue</b>		4,780,279	-	4,780,279
Cost of sales	(a)	(3,092,503)	(2,202)	(3,094,705)
<b>Gross profit</b>		1,687,776	(2,202)	1,685,574
Other income	(a)	200,274	4,142	204,416
Administrative expenses		(791,122)	-	(791,122)
Selling and marketing expenses		(153,049)	-	(153,049)
Other expenses		(377,905)	-	(377,905)
<b>Operating profit</b>		565,974	1,940	567,914
Finance and other distribution income	(a)	321,287	(116,681)	204,606
Finance costs	(a),(b)	(233,498)	65,078	(168,420)
Share of results of associates		192,755	-	192,755
Share of results of joint ventures		68,468	-	68,468
<b>Profit before tax</b>		914,986	(49,663)	865,323
Income tax expense		(78,429)	-	(78,429)
<b>Profit for the financial year</b>		836,557	(49,663)	786,894
<b>Profit attributable to:</b>				
Owners of the parent		767,252	(58,087)	709,165
Non-controlling interests		69,305	8,424	77,729
		836,557	(49,663)	786,894



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 55. PRIOR YEAR ADJUSTMENTS (CONTD.)

- (i) Reconciliation of statements of profit or loss and other comprehensive income for the financial year ended 31 December 2019 (contd.)

Group	Note	As previously reported RM'000	Effects of prior year adjustments RM'000	Restated RM'000
<b>Other comprehensive income:</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Foreign currency translations		26	-	26
Cash flow hedge reserve - fair value loss				
- Fair value loss of derivatives		(28,528)	-	(28,528)
- Amounts recycled to profit or loss		29,674	-	29,674
Fair value gain on other investments at fair value through other comprehensive income		37,045	-	37,045
Revaluation of property, plant and equipment		3,451	-	3,451
<b>Other comprehensive gain for the financial year, net of tax</b>		41,668	-	41,668
<b>Total comprehensive income for the financial year</b>		878,225	(49,663)	828,562
<b>Total comprehensive income attributable to:</b>				
Owners of the parent		809,658	(58,087)	751,571
Non-controlling interests		68,567	8,424	76,991
		878,225	(49,663)	828,562

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 55. PRIOR YEAR ADJUSTMENTS (CONTD.)

- (i) Reconciliation of statements of profit or loss and other comprehensive income for the financial year ended 31 December 2019 (contd.)

Company	Note	As previously reported RM'000	Effects of prior year adjustments RM'000	Restated RM'000
<b>Revenue</b>		212,004	-	212,004
Cost of sales		(45,206)	-	(45,206)
<b>Gross profit</b>		166,798	-	166,798
Other income		328,764	-	328,764
Administrative expenses		(23,605)	-	(23,605)
Other expenses		(317)	-	(317)
<b>Operating profit</b>		471,640	-	471,640
Finance and other distribution income		209,034	-	209,034
Finance costs	(b)	(67,245)	(54,488)	(121,733)
<b>Profit before tax</b>		613,429	(54,488)	558,941
Income tax expense		(2,024)	-	(2,024)
<b>Profit for the financial year</b>		611,405	(54,488)	556,917
<b>Attributable to:</b>				
Owners of the parent		611,405	(54,488)	556,917
Non-controlling interests		-	-	-
		611,405	(54,488)	556,917
<b>Other comprehensive income</b>				
		-	-	-
<b>Total comprehensive income for the financial year</b>		611,405	(54,488)	556,917
<b>Total comprehensive income attributable to:</b>				
Owners of the parent		611,405	(54,488)	556,917
Non-controlling interests		-	-	-
		611,405	(54,488)	556,917

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 55. PRIOR YEAR ADJUSTMENTS (CONTD.)

(ii) Reconciliation of statements of financial position:

Group		As previously reported	Effects of prior year adjustments	Restated
1 January 2019	Note	RM'000	RM'000	RM'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		2,627,664	-	2,627,664
Intangible assets		17,748	-	17,748
Investment properties		1,942,744	-	1,942,744
Inventories		1,671,311	-	1,671,311
Investments in associates		2,084,029	-	2,084,029
Investments in joint ventures		1,306,632	-	1,306,632
Goodwill		313,893	-	313,893
Deferred tax assets		110,342	-	110,342
Trade receivables		63,838	-	63,838
Other receivables		24,956	-	24,956
Amounts due from joint ventures		1,827,921	-	1,827,921
Rock reserves		5,868	-	5,868
Other investments	(a)	122,397	298,774	421,171
Biological assets		234	-	234
		12,119,577	298,774	12,418,351
<b>Current assets</b>				
Inventories		1,857,935	-	1,857,935
Trade receivables		1,514,524	-	1,514,524
Other receivables		286,992	-	286,992
Contract assets		100,765	-	100,765
Placement in funds	(a)	2,526,479	(2,526,479)	-
Cash and bank balances	(a)	2,609,553	26,052	2,635,605
Derivatives		64,629	-	64,629
Amounts due from associates		45,577	-	45,577
Amounts due from joint ventures		99,366	-	99,366
Other investments	(a)	-	46,338	46,338
Tax recoverable		68,792	-	68,792
		9,174,612	(2,454,089)	6,720,523
Assets of disposal group classified as held for sale		486,128	-	486,128
<b>Total assets</b>		<b>21,780,317</b>	<b>(2,155,315)</b>	<b>19,625,002</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 55. PRIOR YEAR ADJUSTMENTS (CONTD.)

(ii) Reconciliation of statements of financial position: (contd.)

Group		As previously reported	Effects of prior year adjustments	Restated
1 January 2019	Note	RM'000	RM'000	RM'000
<b>Equity and liabilities</b>				
<b>Current liabilities</b>				
Borrowings	(a)	6,337,103	(830,000)	5,507,103
Trade payables		1,336,189	-	1,336,189
Other payables	(a)	1,260,261	(20,315)	1,239,946
Contract liabilities		33,772	-	33,772
Amounts due to associates		11,286	-	11,286
Amounts due to joint ventures		64,118	-	64,118
Hire purchase and lease liabilities		81,289	-	81,289
Derivatives		17,227	-	17,227
Tax payable		33,555	-	33,555
		9,174,800	(850,315)	8,324,485
<b>Non-current liabilities</b>				
Borrowings	(a)	2,535,226	(1,305,000)	1,230,226
Perpetual sukuk	(b)	-	400,000	400,000
Deferred tax liabilities		146,907	-	146,907
Other payables		121,676	-	121,676
Amounts due to joint ventures		4,358	-	4,358
Long term liabilities		2,959	-	2,959
Hire purchase and lease liabilities		810,389	-	810,389
Derivatives		36	-	36
		3,621,551	(905,000)	2,716,551
<b>Total liabilities</b>		<b>12,796,351</b>	<b>(1,755,315)</b>	<b>11,041,036</b>
<b>Equity attributable to owners of the parent</b>				
Share capital		5,379,437	-	5,379,437
Treasury shares		(140,299)	-	(140,299)
Equity contribution from a joint venture		51,654	-	51,654
Merger reserve		(1,192,040)	-	(1,192,040)
Reserves		3,866,108	-	3,866,108
		7,964,860	-	7,964,860
Perpetual sukuk	(b)	400,000	(400,000)	-
Non-controlling interests		619,106	-	619,106
<b>Total equity</b>		<b>8,983,966</b>	<b>(400,000)</b>	<b>8,583,966</b>
<b>Total equity and liabilities</b>		<b>21,780,317</b>	<b>(2,155,315)</b>	<b>19,625,002</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 55. PRIOR YEAR ADJUSTMENTS (CONTD.)

(ii) Reconciliation of statements of financial position: (contd.)

Group		As previously reported	Effects of prior year adjustments	Restated
31 December 2019	Note	RM'000	RM'000	RM'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		2,749,044	-	2,749,044
Intangible assets		19,833	-	19,833
Investment properties		2,327,617	-	2,327,617
Inventories		1,674,576	-	1,674,576
Investments in associates	(a)	2,123,840	334,208	2,458,048
Investments in joint ventures		1,627,026	-	1,627,026
Goodwill		311,808	-	311,808
Deferred tax assets		66,722	-	66,722
Trade receivables		140,071	-	140,071
Other receivables		6,099	-	6,099
Amounts due from joint ventures		1,332,623	-	1,332,623
Rock reserves		5,605	-	5,605
Other investments	(a)	5,023	564,833	569,856
Biological assets		121	-	121
		12,390,008	899,041	13,289,049
<b>Current assets</b>				
Inventories		2,102,056	-	2,102,056
Trade receivables		1,638,423	-	1,638,423
Other receivables	(a)	348,767	171	348,938
Contract assets		76,230	-	76,230
Placement in funds	(a)	3,627,369	(3,627,369)	-
Cash and bank balances	(a)	2,261,539	293,207	2,554,746
Derivatives		1,925	-	1,925
Amounts due to associates		35,145	-	35,145
Amounts due to joint ventures		992,429	-	992,429
Other investments	(a)	-	376,373	376,373
Tax recoverable		79,257	-	79,257
		11,163,140	(2,957,618)	8,205,522
<b>Total assets</b>		<b>23,553,148</b>	<b>(2,058,577)</b>	<b>21,494,571</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 55. PRIOR YEAR ADJUSTMENTS (CONTD.)

(ii) Reconciliation of statements of financial position: (contd.)

Group		As previously reported	Effects of prior year adjustments	Restated
31 December 2019	Note	RM'000	RM'000	RM'000
<b>Equity and liabilities</b>				
<b>Current liabilities</b>				
Borrowings	(a)	8,024,907	(1,002,000)	7,022,907
Trade payables		1,344,269	-	1,344,269
Other payables	(a)	1,287,820	(45,869)	1,241,951
Contract liabilities		43,529	-	43,529
Amounts due to associates		11,950	-	11,950
Amounts due to joint ventures		72,774	-	72,774
Hire purchase and lease liabilities		69,750	-	69,750
Derivatives		17,730	-	17,730
Tax payable		5,480	-	5,480
		10,878,209	(1,047,869)	9,830,340
<b>Non-current liabilities</b>				
Borrowings	(a)	1,542,563	(670,000)	872,563
Perpetual sukuk	(b)	-	400,000	400,000
Deferred tax liabilities		130,304	-	130,304
Other payables		52,360	-	52,360
Amounts due to joint ventures		4,131	-	4,131
Long term liabilities		2,923	-	2,923
Hire purchase and lease liabilities		768,204	-	768,204
Derivatives		187	-	187
		2,500,672	(270,000)	2,230,672
<b>Total liabilities</b>		<b>13,378,881</b>	<b>(1,317,869)</b>	<b>12,061,012</b>
<b>Equity attributable to owners of the parent</b>				
Share capital		5,393,666	-	5,393,666
Treasury shares		(53,324)	-	(53,324)
Equity contribution from a joint venture		51,654	-	51,654
Merger reserve		(1,192,040)	-	(1,192,040)
Reserves	(a),(b)	4,192,912	(3,599)	4,189,313
		8,392,868	(3,599)	8,389,269
Perpetual sukuk	(b)	1,150,000	(1,150,000)	-
Non-controlling interests	(a)	631,399	412,891	1,044,290
<b>Total equity</b>		<b>10,174,267</b>	<b>(740,708)</b>	<b>9,433,559</b>
<b>Total equity and liabilities</b>		<b>23,553,148</b>	<b>(2,058,577)</b>	<b>21,494,571</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 55. PRIOR YEAR ADJUSTMENTS (CONTD.)

(ii) Reconciliation of statements of financial position: (contd.)

Company		As previously reported	Effects of prior year adjustments	Restated
1 January 2019	Note	RM'000	RM'000	RM'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		12,469	-	12,469
Investments in subsidiaries	(a)	4,842,679	1,069,179	5,911,858
Investments in joint ventures		800	-	800
Other investments		78	-	78
		4,856,026	1,069,179	5,925,205
<b>Current assets</b>				
Other receivables		15,416	-	15,416
Placement in funds	(a)	885,000	(885,000)	-
Cash and bank balances	(a)	233,173	(184,179)	48,994
Amounts due from subsidiaries		2,440,612	-	2,440,612
Amounts due from associates		1,744	-	1,744
Amounts due to joint ventures		2,383	-	2,383
Tax recoverable		564	-	564
		3,578,892	(1,069,179)	2,509,713
<b>Total assets</b>		<b>8,434,918</b>	<b>-</b>	<b>8,434,918</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 55. PRIOR YEAR ADJUSTMENTS (CONTD.)

(ii) Reconciliation of statements of financial position: (contd.)

Company		As previously reported	Effects of prior year adjustments	Restated
1 January 2019	Note	RM'000	RM'000	RM'000
<b>Equity and liabilities</b>				
<b>Current liabilities</b>				
Borrowings		1,246,000	-	1,246,000
Other payables		67,518	-	67,518
Amounts due to subsidiaries		3,220	-	3,220
Lease liabilities		2,468	-	2,468
		1,319,206	-	1,319,206
<b>Non-current liabilities</b>				
Borrowings		610,000	-	610,000
Perpetual sukuk	(b)	-	400,000	400,000
Lease liabilities		12,028	-	12,028
		622,028	400,000	1,022,028
<b>Total liabilities</b>		<b>1,941,234</b>	<b>400,000</b>	<b>2,341,234</b>
<b>Equity attributable to owners of the parent</b>				
Share capital		5,379,437	-	5,379,437
Treasury shares		(140,299)	-	(140,299)
Reserves		854,546	-	854,546
		6,093,684	-	6,093,684
Perpetual sukuk	(b)	400,000	(400,000)	-
<b>Total equity</b>		<b>6,493,684</b>	<b>(400,000)</b>	<b>6,093,684</b>
<b>Total equity and liabilities</b>		<b>8,434,918</b>	<b>-</b>	<b>8,434,918</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 55. PRIOR YEAR ADJUSTMENTS (CONTD.)

(ii) Reconciliation of statements of financial position: (contd.)

Company		As previously reported	Effects of prior year adjustments	Restated
31 December 2019	Note	RM'000	RM'000	RM'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		9,985	-	9,985
Investments in subsidiaries	(a)	5,152,682	1,074,804	6,227,486
Investments in joint ventures		800	-	800
Other investments		78	-	78
		5,163,545	1,074,804	6,238,349
<b>Current assets</b>				
Other receivables		26,176	-	26,176
Placement in funds	(a)	1,041,000	(1,041,000)	-
Cash and bank balances	(a)	42,676	(33,804)	8,872
Amounts due from subsidiaries		2,087,990	-	2,087,990
Amounts due from associates		179	-	179
Amounts due to joint ventures		2,151	-	2,151
		3,200,172	(1,074,804)	2,125,368
<b>Total assets</b>		<b>8,363,717</b>	<b>-</b>	<b>8,363,717</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 55. PRIOR YEAR ADJUSTMENTS (CONTD.)

(ii) Reconciliation of statements of financial position: (contd.)

Company		As previously reported	Effects of prior year adjustments	Restated
31 December 2019	Note	RM'000	RM'000	RM'000
<b>Equity and liabilities</b>				
<b>Current liabilities</b>				
Borrowings		796,000	-	796,000
Other payables		65,412	-	65,412
Amounts due to subsidiaries		14,138	-	14,138
Amounts due to associates		41	-	41
Amounts due to joint ventures		255	-	255
Lease liabilities		2,583	-	2,583
Tax payable		231	-	231
		878,660	-	878,660
<b>Non-current liabilities</b>				
Perpetual sukuk	(b)	-	1,150,000	1,150,000
Lease liabilities		9,473	-	9,473
		9,473	1,150,000	1,159,473
<b>Total liabilities</b>		<b>888,133</b>	<b>1,150,000</b>	<b>2,038,133</b>
<b>Equity attributable to owners of the parent</b>				
Share capital		5,393,666	-	5,393,666
Treasury shares		(53,324)	-	(53,324)
Reserves		985,242	-	985,242
		6,325,584	-	6,325,584
Perpetual sukuk	(b)	1,150,000	(1,150,000)	-
<b>Total equity</b>		<b>7,475,584</b>	<b>(1,150,000)</b>	<b>6,325,584</b>
<b>Total equity and liabilities</b>		<b>8,363,717</b>	<b>-</b>	<b>8,363,717</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTD.)

### 55. PRIOR YEAR ADJUSTMENTS (CONTD.)

(iii) Reconciliation of statements of cash flows

Group	As previously reported	Effects of prior year adjustments	Restated
31 December 2019	RM'000	RM'000	RM'000
Net cash generated from/(used in):			
- operating activities	827,796	(138,816)	688,980
- investing activities	(1,933,345)	573,405	(1,359,940)
- financing activities	666,404	(167,434)	498,970
Net (decrease)/increase in cash and cash equivalents	(439,145)	267,155	(171,990)
Effects of foreign exchange rates changes	(2,932)	-	(2,932)
Cash and cash equivalents at beginning of the year	2,507,882	26,052	2,533,934
Cash and cash equivalents at end of the year	2,065,805	293,207	2,359,012
<b>Company</b>			
<b>31 December 2019</b>			
Net cash generated from/(used in):			
- operating activities	358,285	-	358,285
- investing activities	208,886	150,375	359,261
- financing activities	(757,628)	-	(757,628)
Net (decrease)/increase in cash and cash equivalents	(190,457)	150,375	(40,082)
Effects of foreign exchange rates changes	(40)	-	(40)
Cash and cash equivalents at beginning of the year	233,153	(184,179)	48,974
Cash and cash equivalents at end of the year	42,656	(33,804)	8,852

#### Notes to reconciliation:

(a) Consolidation of wholesale funds

The Group and the Company have reassessed their involvement in their investments in wholesale funds and determined that their placement in wholesale funds are in substance, structured entities under their control in accordance with MFRS 10 *Consolidated Financial Statements* as disclosed in Note 19(d) to the financial statements.

The prior year adjustments include the consolidation of above wholesale funds in the financial statements of the Group and the appropriate elimination adjustments as well as reclassification from the Company's placement in funds and cash and bank balances to investments in subsidiaries.

(b) Reclassification of perpetual sukuk from equity to financial liability

The reassessment of the Group's and the Company's involvement in their investments in wholesale funds had resulted in the reclassification of the perpetual sukuk of the Group and of the Company from equity to financial liability as it ceased to meet the definition of equity in accordance with MFRS 132 *Financial Instruments: Presentation*.

Accordingly, the entire perpetual sukuk net of the amount of perpetual sukuk invested by the wholesale funds of the Group and the entire perpetual sukuk of the Company have been reclassified from equity to non-current liability respectively. This has also resulted in the reclassification of distributions to holders of perpetual sukuk from transactions with owners recognised directly in equity in the statements of changes in equity to profit or loss.

## LIST OF MATERIAL PROPERTIES AS AT 31 DECEMBER 2020

LOCATION / ADDRESS	LAND AREA (ACRES) / BUILT UP AREA (SQ FT)	DESCRIPTION / EXISTING USE	AGE OF BUILDING (YEARS)	TENURE	NET BOOK VALUE AS AT 31.12.2020 (RM'000)	DATE OF ACQUISITION (A) / REVALUATION (R) / CONSTRUCTION (C)
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	615,277	A : May-15 A : Feb-16
GRN.81534 Lot 62644 & 62225 PT 895 HS(D) 238254 PT 923 HS(D) 238976 Bandar Sunway, Daerah Petaling, Selangor Darul Ehsan	7.85 / 623,010	Sunway Monash Residence (Phase 1 &2)	9.5	Leasehold expiring 15.03.2106 & 02.04.2106	450,388	R : Dec-20
H.S.(D) 308674, PT 1356 (formerly PN 9497, Lot 41) Jalan Lagoon Selatan, Bandar Sunway, Daerah Petaling, Selangor	5.89 / 601,600	Sunway Medical Centre 3, Sunway Medical Centre 4 under construction, and land	4	Leasehold expiring 10.7.2114	447,511	R : Dec-20 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	404,060	A : Dec-13
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	Monash University	14	Leasehold expiring 15.05.2106 and 02.04.2106	322,537	R : Dec-20



## LIST OF MATERIAL PROPERTIES AS AT 31 DECEMBER 2020

LOCATION / ADDRESS	LAND AREA (ACRES) / BUILT UP AREA (SQ FT)	DESCRIPTION / EXISTING USE	AGE OF BUILDING (YEARS)	TENURE	NET BOOK VALUE AS AT 31.12.2020 (RM'000)	DATE OF ACQUISITION (A) / REVALUATION (R) / CONSTRUCTION (C)
PTD 218602, 231854, 231849, 231850, 231856, 231857, 239874-239902 Lot 211689 (GRN569700) (previously known as 231844) Mukim Plentong, District of Johor Bahru, Johor	48.20	Sunway Lenang Heights (Ph 1-6) (Land under development and held for development)	-	Freehold	269,562	A : Dec-10
Geran No. 78658, Lot No: 20010 Seksyen 69 Bandar Kuala Lumpur, Negeri Wilayah Persekutuan	4.53	Jalan Belfield land (Land held for development)	-	Freehold	261,810	A : Jul-17
Lot 62637 - 62639, Lot 62654, Lot 62656 PT1352 HS(D) 297666 PT1353 HS(D) 297667 PT1369 HS(D) 321457 PT1370 HS(D) 321458 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	48.02	Sunway South Quay (Land under development and held for development)	-	Leasehold expiring 05.07.2104 & 15.05.2106 & 20.05.2113	261,657	A : Apr-04 A : Nov-05 A : Mar-06
Pusat Perubatan Sunway Velocity H.S.(D) 117437, PT 462 Linkaran SV 55100 Kuala Lumpur	1	Sunway Medical Center Velocity	4	Freehold	257,329	C : Mar-17
Geran Mukim 85 Lot 526 Geran Mukim 84 Lot 527 Geran Mukim 83 Lot 528 Hakmilik Sementara PT36391 Geran Mukim 319 Lot 62506 Tempat Sungei Penaga, Mukim Damansara, Daerah Petaling, Negeri Selangor	14.80	USJ 1 Land (Land held for development)	-	Freehold	215,166	A : Apr-18

# SHAREHOLDINGS' INFORMATION

376.....Directors' Interests in Shares and Warrants based on the Register of Directors' Shareholdings

379.....Analysis of Shareholdings

381.....Substantial Shareholders based on Register of Substantial Shareholders

382.....Analysis of Irredeemable Convertible Preference Shares Holdings

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DIRECTORS’ INTERESTS IN SHARES AND WARRANTS BASED ON THE REGISTER OF DIRECTORS’ SHAREHOLDINGS

AS AT 30 APRIL 2021

DIRECTORS' INTERESTS IN SUNWAY

Name of Directors	Ordinary Shares	
	No.	%
Direct interest		
Tan Sri Dato’ Seri Dr Jeffrey Cheah Fook Ling AO	115,206,913	2.36
Tan Sri Datuk Seri Razman M Hashim	3,613,524	0.07
Tan Sri Dato’ (Dr.) Chew Chee Kin	21,038,466	0.43
Sarena Cheah Yean Tih	5,248,592	0.11
Tan Sri Dato' Dr. Lin See Yan	1,000,000	0.02
Deemed interest		
Tan Sri Dato’ Seri Dr Jeffrey Cheah Fook Ling AO <sup>(a)</sup>	2,964,002,520	60.63
Tan Sri Dato' (Dr.) Chew Chee Kin <sup>(b)</sup>	1,564,862	0.03
Sarena Cheah Yean Tih <sup>(c)</sup>	3,069,768,417	62.79

Name of Directors	Irredeemable Convertible Preference Shares	
	No.	%
Direct interest		
Tan Sri Dato’ Seri Dr Jeffrey Cheah Fook Ling AO	23,041,382	2.36
Tan Sri Dato’ (Dr.) Chew Chee Kin	4,207,692	0.43
Sarena Cheah Yean Tih	1,049,718	0.11
Deemed interest		
Tan Sri Dato’ Seri Dr Jeffrey Cheah Fook Ling AO <sup>(a)</sup>	592,800,501	60.63
Tan Sri Dato' (Dr.) Chew Chee Kin <sup>(b)</sup>	312,972	0.03
Sarena Cheah Yean Tih <sup>(c)</sup>	613,963,126	62.79

DIRECTORS’ INTERESTS IN SHARES AND WARRANTS BASED ON THE REGISTER OF DIRECTORS’ SHAREHOLDINGS

AS AT 30 APRIL 2021

DIRECTORS' INTERESTS IN SUNWAY

Name of Directors	Warrants 2017/2024	
	No.	%
Direct interest		
Tan Sri Dato’ Seri Dr Jeffrey Cheah Fook Ling AO	34,611,993	5.17
Tan Sri Datuk Seri Razman M Hashim	484,042	0.07
Tan Sri Dato’ (Dr.) Chew Chee Kin	2,818,169	0.42
Sarena Cheah Yean Tih	703,065	0.11
Deemed interest		
Tan Sri Dato’ Seri Dr Jeffrey Cheah Fook Ling AO <sup>(d)</sup>	435,046,372	64.98
Tan Sri Dato' (Dr.) Chew Chee Kin <sup>(b)</sup>	209,618	0.03
Sarena Cheah Yean Tih <sup>(e)</sup>	468,393,711	69.96

DIRECTORS' INTERESTS IN SUNWAY’S IMMEDIATE HOLDING COMPANY, SUNGEI WAY CORPORATION SDN BHD

Name of Directors	Ordinary Shares	
	No.	%
Direct interest		
Tan Sri Dato’ Seri Dr Jeffrey Cheah Fook Ling AO <sup>(f)</sup>	10,000,000	100.00
Sarena Cheah Yean Tih <sup>(g)</sup>	10,000,000	100.00

Name of Directors	Non-Cumulative Convertible Redeemable Preference Shares	
	No.	%
Direct interest		
Tan Sri Dato’ Seri Dr Jeffrey Cheah Fook Ling AO	300,000,000	100.00
Deemed interest		
Sarena Cheah Yean Tih <sup>(h)</sup>	300,000,000	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 <sup>(i)</sup>	68,000	40.00
Sarena Cheah Yean Tih <sup>(h)</sup>	102,000	60.00

DIRECTORS’ INTERESTS IN SHARES AND WARRANTS BASED ON THE REGISTER OF DIRECTORS’ SHAREHOLDINGS

AS AT 30 APRIL 2021

DIRECTORS' INTERESTS IN SUNWAY'S RELATED COMPANY, SUNWAY GLOBAL LIMITED

Name of Directors	Ordinary Shares of HKD1.00 each	
	No.	%
Direct interest		
Tan Sri Dato' (Dr.) Chew Chee Kin	689,183	0.24

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	7,923,892	0.61
Tan Sri Datuk Seri Razman M Hashim	106,864	0.01
Sarena Cheah Yean Tih	57,727	#
Tan Sri Dato' Dr. Lin See Yan	10,000	#
Deemed interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO <sup>(i)</sup>	833,629,588	64.65
Sarena Cheah Yean Tih <sup>(k)</sup>	841,482,416	65.26

- 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, Jef-San Enterprise Sdn Bhd and children.
- (b) Deemed interest by virtue of Section 59(11)(c) 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, Jef-San Enterprise 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 children.
- (e) 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.
- (f) Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn Bhd and children.
- (g) Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn Bhd and parent.
- (h) Deemed interest by virtue of Section 8 of the Companies Act 2016 held through parent.
- (i) Deemed interest by virtue of Section 8 of the Companies Act 2016 held through children.
- (j) 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.
- (k) 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 30 APRIL 2021

- Type of securities : Ordinary shares
- Issued shares : 4,933,931,767
- Treasury shares : 45,004,665
- Voting Rights : One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of	% of	No. of	% of
	Shareholders	Shareholders	Shares Held	Shares Held
Less than 100	3,964	15.64	128,749	#
100 - 1,000	3,487	13.76	1,772,955	0.04
1,001 - 10,000	12,358	48.76	51,644,202	1.06
10,001 - 100,000	4,840	19.08	129,524,799	2.65
100,001 - Less than 5% of issued shares	691	2.73	2,139,322,457	43.76
5% and above of issued shares	7	0.03	2,566,533,940	52.49
	25,347	100.00	4,888,927,102 *	100.00

- Note:
- # Less than 0.01%
- \* Exclude a total of 45,004,665 treasury shares retained by the Company as per record of depositors as at 30 April 2021.

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS  
(Excluding 45,004,665 treasury shares)

Name of Shareholders		No. of Shares	%
1	Sungei Way Corporation Sendirian Berhad	693,729,795	14.19
2	Public Nominees (Tempatan) Sdn Bhd - Pledged securities account for Sungei Way Corporation Sdn Bhd (BSY)	540,000,000	11.05
3	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	288,448,116	5.90
4	Citigroup Nominees (Tempatan) Sdn Bhd - UBS AG Singapore for Sungei Way Corporation Sdn Bhd	272,700,000	5.58
5	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged securities account for Sungei Way Corporation Sendirian Berhad	271,656,029	5.56
6	HSBC Nominees (Tempatan) Sdn Bhd - HBAP for Sungei Way Corporation Sdn Bhd (PB-SGDIV)	250,000,000	5.11
7	RHB Nominees (Tempatan) Sdn Bhd - RHB Asset Management Sdn Bhd for Sungei Way Corporation Sdn Bhd	250,000,000	5.11
8	Pacific Trustees Berhad for Sungei Way Corporation Sdn Bhd T2	188,000,000	3.85
9	Pacific Trustees Berhad for Sungei Way Corporation Sdn Bhd	140,000,000	2.86
10	HSBC Nominees (Tempatan) Sdn Bhd - Pledged securities account for Sungei Way Corporation Sdn Bhd (302-036306-089)	136,564,992	2.79
11	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt AN for AIA Bhd	134,358,711	2.75
12	Citigroup Nominees (Tempatan) Sdn Bhd - UBS AG Singapore for Active Equity Sdn Bhd	100,000,000	2.05
13	HSBC Nominees (Tempatan) Sdn Bhd - Pledged securities account for HBAP SG for Cheah Fook Ling (PB-SGDIV)	91,809,000	1.88
14	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Nomura)	67,385,500	1.38
15	Citigroup Nominees (Asing) Sdn Bhd - Exempt AN For Citibank New York (Norges Bank 14)	59,208,833	1.21



ANALYSIS OF SHAREHOLDINGS  
AS AT 30 APRIL 2021

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS (CONTD.)  
(Excluding 45,004,665 treasury shares)

	Name of Shareholders	No. of Shares	%
16	Active Equity Sdn Bhd	56,550,000	1.16
17	Amanahraya Trustees Berhad - Public Ittikal Sequel Fund	50,630,096	1.04
18	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Affin-Hwg)	47,776,290	0.98
19	Maybank Securities Nominees (Asing) Sdn Bhd - Maybank Kim Eng Securities Pte Ltd for Maybank Kim Eng Securities (Thailand) PCL (A/C Retail)	46,560,100	0.95
20	Lim Suan	39,850,585	0.82
21	Sungei Way Corporation Sendirian Berhad	39,842,679	0.81
22	Citigroup Nominees (Tempatan) Sdn Bhd - Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	33,540,600	0.69
23	Kumpulan Wang Persaraan (Diperbadankan)	30,260,812	0.62
24	Cartaban Nominees (Tempatan) Sdn Bhd - PAMB for Prulink Equity Fund	26,348,891	0.54
25	CIMB Group Nominees (Tempatan) Sdn Bhd - CIMB Commerce Trustee Berhad - Kenanga Growth Fund	24,965,568	0.51
26	Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling Ao	22,835,696	0.47
27	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Emerging Markets Stock Index Fund	22,030,245	0.45
28	Maybank Nominees (Tempatan) Sdn Bhd - Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	21,652,267	0.44
29	Hong Leong Assurance Berhad - As Beneficial Owner (Life PAR)	20,221,730	0.41
30	HSBC Nominees (Asing) Sdn Bhd - JPMBL SA for Aviva Investors	19,734,373	0.40

SUBSTANTIAL SHAREHOLDERS BASED ON REGISTER OF SUBSTANTIAL  
SHAREHOLDERS

AS AT 30 APRIL 2021

	Name of Shareholders	No. of Shares	%
1	Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling Ao <ul style="list-style-type: none"><li>• Direct interest</li><li>• Deemed interest <sup>(a)</sup></li></ul>	115,206,913 2,964,002,520	2.36 60.63
2	Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng <ul style="list-style-type: none"><li>• Deemed interest <sup>(b)</sup></li></ul>	3,079,209,433	62.98
3	Sarena Cheah Yean Tih <ul style="list-style-type: none"><li>• Direct interest</li><li>• Deemed interest <sup>(c)</sup></li></ul>	5,248,592 3,069,768,417	0.11 62.79
4	Evan Cheah Yean Shin <ul style="list-style-type: none"><li>• Direct interest</li><li>• Deemed interest <sup>(d)</sup></li></ul>	4,195,196 3,069,765,645	0.09 62.79
5	Adrian Cheah Yean Sun <ul style="list-style-type: none"><li>• Deemed interest <sup>(d)</sup></li></ul>	3,069,765,645	62.79
6	Sungei Way Corporation Sdn Bhd	2,782,493,495	56.91
7	Active Equity Sdn Bhd <ul style="list-style-type: none"><li>• Direct interest</li><li>• Deemed interest <sup>(e)</sup></li></ul>	156,550,000 2,782,493,495	3.20 56.91
8	Employees Provident Fund Board	455,317,887	9.31

NOTES:

<sup>a</sup> Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Jef-San Enterprise Sdn Bhd and children.

<sup>b</sup> Deemed interest by virtue of shareholdings held by spouse and children.

<sup>c</sup> Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Jef-San Enterprise Sdn Bhd, spouse and parent.

<sup>d</sup> Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Jef-San Enterprise Sdn Bhd and parent.

<sup>e</sup> Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Sungei Way Corporation Sdn Bhd.

ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES HOLDINGS

AS AT 30 APRIL 2021

Type of securities : Irredeemable Convertible Preference Shares (“ICPS”)  
Issued ICPS : 977,779,351  
Voting Rights : No voting rights  
Issue Price : RM1.00  
Conversion Price : RM1.00  
Maturity Date : 2 December 2025 (50% to be mandatorily converted on 2 December 2024 and the balance on 2 December 2025)

DISTRIBUTION OF ICPS HOLDINGS

	No. of	% of	No. of	% of
Size of ICPS holdings	ICPS Holders	ICPS Holders	ICPS Held	ICPS Held
Less than 100	194	2.82	7,507	#
100 - 1,000	1,992	28.93	1,223,866	0.13
1,001 - 10,000	3,461	50.27	13,071,884	1.34
10,001 - 100,000	1,020	14.81	30,886,245	3.16
100,001 - less than 5% of issued ICPS	214	3.11	312,939,104	32.01
5% and above issued ICPS	4	0.06	619,650,745	63.36
	6,885	100.00	977,779,351	100.00

Note:  
# Less than 0.01%

ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES HOLDINGS

AS AT 30 APRIL 2021

THIRTY LARGEST ICPS HOLDERS AS PER RECORD OF DEPOSITORS (CONTD.)

	Name of ICPS holders	No. of ICPS	%
16	Maybank Nominees (Tempatan) Sdn Bhd - Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	4,330,453	0.44
17	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB for Khoo Loon Im (PB)	4,148,100	0.42
18	HSBC Nominees (Asing) Sdn Bhd - JPMBL SA for Aviva Investors	4,078,674	0.42
19	Hong Leong Assurance Berhad - As Beneficial Owner (Life PAR)	4,044,346	0.41
20	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Nomura)	3,460,000	0.35
21	Jef-San Enterprise Sdn Bhd	3,103,047	0.32
22	Permodalan Nasional Berhad	2,915,300	0.30
23	Tye Lim Huat	2,782,000	0.28
24	Tye Yong Pou	2,770,000	0.28
25	Khoo Chai Pek	2,610,900	0.27
26	UOB Kay Hian Nominees (Tempatan) Sdn Bhd - Pledged securities account for Teo Kwee Hock	2,467,200	0.25
27	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged securities accout for Ng Yoke Yen (7002612)	2,345,000	0.24
28	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for Caceis Bank (LUX BR-UCITSCLT)	2,306,174	0.24
29	Dato' Tan Kia Loke	2,172,300	0.22
30	SWL Nominees (Tempatan) Sdn Bhd - Pledged securities account for Chew Chee Kin	2,147,565	0.22

THIRTY LARGEST ICPS HOLDERS AS PER RECORD OF DEPOSITORS

	Name of ICPS holders	No. of ICPS	%
1	Pacific Trustees Berhad for Sungei Way Corporation Sdn Bhd	300,000,000	30.68
2	Pacific Trustees Berhad for Sungei Way Corporation Sdn Bhd T2	205,000,000	20.97
3	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	63,720,583	6.52
4	Sungei Way Corporation Sendirian Berhad	50,930,162	5.21
5	Sunway Education Group Sdn Bhd	36,325,300	3.72
6	Active Equity Sdn Bhd	31,310,000	3.20
7	Lim Suan	28,456,517	2.91
8	Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO	22,928,939	2.35
9	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt AN for AIA Bhd	17,403,140	1.78
10	Teng Yew Huat	13,874,100	1.42
11	Amanahraya Trustees Berhad - Public Ittikal Sequel Fund	10,126,019	1.04
12	Lean Hoen Sew	9,301,360	0.95
13	Maybank Securities Nominees (Asing) Sdn Bhd - Maybank Kim Eng Securities Pte Ltd for Maybank Kim Eng Securities (Thailand) PCL (A/C Retail)	9,101,360	0.93
14	Cartaban Nominees (Tempatan) Sdn Bhd - PAMB for Prulink Equity Fund	5,269,778	0.54
15	Citigroup Nominees (Tempatan) Sdn Bhd - Manulife Insurance Berhad (OL PAR)	4,991,020	0.51

ANALYSIS OF WARRANTHOLDINGS

AS AT 30 APRIL 2021

Type of securities : Warrants 2017/2024  
Issue Date : 4 October 2017  
Maturity Date : 3 October 2024

DISTRIBUTION OF WARRANTHOLDINGS

	No. of	% of	No. of	% of
Size of Warrantholdings	Warrantholders	Warrantholders	Warrants Held	Warrants Held
Less than 100	3,557	25.16	84,652	0.01
100 - 1,000	6,069	42.94	2,981,224	0.45
1,001 - 10,000	3,320	23.49	10,268,536	1.53
10,001 - 100,000	908	6.42	29,064,543	4.34
100,001 - less than 5% of warrants in issue	276	1.95	158,796,607	23.72
5% and above warrants in issue	5	0.04	468,318,031	69.95
	14,135	100.00	669,513,593	100.00

THIRTY LARGEST WARRANTHOLDERS AS PER RECORD OF DEPOSITORS

	Name of Warrantholders	No. of Warrants	%
1	Sungei Way Corporation Sendirian Berhad	238,963,648	35.69
2	Sungei Way Corporation Sendirian Berhad	113,344,515	16.93
3	HSBC Nominees (Tempatan) Sdn Bhd - Pledged securities account for Sungei Way Corporation Sdn Bhd (302-036306-089)	45,083,976	6.73
4	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged securities account for Sungei Way Corporation Sendirian Berhad	36,389,209	5.44
5	Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO	34,536,683	5.16
6	CGS-CIMB Nominees (Tempatan) Sdn Bhd - Pledged securities account for Khoo Chai Pek (MY1030)	7,802,921	1.17
7	RHB Nominees (Tempatan) Sdn Bhd - Pledged securities account for Wong Yee Hui	7,791,323	1.16
8	Khoo Chai Pek	6,876,275	1.03
9	CGS-CIMB Nominees (Tempatan) Sdn Bhd - Pledged securities account for Ng Hok Long @ Ng Hock Leong (EMPIRE-CL)	5,918,068	0.88
10	Amanahraya Trustees Berhad - Public Ittikal Sequel Fund	3,878,919	0.58
11	Ng Hok Long @ Ng Hock Leong	3,773,926	0.56
12	Khoo Chai Heng	3,637,980	0.54
13	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Emerging Markets Stock Index Fund	3,473,743	0.52
14	Ng Kok Hin	3,425,026	0.51
15	Maybank Securities Nominees (Asing) Sdn Bhd - Maybank Kim Eng Securities Pte Ltd for Lim Chuan Seng	2,975,840	0.44

ANALYSIS OF WARRANTHOLDINGS

AS AT 30 APRIL 2021

THIRTY LARGEST WARRANTHOLDERS AS PER RECORD OF DEPOSITORS (CONTD.)

	Name of Warrantholders	No. of Warrants	%
16	Public Invest Nominees (Asing) Sdn Bhd - Exempt AN for Phillip Securities Pte Ltd (Clients)	2,661,399	0.40
17	Chang Tian Kwang	2,484,837	0.37
18	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged securities accout for Christina Loh Yoke Lin (8111756)	2,350,000	0.35
19	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Total International Stock Index Fund	2,251,901	0.34
20	Lim Kwong Hon	2,194,188	0.33
21	CGS-CIMB Nominees (Tempatan) Sdn Bhd - Pledged securities account for Tan Meng Seng (MY1542)	2,106,894	0.31
22	Er Soon Puay	1,860,974	0.28
23	Tan Hui Gek	1,849,382	0.28
24	Susy Ding	1,828,499	0.27
25	Maybank Nominees (Tempatan) Sdn Bhd - Pledged securities account for Tee See Kim	1,683,340	0.25
26	CIMB Group Nominees (Tempatan) Sdn Bhd - CIMB Commerce Trustee Berhad - Kenanga Malaysian INC Fund	1,552,857	0.23
27	Wilfred Koh Seng Han	1,510,985	0.23
28	RHB Nominees (Tempatan) Sdn Bhd - Pledged securities account for Susy Ding	1,500,040	0.22
29	Tan Chon Seng	1,500,000	0.22
30	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged securities account for Susy Ding (CEB)	1,479,462	0.22



# ADDITIONAL INFORMATION

387.....Notice of Eleventh Annual General Meeting

Proxy Form

395.....Corporate Directory

## **SUNWAY®** SUNWAY BERHAD

[Registration No. 201001037627 (921551-D)]

(Incorporated in Malaysia)

### NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Eleventh Annual General Meeting (“AGM”) of SUNWAY BERHAD (the “Company”) will be held fully virtual through live streaming and online remote voting at the Broadcast Venue at the Penthouse, Level 20, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on Friday, 25 June 2021 at 3.30 p.m. for the following purposes:-

#### AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Directors’ and Auditors’ Reports thereon.  
(Please refer to Explanatory Note No. 1)
2. To approve the following fees:-
  - 2.1. Payment of Directors’ fees amounting to RM840,655.74 for the financial year ended 31 December 2020. (Ordinary Resolution 1)
  - 2.2. Proposed increase of the Board Committees’ fees to RM88,877.09 and the payment of the said fees for the financial year ended 31 December 2020. (Ordinary Resolution 2)
3. To approve the payment of benefits payable to the Non-Executive Directors of up to an amount of RM600,000.00 from 26 June 2021 until the conclusion of the next AGM of the Company. (Ordinary Resolution 3)
4. To re-elect the following Directors:-
  - 4.1 Tan Sri Dato’ Seri Dr Jeffrey Cheah Fook Ling who retires by rotation pursuant to Clause 106(1) of the Company’s Constitution and being eligible, offers himself for re-election. (Ordinary Resolution 4)
  - 4.2 Dato’ Sri Idris Jala who retires by rotation pursuant to Clause 106(1) of the Company’s Constitution and being eligible, offers himself for re-election. (Ordinary Resolution 5)
  - 4.3 Tan Sri Datuk Dr Rebecca Fatima Sta Maria who retires by rotation pursuant to Clause 106(1) of the Company’s Constitution and being eligible, offers herself for re-election. (Ordinary Resolution 6)
  - 4.4 Datuk Tong Poh Keow who retires pursuant to Clause 89 of the Company’s Constitution and being eligible, offers herself for re-election. (Ordinary Resolution 7)
  - 4.5 Tan Sri Jamaludin Bin Ibrahim who retires pursuant to Clause 89 of the Company’s Constitution and being eligible, offers himself for re-election. (Ordinary Resolution 8)
5. To re-appoint Messrs BDO PLT as Auditors of the Company to hold office until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. (Ordinary Resolution 9)

#### 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 Constitution and the approvals of the relevant government and/or regulatory authorities, where such approval is necessary, 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 to be 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 10)

NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

7. ORDINARY RESOLUTION:  
Proposed Renewal of Existing Shareholders’ Mandate and Proposed New 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 27 May 2021 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 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 11)

8. 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 Company Secretary be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the DRS with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments or at the discretion of the Directors in the best interest of the Company.”

(Ordinary Resolution 12)

NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

9. SPECIAL RESOLUTION  
Proposed Amendments to the Company’s Constitution

“**THAT** the proposed amendments to Clauses 84 and 85 of the Company’s Constitution as set out below, be and are hereby approved:-

Clause No.	Existing provisions	Proposed Amendments
84	How instrument to be executed  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. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand a poll on behalf of the appointer.	How instrument to be executed  The instrument appointing a proxy shall be in writing under the hand of the <b>Member</b> or of his attorney duly authorised in writing or, if such <b>Member</b> is a corporation, either under its common seal or the hand of its officer or attorney duly authorised. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand a poll on behalf of the <b>Member</b> .
85	Instrument to be left at the Office  The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power of authority, shall be legible and deposited at the Office or at such other place within Malaysia (if any) as is specified for that purpose in the notice convening the meeting either personally, by fax, electronic mail or by sending it through the post in a prepaid letter during business hours not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting, as the case may be, at which the person named as proxy in such instrument proposes to vote or, in the case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll; otherwise the person so named shall not be entitled to vote in respect thereof. In the case where the Member is a corporation and the instrument appointing a proxy is delivered by fax or electronic mail, the original proxy form shall also be deposited at the Office either personally or by post not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting.	Instrument to be left at the Office  The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power of authority, shall be legible and deposited at the Office, or at such other place within Malaysia <b>or in such other manner</b> as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting, as the case may be, at which the person named as proxy in such instrument proposes to vote or, in the case of a poll, not less than twenty-four ( <b>24</b> ) hours before the time appointed for the taking of the poll; otherwise the person so named shall not be entitled to vote in respect thereof.

**AND THAT** the Directors and Company Secretary be and are hereby authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the proposed amendments to the Company’s Constitution.”

(Special Resolution 1)

By Order of the Board

**TAN KIM AUN** (SSM PC NO. 202008001249) (MAICSA 7002988)  
**CHIN LEE CHIN** (SSM PC NO. 202008001355) (MAICSA 7012347)  
Company Secretaries

Bandar Sunway  
27 May 2021

## NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

### NOTES:

- 1) The AGM of the Company will be conducted **fully virtual through live streaming and online remote voting using the Remote Participation and Voting (“RPV”) Facility**. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be present at the main venue of the AGM. **NO SHAREHOLDERS/PROXIES/CORPORATE REPRESENTATIVES** from the public shall be physically present nor admitted at the Broadcast Venue on the day of the AGM.  
Shareholders of the Company are to participate, speak (in the form of real-time submission of typed texts) and vote remotely at the AGM using RPV Facility provided by the Company's Share Registrar via its website at [www.sunwaymanagement.com.my](http://www.sunwaymanagement.com.my). Please follow the Procedures for RPV Facility provided in the Administrative Details for the AGM.
- 2) A shareholder of the Company who is entitled to participate, speak and vote at the AGM via RPV Facility, may appoint more than 1 proxy to attend and vote instead of the shareholder at the AGM. A proxy need not be a shareholder.
- 3) Shareholders may use the Q&A platform in Zoom Cloud Meetings App to submit questions in real time during the AGM. Shareholders may also submit questions to the Board prior to the AGM by emailing to [irsunwayberhad@sunway.com.my](mailto:irsunwayberhad@sunway.com.my) no later than 3.00 p.m. on Thursday, 24 June 2021 or via the Q&A platform in [www.sunwaymanagement.com.my](http://www.sunwaymanagement.com.my) from 3.00 p.m. on 19 June 2021 up to 2.30 p.m. on 25 June 2021.
- 4) Where a shareholder 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.
- 5) Where a shareholder is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- 6) Where a shareholder appoints more than 1 proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. A proxy appointed to participate, speak and vote at the AGM shall have the same rights as the shareholder to speak at the AGM.
- 7) If a shareholder has appointed a proxy to attend a meeting and subsequently he/she attends such meeting via the RPV Facility, the appointment of such proxy shall be null and void, and his/her proxy shall not be entitled to attend the AGM.
- 8) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her 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.
- 9) 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 to [www.sunwaymanagement.com.my](http://www.sunwaymanagement.com.my) 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.
- 10) In respect of deposited securities, only shareholders whose names appear in the Record of Depositors on 18 June 2021 shall be entitled to participate, speak and vote at the general meeting.
- 11) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

### EXPLANATORY NOTES ON:

#### (i) Ordinary Business

1. **To receive the Audited Financial Statements for the financial year ended 31 December 2020 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 (the “**Act**”). As such, this agenda will not be put for voting.

2. **Ordinary Resolutions 1 to 3**

Section 230(1) of the Act provides amongst others, that fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval is sought for the payment of fees, proposed increase of Board Committees' fees and benefits payable to Non-Executive Directors (“**NEDs**”), in three (3) separate resolutions as follows:

- (a) **Ordinary Resolution 1- To approve the payment of the Directors' fees amounting to RM840,655.74 for the financial year ended 31 December 2020**

The Company has adopted the Directors' fees structure for its NEDs:-

Directors' Fee	Co-Chairman/Chairman (RM/annum)	Member (RM/annum)
Board	360,000	120,000

## NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

- (b) **Ordinary Resolution 2- To approve the proposed increase of the Board Committees' fees to RM88,877.09 and the payment of the said fees for the financial year ended 31 December 2020**

The Board had upon the recommendation of the Nomination and Remuneration Committee in March 2021, reviewed the remuneration of the Board Committees as the existing remuneration quantum is below the market median of the comparable public listed companies and is not reflective of the level of workload and responsibilities assumed by them. In view of that, it is recommended the Board Committees' fees be revised as follows:

Audit Committee	Existing (RM/annum)	Proposed (RM/annum)
Chairman	6,000	25,000
Member	3,000	15,000

Board Committee	Proposed fees (RM/annum)	
	Chairman	Member
Risk Management Committee	10,000	5,000
Nomination and Remuneration Committee	10,000	5,000

The recommendation for the proposed revised Board Committee fees is to commensurate with their duties, responsibilities, commitment and contribution in accordance with the terms of reference of the respective Board Committee.

- (c) **Ordinary Resolution 3 - To approve the payment of benefits payable to the NEDs from 26 June 2021 until the conclusion of the next AGM of the Company**

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.

The payment of the Directors' fees and Board Committee fees for the financial year 2020 will be made upon the shareholders' approval while the benefits for the period commencing from 26 June 2021 until the next Annual General Meeting (“**AGM**”) will be paid as and when they are incurred. The Board opined that the payments to the NEDs are just and equitable taking into account their roles and responsibilities towards the Company and the services that they have rendered to the Company.

NEDs who are shareholders of the Company will abstain from voting on the aforesaid resolutions at the 11<sup>th</sup> AGM.

3. **Ordinary Resolutions 4 to 8 - To re-elect Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, Dato' Sri Idris Jala, Tan Sri Datuk Dr Rebecca Fatima Sta Maria, Datuk Tong Poh Keow and Tan Sri Jamaludin Bin Ibrahim as Directors of the Company.**

Clause 106(1) of the Company's Constitution 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, Dato' Sri Idris Jala and Tan Sri Datuk Dr Rebecca Fatima Sta Maria being eligible, have offered themselves for re-election at the 11<sup>th</sup> AGM.

Clause 89 provides that any Director appointed shall hold office only until the next AGM and shall be eligible for re-election. Datuk Tong Poh Keow and Tan Sri Jamaludin Bin Ibrahim who were appointed on 21 September 2020 and 3 March 2021 respectively, are standing for re-election as Directors and being eligible, have offered themselves for re-election.

The Nomination and Remuneration Committee (“**NRC**”) has conducted an assessment on the Directors via Board Assessment for year 2020 as well as the independence of the Independent Directors who are seeking re-election at this AGM, inclusive of their skills, experience, character, integrity, competency, commitment and contribution and is satisfied that they complied and satisfied the independence criteria as required by the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) which is also provided in the Board Charter. Their profiles are enclosed in the Company's integrated Annual Report 2020. The Board has endorsed the NRC's recommendation subject to the shareholders' approval at the 11<sup>th</sup> 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 and Remuneration 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.



## NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

### 4. Ordinary Resolution 9 – To re-appoint Messrs BDO PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration

Based on the results of the External Auditors Evaluation for the financial year ended 31 December 2020, the Board had at its meeting on 17 May 2021, approved the re-appointment of Messrs BDO PLT (“**BDO**”) as Auditors of the Company on the basis that BDO had satisfactorily performed their audit and that BDO had discharged their professional responsibilities in accordance with the rules on professional conduct and ethics of BDO and the By-Laws (on Professional Ethics, Conducts and Practice) issued by the Malaysian Institute of Accountants.

### (ii) Special Business

### 5. Ordinary Resolution 10 - 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 current and/or future investments, working capital, acquisition, repayment of borrowings, operational expenditure and/ or such other applications they may in their absolute discretion deem fit.

At this juncture, there is no decision to issue new shares under this general mandate. 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 Tenth Annual General Meeting held on 2 September 2020.

### 6. Ordinary Resolution 11 - Proposed Renewal of Existing Shareholders’ Mandate and Proposed New Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The details on the proposed renewal of existing shareholders’ mandate and proposed new shareholders’ mandate for recurrent related party transactions of a revenue or trading nature are set out in the Circular to Shareholders dated 27 May 2021.

### 7. Ordinary Resolution 12 - 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 12 will give authority to the Directors to allot and issue ordinary shares in the Company in respect of dividends to be declared, if any, under the Dividend Reinvestment Scheme, until the conclusion of the next AGM. A renewal of this authority will be sought at the subsequent AGM.

### 8. Special Resolution 1 - Proposed Amendments to the Company’s Constitution

The proposed Amendments to the Company’s Constitution is to standardise the wordings and to facilitate the receipt of proxy form in respect of the Company’s general meeting via any form of transmission as specified by the Company from time to time, including but not limited to electronic or digital means.

### PERSONAL DATA NOTICE

The Personal Data Protection Act 2010 (“**PDPA**”) 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 PDPA, if you would like to make any enquiries on your personal data, please contact us at:

Address : 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

# SUNWAY®

### PROXY FORM

Eleventh Annual General Meeting

Number of share(s) held	
CDS Account No.	

\*I/We (Full Name).....\*NRIC No./Passport No./Registration No. ....

having Tel./Mobile No. ....of (Full Address).....  
being a member of SUNWAY BERHAD (the “Company” or “Sunway”) and entitled to vote hereby appoint:-

### 1<sup>ST</sup> PROXY

Full Name	Tel./Mobile No.	Proportion of shareholdings represented	
Email Address	NRIC No./Passport No.	No. of Shares	%

and/or failing \*him/her,

### 2<sup>ND</sup> PROXY

Full Name	Tel./Mobile No.	Proportion of shareholdings represented	
Email 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 Eleventh Annual General Meeting of the Company to be held on a fully virtual basis at the Broadcast Venue at the Penthouse, Level 20, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on Friday, 25 June 2021 at 3.30 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/her discretion.

NO	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	To approve the payment of Directors’ fees		
2.	To approve proposed increase of Board Committee fees and payment of the said fees		
3.	To approve the payment of benefits payable to the Non-Executive Directors		
4.	To re-elect Tan Sri Dato’ Seri Dr Jeffrey Cheah Fook Ling 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-elect Datuk Tong Poh Keow as Director		
8.	To re-elect Tan Sri Jamaludin Bin Ibrahim as Director		
9.	To re-appoint Messrs. BDO PLT as Auditors and to authorise the Directors to fix their remuneration		
10.	To authorise the issue of shares pursuant to Sections 75 and 76 of the Companies Act 2016		
11.	To approve the Proposed Renewal of Existing Shareholders’ Mandate and Proposed New Shareholders’ Mandate for recurrent related party transactions of a revenue or trading nature		
12.	To approve the Proposed Renewal of the authority for Directors to allot and issue new ordinary shares in relation to the Dividend Reinvestment Scheme		
	SPECIAL RESOLUTION	FOR	AGAINST
1.	To approve the Proposed Amendments to the Company’s Constitution		

Dated this..... day of ..... 2021

Signature of Member.....

### NOTES:

- The AGM of the Company will be conducted **fully virtual through live streaming and online remote voting using the Remote Participation and Voting (“RPV”) Facility**. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be present at the main venue of the AGM. **NO SHAREHOLDERS/PROXIES/CORPORATE REPRESENTATIVES** from the public shall be physically present nor admitted at the Broadcast Venue on the day of the AGM. Shareholders of the Company are to participate, speak (in the form of real-time submission of typed texts) and vote remotely at the AGM using RPV Facility provided by the Company’s Share Registrar via its website at [www.sunwaymanagement.com.my](http://www.sunwaymanagement.com.my). Please follow the Procedures for RPV Facility provided in the Administrative Details for the AGM.
- A shareholder of the Company who is entitled to participate, speak and vote at the AGM via RPV Facility, may appoint more than 1 proxy to attend and vote instead of the shareholder at the AGM. A proxy need not be a shareholder.
- Shareholders may use the Q&A platform in Zoom Cloud Meetings App to submit questions in real time during the AGM. Shareholders may also submit questions to the Board prior to the AGM by emailing to [irsunwayberhad@sunway.com.my](mailto:irsunwayberhad@sunway.com.my) no later than 3.00 p.m. on Thursday, 24 June 2021 or via the Q&A platform in [www.sunwaymanagement.com.my](http://www.sunwaymanagement.com.my) from 3.00 p.m. on 19 June 2021 up to 2.30 p.m. on 25 June 2021.
- Where a shareholder 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 shareholder 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 shareholder appoints more than 1 proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. A proxy appointed to participate, speak and vote at the AGM shall have the same rights as the shareholder to speak at the AGM.
- If a shareholder has appointed a proxy to attend a meeting and subsequently he/she attends such meeting via the RPV Facility, the appointment of such proxy shall be null and void, and his/her proxy shall not be entitled to attend the AGM.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her 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 to [www.sunwaymanagement.com.my](http://www.sunwaymanagement.com.my) 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 shareholders whose names appear in the Record of Depositors on 18 June 2021 shall be entitled to participate, speak and vote at the general meeting.
- Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

### Personal Data Privacy:

By lodging of a completed proxy form to the Company for appointing proxy(ies) and/or representative(s) to attend and vote in person at the AGM of the Company and any adjournment thereof, the shareholder accepts and agrees to the use of such data for purposes of processing and administration by the Company (or its agents), and to comply with any laws, listing rules, regulations and/or guidelines. The shareholder agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder’s breach of warranty.

Common Seal

CORPORATE DIRECTORY

HEAD OFFICE

**MENARA SUNWAY**  
Jalan Lagoon Timur, Bandar Sunway  
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia

INVESTMENT HOLDING

**SUNWAY BERHAD\*** 201001037627 (921551-D)  
**SUNWAY CITY SDN BHD\*** 198201007806 (87564-X)  
**SUNWAY HOLDINGS SDN BHD\*** 197801000442 (37465-A)  
**Head Office:**  
Level 17, Menara Sunway  
Tel: (603) 5639 8889 Fax: (603) 5639 9507

**SUNWAY CONSTRUCTION GROUP BERHAD\***  
201401032422 (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\***  
198401000017 (112537-P)  
**SUNWAY SEMENYIH SDN BHD\*** 199601022704 (395056-T)  
**SUNWAY MONTEREZ SDN BHD\*** 200001029337 (531944-H)  
**SUNWAY D'MONT KIARA SDN BHD\*** 200101023880 (559638-V)  
**SUNWAY KIARA SDN BHD\*** 201001010112 (894742-A)  
**SUNWAY MELAWATI SDN BHD\*** 200301003938 (606358-V)  
**SUNWAY CITY PROPERTIES SDN BHD\*** 197401001403 (18451-M)  
**COMMERCIAL PARADE SDN BHD\*** 199201004492 (235996-P)  
**EMERALD TYCOON SDN BHD\*** 200101018585 (554342-U)  
**Head Office:**  
Lobby, Level 3 & 5, Menara Sunway  
Tel: (603) 5639 8888  
Website: www.sunwayproperty.com

**SUNWAY VELOCITY TWO SDN BHD** 201001042381 (926309-U)  
Lobby, Level 3 & 5, Menara Sunway  
**Sunway Velocity Two Sales Gallery:**  
Jalan Peel, Maluri, 55100 Kuala Lumpur  
Tel : (603) - 2732 8028  
Website: www.sunwayproperty.com

**SUNWAY AVILA SDN BHD** 201701014284 (1228449-W)  
Lobby, Level 3 & 5, Menara Sunway  
**Sunway Avila Sales Gallery:**  
Jalan Seri Wangsa 1, Taman Sri Rampai,  
53300 Kuala Lumpur  
Tel: (603)-7964 0822  
Website: www.sunwayproperty.com

**SUNWAY SOUTH QUAY SDN BHD\*** 200301034175 (636596-T)  
**SUNWAY MONASH-U RESIDENCE SDN BHD\***  
200901000358 (843281-X)  
**PROSPER REVENUE SDN BHD\*** 201301006853 (1036693-U)  
Lobby, Level 3 & 5, Menara Sunway

**Sunway South Quay Sales Gallery:**  
G-01-01, Sunway Geo Avenue  
Jalan Lagoon Selatan, Bandar Sunway  
47500 Selangor Darul Ehsan  
Tel: (603) 5021 4588  
Website: www.sunwayproperty.com

**SUNWAY BELFIELD SDN BHD\*** 199801000672 (456798-V)  
Lobby, Level 3 & 5, Menara Sunway  
**Sunway Belfield Sales Gallery:**  
Unit No G1, Ground Floor,  
Bangunan Cheong Wing Chan,  
Nos 41-51, Jalan Maharajalela, 50150 Kuala Lumpur  
Hotline : 1700-81-8183  
Website: www.sunwayproperty.com

**SUNWAY PKNS SDN BHD\*** 198901001876 (179182-V)  
**BISIKAN SENI SDN BHD\*** 199601010783 (383132-M)  
**CONTEMPORARY FACTOR SDN BHD\*** 199601008805 (381153-P)  
**EMERALD FREIGHT SDN BHD\*** 199601012676 (385026-M)

**IMBASAN INTISARI SDN BHD\*** 199601013870 (386220-U)  
**PARK SYMPHONY SDN BHD\*** 199601014875 (387225-D)  
**TIDAL ELEGANCE SDN BHD\*** 199601014872 (387222-K)  
**Head Office:**  
Lobby, Level 3 & 5, Menara Sunway  
Tel: (603) 5639 8888  
Website: www.sunwayproperty.com

**SUNWAY SERENE SDN BHD \*** 200001008823 (511429-A)  
Lobby, Level 3 & 5, Menara Sunway  
**Sales Gallery:**  
Lot No. 72241, Jalan SS8/2, Kelana Jaya,  
47501 Petaling Jaya, Selangor Darul Ehsan  
Tel: (603) 7865 9870  
Website: www.sunwayproperty.com

**SUNWAY CITY (IPOH) SDN BHD** 199101009436 (219749-M)  
**SUNWAY ORGANIC GARDEN SDN BHD** 199501018592 (347795-M)  
**LAGOON FANTASY SDN BHD** 199001015536 (207205-K)  
**SEMANGAT KANCIL (M) SDN BHD** 199501026783 (355988-A)  
**OBJEKTIF EKUITI (M) SDN BHD** 199501017528 (346731-H)  
**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  
Website: www.sunwaycityipoh.com

**SUNWAY CITY (PENANG) SDN BHD** 198501008888 (141336-U)  
**SUNWAY GRAND SDN BHD** 198101000607 (66715-X)  
**SUNWAY BUKIT GAMBIER SDN BHD** 200301013996 (616416-W)  
**SUNWAY BINTANG SDN BHD** 199201007071 (238575-M)  
**SUNWAY TUNAS SDN BHD** 199501005223 (334419-X)  
**ASSOCIATED CIRCLE SDN BHD** 199201006647 (238151-V)  
**FAME PARADE SDN BHD** 199201006644 (238148 -V)  
**SUNWAY ORIENT SDN BHD** 199501016446 (345649-U)  
28, Jalan Anson, 10400 George Town  
Pulau Pinang  
Tel: (604) 684 8080 Fax: (604) 684 8180

**SUNWAYMAS SDN BHD\*** 198401017478 (130027-K)  
**SUNWAY EASTWOOD SDN BHD\*** 200701037298 (795327-T)  
**SUNWAY TERMUNING SDN BHD\*** 200401010626 (649129-D)  
**SUNWAY RAWANG HEIGHTS SDN BHD\*** 198601007860 (157051-K)  
**SUNWAY KANCHING HEIGHTS SDN BHD\*** 198101010270 (76395-P)  
**DAKSINA HARTA SDN BHD\*** 201001031346 (915269-T)  
**SUNWAY BANGI SDN BHD\*** 199101005610 (215920-W)  
**Head Office:**  
Lobby, Level 3 & 5, Menara Sunway  
Tel: (603) 5639 8888  
Website: www.sunwayproperty.com

**SUNWAY ISKANDAR DEVELOPMENT SDN BHD**  
201201034987 (1019469-K)  
**SUNWAY ISKANDAR SDN BHD** 201101036317 (964451-A)  
**SUNWAY MARKETPLACE SDN BHD** 201501020965 (1146301-T)  
**SUNWAY PARKVIEW SDN BHD** 201501021412 (1146740-W)  
**SUNWAY SEAFRONT SDN BHD** 201501022024 (1147352-T)  
**Corporate office:**  
Sunway Southern Region Office  
Level 7, Hab Citrine, Sunway Citrine  
Persiaran Medini 3, Bandar Sunway Iskandar Puteri  
(Sunway City Iskandar Puteri)  
79250 Iskandar Puteri, Johor Darul Takzim  
Tel: (607) 509 8800 Fax: (607) 509 7211  
Website: www.sunwayiskandar.com

**Sales Gallery:**  
Lot G-01, Hab Citrine, Persiaran Medini 3,  
Bandar Sunway Iskandar Puteri  
(Sunway City Iskandar Puteri), Medini Iskandar  
79250 Iskandar Puteri, Johor Darul Takzim, Malaysia.  
Tel: (607) 509 6575

**SUNWAY CITY (JB) SDN BHD** 201001011849 (896512-M)  
**Sales Gallery:**  
Persiaran Lenang Utama  
Sunway Bukit Lenang  
81100 Johor Bahru, Johor  
Tel: (603) 47770761

**CHINA:**  
**SUNWAY GUANGHAO REAL ESTATE (JIANGYIN) CO. LTD**  
**Office:**  
YiFangCheng Commercial Unit 399,  
Xiangjiang Road, Lingang Street, Jiangyin  
Jiangsu Province, 214400 China  
Tel: +86 510 8688 0966

**Sales Gallery:**  
YiFangCheng Commercial Unit 369,  
Xiangjiang 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 J, 21/F., COS Centre, 56 Tsun Yip Street,  
Kwun Tong, Kowloon, Hong Kong.  
Tel: (852) 3188 1607  
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)  
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\*** 200801005046 (806330-X)  
(Manager for Sunway Real Estate Investment Trust)  
Level 15, Menara Sunway  
Tel: (603) 5639 8888 Fax: (603) 5639 8001  
Website: www.sunwayreit.com

PLEASE FOLD HERE

STAMP

THE SHARE REGISTRAR  
**SUNWAY BERHAD**  
Registration No. 201001037627 (921551-D)  
LEVEL 16, MENARA SUNWAY  
JALAN LAGOON TIMUR  
BANDAR SUNWAY  
47500 SUBANG JAYA  
SELANGOR DARUL EHSAN  
MALAYSIA

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**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  
13700 Seberang Jaya, Penang, Malaysia  
Tel: (604) 397 9888 Fax: (604) 397 9883  
Website: www.sunwaycarnival.com

**SUNCITY (IPOH) HYPERMARKET**  
No. 2, Jalan SCI 2/2, Bandar Sunway Ipoh  
31150 Ipoh, Perak Darul Ridzuan, Malaysia

**MENARA SUNWAY**  
**SUNWAY PUTRA TOWER**  
**Management Office**  
Unit 4.5, Level 4, Menara Sunway Annexe  
Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya,  
Selangor Darul Ehsan, Malaysia  
Tel: (603) 5639 8888 Fax: (603) 5639 9595

**SUNWAY TOWER**  
**Management Office**  
Ground Floor, Sunway Tower, 86, Jln Ampang  
50450 Kuala Lumpur, Malaysia  
Tel: (603) 2032 4100 Fax: (603) 2070 4093

**SUNWAY FACILITY MANAGEMENT SDN BHD**  
199701027530 (443028-K)  
**SUNWAY IFM SDN BHD** 198401017677 (130231-P)  
**SUNWAY PARKING SERVICES SDN BHD** 200401005322  
(643825-X)  
**SUNWAY INTEGRATED PARKING SDN BHD** 199201006678  
(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 BIG BOX SDN BHD** 199401032650 (318333-T)  
**Centre Management Office**  
FF-L-13B, Pusat Komersial Sunway Marketplace, Persiaran  
Medini 6, Bandar Sunway Iskandar Puteri  
(Sunway City Iskandar Puteri)  
79250 Iskandar Puteri, Johor Darul Ta'zim  
Tel: (607) 533 1333

**SUNWAY DESTINY SDN BHD** 199701028013 (443511-H)  
**SUNWAY MUSC SDN BHD** 200101010201 (545957-T)  
**SUNWAY RESIDENCE SDN BHD** 200101002885 (538641-W)  
**SUNWAY PINNACLE SDN BHD** 201001010902  
(895562-K)  
**SUNWAY PFM SDN BHD** 199101008005 (218317-K)  
**SUNWAY PYRAMID DEVELOPMENT SDN BHD**  
201001042217 (926145-W)  
**SUNWAY CENTURY SDN BHD** 200901040107  
(883253-V)  
**SUNWAY REM SDN BHD** 200101006314 (542070-M)  
**SUNWAY TRANSIT SYSTEM SDN BHD** 200901021513  
(864610-D)  
**SUNWAY SYMPHONY SDN BHD** 200701011613  
(769617-T)  
**SUNWAY AMBIENCE SDN BHD** 200701009915  
(767918-W)  
**SUNWAY TOWNHOUSE SDN BHD** 199701029190 (444689-  
T)  
**SUNWAY GEO SDN BHD** 201701036124 (1250295-A)  
**SUMBER DORONGAN SDN BHD** 199601012527 (384876-P)  
**SUNWAY TOWER 1 SDN BHD** 200101010179 (545935-D)  
**SUNWAY SUSTAINABILITY SOLUTIONS SDN BHD**  
201701028510 (1242676-U)  
**SUNWAY PERMAI SDN BHD** 199101006678 (318333-T)  
**RICH WORLDCLASS SDN BHD** 200901023459 (866558-X)  
**GALAXY AVENUE SDN BHD** 199701018571 (434068-K)  
**REPTOLINK SDN BHD** 199701017250 (432747-P)  
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** 201001001709 (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** 199601013648 (385998-X)  
**SUNWAY GIZA PARKING SDN BHD** 199601006125 (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** 199601011407  
(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** 200701009398  
(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\*** 199701038836 (454336-K)  
Level 17, Menara Sunway  
Tel: (603) 5639 8889 Fax: (603) 5639 9507

**Sunway RE Capital Pte Ltd** (201527053H)  
101 Irrawaddy Road, #09-01,  
Royal Square Medical Centre, Singapore 329565  
Tel: +65 6911 0691  
Website: https://sunwayrecapital.com/

**Sunway RE Capital Advisors (SG) Pte Ltd** (formerly known  
as Sunway Invoice Interchange Pte Ltd)(201734496G)  
101 Irrawaddy Road, #09-01,  
Royal Square Medical Centre, Singapore 329565  
Tel: +65 6911 0691

**Sunway RE Capital Advisors (UK) Limited** (12280402)  
1 Bartholomew Lane, London, United Kingdom, EC2N 2AX  
Tel: +44 (0)20 7398 6300  
Fax: +44 (0)20 7398 6325

**Sunway Residence Trust**  
8 Marina View #26-01 Asia Square Tower 1, Singapore  
018960

**Sunway Residence (Guernsey) Limited** (66926)  
Martello Court, Admiral Park, St. Peter Port, Guernsey GY1  
3HB  
Tel: +44 (0)14 8121 1000  
Fax: +44 (0)14 8121 1001

LEISURE DIVISION

**SUNWAY LAGOON SDN BHD** 199101001001 (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**  
199201008839 (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** 198901008175 (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** 199601025047 (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 LIVING SPACE SDN BHD** 200401006082 (644585-  
X)  
Lot No. 2, Ground Floor, Sunway Lagoon Club  
No. 3, Jalan Lagoon Timur, Bandar Sunway  
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia  
Tel: (603) 5639 9221 Fax: (603) 5639 9555  
Email: sivc@sunway.com.my  
Website: www.sunway.com.my/vacationclub

**SUNWAY HEALTHY LIFESTYLE SDN BHD** 200501012428  
(689476-X)  
Lot No. 2, Ground Floor, Sunway Lagoon Club  
No. 3, Jalan Lagoon Timur, Bandar Sunway  
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia  
Tel: (603) 5639 9993 Fax: (603) 5639 9555  
Email: shl@sunway.com.my  
Website: www.sunway.com.my/healthylifestyle

**SUNWAY TRAVEL SDN BHD** 198601009346 (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 DIVISION

**SUNWAY INTERNATIONAL HOTELS & RESORTS SDN**  
**BHD** 199701015157 (430654-V)  
Sunway Resort Hotel & Spa, Level 9,  
Finance Department, Persiaran Lagoon,  
Bandar Sunway, 47500 Subang Jaya, Selangor  
Tel No.: (603)-7492 8000  
Website: www.sihr.com

**SUNWAY RESORT HOTEL SDN BHD** 198901004890  
(182198-M)  
**SUNWAY RESORT HOTEL & SPA**  
**SUNWAY PYRAMID HOTEL**  
**SUNWAY CLIO HOTEL**  
**THE VILLAS**  
Persiaran Lagoon, Bandar Sunway  
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia  
Tel: (603) 7492 8000 Fax: (603) 7492 8001  
Email: srhs.enquiry@sunwayhotels.com  
Website: www.sunwayhotels.com/sunway-resort

**SUNWAY PUTRA HOTEL SDN BHD** 201101010136 (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** 199601041659  
(414012-T)  
Lingkar 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** 198401017826  
(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**  
199201007102 (238606-A)  
11, Lebuh Tenggara Dua,  
Pusat Bandar Seberang Jaya  
13700 Prai Pulau Pinang, Malaysia  
Tel: (604) 370 7788 Fax: (604) 370 0555  
Email: enquiryshsj@sunwayhotels.com  
Website: www.seberangjaya.sunwayhotels.com

**SUNWAY HOTEL PHNOM PENH LTD** (239/96E)  
1, Street 92, Sangkat Wat Phnom, P.O. Box 633  
Phnom Penh 12202, Kingdom of Cambodia  
Tel: (855) 23 430 333 Fax: (855) 23 430 339  
Email: enquiryshpp@sunwayhotels.com  
Website: www.phnompenh.sunwayhotels.com

**SUNWAY HOTEL HANOI LIABILITY LIMITED COMPANY**  
**WITH ONE MEMBER**  
19, Pham Dinh Ho Street, Hai Ba Trung District  
Hanoi, Vietnam  
Tel: (844) 3 971 3888 Fax: (844) 3 971 3555  
Email: enquiryshhn@sunwayhotels.com  
Website: www.hanoi.sunwayhotels.com

**KINTA SUNWAY RESORT SDN BHD** 199501030734  
(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: tbhr.info@sunwayhotels.com  
Website: www.sunwayhotels.com/the-banjaran

**SUNWAY LOST WORLD HOTEL SDN BHD** 200901019480  
(862578-V)  
**LOST WORLD HOTEL**  
No. 2, Persiaran Lagun Sunway 1, Sunway City Ipoh  
31150 Ipoh, Perak Darul Ridzuan, Malaysia  
Tel: (605) 540 8888 Fax: (605) 540 8899  
Email: lostworldhotel@sunway.com.my  
Website: www.sunwaylostworldoftambun.com

CONSTRUCTION DIVISION

TURNKEY, DESIGN & BUILD, CIVIL  
ENGINEERING AND BUILDING  
CONSTRUCTION

**SUNWAY CONSTRUCTION SDN BHD\*** 197601001216  
(27175-V)  
**SUNWAY BUILDERS SDN BHD\*** 199301030466 (285205-T)  
**SUNWAY INNOPAVE SDN BHD\*** 199601018066 (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 Sunway Iskandar Puteri  
(Sunway City Iskandar Puteri)  
79250 Iskandar Puteri, Johor Darul Ta'zim  
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\*** 199601041661  
(414014-W)  
Level 7, Menara Sunway  
Tel: (603) 5639 9696 Fax: (603) 5639 9533

**MECHANICAL, ELECTRICAL & PLUMBING SERVICES**  
**SUNWAY ENGINEERING SDN BHD** 199501012685 (341887-  
W)  
Level 9, Menara Sunway  
Tel: (603) 5639 9696 Fax: (603) 5639 9531

**SUSTAINABLE ENERGY**  
**SUNWAY PEKAT SOLAR SDN BHD \*** 201901022491  
(1331820-M)  
Level 9, Menara Sunway  
Tel: (603) 5649 9696 Fax: (603) 5639 9531

**MANUFACTURING AND SALE OF PRECAST CONCRETE**  
**PRODUCTS**  
**SUNWAY PRECAST INDUSTRIES SDN BHD** 199201000271  
(231775-X)  
SENAI, JOHOR:  
18, Jalan Idaman 1/1, Taman Perindustrian Senai,  
81400 Senai, Johor Darul Takzim.  
Tel: (607) 5955 222 Fax: (607) 5951 246

**ISKANDAR, JOHOR:**  
**SUNWAY CONCRETE PRODUCTS (M) SDN BHD**  
201601039388 (1210329-A)  
Plot F5, Lot PTD 200685, Medini Zone F,  
Mukim Pulau, Daerah Johor Bahru,  
81200 Johor Darul Takzim.

**SINGAPORE:**  
**SUNWAY CONCRETE PRODUCTS (S) PTE LTD**  
(199409213Z)  
65 Ubi Road 1 #01-62 Oxley Bizhub,  
Singapore 408729  
Tel: (02) 6582 8089 Fax: (02) 6581 0482

**MACHINERY & LOGISTICS**  
**SUNWAY MACHINERY SDN BHD** 199601016902 (389253-P)  
Lot 656, Jalan Subang 1, Off Persiaran Subang, 47600  
Subang Jaya, Petaling Jaya, Selangor Darul Ehsan,  
Malaysia  
Tel: (603) 5633 6499 Fax: (603) 5631 2387

**FACADE SOLUTION**  
**SUNWAY FACADE NETWORK SDN BHD** 201501028523  
(1153847-X)  
1F09, Pusat Perdagangan IOI,  
No.1, Persiaran Puchong Jaya Selatan,  
Bandar Puchong Jaya, 47100 Puchong.  
Tel: (603) 8062 9792 Fax: (603) 8062 9762

TRADING AND MANUFACTURING DIVISION  
MALAYSIA OFFICES & BRANCHES

**SUNWAY MARKETING SDN BHD\*** 198301014949 (110342-X)  
**SUNWAY HOSE CENTRE SDN BHD\*** 199501021414  
(350617-H)  
**SUNWAY ARCHITECTURAL PRODUCTS SDN BHD\***  
198501014095 (146551-W)  
**SUNWAY HYDRAULIC INDUSTRIES SDN**  
**BHD\***198301008006 (103260-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 526, Persiaran Subang Permai, Sungai Penaga  
Industrial Park, USJ 1,  
47600 Subang Jaya, Selangor, Malaysia.  
Tel: (603) 8021 9228 Fax: (603) 8021 9223

**SUNWAY MARKETING SDN BHD - JOHOR BAHRU**  
**BRANCH**  
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

**SUNWAY MARKETING SDN BHD - PENANG BRANCH**  
No. 28, Jalan Anson,10400, Georgetown,  
Pulau Pinang, Malaysia.  
Tel: (604) 226 2522 Fax: (604) 226 3480

**SUNWAY HYDRAULIC INDUSTRIES SDN**  
**BHD\***198301008006 (103260-H)  
Website: www.sunflex.com.sg  
Email: sunflex@sunway.com.my

**SUNWAY MARKETING (EAST MALAYSIA) SDN BHD**  
199501024044 (353248-U)  
Email: ipsales@sunway.com.my

**SUNWAY MARKETING (EAST MALAYSIA) SDN BHD -**  
**BINTULU BRANCH**  
Lot 7522, 1 Jalan Bintulu - Miri,  
Eastern Gateway Industrial Park,  
97000 Bintulu, Sarawak, Malaysia.  
Tel: (6086) 313 778 / 313 779  
Fax: (6086) 313 772

**SUNWAY MARKETING (EAST MALAYSIA) SDN BHD -**  
**SIBU BRANCH**  
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

**SUNWAY MARKETING (EAST MALAYSIA) SDN BHD -**  
**MIRI BRANCH**  
Lot 3459, Block 6, Jalan Dato Permaisuri 1,  
Permy Technology Park, Kuala Baram Land District,  
98000 Miri, Sarawak, Malaysia.  
Tel: (6085) 656 354 / 656 292 / 659 197  
Fax: (6085) 656 431

**SUNWAY MARKETING (EAST MALAYSIA) SDN BHD -**  
**TAWAU BRANCH**  
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

**SUNWAY MARKETING (EAST MALAYSIA) SDN BHD -**  
**SANDAKAN BRANCH**  
Lot 2, Labuk Road Mile 9,  
90000 Sandakan, Sabah, Malaysia.  
Tel: (6089) 673 070 / 673 071  
Fax: (6089) 673 077

**SUNWAY MARKETING (EAST MALAYSIA) SDN BHD -**  
**KOTA KINABALU BRANCH**  
Lot 9, Jalan Bakau, Inanam Industrial Estate,  
KM 8, Jalan Inanam, 88300 Kota Kinabalu,  
Sabah, Malaysia.  
Tel: (6088) 387 146 Fax: (6088) 389 148

**SUNWAY MARKETING (EAST MALAYSIA) SDN BHD -**  
**KUCHING BRANCH**  
Lot 1207, Block 8, Muara Tebas Land District,  
93050 Kuching, Sarawak, Malaysia.  
Tel: (6082) 439 207 Fax: (6082) 439 206

**SUNWAY ENTERPRISE (1988) SDN BHD** 198001008927  
(62711-M)  
Lot 526, Persiaran Subang Permai, Sungai Penaga  
Industrial Park, USJ 1, 47600 Subang Jaya,  
Selangor, Malaysia.  
Tel: (603) 8021 9288 Fax: (603) 8021 9280  
Website: www.sunwayenterprise1988.com

**SUNWAY ENTERPRISE (1988) SDN BHD - PENANG**  
**BRANCH**  
No. 8, Lorong IKS Simpang Ampat G,  
Taman IKS, Simpang Ampat,  
14100 Simpang Ampat, Penang, Malaysia.  
Tel: (604) 502 6982 Fax: (604) 506 0560

**SUNWAY ENTERPRISE (1988) SDN BHD - KUANTAN**  
**BRANCH**  
No. 51, Lorong 14/7 B.I.M Point,  
Bandar Indera Mahkota,  
25200 Kuantan, Pahang, Malaysia.  
Tel: (609) 570 1313 Fax: (609) 570 1155

**SUNWAY ENTERPRISE (1988) SDN BHD - JOHOR**  
**BAHRU BRANCH**  
No. 12, Jalan Selatan 3/4,  
Taman Perindustrian Ringan Pulau,  
81300, Johor Bahru, Johor, Malaysia.  
Tel: (607) 511 3638 Fax: (607) 511 3639

**SUNWAY ENTERPRISE (1988) SDN BHD - SANDAKAN**  
**BRANCH**  
Lot 2, Labuk Road Mile 10 1/2,  
90000 Sandakan, Sabah, Malaysia.  
Tel: (6089) 671 833 Fax: (6089) 670 833

**SUNWAY ENTERPRISE (1988) SDN BHD - KOTA**  
**KINABALU BRANCH**  
Lot 35-39, SEDCO Industrial Estate,  
Jalan Kolombong, Off Mile 5.5,  
Jalan Tuaran, 88450 Kota Kinabalu,  
Sabah, Malaysia.  
Tel: (088) 383822/ 389333 Fax: (088) 382933

**SUNWAY ENTERPRISE (1988) SDN BHD - KUCHING**  
**BRANCH**  
Lot 496, SL 5, Jalan Muara Tuang,  
94300 Kuching, Sarawak, Malaysia.  
Tel: (6082) 610 608 / 611 608 Fax: (6082) 612 508

**Sunway Enterprise (1988) SDN BHD - MIRI BRANCH**  
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:

**SUNWAY WINSTAR SDN BHD** 198301008855  
(104106-W)  
Lot 526, Persiaran Subang Permai,  
Sungai Penaga Industrial Park, USJ 1,  
47600 Subang Jaya, Selangor, Malaysia.  
Tel: (603) 8021 9238 Fax: (603) 8021 9233  
Website: www.sunwaywinstar.com

**SUNWAY WINSTAR SDN BHD - RAWANG BRANCH**  
No. 38, Jalan RP 1,  
Rawang Perdana Industrial Estate,  
48000 Rawang, Selangor, Malaysia.  
Tel: (603) 6099 9399 Fax: (603) 6099 9388

**SUNWAY WINSTAR SDN BHD - KUANTAN BRANCH**  
No. 5, Jalan 1M 3/15, Sektor 1,  
Bandar Indera Mahkota,  
25200 Kuantan, Pahang, Malaysia.  
Tel: (609) 573 9898 Fax: (609) 5739889



**SUNWAY WINSTAR SDN BHD - PENANG BRANCH**  
872-1, Jalan Permatang Tengah, Taman Perkasa, 13000 Butterworth, Penang, Malaysia.  
Tel: (604) 320 0379 Fax: (604) 320 0479

**SUNWAY WINSTAR SDN BHD - KUCHING BRANCH**  
Lot 2180, Jalan Swasta, Bintawa Industrial Estate, 93450 Kuching, Sarawak, Malaysia.  
Tel: (6082) 341 766 /342 766 Fax: (6082) 484 766

**SUNWAY WINSTAR SDN BHD - KOTA KINABALU BRANCH**  
Lot 9, Jalan Bakau, Inanam Industrial Estate, KM8, Jalan Inanam, 88300 Kota Kinabalu, Sabah, Malaysia.  
Tel: (6088) 387 146 Fax: (6088) 389 148

**SUNWAY SAF-T-QUIP SDN BHD** 199001005321 (196889-P)  
No. 9, Jalan 3/33B, Batu 6 1/2, Jalan Kepong, 52000 Kuala Lumpur, Malaysia.  
Tel: (603) 6259 2366 / 6259 1654 Fax: (603) 6251 8227  
Website: www.sunwaywinstar.com  
Email: limkwh@sunway.com.my

**SUNWAY UNITED STAR SDN BHD** 199001018054 (209723-P)  
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  
Website: www.sunwaywinstar.com  
Email: howp@sunway.com.my

**SUNWAY COATING SOLUTIONS SDN BHD** 200201024249 (591912-V)  
No.17, Jalan TPP 6/11, Taman Perindustrian Puchong, Seksyen 6 Batu12, 47100 Puchong, Selangor, Malaysia  
Tel: (603) 8066 8510  
Website: www.sunwaywinstar.com  
Email: stevenlcc@sunway.com.my

**JAYA DIY MART SDN BHD** 200401035848 (674359-T)  
Lot 526, Persiaran Subang Permai, Sungai Penaga Industrial Park, USJ 1, 47600 Subang Jaya, Selangor, Malaysia.  
Tel: (603) 80219238  
Website: www.sunwaywinstar.com  
Email: laicp@sunway.com.my

**SUNWAY MATERIAL HANDLING SDN BHD** 201001035448 (919372-X)  
Lot 526, Persiaran Subang Permai, Sungai Penaga Industrial Park, USJ 1, 47600 Subang Jaya, Selangor, Malaysia.  
Tel: (603) 80219109  
Website: www.sunwaymaterialhandling.com.my  
Email: chenchk@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

**SUNWAY MARKETING (S) PTE LTD - GUL STREET BRANCH**  
11 Gul Street 4 Singapore 629240.  
Tel: (65) 6631 9968 Fax: (65) 6257 8759

**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, Nikompattana, 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

Together with You

**SUNWAY MARKETING (THAILAND) LTD - SARABURI BRANCH**  
13/4-5 Mittaphap 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

**SUNWAY MARKETING (THAILAND) LTD - NAKORN RATCHASIMA BRANCH**  
442/241 Petchmatucala Road, Huathalae, Muang, Nakornratchasima 30000, Thailand.  
Tel: (664) 407 7853 Fax: (664) 407 7853

**INDONESIA:**  
**PT SUNWAY TREK MASINDO** (30.03.1.46.03941)  
Jl. Kosambi Timur No. 47, Kompleks Pergudangan Sentra Kosambi, Blok H1 No. A, Kosambi Timur, Dadap – Tangerang, Jakarta 15211, Indonesia.  
Tel: (62) 21 5595 5445 Fax: (62) 21 5595 5447  
Website: www.sunway.co.id

**PT SUNWAY TREK MASINDO - BALIKPAPAN BRANCH**  
JL.AMD.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

**PT SUNWAY TREK MASINDO - PEKANBARU BRANCH**  
Komplek Pergudangan Avian 3 in 1, Blok D-06, Jl. Aregka II Pekanbaru, Riau 28292, Indonesia.  
Tel: (62) 761 863 834 / 761 863 832 Fax: (62) 761 863 836

**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

**PT SUNWAY TREK MASINDO - BANJARMASIN BRANCH**  
Komplek Pergudangan Kalimantan Kencana, 21 A.Yani KM 20.8 Arah Pelaihari, Landasan Ulin Selatan Liangganggang, Banjar Baru, Kalimantan Selatan, 70713 Indonesia.  
Tel: (62) 51 1320 0033 Fax: (62) 51 1320 0032

**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

**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

**PT SUNWAY TREK MASINDO - PALEMBANG BRANCH**  
Komplek Pergudangan Sukarami, Jl. Tembusan Terminal KM 12, Blok G No 06, Alang-alang Lembar, Palembang, 30162 Indonesia.  
Tel: (62) 711 564 5458 / 711 564 5459 Fax: (62) 711 564 5459

**PT SUNWAY FLOWTECH** (33.10.1.46.08497)  
**PT SUNWAY PACIFIC FLOW** (33.10.1.22.12193)  
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

**CHINA:**  
**SUNWAY TRADING (SHANGHAI) PTE LTD** (913101157914850741)  
No. 868, Kangqiao Road, Kangqiao Town, Pudong New Area, Shanghai 201315, China.  
Tel: (8621) 6806 6669 / 6806 6662 Fax: (8621) 6806 6981  
Website: www.ssunflex.com  
Email: huanyt@sunway.com.my

**SUNWAY TRADING (SHANGHAI) PTE LTD - GUANGZHOU BRANCH**  
Room 418, Building B, TCL Cultural Industry Park, No. 69 Guangpuxi Road, Science City, Luogang District, Guangzhou, China.  
Tel: (8620) 8232 6872 Fax: (8620) 8231 5217

**SUNWAY MARKETING (SHANGHAI) PTE LTD** (91310000754754685X)  
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** (91340200791881536N)  
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** (91340200669452949D)  
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**  
2/57 Barley Place, Canning Vale 6155 WA, 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**  
9 Islington Court, Dudley Park, SA 5008, Australia.  
Tel: (618) 8268 5110 Fax: (618) 8268 5226  
Email: adelaide@totalrubber.com.au

**SUNWAY TOTALRUBBER SERVICES FRANCHISING PTY LTD** (ABN 31 007 254 248)

**SUNWAY TOTALRUBBER - TASMANIA KINGSMEADOWS FRANCHISEE**  
3 Merino Street, Kings Meadows, 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: burnie@totalrubber.com.au

**VIETNAM:**  
**SUNWAY MARKETING (VIETNAM) CO. LTD** (0315044226)  
Warehouse 1, Lot Va. 12-10b, Road 17 & 22 Industrial Park, Tan Thuan Export Processing Zone, Tan Thuan Dong Ward, District 7, Ho Chi Minh City, Vietnam.  
Tel: (84) 3636 3300  
Email: sunwayvnn@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

BUILDING MATERIALS DIVISION

**SUNWAY PAVING SOLUTIONS SDN BHD\*** 198101011363 (77490-W)  
3.2, Level 3, Menara Sunway  
Website: www.sunwaypavingsolutions.com

**Sales Office:**  
**HQ**  
Tel: (603) 5639 9916 / 9325 Fax: (603) 5639 9600

**Nibong Tebal**  
Tel: (604) 593 8697/8 Fax: (604) 593 8695

**Senai**  
Tel: (607) 599 5553 Fax: (607) 599 3827

**Marang**  
Tel: (609) 617 3924 / 925 Fax: (609) 617 3923

**Factory:**  
**Batang Kali**  
Lot No. 10071, Mukim Batang Kali, 44300 Daerah Ulu Selangor, Selangor Darul Ehsan, Malaysia.  
Tel: (603) 6057 2407 Fax: (603) 6057 2423

**Nibong Tebal**  
Lot No. 2788, 2796 & 2797, Lorong Industri 3, Kawasan Perindustrian Bukit Panchor Mukim 7, 14300 Nibong Tebal, Seberang Perai 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 61601, Kawasan Perindustrian Bukit Kor, 21600, Mukim Rusila, Marang, Terengganu Darul Iman.  
Tel: (609) 617 3924 / 925 Fax: (609) 617 3923

**SUNWAY PAVING SOLUTIONS (SABAH) SDN BHD\*** 199001000486 (192044-U)  
3.2, Level 3, Menara Sunway  
Tel: (603) 5639 8282 (General Line) Fax: (603) 5639 9600

**Sales Office:**  
**Kota Kinabalu**  
Tel: (6088) 785 146 Fax: (6088) 787 169

**Factory:**  
**Kota Kinabalu**  
Mile 17½, Kampung Bakut, Jalan Tuaran, 89208 Tuaran, Sabah, Malaysia.  
Tel: (6088) 785 146 Fax: (6088) 787 169

**SUNWAY VCP SDN BHD\*** 199001014212 (205881-A)  
3.2, Level 3, Menara Sunway  
Tel: (603) 5639 8282 (General Line) Fax: (603) 5639 9600  
Website: www.sunway.com.my/sunwayvcp/

**Sales Office:**  
**Klang**  
Tel: (603) 3291 5288 Fax: (603) 3291 5388

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**Factory:**  
**Klang**  
Lot 6489 & 6490, Off 6th Mile, Jalan Kapar 42100 Klang, Selangor Darul Ehsan, Malaysia.  
Tel: (603) 3291 5288 Fax: (603) 3291 5388

**SUNWAY SPUN PILE (M) SDN BHD\*** 199601039484 (411837-T)  
3.2, Level 3, Menara Sunway  
Tel: (603) 5639 8282 (General Line) Fax: (603) 5639 9600

**Sales Office:**  
**Batang Kali**  
Tel: (603) 6057 3868 Fax: (603) 6057 9868

**Factory:**  
**Batang Kali**  
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: 519120  
Tel: (86) 0756 523 2666 Fax: (86) 0756 523 2883 / 523 2028  
Website: www.sunwayzh.com

QUARRY DIVISION

**SUNWAY QUARRY INDUSTRIES SDN BHD\*** 198301015008 (110401-A)  
**SUNWAY QUARRY (KUALA KANGSAR) SDN BHD\*** 199101011280 (221592-V)  
**SUNWAY QUARRY INDUSTRIES (MELAKA) SDN BHD\*** 196101000231 (4271-D)  
**TWINNERS (MALAYSIA) SDN BHD\*** 199301023884 (278622-A)  
**DOLOMITE GRANITE QUARRY SDN BHD\*** 201701020903 (1235069-M)  
Level 6, Menara Sunway  
Tel: (603) 5639 8887 Fax: (603) 5639 9839

**Rawang**  
Lot 14257 (PT11894) & Lot 14256 Mukim Rawang, Daerah Gombak Selangor Darul Ehsan, Malaysia  
Tel: (6019) 239 5974

**Sg. Buloh**  
Kompartment 9, Hutan Simpan Bukit Lagong, Kuang, 48050 Rawang Selangor Darul Ehsan  
Tel: (6019) 2761622

**Cheras (Quarry)**  
Kompartment 11, Hutan Simpan Sungai Langang & Hutan Simpan Hulu Langat Mukim Ulu Langat, District of Ulu Langat Selangor Darul Ehsan, Malaysia  
Tel: (6019) 347 7276

**Hulu Langat (Dolomite)**  
Batu 11 3/4, Sungai Serai, 43100 Hulu Langat, Selangor Darul Ehsan  
Tel : (6019) 358 2337

**Semenyih**  
Lot 7144, Mukim Semenyih, Daerah Hulu Langat 43500 Selangor Darul Ehsan, Malaysia  
Tel: (6019) 320 3691

**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  
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**Sungai Bakap**  
Lot 20074 HSD 46027, Mukim 12, 14200 Seberang Perai Selatan, Pulau Pinang, Malaysia  
Tel: (604) 582 0226 Fax: (604) 582 1287

**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) 234 6853

**Kemaman**  
PT 8627, Mukim Teluk Kalung, 24000 Kemaman, Terengganu Darul Iman, Malaysia  
Tel: (6019) 271 5823

**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 Pulai Bt. 22 2/4, Jalan Johor, Pekan Nanas 81500 Pontian, Johor Darul Takzim, Malaysia  
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**Masai**  
Lot No. 80705 Mukim Plentong Masai, Johor Darul Takzim, Malaysia  
Tel: (6019) 262 3204

**BLACKTOP INDUSTRIES SDN BHD\*** 198201004614 (84361-K)  
**BLACKTOP LANCHANG SDN BHD\*** 198501006021 (138463-T)  
**CAN TECHNICAL SERVICES SDN BHD\*** 200801025503 (826828-A)  
**TKM SDN BHD\*** 197701001268 (32138-M)  
Level 6, Menara Sunway  
Tel: (603) 5639 8887 Fax: (603) 5639 9949

**Rawang**  
P.T. NO. 597-B, Batu 16, 48000 Rawang Selangor Darul Ehsan  
Tel: (603) 60915166 / (603) 60916166

**Salak Tinggi**  
Lot 5868, Sg Labu, Mukim Tanjung 12 43900 Salak Tinggi, Sepang Selangor Darul Ehsan  
Tel: (6016) 2053190 / (6019) 6926926

**Nilai**  
Lot 8595, Jalan Pajam, Kg. Gearbok 71700 Pajam, Negeri Sembilan Darul Khusus  
Tel: (6012) 2101158

**Bukit Mendi**  
Lot 28320 Triang, Pahang Darul Makmur  
Tel: (609) 2562633 / (609) 2561050

**Bukit Damar**  
Lot PT5872, Bukit Damar, 28500 Lanchang Pahang Darul Makmur  
Tel: (6019) 3301398

**Gambang**  
Lot 5546, KM20, Jalan Gambang-Kuantan, 26070 Kuantan, Pahang Darul Makmur (6019) 2641206

**Gebeng**  
Lot 1450, Jalan Kuari, Kg. Selamat, Pelabuhan Kuantan, 26100 Kuantan Pahang Darul Makmur  
Tel: (6012) 2101159

**Bukit Jerus**  
KM23, Jalan Kota Bharu Pasir Puteh Mukim Jerus, Daerah Bukit Jawa 16800 Pasir Puteh, Kelantan Darul Naim  
Tel: (6011) 39146075

HEALTHCARE DIVISION

**SUNWAY MEDICAL CENTRE SDN BHD** 199501012653 (341855-X)  
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 CLINICS SDN BHD** 200901000734 (843658-D)  
**SUNMED CLINIC @ SUNWAY PYRAMID**  
CP2.01, Sunway Pyramid Mall, No. 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.sunwaymedical.com

**SUNMED@HOME SDN BHD** 200301033046 (635467-K)  
**HOME-CARE SERVICES**  
F-02-11, Sunway Geo Avenue, Jalan Lagoon Selatan, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia  
Tel: (603) 7491 1477 Fax: (603) 5632 4688  
Email: smc@sunway.com.my  
Website: www.sunwaymedical.com/sunmedathome

**SUNWAY TCM CENTRE**  
B1-02-01, Sunway GEO Avenue, Jalan Lagoon Selatan, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia  
Tel: (603) 5886 1818 Fax: -  
Email: stcm@sunway.com.my  
Website: www.sunwaytcm.com

**SUNMED VELOCITY SDN BHD** 199001018477 (210146-H)  
**SUNWAY VELOCITY MEDICAL CENTRE**  
Lingkarán SV, Sunway Velocity, 55100 Kuala Lumpur, Malaysia  
Tel: (603) 9772 9191 Fax: -  
Email: smcv-enquiry@sunway.com.my  
Website: www.sunwaymedical.com/velocity

**SUNWAY SPECIALIST CENTRE SDN BHD** 201801013875 (1275891-D)  
**SUNWAY SPECIALIST CENTRE DAMANSARA**  
B-G-01, B-G-02, B-G-03, Sunway Nexus Retail, Jalan PJU5/1, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia  
Tel: (603) 6411 9191 Fax: -  
Email: sscd@sunway.com.my  
Website: www.sunwaymedical.com/sscd

**SUNWAY MEDICAL CENTRE (SINGAPORE) PTE LTD** (201813890K)  
101 Irrawaddy Road, Royal Square @ Novena, #09-01, Singapore 329565  
Tel: +65 6911 0699 Fax: -  
Email: smcsg@sunway.com.my  
Website: www.sunwaymedical.com/sunmed-singapore

**SUNWAY HEALTHCARE HOLDINGS SDN BHD** 202101000296 (1400594-U)  
**ALLIANCE PARADE SDN BHD** 199201006107 (237611-X)  
**PARADIGM FAIRVIEW SDN BHD** 201601002365 (1173291-W)  
**PLATINIUM GREENWAY SDN BHD** 201601002368 (1173294-V)  
**SUNWAY ISKANDAR MEDICAL CENTRE SDN BHD** 201701020120 (1234285-U)  
**SUNWAY MEDICAL CENTRE IPOH SDN BHD** 201901002482 (1311808-P)  
**SUNWAY MEDICAL CENTRE KOTA BHARU SDN BHD** 201901002481 (1311807-A)  
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

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FINANCIAL & INSURANCE SERVICES

**SUNWAY CREDIT SDN BHD\*** 198201001023 (80767-A)  
**SUNWAY LEASING SDN BHD\*** 197701004387 (35433-X)  
**SWL NOMINEES (TEMPATAN) SDN BHD\*** 199601016457 (388808-U)  
**SUNWAY RISK MANAGEMENT SDN BHD\*** 198401017657 (130211-V)  
Level 5, Menara Sunway  
Tel: (603) 5639 9299  
Fax: (603) 5639 9608/9

**SUNWAY CAPTIVE INSURANCE LTD** (LL07119)  
Lot 3, 2nd Floor, Lazenda Phase 3 Shophouse, Off Jalan OKK Abdullah, 87000 Labuan

SECRETARIAL, SHARE REGISTRATION & MANAGEMENT SERVICES

**SUNWAY MANAGEMENT SDN BHD\*** 197901006377 (50661-X)  
**SUNWAY MANAGEMENT SERVICES SDN BHD\*** 200701027524 (785546-K)  
Level 16, Menara Sunway  
Tel: (603) 5639 8889 Fax: (603) 5639 9507

**SUNWAY SERVICES SDN BHD\*** 202001042386 (1398707-P)  
Level 17, Menara Sunway  
Tel: (603) 5639 8889 Fax: (603) 5639 9566

SHARED SERVICES CENTRE

**SUNWAY SHARED SERVICES SDN BHD \*** 200301000606 (603026-A)  
**SUNWAY QUANTUM SDN BHD\*** 201601007242 (1178170-K)  
Level 4.3, Menara Sunway  
Tel: (603) 5639 8822 Fax: (603) 5639 9293  
Website: www.sunway.com.my

**SUNWAY HR SHARED SERVICES SDN BHD\*** 200101023273 (559031-P)  
Level 5, Menara Sunway  
Tel: (603) 5639 9693

**SUNWAY FSSC SDN BHD\*** 200201034473 (602138-H)  
Level 10, Menara Sunway  
Tel: (603) 5639 8989 Fax: (603) 5639 9524

OTHERS

**SUNWAY SUPPLY CHAIN ENTERPRISE SDN BHD\*** 199601023399 (395751-M)  
Level 1, Menara Sunway  
Tel: (603) 5639 8003 Fax: (603) 5639 9560

**SUNWAY TREASURY SDN BHD\*** 199701018508 (434005-W)  
**SUNWAY TREASURY SUKUK SDN BHD\*** 201401012121 (1088200-V)  
Level 17, Menara Sunway  
Tel: (603) 5639 8889 Fax: (603) 5639 9566

**SUNWAY PALS LOYALTY SDN BHD\*** 201001030080 (914000-K)  
Level 12, Menara Sunway  
Tel: (603) 5639 8889 Fax: (603) 5639 8233

**DECO STYLE SDN BHD\*** 198101005159 (71273-V)  
Level 5, Menara Sunway  
Tel: (603) 5639 6007 Fax: (603) 5639 9539

**SUNWAY MONEY SDN BHD\*** 201701006011 (1220176-V)  
Level 14, Menara Sunway  
Tel: (603) 5639 8889 Fax: (603) 5639 9566

**SUNWAY SOUTHERN MANAGEMENT SDN BHD** 201301006868 (1036708-K)  
**SUNWAY PENDAS MANAGEMENT SDN BHD** 201301036256 (1066085-A)  
Level 7, Hab Citrine  
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**SUNWAY DESIGN SDN BHD** 198501012763 (145218-T)  
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**SUNWAY LEADERSHIP CENTRE SDN BHD\*** 201601013668 (1184599-V)  
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**PASIR MAS HOLDINGS SDN BHD** 198901010603 (187905-H)  
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Tel: (603) 5611 6996/ (603) 5639 4439

**SUNWAY VENTURES SDN BHD\*** 199801000325 (456451-P)  
**MONUMENTAL PRODUCTIONS SDN BHD\*** 201601031382 (1202323-K)  
**SUNWAY POPBOX SDN BHD\*** 200301020470 (622890-M)  
**SUN ILABS ACCELERATOR SDN BHD** (formerly known as Sunway Factoring Sdn Bhd)\* 20190100671 (1316043-T)  
Level 1, Menara Sunway  
Tel: (603) 5639 8888

**SUNWAY PHARMA SDN BHD\*** 200801001199 (802483-M)  
**SUN SEA CAPITAL SDN BHD\*** 200801001856 (803140-W)  
**SUN SEA I SDN BHD** (formerly known as I Star Electrical Sdn Bhd)\* 201101038733 (966855-W)  
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**CREDIT BUREAU MALAYSIA SDN BHD** 200801018741 (820050-T)  
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COMPANIES MARKED WITH ASTERISK (\*) ARE LOCATED AT MENARA SUNWAY

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**SUNWAY BERHAD**

[Registration No. 201001037627 (921551-D)]

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